



ANNUAL REPORT 2016



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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

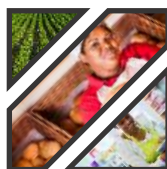
The bank stakeholders can always count on its reliability and loyalty.

Empathy

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

Excellence

We seek to create and raise standards

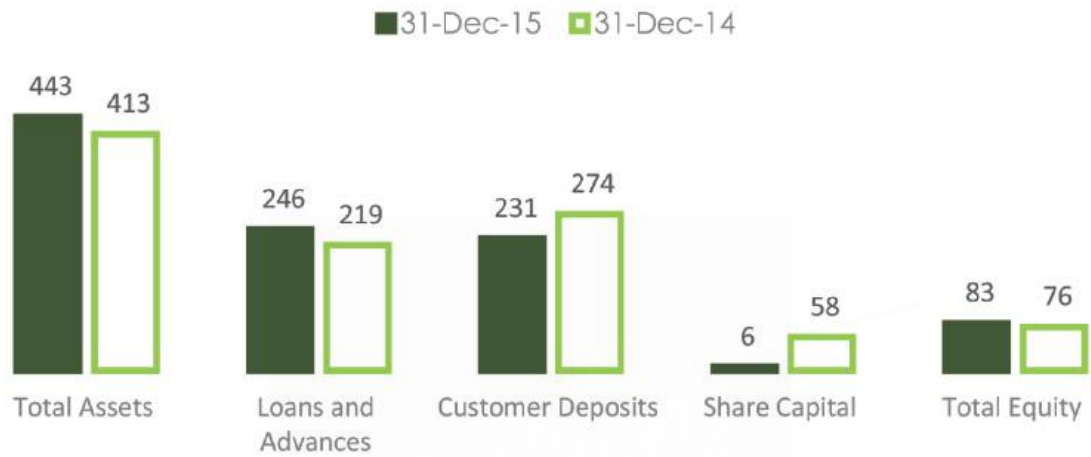


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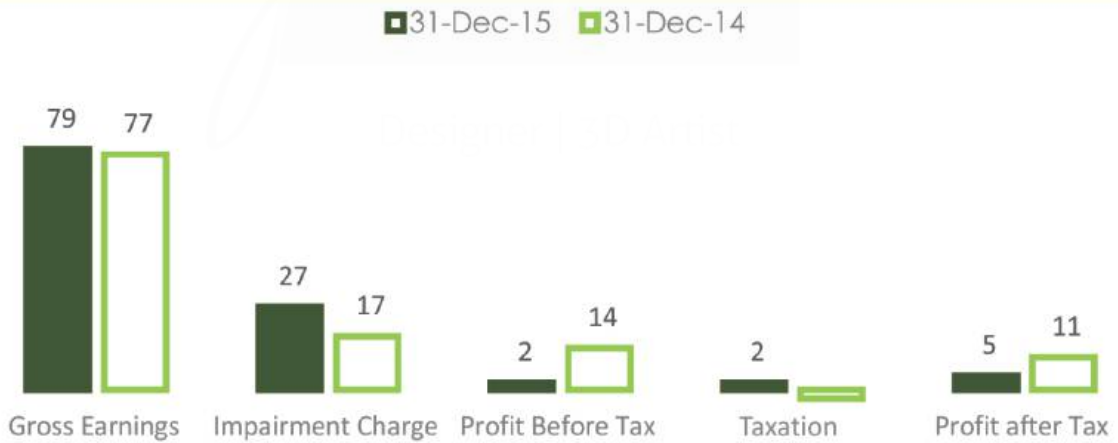
FINANCIAL HIGHLIGHTS

	31 December 2015 N'000	31 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

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



Thomas A. Etuh

CHAIRMAN (Appointed as Director 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 the Board Finance & General Purpose Committee, Board Governance & Nominations Committee amongst others. He was appointed Chairman of the Board on

Mr. 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 and has business interests both at home and abroad which includes Tak Aviation Limited, Tak Asset Management Limited, Tak Agro & Chemical Limited, Mainstream Energy Solutions Limited, Federal Superphosphate Fertilizer Company and Cape Cross Salt (PTY), Namibia. He is also a Principal Partner of Thomasses & Associates Limited, among others.

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



Aminu Babangida

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

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.

Alhaji Babangida was appointed to the Board of Unity Bank Plc in March, 2011 as a Non-Executive Director where he has held Chairmanship and membership positions in a number of Board Committees including the Board Credit Committee, Board Audit Committee, Board Information Technology Strategy Committee and the Board Governance & Nominations Committee. He attended Regents Business School, London and Westminster Business School, London where he obtained a BA in International Business and an 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 (BDAN). He is currently the Chairman, Board Credit Committee and Member of the Board Finance & General Purpose Committee, Board Risk Management & Audit Committee and Board Governance & Nominations Committee.



Dr. Oluwafunsho Obasanjo

DIRECTOR (Appointed as Director w.e.f March, 2011)

Dr. Oluwafunsho Obasanjo was appointed to the Board of Unity Bank PLC as Non-Executive Director in March, 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 and also holds a PhD in Bio-Organic Chemistry from the University of East Anglia, London.

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

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



Sam N. Okagbue

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

Mr. Sam N. Okagbue was appointed to the Board in February, 2015. He is currently the Chairman, Board Risk Management & Audit Committee and Member of the Board Finance & General Purpose Committee, Board Credit Committee, Board Governance & Nominations Committee and the Statutory Audit Committee.

He is a legal practitioner; a founding member, and currently 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 include: Associate in the Law Firm of Bentley Edu & Co., where he subsequently became a Partner and Managing Partner; Company Secretary and Legal Adviser, Fidelity Union Merchant Bank; Legal Advisor to African Institute of Petroleum; and Consultant to the 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 the Nigerian Bar Association. He has been a Notary Public (Federal Republic of Nigeria) since 1992.

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

He is currently the chairman....



Yabawa Lawan Wabi, mni

DIRECTOR (Appointed as Director w.e.f February, 2015)

Hajija Yabawa Lawan Wabi, mni was appointed to the Board of Unity Bank Plc in February, 2015. She is the Chairman, Board Governance & Nominations Committee and Member of the Board Finance & General Purpose Committee, Board Credit Committee, Board Risk Management and Audit Committee and the Statutory Audit Committee.

Hajija 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.

Hajija 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, National Institute for Policy and Strategic Studies (NIPSS) and a Fellow of the Association of National Accountants of Nigeria.

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



Ibrahim M. A. Kaugama

DIRECTOR (Appointed as Director w.e.f March, 2011)

Alhaji Ibrahim M. A. Kaugama was appointed to the Board as a Non-Executive Director in March, 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.

Alh. Kaugama was a Member of the Board Finance & General Purpose Committee, Board Risk Management Committee, Statutory Audit Committee, amongst others.

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



Hakeem Shagaya

DIRECTOR (Appointed as Director w.e.f March, 2011)

Mr. Hakeem Shagaya was appointed to the Board of unity Bank Plc as a Non-Executive Director in March, 2011. He was the Chairman, Board Information Technology Strategy Committee and Member of the Board Credit Committee, Board Finance & General Purpose Committee, and Board Governance & Nomination Committee. 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 degree in Management of Science, Technology & Innovation from the University of Manchester Business School, UK.

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



Richard Gboyega Asabia

INDEPENDENT DIRECTOR (Appointed as Director w.e.f March, 2011)

Mr. Richard Gboyega Asabia was an Independent Director. He Chaired the Board Risk Management Committee, and was a Member of the Board Information Technology Strategy Committee, and Board Credit Committee.

Mr. Asabia was appointed to the Board as an Independent Director in March, 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 a Director on the Boards of Custodian & Allied Insurance Plc, Crusader Sterling Pensions Ltd and Custodian & Allied Plc.

Prior to joining Interstate Securities Ltd 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, and Future Glanvills Pension Limited.

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



Dauda N. Iliya

DIRECTOR (Appointed as Director w.e.f February, 2015)

Mr. Dauda N. Iliya was appointed to the Board in February, 2015. He Chaired the Board Credit Committee, and was a member of the Board Finance & General Purpose Committee, Board Risk Management Committee, Board Governance & Nominations Committee amongst others.

He has over three decades of banking experience spanning Operations, Risk Asset Assessment, Loan Recovery, Audit & Inspection, Treasury, 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 an 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), Certified Credit Administrators (AICCA), Institute of Directors (IOD) and Bank Directors Association of Nigeria.

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



Priya Heal

DIRECTOR (Appointed as Director w.e.f February, 2015)

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

Mrs. Heal is a goal oriented achiever whose work goes beyond geographical boundaries. She has worked 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.

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



Tomi Somefun

MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER (Appointed as Director w.e.f Aug, 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 Credit Committee, amongst others.

Mrs. Somefun has over 25 years cognate experience in the financial service 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 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 University of Ife (now Obafemi Awolowo University, Ile-Ife), Mrs. Somefun holds a B.Ed. English Language. 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. Somefun is a member of various professional bodies amongst which are the Institute of Directors (IOD), Bank Directors Association of Nigeria (BDAN) and the Chartered Institute of Bankers of Nigeria (CIBN).



Aisha A. Abraham

EXECUTIVE DIRECTOR Corporate Planning & Compliance (Appointed as Director w.e.f October, 2013)

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 worked as 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 served as 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 and later appointed Executive Director, Secretariat and Services of the Bank on 2nd October, 2013.

She is currently the Executive Director, Corporate Planning & Compliance and member of the Board Finance & General Purpose Committee, Board Credit Committee amongst others.

Mrs. Abraham obtained an LLB degree from the Ahmadu Bello University, Zaria in 1982 and was called to the Nigerian Bar in 1983. She is a member of various professional bodies amongst which are the Nigerian Bar Association (NBA), Institute of Directors (IOD), Bank Directors Association of Nigeria (BDAN) and the Chartered Institute of Bankers of Nigeria (CIBN).



Temisan Tuedor

EXECUTIVE DIRECTOR South Bank (Appointed as Director w.e.f June, 2015)

Mr. Temisan Tuedor was appointed to the Board as an Executive Director in June, 2015. He is a member of the Board Finance & General Purpose Committee, Board Credit Committee, amongst others.

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

He later returned to the Banking sector by joining Prudent Bank Limited in 2000 as a Pioneer Branch Manager and rose to become the Head, Special Task Force, Niger Delta Axis. He held strategic management positions as General Manager & Group Head, Apapa and Lagos Mainland Zone, Oceanic Bank International Plc (now Ecobank Plc); Senior Vice President and Internal Managing Director, Apapa, Bank PHB Plc (now Keystone Bank Ltd); and General Manager, Corporate and Commercial Banking both in Ikeja and Apapa/Lagos Mainland, Skye Bank. While at Skye Bank, he was a member of Assets and Liability Management Committee (ALCO), the 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, obtained in October, 2011.

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



Abubakar Abba Bello

EXECUTIVE DIRECTOR North Bank (Appointed as Director w.e.f January, 2014)

Mr. Abubakar Abba Bello was appointed to the Board as Executive Director in January, 2014. He was a member of the Board Credit Committee and Board Information Technology Strategy 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.

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



Dahiru Chadi

EXECUTIVE DIRECTOR Enterprise Risk Management (Appointed as Director w.e.f April, 2014)

Mr. Dahiru Chadi was appointed to the Board as Executive Director in April, 2014. He was a member of the Board Finance & General Purpose Committee, Board Credit Committee, amongst others.

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.

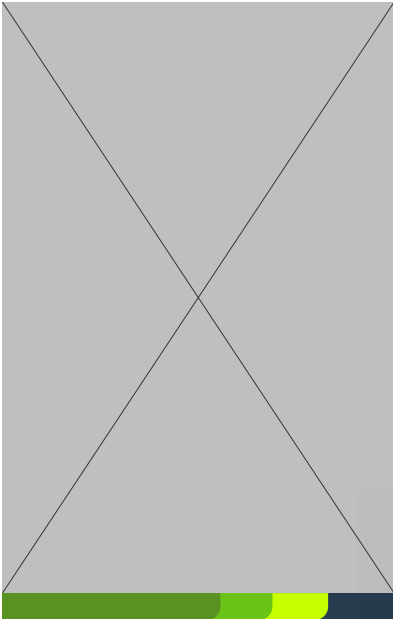
He began his banking career in the Bank of Industry (formerly Nigerian Industry Development Bank Ltd).

Prior to his appointment in Unity Bank Plc, Mr. Chadi worked as Head, Credit Department in AfriBank International Ltd (merchant Bankers); 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.

Mr. Chadi holds a B.Sc (Tech) in Textile Science & Technology from the Ahmadu Bello University, Zaria and a 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).

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



Mohammed Shehu

Mohammed Shehu is a Lawyer with diversified experience spanning Banking, financial services and regulatory environment. He has successfully plied his profession in multi disciplinary fields that involved litigation and Company Secretariat activities.

He began his career in 1996, as a Legal Officer in Nigeria Deposit Insurance Corporation where he coordinated amongst other things, cases of the corporation pending at the Failed Bank's Tribunal. Later same year and up until May, 2001, he practiced as a Counsel where he was actively involved in matters of debt recovery and prosecution of cases in the Law Firms of El-Thayyib & Co in Kano and Suleiman D. Lere & Co in Kaduna. He later joined NUB International Bank Limited in 2001 as Legal Officer and rose to become the Assistant Company Secretary/Legal Adviser; which bank later merged with 3 other entities to form FirstInland Bank Plc in 2006.

Shehu was at various times Acting Group Head Zonal Legal Coordination and Security Liaison (FinBankPlc), Acting Group Head, Legal (FinBankPlc), Company Secretary/Legal Adviser FinInsurance Ltd (the then Finbank Subsidiary). He was also Acting Company Secretary FinHomes Ltd (a Subsidiary of erstwhile Finbank). Before leaving FCMB in October 2014, he was Head, Legal Unit - FCT/North. He joined Unity Bank Plc in November 2014 as Deputy Company Secretary.

Mr. Mohammed Shehu holds an LLB degree from the Bayero University, Kano and was called to the Nigerian Bar in 1996. He subsequently obtained a Masters degree in International Affairs and Diplomacy from Ahmadu Bello University, Zaria.

He is a member of The Nigerian Bar Association and The Institute of Chartered Economists of Nigeria.

CHANGES THAT OCCURED ON THE BOARD IN 2017 ▾



Dahiru Chadi

EXECUTIVE DIRECTOR - E . R . M
(Resigned w.e.f June, 2017)



Abba Bello

EXECUTIVE DIRECTOR-North
(Exited w.e.f May, 2017)



M. A. Kaugama

DIRECTOR
(Resigned w.e.f June, 2017)



Priya Heal

DIRECTOR
(Resigned w.e.f June, 2017)

CHANGES THAT OCCURED ON THE BOARD IN 2017 ▾



Dr. H. Shagaya

DIRECTOR
(Resigned w.e.f June, 2017)



Richard Asabia

INDEPENDENT DIRECTOR
(Resigned w.e.f June, 2017)



Dauda N. Iliya

DIRECTOR
(Resigned w.e.f June, 2017)



Bank *Anywhere* at your **convenience**



Unity Mobile 
Banking Suit



Scan the Code to begin



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

Designer | 3D Artist

COMPANY REGISTERED NUMBER ▶ 94524**DIRECTORS** ▶

Thomas A. Etuh	-	Chairman
Aminu Babangida	-	Vice Chairman
Oluwafunsho Obasanjo	-	Director
Sam N. Okagbue	-	Director (Independent)
Yabawa Lawan Wabi, MNI	-	Director
Tomi Somefun	-	MD/CEO
Aisha A. Abraham	-	Executive Director
Temisan Tuedor	-	Executive Director

COMPANY SECRETARY ▾

Mohammed Shehu

REGISTERED OFFICE ▾

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

AUDITOR ▾

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

REGISTRAR AND TRANSFER OFFICE ▾

Unity Registrars Limited
15, Ogunlana Drive,
Lagos, Surulere.

TAX ADVISORS ▾

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



Enjoy
stress free
transactions

Unity Bank
Verve Card



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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

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Head Office Annex: Unity Bank Plc, Plot 290A, Akin Olugbade Street, Lagos State
Website: www.unitybankng.com

REPORTS OF THE BOARD MGT.

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, were 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

Designer | 3D Art

The Directors present their 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, 2016.

a. Representation

The Board of Directors represents all shareholders and acts in the best interest of the Bank. 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 is 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 will be contained in the Managing Director's report that will be presented in the annual 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

The table below summarizes the financial performance of the Bank in the period under review:

	DEC-16	DEC-15
	N'000	N'000
GROSS EARNINGS		
Profit before tax	84,012,662	78,173,941
Income tax credit / (expenses)	1,816,431	2,342,667
Profit after tax	367,367	2,346,490
Profit attributable to shareholders	2,183,798	4,689,157
Earnings per share	2,183,798	4,689,157
Basic earnings per share (Basic)	18.68	12.34
Diluted earnings per share	18.68	12.34

g. Directors

The names of the Directors during the period ended 31 December 2016 are as follows:

NAME	DESIGNATION
Thomas A. Etuh	Chairman
Aminu Babangida	Vice Chairman
Oluwafunsho Obasanjo	Director
Sam N. Okagbue	Director (Independent)
Yabawa Lawan Wabi, MNI	Director
Tomi Somefun	MD/CEO
Aisha A. Abraham	Executive Director
Temisan Tuedor	Executive Director

g. Directors (Continued)

NAME		DESIGNATION
Hakeem Shagaya	-	Director
Ibrahim M. A. Kaugama	-	Director
Richard Gboyega Asabia	-	Independent Director
Dauda N. Iliya	-	Director
Priya Heal	-	Director
Abubakar A. Bello	-	Executive Director
Dahiru Chadi	-	Executive Director

h. 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 31 DECEMBER 2016					
Name Of Directors	Direct Holdings	%	Indirect Holdings	%	
Thomas A. Etuh	1,053,199,290	9.01	NIL	-	
Aminu Babangida	NIL	-	615,889,636	5.54	El-Amin Nig. Ltd. And B-Sha Ltd
Richard Gboyega Asabia	195,851	0.002	NIL	-	Asabia S.O. Estate
Oluwafunsho Obasanjo	NIL	-	926,104,410	7.92	Tempo Food & Packing Ltd., Obasanjo Holdings, Alarab Properties Ltd., Agro Mixed Nigeria Ltd., Ibad Ltd.
Ibrahim Muhammad Abega Kaugama	NIL	-	130,444,483	1.11	Jigawa State Inv. & Property & Jigawa Forum
Hakeem Shagaya	710,348	0.006	136,934,522	1.17	Shagaya Bola
Priya Heal	NIL	-	1,480,614,483	12.67	Pan African Capital Nominees
Dauda N. Iliya	NIL	-			
Yabawa Lawan Wabi	NIL	-	4,024,157,461	34.42	Asset Management Corp. of Nigeria
Tomi Somefun	NIL	-	NIL	-	-
Aisha A. Abraham	1,024,667	0.01	NIL	-	-
Abba Bello	NIL	-	NIL	-	-
Chadi Dahiru	NIL	-	NIL	-	-
Temisan Tuedor	NIL	-	NIL	-	-

j. Shareholding Analysis

The Shareholding pattern of the Bank as at 31st December 2016 is as stated below:

RANGE	NO OF SHAREHOLDERS	UNIT
1 - 9,999	59,728	10,012,203
10,000 - 50,000	14,586	29,945,251
50,001 - 100,000	3,189	22,580,292
100,001 - 500,000	5,246	118,105,250
500,001 - 1,000,000	1,216	90,957,924
1,000,001 - 50,000,000	1,402	563,384,069
50,000,000 - 100,000,000	13	93,778,098
100,000,001 - 500,000,000	30	759,206,462
500,000,001 - 1,000,000,000	18	1,114,728,208
1,000,000,001 - 500,000,000,000	10	8,886,640,185
TOTAL	85,438	11,689,337,942

j. Substantial interest in shares

According to the register of members as at 31st December 2016 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	4,024,157,461	34.42%
PANAFRICAN CAPITAL NOMINEE	1,480,614,483	12.67%
THOMAS A. ETUH	1,053,199,290	9.01%
IBAD LIMITED	717,722,190	6.14%
EL-AMIN (NIG.) LTD	615,889,636	5.54%
TOTAL	7,891,583,060	67.78%

k. Acquisition of own shares

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

I. Corporate Social Responsibility (CSR)

For the year ended 31st December 2016, the Bank expended the sum N12.15 million, (December 2015 – N20,222,532) on various CSR Commitments covering the fields of Education/Capacity Building, Trade Promotions, Value Reorientation, Professional Developments, Community Interventions, Sports and Health as follows:

SN	Details of Expenditure	Category	Amount (N)	Date
1	SPONSORSHIP OF AGRI-BUSINESS AND EXPORT SEMINAR	Agriculture	500,000	25-Nov-16
2	PRODUCTION OF BRANDED ITEMS FOR FIN LITERACY DAY 2016	Capacity Building	440,000	6-Apr-16
3	PUBLIC ENLIGHTENMENT FOR FINANCIAL LITERACY CENTRE	Capacity Building	1,741,815	28-Nov-16
4	LEADERSHIP TRIBUITEE COLLOQUIUM - PROF AKIN MABOGUNJE	Capacity Building	2,000,000	13-Dec-16
5	SUPPLY OF RELIEF MATERIAL TO IDPs IN MAIDUGURI	Community Intervention	2,000,000	8-Sep-16
6	CHILDRENS DAY ENGAGEMENT AT OKUN AJAH HIGH SCHOOL	Community Intervention	1,420,583	21-Jun-16
7	SPONSORSHIP OF NDLEA PROGRAM - INT'L DAY AGAINST DRUG AND ILLICIT TRAFFICKING	Community Intervention	500,000	18-Aug-16
8	PUBLIC ENLIGHTENMENT - REBUILDING THE NORTH EAST	Community Intervention	500,000	11-Jan-16
9	SPONSORSHIP OF THE GREEN CREATIVE CONFERENCE ON ENHANCING NIGERIAS CREATIVE EDGE	Entrepreneurship Development	650,000	10-Jun-16
10	BEIBEI HAVEN FOUNDATION - FERTILITY WALK	Health	500,000	19-Oct-16
11	SPONSORSHIP OF HEALTHY FEEDING EVENT - FOOD AND BEVERAGE EVENTFUL LIMITED	Health	500,000	18-Aug-16
12	SPONSORSHIP OF 2016 MINNA NATIONAL POLO TOURNAMENT	Sports	1,150,000	14-Aug-16
13	50TH AHMADU BELLO ANNIVERSARY EVENTS	Value Reorientation	250,000	18-Mar-16
	TOTAL		12,152,398	

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.

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

(a) Analysis of total employees

Employees	31 DECEMBER 2016		31 DECEMBER 2015	
	Number	Percentage	Number	Percentage
Male	1283	66%	1,387	65%
Female	671	34%	744	35%
	1,954	100%	2,130	100%

(b) Analysis of Board and top management staff

j. Board members (Executive and non-executive Directors)	31 DECEMBER 2016		31 DECEMBER 2015	
	Number	Percentage	Number	Percentage
Male	10	67%	10	87%
Female	5	33%	5	13%
	15	100%	15	100%

ii Top Management staff (AGM-GM)	31 DECEMBER 2016		31 DECEMBER 2015	
	Number	Percentage	Number	Percentage
Male	18	95%	27	93%
Female	1	5%	2	7%
	19	100%	29	100%

(c) Further analysis of Board and top management staff

	31 DECEMBER 2016					
	Male		Female		Total	
Assistant General Managers	10	91%	1	9%	11	100%
Deputy General Managers	3	100%	0	0%	3	100%
General Managers	5	100%	0	0%	5	100%
Board Members (Non-Executive Directors)	7	70%	3	30%	10	100%
Board Members (EDs ex MD/CEO)	3	75%	1	25%	4	100%
Managing Director/CEO	0	0%	1	100%	1	100%
	28		6		34	

	31 DECEMBER 2015					
	Male		Female		Total	
Assistant General Managers	18	90%	2	10%	20	100%
Deputy General Managers	4	100%	0	0%	4	100%
General Managers	5	100%	0	0%	5	100%
Board Members (Non-Executive Directors)	7	70%	3	30%	10	100%
Board Members (EDs ex MD/CEO)	3	75%	1	25%	4	100%
Managing Director/CEO	0	0%	1	100%	1	100%
	37		7		44	

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 in 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.

o. Whistle Blowing

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

p. Statutory Audit Committee

Pursuant to the requirements of the Companies and Allied Matters Act CAP C20, LFN 2004, the Bank has in place an audit Committee comprising three Non-Executive Directors and three Shareholders as follows:

1	Sunday Akinniyi (Shareholder)	-	Member
2	Ahmed U. Ndanusa (Shareholder)	-	Member
3	Funke Titilayo Shodeinde (Shareholder)	-	Member
4	Sam N. Okagbue (Independent Director)	-	Member
5	Oluwafunsho Obasanjo (Non-Executive Director)	-	Member
6	Yabawa Lawan Wabi mni (Non-Executive Director)	-	Member

DIRECTORS' REPORT

For the year ended 31 December 2016

q. Disclosure of customer complaints in financial statements for the year ended 31 December 2016.

	NUMBER		AMOUNT CLAIMED (N'000)		AMOUNT REFUNDED (N'000)	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Pending complaints brought forward	352	264	2,319,119	7,300,670	-	-
Received complaints	32,334	15,298	15,705,271	3,671,628	-	-
Resolved complaints	(31,970)	(14,946)	(1,955,215)	(1,352,510)	1,165,673	275,059
Unresolved complaints escalated to CBN for intervention	275	5	11,915,798	171,320	906,071	-
Unresolved complaints pending with the bank carried forward	364	352	13,750,056	2,319,119	-	-

r. 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



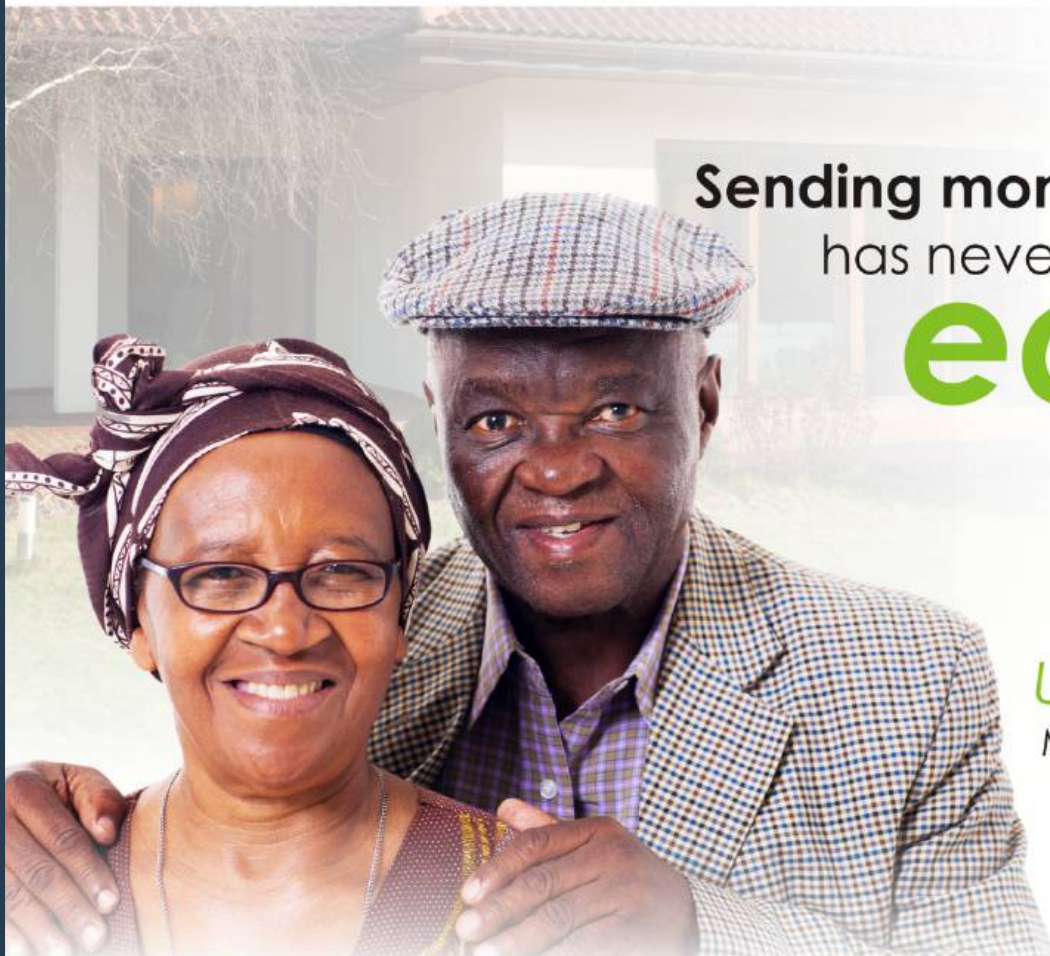
Mohammed Shehu
 Company Secretary
 Unity Bank Tower
 Plot 42, Ahmed Onibudo Street
 Victoria Island, Lagos.

Dated this ...20th...day of ...March... 2017



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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 GOVERNANCE INFORMATION

DESIGNED BY DART

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, 2016:

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 2016 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, 2014. The Public sector ownership currently stands at 8.34% as at 31st December, 2016.

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 competencies 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

Members of the Board of Directors during the period ended 31st December, 2016 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, mni	Non Executive Director
8.	Mr. Sam N. Okagbue	Independent Director
9.	Mrs. 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 Director and a Non-Executive Director is a renewable term of two (2) years and three (3) years each respectively.

Standing Board Committees

The Board carries out its oversight responsibilities through seven (7) standing Committees whose terms of reference it reviews regularly. All the Committees have clearly defined terms of reference, which set out their roles, responsibilities and functions, scope of authority and procedures for reporting to the Board. In Compliance with Code No. 6 on industry transparency, due process, data integrity and disclosure requirement, the Board has in place the following Committees and reporting structures through which its oversight functions are performed:

- 1 Board Audit Committee;
- 2 Board Credit Committee;
- 3 Board Risk Management Committee;
- 4 Board Finance and General Purpose Committee;
- 5 Board Information Technology & Strategy Committee;
- 6 Board Governance & Nominations Committee.
- 7 Statutory Audit Committee

Board Audit Committee

The Board audit committee has over sight functions over the Bank's internal control systems, financial reporting, disclosure policies and practices. This comprise of only Board members. The Committee is responsible of 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
- Financial Statements
- Internal Audit
- External Audit
- Whistle blowing
- Regulatory Reports
- Reporting

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 comprises of a total number 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= 750Million to =N=1 Billion for fund based facilities and from =N= 1.5 Billion to =N=2 Billion for non fund facilities. The following are its terms of reference:

Roles

The Role of the Committee is:

- i. Oversee Management's establishment of policies and guidelines, to be adopted by the Board
- ii. Articulating the Bank's tolerances with respect to credit risk, and overseeing Management's administration of, and compliance with, these policies and guidelines.
- iii. Oversee Management's establishment of appropriate systems (including policies, procedures, management and credit risk stress testing) that support measurement and control of credit risk.
- iv. Periodic review of Management's strategies, policies and procedures for managing credit risk, including credit quality administration, underwriting standards and the establishment and testing of provisioning for credit losses.
- v. Overseeing the administration of the Bank's credit portfolio, including Management's responses to trends in credit risk, credit concentration and asset quality.
- vi. Coordinate as appropriate its oversight of credit risk with the Board Risk Management Committee in order to assist the Committee in its task of overseeing the Bank's overall management and handling of risk.
- vii. Evaluate and or approve all credits beyond the powers of the Executive Management. viii. Ensure that a qualitative and profitable Credit Portfolio exist for the Bank.
- ix. Evaluate and recommend to the Board all credits beyond the Committee's powers.
- x. Review of credit portfolio within its limit in line with set objectives.
- xi. Review of classification of credit advances of the Bank based on prudential guidelines on quarterly basis. xii. Approving the restructuring and rescheduling of credit facilities within its powers;
- xiii. Write-off and grant of waivers within powers delegated by the Board; 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:

i. Dauda Iliya	Chairman
ii. Hakeem Shagaya	Member
iii. Sam N. Okagbue (Independent Director)	Member
iv. Priya Heal	Member
v. Aminu Babangida	Member
vi. Richard G. Asabia	Member
vii. Managing Director/CEO	Member
viii. ED, Enterprise Risk Mgt	Member
ix. ED, North	Member
x. ED, South-South & South-East	Member

Quorum: Five (5) members with at least three (3) Non-Executive Directors and one (1) Executive Directors.

Board Risk Management Committee (BRMC)

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

Roles

The Roles and Responsibilities of the Committee are:

- Overseeing the overall Risk Management of the Bank;
- Reviewing periodically, Risk Management objectives and other specific Risk Policies for consideration of the full Board;
- Evaluating the Risk Rating Agencies, Credit Bureau and other related Service Providers to be engaged by the Bank;
- Approving the internal Risk Rating Mechanism;
- Reviewing the Risk Compliance reports for Regulatory Authorities;
- Reviewing and approving exceptions to The Bank's Risk Policies;
- Review of policy violations on Risk issues at Senior Management Level;
- Certifying Risk Reports for Credits, Operations, Market/Liquidity subject to limits set by the Board;
- Evaluating the risk profile and risk management plans for major projects and new ventures to determine the impact on the Bank's risk profile.
- Ensuring compliance with global best practice standards as required by the Regulators.
- Monitoring the market, Operational, Reputational, Liquidity, Compliance, Strategic, Legal and other Risks as determined by the board.
- Any other oversight functions as may, from time to time, be expressly requested by the Board.

Membership

The Committee shall have a minimum of Seven (7) members. The Membership of the Committee is as follows:

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

Quorum

The quorum shall consist of four (4) members with a member each of the non-Executive and Executive Director status

Board Finance and General Purposes Committee

The Finance & General Purposes Committee of the Board has oversight function on capital and operational expenditures of the Bank as well as staff matters.

Its terms of reference are as follows:

- 1 Periodic review of the Bank's Strategic Plans inclusive of required Organisational Structure to drive the plans;
- 2 Review of the Bank's Annual Budget and on quarterly basis, Budget variances.
- 3 Measuring actual performance against budget by reviewing Management accounts and operating results
- 4 Hire, Fire and Promote staff of Principal Manager grade and recommendations on such issues of staff on grades of AGM and above to the Board;
- 5 Monitor compensation arrangements to ensure that the Bank is attracting and retaining highly qualified staff through competitive salary and benefits, programmes and awards;
- 6 Review long range planning for Top and Senior Management development and succession;
- 7 Review the recommendation of Management for the total size and distribution of the Annual incentive Bonus and approve such amounts or recommend to the Board.

Membership

The Committee shall comprise of at least Seven (7) Members and the Chairman shall be a Non-Executive Director. The Membership of the Committee is as follows:

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

Quorum shall be Five (5) Members with at least one (1) Executive Director present.

Board Information Technology & Strategy Committee

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 & Strategy requirements of the Bank.

Objective of the Committee

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

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

Strategic Alignments

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

IT Resource Management

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

Risk Management

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

Performance Management

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

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

The BITSC shall report the status and changes that impact on the Bank's IT to the Board and ensure that approved IT projects are efficiently and effectively implemented in line with approved IT policy and strategy.

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 and voting:

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 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.
- The remuneration policies of the Bank in general.
- Recommending to the Board policies and processes for effective and dynamic leadership and governance.
- Advising and recommending board education, training, retreats, and orientation for new members.
- Ensuring that the Bank maintains remuneration and incentive policies and practices that are competitive, fair, and in line with best practice in order to attract and retain good hands.
- Recommend a Board succession plan to allow for orderly and smooth succession on the Board.
- The Committee shall ensure that the remuneration of Executives and Board members align with the long term interest of the Bank and its shareholders. The Committee shall ensure that the level of remunerations is sufficient to attract, retain and motivate executive officers of the Bank which shall be balanced against the Bank's interest in not paying excessive remuneration.

Membership

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

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

Quorum

The Quorum of the Committee shall be constituted with the attendance of any three (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 comprises an equal number of Shareholders representative and Board Members not exceeding six (6).

- 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
- Financial Statements
- Internal Audit
- External Audit
- Whistle blowing
- Regulatory Reports
- Reporting

General

- Ensure that there is an open avenue of communication between the Internal Auditors and the Board and confirm the 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 (Shareholder)	Chairman
2 Sam N Okagbue (Independent Director)	Member
3 Ibrahim M. A Kaugama (Non-Executive Director)	Member
4 Funke T. Shodeinde (Shareholder)	Member
5 Ahmed U. Ndanusa (Shareholder)	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 1, 2016 to December 31, 2016.

BOARD MEETING DATES AND ATTENDANCE OF DIRECTORS FOR 2016:

	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	11-Feb-16 12-May-16 29-Sep-16 2-Nov-16 12-Dec-16	21-Jan-16 26-Apr-16 26-Sep-16 1-Dec-16	26-Jan-16 29-Apr-16 26-Sep-16 29-Nov-16	27-Jan-16 28-Jan-16	28-Jan-16 31-Mar-16 27-Apr-16 26-Sep-16	28-Jan-16 25-Apr-16 27-Sep-16 29-Nov-16	27-Jan-16 25-Feb-16 29-Mar-16 26-Apr-16 27-Sep-16 16-Nov-16 30-Nov-16	25-Jan-16 25-Feb-16 29-Mar-16 20-Apr-16 15-Aug-16 16-Nov-16 28-Nov-16
Number of Meetings	5	4	4	2	4	4	7	7
Thomas A. Etuh	5	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Aminu Babangida	4	1	N/A	1	3	2	N/A	N/A
Richard G. Asabia	5	3	4	N/A	N/A	4	N/A	N/A
Ibrahim M. A. Kaugama	5	N/A	4	N/A	4	N/A	7	7
Oluwafunsho Obasanjo	5	N/A	4	2	4	4	N/A	N/A
Hakeem Shagaya	5	3	N/A	2	3	4	N/A	N/A
Priya Heal	5	2	N/A	2	4	N/A	5	N/A
Yabawa Lawan Wabi	5	N/A	4	N/A	N/A	4	7	7
Sam Okagbue	5	4	N/A	N/A	N/A	N/A	7	7
Dauda N. Iliya	5	4	4	2	4	3	7	N/A
Tomi Somefun	5	4	4	N/A	3	3	N/A	N/A

	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	11-Feb-16 12-May-16 29-Sep-16 2-Nov-16 12-Dec-16	21-Jan-16 26-Apr-16 26-Sep-16 1-Dec-16	26-Jan-16 29-Apr-16 26-Sep-16 29-Nov-16	27-Jan-16 28-Jan-16	28-Jan-16 31-Mar-16 27-Apr-16 26-Sep-16	28-Jan-16 25-Apr-16 27-Sep-16 29-Nov-16	27-Jan-16 25-Feb-16 29-Mar-16 26-Apr-16 27-Sep-16 16-Nov-16 30-Nov-16	25-Jan-16 25-Feb-16 29-Mar-16 20-Apr-16 15-Aug-16 16-Nov-16 28-Nov-16
Aisha Azumi Abraham	5	N/A	3	N/A	3	3	N/A	N/A
Abubakar Abba Bello	5	4	N/A	N/A	N/A	4	N/A	N/A
Dahiru Chadi	5	4	4	N/A	4	4	N/A	N/A
Temisan Tuedor	4	4	N/A	N/A	N/A	4	N/A	N/A

NOTE- Indicators: A - attended, AB - absent with apology, N/A- Not Applicable

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.

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
Members:	Executive Director, Enterprise Risk Management
	Executive Director, Secretariat & Services
	Head, Lagos & West
	Head, Abuja & Central
	Chief Financial Officer
Secretary	Head, Loan Recovery
	Treasury Group

Functions of the Assets and Liability Committee

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

Management IT Steering Committee

Membership of the Management IT Steering Committee is as follows:

Chairman:	Group Head, IT & Operations Directorate
Members:	Executive Director, Enterprise Risk Management
	Executive Director, Secretariat & Services
	Head, Lagos & West
	Head, Abuja & Central
	Head, Information Technology
	Chief Financial Officer
	Group Head, Internal Control
Secretariat:	Group Head, Internal Audit
	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

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

Membership

The Committee has the following membership:

Chairman:	Executive Director, Enterprise Risk Management
Members:	Executive Director, North
	Executive Director, Secretariat & Services;
	Head, Lagos & West
	Head, Abuja & Central
	Head, Enterprise Risk Management;
	Chief Financial Officer;
	Group Head, Legal & Compliance;
Secretariat:	Group Head, Internal Audit;
	Group Head, Operations & IT;
	Group Head, Internal Group;
	Risk Management Group

Functions of the Committee:

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

Risk Management

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

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

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

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

Implementation of Code of Corporate Governance

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

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

Security Trading Policy

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

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 judgments and estimates, that are consistently applied

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

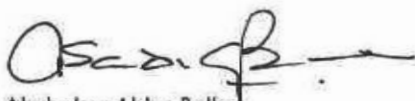
- International Financial Reporting Standards;
- Prudential Guidelines for Licensed Banks;
- Relevant circulars issued by the Central Bank of Nigeria;
- Code of Corporate Governance;
- The requirements of the Banks and Other Financial Institutions Act; and
- The requirements of the Companies and Allied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

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Bank and of the 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.

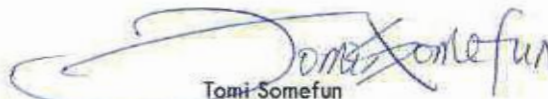
Nothing has come to the attention of the Directors to indicate that the Bank will not remain a going concern for at least twelve months from the Bank's reporting date.

The financial statements of the Bank for the year ended 31st December 2016 were approved by the Directors on 20th March 2017.

On behalf of Directors of the Bank;



Abubakar Abba Bello
Executive Director



Tomi Somefun
Managing Director/CEO

REPORT OF THE BOARD 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 twelve months period ended 31st December 2016 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 15th day of March 2017



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

Members of the 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*

AUDITORS' REPORT

Designed | 3D Art by

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 2016 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.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters which were of most significance to the audit of the financial statements for the year ended 31 December 2016 based on our professional judgement. A separate opinion has not been provided for these matters as these have been covered by our opinion on the audit of the financial statements.

Area of focus

Huge Non performing loans (NPLs) and erosion of tier 1 capital:

Increase in the Bank's NPL ratio which presently stands at 48% and 97% based on IFRS and the CBN Prudential Guidelines measurement criteria respectively resulting to an erosion of the Bank's tier 1 capital as indicated by the negative capital adequacy ratios for two consecutive years 2015 and 2016.

Procedures

Management has embarked on a recapitalization scheme and investors have indicated interests in the Bank's equity. Refer to note 41c, capital raising, of the financial statements. Our procedures included:

- Examined Board resolutions authorizing the recapitalization activity.
- Examined letter from CBN mandating the Bank to recapitalize.
- Reviewed investors' letters of intent.
- Reviewed agreed actions and activity timelines with prospective investors and extent of implementation
- Examined letter to the CBN seeking extension of the recapitalization deadline from 28 February 2017 to 30 September 2017.

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

Central Office: 5th Floor, African Alliance House, F1Sani 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

- Examined correspondences indicative of the CBN's continuous support to the Bank, while it awaits the CBN's assent to its request. These include:

- Resumption of foreign exchange allocations with maximum maturity date of 5 May 2017 beyond the deadline date of 28 February 2017 for recapitalization
- Utilization of funds from its cash reserve balance with the CBN.
- Rollover of an existing credit line granted by the CBN.

Also, management has secured the interest of investors who have shown commitment in buying up the NPLs. Refer to note 40b, non performing loans resolution, of the financial statements. We:

- Examined Board resolution authorizing the NPLs sales.
- Reviewed Non performing loans (NPLs) sales and purchase agreement.
- Reviewed agreed actions and activity timelines with factor for successful achievements and execution as stated in the NPLs sales and purchase agreement.
- Examined communications to ascertain that regulatory conditions have been satisfied.
- Made written request to the Institutional debt buyer.
- Examined response from institutional debt buyer confirming execution of a NPLs sales and purchase agreement and non existence of any constraint that may stall the process.
- Verified payment made by buyer indicating commitment to the transaction.
- Review terms and conditions in NPLs sales and purchase agreements to ascertain whether conditions have been met for the declassification of the loans and advances.

Impairment of loans and advances

Impairment allowances should represent management's best estimate of losses incurred on loan portfolios at the balance sheet date. Management applies assumptions and judgements in estimating impairment allowances in accordance with the requirements of the International Financial Reporting Standards. The IFRS model requires that

Our procedures included:

- Reviewed policies set by management to guide and support collective and impairment calculations. This also involved a review of key controls put in place by management over the identification of impairment triggers.
- Collective impairment: Selected significant portfolios and reviewed appropriateness of

collective impairment is calculated for a portfolio of loans of a similar nature and specific impairment calculated individually for loans. The calculation of both collective and specific impairment is based on judgement in estimating the impact of current economic and credit conditions on large loan portfolios and determination of an impairment event and future cash flow expectations.

The CBN however requires banks to also calculate impairment based on prudential guidelines. The CBN requires that where impairment provisioning under Prudential Guidelines is higher than impairment allowances under IFRS, the difference should be debited to retained earnings account and credited to the Regulatory risk reserve.

models and methods adopted and management's judgement.

- Specific impairment: Assessed management's judgement on the estimation of future cashflows. Assessed basis of valuation of collaterals.
- Collateral valuation: Examined significant valuation reports to evaluate the independence, competence and objectivity of the valuers. We also evaluated the reasonableness of the valuation basis and application in the impairment test calculations.
- Prudential Guidelines classification: Assess loan portfolio for classification in compliance with the Prudential Guidelines. Checked accuracy of resulting shortfall between IFRS impairment and Prudential Guidelines allowances and appropriate transfer to the regulatory risk reserve. Refer to note 4.6, impairment of financial assets, of the financial statements.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' Report, Corporate Governance Report, Directors Responsibility Statement, Remuneration Policy, Board Evaluation Report, the Audit Committee's Report and the Chairman's Statement. Other information does not include the financial statements and our audit report.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011 and in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, 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.

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

Responsibilities of the Auditor for the financial statements

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant. We also provide the Directors with a statement that We have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. In the event of these rare cases, we are required to report these key audit matters to the Financial Reporting Council of Nigeria before the conclusion of the audit in accordance with Rule 9 of the Financial Reporting Council of Nigeria Act, No. 6, 2011.

Report on Other Legal and Regulatory Matters

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

In our opinion proper books of account have been kept by the bank. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit. The Bank's statements of financial position and comprehensive income 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 Prudential Guidelines issued for Deposit Money Banks issued by the Central Bank of Nigeria and in accordance with 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 Circulars of the Central Bank of Nigeria during the financial year. Details of these are in note 52 to the financial statements.



Tajudeen Adetokunbo Oni,
FRC/2013/ICAN/00000000749

For: Ahmed Zakari & Co.
(Chartered Accountants)

22B, Oladipo Diya Crescent
2nd Avenue Estate, Ikoyi

Lagos

March 29 2017



STATEMENTS OF PROFIT OR LOSS ▾

	2016	2015
	N'000	N'000
Interest and similar income	69,377,105	62,711,194
Interest and similar expense	(19,901,215)	(19,619,178)
Net interest income	49,475,890	43,092,016
Fee and commission income	1,642,023	9,251,682
Net fee and commission income	1,642,023	9,251,682
Net trading income	7,410,375	2,688,582
Net loss from sale of financial instrument at fair value through profit & Loss	(8,130)	(20,880)
	5,591,289	3,543,363
Other operating income	12,993,534	6,211,065
Total operating income	64,111,448	58,554,763
Impairment of financial assets	(35,948,596)	(27,122,182)
Net operating income	28,162,852	31,432,581
Personnel expenses	(11,634,051)	(12,072,568)
Depreciation of property and equipment	(1,727,010)	(2,003,959)
Amortisation of intangible assets	(192,626)	(246,271)
Other operating expenses	(12,792,734)	(14,767,115)
Total operating expenses	(26,346,421)	(29,089,914)
Profit before tax	1,816,431	2,342,667
Income tax credit/(expenses)	367,367	2,346,490
Profit after tax	2,183,798	4,689,157
Earnings per share		
Basic earnings per share (Basic)	18.68	12.34
Diluted earnings per share	18.68	12.34

STATEMENT OF OTHER COMPREHENSIVE INCOME ▾

	2016	2015
	N'000	N'000
Profit/(Loss) for the year	2,183,798	4,689,157
Other comprehensive income		
Un-realized (loss)/gain on available-for-sale financial assets	(1,651,349)	1,145,974
Other comprehensive income for the year, net of tax	(1,651,349)	1,145,974
Total comprehensive income for the year, net of tax	532,449	5,835,131

STATEMENT OF FINANCIAL POSITION ▾

ASSETS	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	N'000
Cash and balances with Central Bank	51,129,061	27,587,476
Due from banks	9,324,758	18,579,346
Loans and advances to customers	277,214,521	246,143,129
Financial investments – held-for-trading	97,063	110,633
Financial investments – available-for-sale	26,152,264	43,114,403
Financial investments – available-for-sale pledged as collateral	33,023,297	17,138,888
Financial investments – held-to-maturity	26,211,318	25,239,272
Other assets	9,353,166	6,391,066
Property and equipment	22,800,643	18,968,143
Goodwill and other intangible assets	16,766,392	16,920,408
Deferred tax assets	20,609,164	19,666,769
Non current assets held for sale	-	3,461,478
Total assets	492,681,647	443,321,012
Liabilities and Equity		
Liabilities		
Due to other banks	50,195,162	40,531,041
Due to customers	264,196,344	231,440,942
Debt issued and other borrowed funds	81,908,685	70,294,256
Current tax liabilities	644,509	613,373
Other liabilities	12,504,349	17,781,333
Employee benefit liabilities	125,618	85,536
Total liabilities	409,574,667	360,746,481
Equity		
Issued share capital	5,844,669	5,844,669
Share premium	10,485,871	10,485,871
Statutory reserve	11,929,737	11,602,168
Retained earnings	(275,980,402)	(117,270,296)
Non Distributable Regulatory Reserve	263,788,438	103,222,105
Other reserves	67,038,667	68,690,015
Total equity	83,106,980	82,574,531
Total liabilities and equity	492,681,647	443,321,012



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/00000002266

The accounting policies and the accompanying explanatory notes on pages 30 to 85 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY ▾

	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 2016	5,844,669	10,485,871	11,602,168	(117,270,296)	103,222,105	68,690,015	82,574,531
Profit/(Loss) for the period	-	-	-	2,183,798	-	-	2,183,798
Transfer to Statutory Reserve	-	-	327,570	(327,570)	-	-	-
Transfer to Non Distributable Reserve	-	-	-	(160,566,334)	160,566,334	-	-
Issued Share Capital	-	-	-	-	-	-	-
Share Capital Reconstruction Reserve	-	-	-	-	-	(1,651,349)	(1,651,349)
Other comprehensive income	-	-	-	-	-	-	-
Reclassification of Prior Year AFS Reserve	-	-	-	-	-	-	-
At 31 DECEMBER 2016	5,844,669	10,485,871	11,929,737	(275,980,402)	263,788,438	67,038,667	83,106,980
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	-	-	703,374	(703,374)	-	-	-
Transfer to Non Distributable Reserve	-	-	-	(64,821,597)	64,821,597	-	-
Issued Share Capital	-	-	-	-	-	-	-
Share Capital Reconstruction Reserve	(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

Share premium

Share premium is the excess paid by shareholders over the nominal value for their shares.

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 retained earnings and transferred to a non distributable reserve.

Share Capital 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 previous year, the Bank successfully restructured its issued capital by issuing one new share for every ten previously held.

STATEMENT OF CASH FLOWS ▾

	2016	2015
	N'000	N'000
Operating activities		
Profit before tax	1,816,431	2,342,667
Adjustment for non cash items:		
Impairment losses on Risk assets	35,948,596	22,234,333
Impairment losses on Other assets	-	4,887,849
Depreciation of property and equipment	1,727,010	2,003,959
Amortisation of intangible assets	192,626	246,271
Profit on disposal of Property and equipment	-	(213,748)
Gains from sale of investments	(3,231,144)	-
	36,453,519	31,501,331
Changes in operating assets		
Deposits with the Central Bank of Nigeria	(28,036,500)	(14,874,324)
Loans and advances to customers	(67,019,988)	(49,042,116)
Other assets	387,900	(2,604,191)
	(94,668,587)	(66,520,631)
Changes in operating liabilities		
Due to customers	32,755,402	(42,493,957)
Due to Other Banks	9,664,121	36,207,702
Current tax liabilities	-	-
Other liabilities	(7,021,170)	5,221,774
Defined contribution	40,082	9,756
	35,438,435	(1,054,725)
Cash generated from operations	(22,776,634)	(36,074,025)
Income tax paid	(543,892)	(617,146)
Net cash flows from/(used in) operating activities	(23,320,526)	(36,691,171)
Investing activities		
Purchase of property and equipment	(2,223,010)	(2,048,945)
Purchase of intangible assets	(38,610)	(473,878)
Proceeds from sale of property and equipment	455,215	455,215
Proceeds from sale of investment	3,342,621	-
Available for sale investments	13,570	2,683,067
Held for trading investments	(573,618)	18,290,029
Held to maturity investments	(972,046)	1,311,159
Net cash flows from/(used in) investing activities	4,123	20,216,647
Financing activities:		
Share Capital	(0)	-
Debt issued and other borrowed funds	11,614,429	24,794,444
Net cash flows from /(used in) financing activities	11,614,429	24,794,444
Net increase/(decrease) in cash and cash equivalents	(11,213,003)	8,319,922
Cash and cash equivalents at 1 January	31,292,498	22,972,576
Cash and cash equivalents at period end	20,079,495	31,292,498

STATEMENT OF PRUDENTIAL ADJUSTMENTS ▾

Provisions under prudential guidelines are determined using the time based provisioning prescribed by the Revised Central Bank of Nigeria (CBN) Prudential Guidelines. This is at variance with the incurred loss model required by IFRS under IAS 39. As a result of the differences in the methodology/provision, there will be variances in the impairments allowances required under the two methodologies.

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

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

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

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

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

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

During the year, the Bank transferred the sum of N158billion from its retained earnings to a non distributable reserve within the statements of Changes in Equity. The Bank holds total credit risk reserves of N261bn as at 31 December 2016.

A breakdown of the transfer is given below:

LOANS AND ADVANCES	Note	Specific N'000	General N'000	Total N'000
Provision per CBN Prudential Guidelines		365,140,142	192,375	365,332,517
Impairment Allowance as Per IAS 39 (Individual & Collective)	Note 19d	(93,090,028)	(8,454,051)	(101,544,079)
Amount Required in Non Distributable Reserve		272,050,114	(8,261,675)	263,788,438

NOTES TO THE FINANCIAL STATEMENTS

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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, with the approval of the Central Bank of Nigeria, it relocated 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 have been prepared in accordance with IAS 34 'Interim Financial Reporting', its interpretation issued by the International Accounting Standards and adopted by the Financial Reporting Council of Nigeria.

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.

Statement of compliance

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

Presentation of financial statements

The bank presents its statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after the statement of financial position date (current) and more than 12 months after the statement of financial position date (non-current) are presented.

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

New standards, interpretations and amendments to existing standards that are not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these consolidated and separate financial statements.

The Bank plans to adopt these standards at their respective effective dates. Management is in the process of assessing the impact of these standards on the Bank.

(i) IFRS 9, Financial Instruments (Revised)

On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. This standard will probably have a significant impact on the Bank's impairment model. The impairment model would be changed from "incurred loss" under IAS 39 to an "expected credit loss" model. This model is expected to increase the impairment allowance for credit losses recognized in the Bank.

The amendments apply retrospectively. IFRS 9 allows users who have early adopted the first version of The Revised IFRS 9 to continue the adoption. The Bank is therefore in the process of identifying the impact of IFRS 9 and will fully adopt the revised IFRS 9 for the annual period commencing January 01, 2018.

(ii) IFRS 15: Revenue from contracts with customers

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programs, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services.

The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. This new standard is not expected to have a significant impact on the Bank. The Bank is currently in the process of performing a more detailed assessment of the impact of this standard on the Bank and will provide more information in the year ending December 2017.

The Bank will adopt the amendments for the year ending 31 December 2018.

(iii) IFRS 16: Leases

This standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e the customer ('lessee') and the supplier ('lessor'). IFRS 16 eliminates the classification of leases as required by IAS 17 and introduces a single lease accounting model. Applying that model, a lessee is required to recognize:

- assets and liabilities for leases with a term of more than 12 months, unless the underlying assets is of low value;
- depreciation of lease assets separately from interest on lease liabilities in profit or loss

For the lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases or finance leases, and to account for these two types of lessors differently. The Bank is currently in the process of assessing the impact that the initial application would have on its business and will adopt the standard for the year ending 31 December 2019.

3. Significant accounting judgments, estimates and assumptions

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

Going concern

In the preparation of the financial statements, management assesses the ability of the Bank to continue as a going concern. The financial statements shall be prepared on a going concern basis where management is satisfied that there are no uncertainties that may cast doubt on the ability of the Bank to continue in business as a going concern.

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.

Impairment losses on loans and advances

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

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

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

Impairment of available-for-sale investments

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

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

4. Summary of significant accounting policies**4.1. Foreign currency translation**

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

(i) Transactions and balances

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

4.2. Financial instruments – initial recognition and subsequent measurement

(i) Date of recognition

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

(ii) Initial measurement of financial instruments

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

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

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

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

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

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis.
- The assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

The financial instrument contains one or more embedded derivatives which significantly modify the cash flows that otherwise would be required by the contract.

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

(v) 'Day 1' profit or loss

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

(vi) Available-for-sale financial investments

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

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

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

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

(vii) Held-to-maturity financial investments

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

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

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

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

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

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

(ix) Debt issued and other borrowed funds

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

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

(x) Reclassification of financial assets

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

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

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

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

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

4.3. Derecognition of financial assets and financial liabilities

(i) Financial assets

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

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

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

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

(ii) Financial liabilities

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

4.4. Repurchase and reverse repurchase agreements

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

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

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

4.5. Determination of fair value

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

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

4.6. Impairment of financial assets

The bank assesses at each statement of financial position date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

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

(i) Financial assets carried at amortised cost

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

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

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

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

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

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

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

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

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

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

(ii) Available-for-sale financial investments

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

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

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

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

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

(iii) Renegotiated loans

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

4.7. Offsetting financial instruments

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

4.8. Leasing

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

Bank as a lessee

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

Bank as a lessor

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

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

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

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

4.9. Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the bank and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) Interest and similar income and expense

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

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

(ii) Fee and commission income earned from services that are provided over a certain period of time

Fees earned for the provision of services over a period of time are accrued over that period.

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

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

(iv) Dividend income

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

4.10. Cash and cash equivalents

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

4.11. Property, Plant and Equipment

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

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

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

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

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

4.12. Business combinations and goodwill

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

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

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

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

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

4.13. Intangible assets

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

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

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

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

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

- Computer software 5 years

4.14. Impairment of non-financial assets

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

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

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

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

4.15. Financial guarantees

In the ordinary course of business, the bank gives financial guarantees, consisting of letters of credit, guarantees and acceptances. Financial guarantees are initially recognised in the financial statements (within 'Other liabilities') at fair value, being the premium received. Subsequent to initial recognition, the bank's liability under each guarantee is measured at the higher of the amount initially recognised less, when appropriate, cumulative amortisation recognised in the income statement, and the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee.

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

4.16. Pension benefits

Defined contribution pension plan

The bank also operates a defined contribution pension plan in line with the Pension Reform Act, 2004. The plan is funded by contributions from the Bank and the employees. The Bank has no further payment obligations once the contributions have been paid. Contribution payable is recorded as an expense under 'Personnel expenses'. Unpaid contributions are recorded as a liability.

4.17. Provisions

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

4.18. Taxes

(i) Current tax

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

(ii) Deferred tax

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

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:
- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

4.19. Fiduciary assets

The bank provides trust and other fiduciary services that result in the holding or investing of assets on behalf of its clients. Assets held in a fiduciary capacity are reported in the financial statements as contingent assets.

4.20. Dividends on ordinary shares

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

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

4.21. 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.

4.22. Segment reporting

The Bank's prepared its segment information based on geographical segments as its primary reporting segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns different from those of segments operating in other economic environments. The Bank operated Three (3) geographical segments which are: Central, North and South.

4.23. Non Current Assets Held for Sale

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell. Non-current assets are classified as Held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition, management has committed to the sale and the sale is expected to be completed within one year from the date of classification.

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



NOTES TO THE FINANCIAL STATEMENTS ▾

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

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 2015 or the year ended 31 December 2016.

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

31 December 2016	FCT/ North Central N'000	South N'000	North N'000	Corporate Head Office N'000	Total N'000
Segmented results					
Revenue	5,482,913	4,872,009	5,764,082	67,893,658	84,012,662
Operating profit before tax	67,984	8,856	220,581	1,519,010	1,816,431
Income Tax				367,367	367,367
Profit for the year	67,984	8,856	220,581	1,886,377	2,183,798
Segmented assets and liabilities					
Segment assets	100,483,571	142,146,451	101,601,057	148,450,568	492,681,647
Segment Liabilities	100,483,571	142,146,451	101,601,057	148,450,568	492,681,647

31 December 2015	FCT/ North Central N'000	South N'000	North N'000	Corporate Head Office N'000	Total N'000
Segmented results					
Revenue	12,605,872	10,797,077	15,653,395	39,117,597	78,173,941
Operating profit before tax	8,594,891	4,819,046	10,381,351	(21,452,620)	2,342,667
Income Tax				2,346,490	2,346,490
Profit for the year	8,594,891	4,819,046	10,381,351	(19,106,130)	4,689,157
Segmented assets and liabilities					
Segment assets	153,317,570	91,786,906	105,100,984	93,115,553	443,321,012
Segment Liabilities	153,317,570	91,786,906	105,100,984	93,115,553	443,321,012

NOTES TO THE FINANCIAL STATEMENTS ▾

	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	N'000
6. Interest and similar income		
Placement with Banks	89,036	131,350
Loans and advances to customers*	60,332,725	52,254,809
Advances under finance lease	-	75
Financial investments – available-for-sale	5,184,061	6,354,082
Financial investments – held-to-maturity	3,771,284	3,970,877
	69,377,105	62,711,194
<i>*Included in the interest earned on loans and advances are interest earned on impaired loans.</i>		
7. Interest and similar expense:		
Due to banks	3,831,265	4,638,098
Due to customers	11,610,505	13,125,363
Debt issued and other borrowed funds	4,459,445	1,855,717
	19,901,215	19,619,178
8. Fees and commission income		
Credit related fees and commission	406,000	8,020,052
Account Maintenance Fee	683,544	542,761
Facilities management Fee	172,710	74,727
Other fees and commission	379,768	614,142
	1,642,023	9,251,682
9. Net trading income		
FX trading Income	2,471,822	1,871,333
Foreign exchange gain	4,938,552	817,249
	7,410,375	2,688,582
10. Net Income from financial instruments at fair value through profit & Loss		
Net Gain/(Loss) on Held For Trading Bonds	(8,130)	(20,880)
	(8,130)	(20,880)
11. Other operating income		
Dividend income	194,862	118,242
E-banking income	1,313,494	786,862
Gains from sale of financial investments	3,231,144	1,575,668
Operating lease income	33,601	2,897
Other incomes	818,189	1,059,693
	5,591,289	3,543,363
12. Impairment losses		
Credits		
Charge for the year	36,127,955	23,928,482
Recoveries	(179,359)	(1,694,149)
Credit loss expense	35,948,596	22,234,333
Other Assets	-	4,887,849
	35,948,596	27,122,182

NOTES TO THE FINANCIAL STATEMENTS ▾

	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	N'000
Also Included in the Recovery are recovery of loans which have been previously dully written off the Bank's books		
13. Personnel expenses		
Wages and salaries	10,982,064	11,451,497
Pension costs – Defined contribution plan	651,987	621,071
	11,634,051	12,072,569
Other Operating expenses		
Advertising and marketing	166,513	178,332
Professional fees	276,679	431,954
Rental charges payable under operating leases	427,681	454,272
Banking Sector Resolution Funds	2,216,605	2,218,560
Defined Benefit Cost	3,004,952	2,322,883
Administrative a.	6,700,304	9,161,114
	12,792,734	14,767,115
a. Administrative		
AGM Expenses	47,765	77,400
Audit Fees	80,000	80,000
Fuel & Motor Running Expenses	106,357	105,116
Printing and Stationery	112,182	127,858
Bank Charges & Subscription	148,940	200,389
General Insurance	152,314	152,314
Legal Expenses	163,759	153,104
Local & Foreign Travels	188,826	312,384
Electricity & Power Expenses	211,027	223,087
Cash Management Expense	278,624	218,042
Facility Maintenance & Management Expenses	295,061	342,015
Directors Fees, Allowances & Expenses	325,731	422,527
Repair & Maintenance Expenses	378,649	446,973
Diesel Expenses	450,530	449,935
Security & Saffety Management Expenses	709,310	742,782
IT and Related Expenses	1,122,267	1,095,422
NDIC Insurance Premium	1,196,842	1,475,117
Other Operating Expenses	732,120	2,536,648
	6,700,304	9,161,114

NOTES TO THE FINANCIAL STATEMENTS ▾

	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	N'000
15. Income tax		
<i>The components of income tax expense for the years ended 31 December 2016 and 31 December 2015 are:</i>		
Current tax		
Company Income tax	516,060	516,506
Education tax	-	-
Technology levy	18,164	56,994
Capital gains tax	40,803	9,292
Additional assessment/ Under Provision	-	-
Total current tax	575,028	582,791
Deferred tax (Origination)/ reversal of temporary differences	(942,395)	(2,929,281)
Total deferred tax	(942,395)	(2,929,281)
Total income tax credit	(367,367)	(2,346,490)
The Bank has unrelieved losses carried forward as at 31 December, 2016. Thus it's 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 the end of the period did not have any stock options, grants and convertible bonds

	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	N'000
The following reflects the income and share data used in the basic earnings per share computations:		
Net profit attributable to ordinary share holders for basic earnings:	2,183,798	4,689,157
Weighted average number of ordinary shares for basic earnings per share:	11,689,338	37,990,348
Basic earnings per ordinary share (kobo)	18.68	12.34
Diluted earnings per ordinary share (kobo)	18.68	12.34

NOTES TO THE FINANCIAL STATEMENTS ▾

	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	N'000
17. Cash and Balances with Central Bank		
Cash on hand	6,352,352	4,672,197
Current account with the Central Bank of Nigeria	6,352,352	4,672,197
Deposits with the Central Bank of Nigeria	4,402,385	8,040,955
	40,374,324	14,874,324
	51,129,061	27,587,476
Deposits with the Central Bank of Nigeria represent mandatory reserve deposits and are not available for use in the bank's day-to-day operations. There was no impaired cash asset in the period.		
18. Due from banks		
Placements with banks and discount houses	-	9,182,286
Balances with banks within Nigeria	709,247	2,880,637
Balances with banks outside Nigeria	8,615,511	6,516,423
	9,324,758	18,579,346
Current	9,324,758	18,579,346
Non-Current	-	-
	9,324,758	18,579,346
Balance due from Banks have been assessed for impairment. There are no impaired Bank Balances.		



NOTES TO THE FINANCIAL STATEMENTS ▾

	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	N'000
19. Loans and advances		
a Loans and advances to customers by customer type:		
Government lending	11,463,555	10,537,355
Corporate lending	172,870,601	163,285,976
Consumer lending	190,740,346	132,618,407
Interest receivable	3,684,098	5,455,809
Gross Loans	378,758,599	311,897,547
Less: Allowance for impairment losses	(101,544,079)	(65,754,418)
	277,214,521	246,143,129
Current	235,815,191	201,855,718
Non-Current	41,399,330	44,287,411
	277,214,521	246,143,129
<p>Included in loans and advances are gross non-performing loans of N361 billion which have been considered for outright sale & management to an institutional asset management company. The Bank executed a Transaction Implementation Agreement (TIA) and a Sales and Purchase Agreement (SPA) with the company in December 2016. The initial consideration has also been agreed and the Bank has received a good faith payment, which is a percentage of the initial consideration, prior to the conclusion of the audit in February 2017. However, the transfer of loan rights to the purchaser is expected to be completed by April 2017 after all contractual obligations in the signed agreements has been fulfilled by both parties. The carrying amount of the non-performing loans would be reclassified to held-for-sale financial assets in the event that the criteria for reclassification are satisfied.</p>		
b Loans and advances to customers by Security:		
Secured against real estate	190,937,632	237,726,524
Secured by shares of quoted companies	1,547,533	-
Otherwise secured	49,226,069	45,005,641
Unsecured	137,047,366	29,165,382
	378,758,599	311,897,547
c Loans and advances to customers by Maturity		
0 to 30 days	305,226,931	232,746,122
1 -3 months	26,521,372	4,896,341
3-6 months	563,559	14,833,160
6-12 Months	2,531,251	15,134,513
Over 12 Months	43,915,486	44,287,411
	378,758,599	311,897,547
d Reconciliation of impairment allowance for loans and advances to customers		
At 1 January	65,754,418	46,788,857
Charge for the year	36,127,955	21,640,257
Recoveries	(179,359)	(1,464,108)
Amounts written off/ written back	(158,935)	(1,210,588)
At 31 December	101,544,079	65,754,418
Individual impairment	93,090,028	59,878,629
Collective impairment	8,454,051	5,875,789
	101,544,079	65,754,418
Gross amount of loans individually determined to be impaired before deducting individually assessed impairment allowance.	183,487,036	109,910,445

NOTES TO THE FINANCIAL STATEMENTS ▾

19. Loans and advances (continued)

e Concentration of credit risk

Credit risk concentration is determined by management on the basis of geography and Industry. The geographical and industry concentration of risk asset are shown below

S/N	State /Region	TOTAL CREDIT	TOTAL CREDIT
		31 DECEMBER 2016	31 DECEMBER 2015
		N'000	N'000
SOUTH SOUTH			
1	Akwa-Ibom	179,864	135,769
2	Bayelsa	142,159	129,269
3	Cross rivers	3,691,783	2,759,608
4	Delta	9,726,403	8,024,612
5	Edo	4,321,494	3,338,754
6	Rivers	9,327,364	7,260,296
	Sub-total	27,389,067	21,648,308
SOUTH WEST			
7	Ekiti	604,816	527,746
8	Lagos	80,388,145	62,870,216
9	Ogun	6,378,878	5,754,971
10	Ondo	2,560,398	2,077,728
11	Osun	1,805,170	1,483,140
12	Oyo	744,176	1,308,152
	Sub-total	92,481,583	74,021,953
SOUTH EAST			
13	Anambra	1,543,456	1,282,614
14	Imo	1,194,527	998,861
15	Enugu	1,057,965	802,524
16	Abia	1,314,075	1,015,719
17	Ebonyi	-	40
	Sub-total	5,110,023	4,099,758
NORTH WEST			
18	Kano	42,451,458	36,829,779
19	Katsina	4,112,448	3,391,185
20	Kebbi	937,059	763,374
21	Jigawa	1,849,493	1,377,841
22	Sokoto	2,210,975	1,890,476
23	Zamfara	7,230,396	6,815,652
24	Kaduna	47,281,986	36,612,779
	Sub-total	106,073,814	87,681,086
NORTH CENTRAL			
25	Nassarawa	3,162,721	2,521,648
26	Niger	3,508,417	2,896,672
27	Plateau	1,174,303	952,862
28	Kogi	1,113,324	946,384
29	Kwara	6,100,783	5,687,634
30	Abuja	108,670,789	91,781,041
31	Benue	12,100,178	9,348,050
	Sub-total	135,830,514	114,134,291
NORTH EAST			
32	Adamawa	1,284,324	959,720
33	Borno	1,737,554	1,511,085
34	Bauchi	6,790,767	5,336,918
35	Gombe	806,651	1,324,384
36	Yobe	529,990	402,925
37	Taraba	724,312	777,120
	Sub-total	11,873,598	10,312,151
TOTALS		378,758,599	311,897,547

19. Loans and advances (continued)

f. Concentration of credit risk by Industry Buckets

At 31 December 2016

Industry Type	Gross Loans & Advances		Value of Collateral		Impairment		Net Unimpaired Balance	
	N'000	%	N'000	N'000	%	N'000	%	
AGRICULTURE	63,188,594	16.68%	65,981,102	13,674,356	13.47%	49,514,238	17.86%	
OIL & GAS	33,138,591	8.75%	73,713,454	7,008,153	6.90%	26,130,438	9.43%	
CAPITAL MARKET	375,395	0.10%	50,000	184,310	0.18%	191,085	0.07%	
REAL ESTATE ACTIVITIES	13,472,912	3.56%	9,854,312	3,649,869	3.59%	9,823,044	3.54%	
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	6,583,881	1.74%	6,492,110	288,088	0.28%	6,295,793	2.27%	
ADMINISTRATIVE, SUPPORT SERVICE ACTIVITIES	1,273,876	0.34%	954,700	370,916	0.37%	902,959	0.33%	
EDUCATION	2,141,941	0.57%	1,361,714	1,039,999	1.02%	1,101,943	0.40%	
HUMAN HEALTH & SOCIAL WORK ACTIVITIES	642,504	0.17%	515,033	72,260	0.07%	570,244	0.21%	
MANUFACTURING	47,166,495	12.45%	105,785,140	6,133,303	6.04%	41,033,192	14.80%	
WATER SUPPLY, SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	108,840	0.03%	40,000	51,592	0.05%	57,249	0.02%	
CONSTRUCTION	42,530,447	11.23%	50,435,311	8,050,276	7.93%	34,480,171	12.44%	
FINANCE & INSURANCE	3,489,966	0.92%	1,500,904	1,183,974	1.17%	2,305,992	0.83%	
GOVERNMENT	11,468,652	3.03%	1,177,154	7,284,203	7.17%	4,184,449	1.51%	
GENERAL COMMERCE	102,716,776	27.12%	72,347,936	40,238,134	39.63%	62,478,643	22.54%	
TRANSPORTATION	29,212,031	7.71%	17,590,822	9,969,042	9.82%	19,242,989	6.94%	
COMMUNICATION	21,247,698	5.61%	35,560,350	2,345,605	2.31%	18,902,093	6.82%	
TOTAL	378,758,599	100.00%	443,360,041	101,544,079	100%	277,214,521	100.00%	

19. Loans and advances (continued)

f. Concentration of credit risk by Industry Buckets

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, 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

20. Financial investments
a. Held for trading investments

	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	N'000
Quoted investments		
Debt securities - Bonds	97,063	110,633
	97,063	110,633
Current	97,063	110,633
Non-Current	-	-
	97,063	110,633
b. Available for sale investments		
Quoted investments		
Debt securities - Bills	20,824,119	41,572,300
Debt securities - Bonds	5,041,808	673,107
Equities	282,324	282,324
	26,148,251	42,527,731
Unquoted investments		
Equities	872,763	1,455,423
	27,021,015	43,983,154
Less: Allowance for impairment	(868,751)	(868,751)
	26,152,264	43,114,403
c. Financial investments – available for sale and pledged as collateral	33,023,297	17,138,888
	33,023,297	17,138,888
Total Financial Investment - Available for Sale	59,175,560	60,253,291
Current	54,554,236	54,494,228
Non-Current	4,621,324	5,759,063
	59,175,560	60,253,291

Included in the carrying amount of available for sale financial investments is unrealized loss of N1.65 billion (Dec 2015: N1.146billion unrealized gain) arising from marking the costs of the investments to their market values during the period. The unrealized loss is shown in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS ▾

	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	N'000
e.Held to maturity investments		
Quoted investments		
Government debt securities	26,211,318	25,239,272
	26,211,318	25,239,272
Current	5,821,239	5,244,732
Non-Current	20,390,079	19,994,540
	26,211,318	25,239,272
21. Other assets		
a. Prepayments	3,289,363	4,570,470
Fraud suspense	361,752	730,427
Stationery stocks	173,419	157,455
Other stocks	17,580	71,938
Account receivables	3,231,793	3,498,627
Other debit balances	7,439,811	3,843,668
Less:	14,513,718	12,872,584
Allowance for impairment on other assets	(5,160,552)	(6,481,519)
	9,353,166	6,391,066
Current	8,042,982	5,080,881
Non-Current	1,310,184	1,310,184
	9,353,166	6,391,066

b. Impairment allowance for available for sale financial assets and other assets.

	Available for sale investments	Other assets	Total	
	N'000	N'000	N'000	
At 01 January 2016	868,751	6,481,519	7,350,269	
Charge for the year	-	-	-	
Amounts written off	-	(1,320,967)	(1,320,967)	
At 31 December 2016	868,751	5,160,552	6,029,302	
	Available for sale investments	Other assets	Non Current Assets held for sale	Total
	N'000	N'000	N'000	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	868,751	6,481,519	(0)	7,350,269

22. Property and equipment

	Land and Buildings	Leasehold Improvement	Motor Vehicle	Plant & Equipment	Furniture & Fittings	Work In Progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost:							
At 01 January 2016	18,030,858	2,389,396	3,651,668	13,883,715	3,256,349	571,002	41,782,988
Additions	5,336,434	37,141	82,665	240,584	110,683	115,678	5,923,185
Disposals	(440,609)	-	(250,782)	(220,958)	-	13,274	(899,074)
At 31 December 2016	22,926,682	2,426,538	3,483,551	13,903,341	3,367,032	699,954	46,807,098
Depreciation and impairment:							
At 01 January 2016	2,804,202	2,092,861	3,093,177	11,994,399	2,830,330	-	22,814,969
Additions	415,037	129,127	237,369	740,647	204,831	-	1,727,010
Disposals	(63,949)	(2,986)	(235,629)	(233,238)	279	-	(535,523)
At 31 December 2016	3,155,290	2,219,002	3,094,917	12,501,808	3,035,439	-	24,006,456
Net book value:							
At 01 January 2016	15,226,656	296,535	558,491	1,889,316	426,019	571,002	18,968,019
At 31 December 2016	19,771,392	207,535	388,635	1,401,534	331,593	699,954	22,800,643

23. Goodwill and other intangible assets

	Goodwill N'000 2015	Computer Software N'000 2015	Total N'000 2015	Goodwill N'000 2016	Computer Software N'000 2016	Total N'000 2016
Cost:						
At 01 January	16,471,335	3,157,681	19,629,015	16,471,335	3,176,345	19,647,680
Additions:						
Internally Developed	-	-	-	-	-	-
External Purchase	-	18,664	18,664	-	39,930	39,930
Disposals	-	-	-	-	-	-
At 31 December	16,471,335	3,176,345	19,647,680	16,471,335	3,216,275	19,687,610
AMORTISATION AND IMPAIRMENT:						
At 01 January	-	2,481,001	2,481,001	-	2,728,262	2,728,262
Additions	-	246,271	246,271	-	192,626	192,626
Disposals/Write offs	-	-	-	-	330	330
At 31 December	-	2,727,272	2,727,272	-	2,921,218	2,921,218
NET BOOK VALUE:						
At 31 December	16,471,335	449,073	16,920,408	16,471,335	295,057	16,766,392
At 1 January	16,471,335	676,680	17,148,015	16,471,335	676,680	17,148,015

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 2016 showed that no CGU was impaired during the 2016 financial year

NOTES TO THE FINANCIAL STATEMENTS ▾

	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	N'000
24. Deferred tax		
The movement in the deferred tax account during the year was as follows:		
At 1 January	19,666,769	16,737,488
Temporary difference on fixed assets	303,072	40,798
Impairment allowance on other assets	-	672,022
Unabsorbed loss and capital Allowance	164,691	2,169,461
Others	474,632	47,001
	942,395	2,929,281
At 31 December	20,609,164	19,666,769
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	3,461,478	3,491,478
Disposals/Write offs	(3,461,478)	(30,000)
At 31 December	-	3,461,478
b Balance of non current assets held for sale comprises of:		
Unity Kapital Assurance Plc	-	3,461,478
	-	3,461,478

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 including Unity Kapital Assurance, which was disposed to the second preferred bidder for the sum of N5.3 billion following the approval obtained from National Insurance Corporation of Nigeria.

	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	N'000
26. Due to other banks		
a. Due to other banks comprise of:		
Balances Due to Other Banks	-	4,108,591
Takings From Banks (note 26b)	50,195,162	36,422,450
	50,195,162	40,531,041
Current	50,195,162	40,531,041
Non-Current	-	-
	50,195,162	40,531,041

NOTES TO THE FINANCIAL STATEMENTS ▾

	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	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
Central Bank of Nigeria	50,000,000	-
Accrued interest	195,162	62,450
	50,195,162	36,422,450
27. Due to customers		
a. Analysis by type of account:		
Demand	122,699,851	93,167,700
Savings	46,000,405	41,961,917
Time deposits	88,687,567	91,586,090
Domiciliary	6,808,521	4,725,235
	264,196,344	231,440,942
b. Analysis by type of depositors		
Government	26,229,606	20,887,778
Corporate	117,331,198	124,438,925
Individuals	120,635,540	86,114,239
	264,196,344	231,440,942
c. Analysis by maturity		
0-30 days	225,912,547	196,346,584
31-90 days	33,835,566	33,122,196
91-180 days	1,452,546	1,403,825
181-360 days	442,184	566,037
over 360 days	2,553,500	2,300
	264,196,344	231,440,942
Current	261,642,844	231,438,642
Non-Current	2,553,500	2,300
	264,196,344	231,440,942

28. Debt issued and other borrowed funds

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

	CBN Short Term Loan	Pass Through Loans	AFREXIM	Totals
	N'000	N'000	N'000	N'000
At 1 January	34,448,055	25,292,235	10,553,967	70,294,256
Additions	50,000,000	-	-	50,000,000
Net Exchange Loss	-	-	342,321	342,321
Payments	(34,448,055)	(4,279,838)	-	(38,727,893)
At 31 December	50,000,000	21,012,397	10,896,288	81,908,685

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.

	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	N'000
29. Current tax liabilities		
Current tax payable		
At the beginning of the period	613,373	425,554
Amounts recorded in the income statements	575,028	647,727
Payments made on-account during the year	(543,892)	(459,909)
	644,509	613,373
Current	644,509	613,373
Non-Current	-	-
	644,509	613,373

NOTES TO THE FINANCIAL STATEMENTS ▾

	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	N'000
30. Other liabilities		
Transit Balances	122,190	-
Bankers payment and branch drafts	1,001,646	388,609
Deferred fees	260,503	13,129
Provisions and accruals	720,162	627,027
Unearned discounts and incomes	47,132	43,697
Margin on letters of credit	276,861	188,145
Sundry Creditors	3,936,732	5,768,725
Accounts payable	6,139,123	10,752,001
	12,504,349	17,781,333
Current	11,684,187	17,781,333
Non-Current	820,162	-
	12,504,349	17,781,333

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 N652 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.

Movement in defined contribution obligation is shown below:	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	N'000
At 1 January	85,536	75,780
Charge for the year	651,987	621,071
Payment to Pension Fund Administrators (PFAs)	(611,905)	(611,315)
At 31 December	125,618	85,536
Current	125,618	85,536
Non-Current	-	-
	125,618	85,536

32. Share capital

a Authorised share capital

120,000,000,000 ordinary shares of 50 kobo each (2015. -
120,000,000,000 ordinary shares of 50 kobo each)

60,000,000 60,000,000

b Issued and fully paid share capital

At 1 January: 11,689, 337,942 ordinary shares of 50k each

5,844,669 58,446,690

Transfer to share capital reconstruction reserve: reduction to 1 share for every
10 held (105,204,041,478) in 2015

- (52,602,021)

At 31 December: 11,689, 337,942 ordinary shares of 50k each

5,844,669 5,844,669

33. Other reserves

	Available for sale reserve N'000	Share reconstruction 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 Share 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	68,690,015
At 1 January 2016	1,145,974	67,103,925	440,116	68,690,015
	-	-	-	-
Net loss on available for sale financial	(1,651,349)	-	-	(1,651,349)
At 31 December 2016	(505,375)	67,103,925	440,116	67,038,666

Available for Sale Reserve

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

Share Reconstruction Reserve

The Bank, in the previous year, at an extraordinary general meeting resolved to implement a share capital reconstruction scheme with the objective of increasing the market value of existing shareholders by compressing (reducing) the units held by each 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	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	N'000
Cash on hand (Note 15)	6,352,352	4,672,197
Current account with the Central Bank of Nigeria (Note 15)	4,402,385	8,040,955
Due from banks	9,324,758	18,579,346
	20,079,496	31,292,498

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.

NOTES TO THE FINANCIAL STATEMENTS ▾

34. Additional cash flow information (continued)	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	N'000
b.Changes in operating assets		
Deposits with the Central Bank of Nigeria	(28,036,500)	(14,374,324)
Loans and advances to customers	(67,019,988)	(22,743,405)
Other assets	387,900	(2,809,860)
	(94,668,587)	(39,927,589)
c Changes in operating liabilities		
Due to customers	32,755,402	(23,996,069)
Due to Other Banks	9,664,121	36,286,726
Current tax Liabilities	-	1,034,784
Other liabilities	(7,021,170)	5,915,425
Defined contribution	40,082	68,225
	35,438,435	19,309,091
d Other non-cash items included in profit before tax		
Impairment losses on Other assets	-	-
Impairment losses on Risk assets	35,948,596	1,744,846
Depreciation of property and equipment	1,727,010	1,519,003
Amortisation of intangible assets	192,626	204,627
Profit on disposal of Property and equipment	-	(213,748)
Gains from sale of investments	(3,231,144)	(1,130,148)
	34,637,088	2,124,579

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.

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:

	Level 1 N'000	Level 2 N'000	Total N'000
31 December 2016			
Financial assets			
Financial investments available for sale			
Treasury bills	53,847,416	-	53,847,416
Government bonds	5,041,808	-	5,041,808
Quoted equity investment	-	282,324	282,324
Unquoted equity investments	-	872,763	872,763
	58,889,223	1,155,088	60,044,311
31 December 2015			
Financial assets			
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

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 2016 N'000	Total gains/ (losses) recorded in profit or loss N'000	Total gains/(losses) recorded in equity N'000	Purchases N'000	Sales N'000	Settlements N'000	Transfer from level 3 to level 2 N'000	At 31 Dec-16 N'000
Financial investments available for sale:								
Unquoted equity investments	1,737,747	-	-	-	-	-	-	1,155,088
	1,737,747	-	-	-	-	-	-	1,155,088

The following table shows total gains and losses recognised in profit or loss during the year relating to

	FOR THE YEAR ENDED 31-DEC-16				FOR THE YEAR ENDED 31-DEC-16			
	Net trading income	Other operating income	Net gain or [loss] on financial instruments designated FVTPL		Net trading income	Other operating income	Net gain or [loss] on financial instruments designated FVTPL	
Financial investments - available for sale	N'000	N'000	N'000		N'000	N'000	N'000	
Quoted investments	-	2,556,158	-		-	1,18,242	-	
Government bonds	-	9,342	(8,130)		-	347,107	-	
Treasury bills	-	665,643	-		-	1,481,405	-	
	-	3,231,144	(8,130)		-	1,946,753	-	

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.

	31 DECEMBER 2016		31 DECEMBER 2015	
	Carrying amount	Fair value	Carrying amount	Fair value
	N'000	N'000	N'000	N'000
Financial assets				
Cash and balances with central bank	51,129,061	51,129,061	27,587,476	27,587,476
Due from banks	9,324,758	9,324,758	18,579,346	18,579,346
Loans and advances to customers	277,214,521	277,214,521	246,143,129	246,143,129
	337,668,340	337,668,340	292,309,951	292,309,951
Financial investments – held to maturity	26,211,318	23,089,040	25,239,272	23,089,040
	363,879,659	360,757,380	317,549,223	315,398,991
Financial liabilities				
Due to customers	264,196,344	264,196,344	231,440,942	231,440,942
Due to Other Banks	50,195,162	50,195,162	40,531,041	40,531,041
Debt issued and other borrowed funds	81,908,685	81,908,685	70,294,256	69,846,202
	396,300,191	396,300,191	342,266,239	341,818,185

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

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.

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 764 litigation suits: 208 cases instituted by the Bank and 556 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	294
Civil cases by the bank	196
Judgments in favor of the bank awaiting execution	108
Civil appeals against the bank	53
Civil appeals by the bank	21
Garnishee order absolute being contested by the bank	3
	675

b Capital Commitments

As at 31 December 2016, the Bank had outstanding capital commitments amounting to N0.25 Million (31 December 2015: N600.20 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 recognized on the statement of financial position, they do contain credit risk and are therefore part of the overall risk of the bank.

Letters of credit and guarantees (including standby letters of credit) commit the bank to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods. Guarantees and standby letters of credit carry a similar credit risk to loans. contingent liabilities are:

	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	N'000
Performance Bonds and Guarantees	26,888,116	17,742,838
Letters of credit	-	3,987
Commitments**	7,196,000	-
	34,084,116	17,742,838

** Included in this amount is N4.35bn in respect of interest due on AMCON shareholding interest in the Bank through a 2-Year Agreement for holding shares in Unity Bank Plc. The 2014 Capital Raising exercise was done through Special Placement when AMCON invested N20billion in the Bank. The Shareholding Agreement in the 2014 Special Placement Offer with AMCON has since elapsed on 30 September 2016.

In addition, there was an outstanding N3.196bn Banking Sector Resolution contribution as at the reporting date. The obligations are contingent on certain conditions being present at a future date to be mutually agreed between the Bank and the Central Bank of Nigeria (CBN).

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 one 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, 2016 are, as follows:

	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	N'000
Within one year	36,842	510,419
After one year but not more than five years	505,934	1,011,140
More than five years	236,743	337,906
	779,518	1,859,465

40 Going Concern

a. In line with the Bank's Management assessment, this account has been prepared on the basis that the Bank would continue to exist as an entity. This is the going concern assumption. In the bid to build on the transformational milestones achieved by the Bank in the year, strategic initiatives have been implemented that are expected to completely eradicate any reasonable doubt to the going concern of the Bank.

The Bank is currently in the process of a recapitalization exercise in line with CBN's directive to boost the capital base of the Bank. In addition, the Bank has also entered into a sales and purchase agreement with an institutional debt buyer for the disposal of its nonperforming loans. Refer to note 40b and 41 for details on the non-performing loan resolution initiatives and capitalization exercise respectively.

Management is optimistic at the success of these initiatives as both the investors and institutional debt buyer have shown positive interests in following through with all arrangements. It is expected that both initiatives will be concluded by the third quarter of 2017.

b. Non Performing Loans (NPLs) Resolutions

The Bank has taken a strategic step to reduce the high NPL ratio through the NPL Resolution initiatives that have been embarked upon.

The Bank commenced the process of NPLs Sale initiative with initial application to the Central Bank of Nigeria, following which regulatory consent was received in March 2016. The Bank is currently at an advanced stage in the resolution of the NPLs challenges that are endemic in its credit portfolio.

The exercise has achieved the following milestones:

- i. Proper due process of financial due diligence through a reputable international audit firm and legal due diligence by a renowned legal firm in accordance with the directive of the Loan purchaser.
- ii. Execution of Transaction Implementation Agreement (TIA) and Sale and Purchase Agreement (SPA) in December 2016
- iii. As at February 2017, a "good faith" payment by the loan purchaser has been received representing a percentage of the initial consideration to the Bank in respect of the transaction.
- iv. Execution of Completion Timetable for the final Loan Rights Transfer from the Bank to the purchaser with closure date in the second quarter of 2017.

41a. Capital The Bank maintains an actively managed capital base to cover risks inherent in the business and meet the capital adequacy requirements of the local banking supervisor, Central Bank of Nigeria. The adequacy of the Bank's capital is monitored using among other measures, the rules and ratios established by the Basel Committee on Banking Supervision (BIS rules/ratios) and adopted by the Central Bank of Nigeria in supervising the bank. During the past year, the Bank had complied in full with all its externally imposed capital requirements.

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 maximize 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.

c. Capital Raising

The Bank has made concerted efforts towards attracting willing and committed prospective financial and institutional investors. These discussions are at various stages of investment decisions to inject substantial capital to the Bank

Whilst the capital raising exercise has been diversified to engage several strategic investors, deliberate actions were taken by the Bank to strictly extract commitment following the review of capacity, investment funding availability and strong poise and strategic alignment to the long-term vision and aspirations of the Bank that form the basis to invest in Unity Bank.

a. External Investors

The Bank had serious discussions with several private equity interests with the view to injecting substantial capital into the system. Due diligence has largely been concluded by all parties and the Bank has received several Binding offers that are currently being reviewed and considered. It is expected that this exercise will be concluded by the second quarter of 2017.

b. Local Investors

The management of the Bank also extended its capital mobilization horizon to harness substantial equity from credible Nigerians who have committed to inject capital into Unity Bank. The process is on-going with necessary due through this window.

c. Core Investor Move

The following strategic actions are being pursued by existing shareholders/core investors to shore up the share capital of the Bank in a bid to complement the external capital raising exercise:

i. Existing shareholders' capital injection process towards generating substantial investment. The programme has commenced with concerted marketing efforts based on the Prospectus development in this regard. The process has commenced and significant progress is being recorded. The planned strategy is to concurrently complement the external investors' capital injection in acquisition of significant/controlling interest in the Bank.

ii. NPLs sales proceeds with initial consideration payment of N6.43billion and cash flow waterfall of circa. N60billion over the 5-year period. The cash flow will impact on capital positively over the period which will benefit the entire shareholders of Unity Bank (both existing and potential investors).

iii. Divestment proceeds from sale of non-banking assets and idle assets in 2016 financial year to comply with regulatory directives.

The whole process for capitalization is expected to be concluded by the end of the third quarter of 2017.

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.

	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	N'000
Regulatory capital		
Tier 1 capital		
Share capital	5,844,669	5,844,669
Share premium	10,485,871	10,485,871
Share Reconstruction	67,103,925	67,103,925
Statutory Reserves	11,929,737	11,602,168
SMEIES Reseves	440,116	440,116
Retained earnings	(275,980,402)	(117,270,296)
Less: goodwill and intangible assets	(16,766,392)	(16,920,408)
Less: Deferred Tax Assets	(20,609,164)	(19,666,769)
Total qualifying Tier 1 Capital	(217,551,640)	(58,380,725)
Tier 2 capital		
Preference Share	-	-
Non-Controlling Interest	-	-
Convertible Bonds	-	-
Qualifying Other Reserves	-	-
Qualifying Long Term Loan	-	-
Revaluation Reserve_Investment Securities	(505,375)	1,145,974
Total qualifying Tier 2 Capital(100% of total qualifying tier I capital)	-	-
Total Qualifying Capital	(217,551,640)	(58,380,725)
Risk - weighted assets:		
Risk Weighted Amount for credit risk	382,372,476	208,896,789
Risk Weighted Amount for operational risk	63,894,443	57,764,688
Risk Weighted Amount for market risk	16,839,479	5,357,088
Total risk-weighted assets	463,106,398	272,018,565
Ratio	-46.98%	-21.46%

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 31 December 2016	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	10,754,737	-	-	-	40,374,324	-	51,129,061
Due from banks	9,324,758	-	-	45,403,539	-	17,066,309	9,324,758
Loans and advances to customers	131,191,491	9,454,254	49,765,907	97,063	24,333,020	-	277,214,521
Financial investments – held-for-trading	-	2,271,376	-	22,856,638	442,532	4,821,459	97,063
Financial investments – available-for-sale	16,898,818	-	11,884,738	5,244,732	5,716,860	15,249,726	59,175,560
Financial investments – held-to-maturity	-	-	-	7,457,899	546,165	764,019	26,211,318
Other assets	385	30,814	553,884	-	-	-	9,353,167
Non current assets held for sale	-	-	-	-	-	22,800,643	-
Property and equipment	-	-	-	-	-	16,766,392	22,800,643
Goodwill and other intangible assets	-	-	-	20,609,164	-	-	16,766,392
Deferred tax assets	-	-	-	-	-	-	20,609,164
Total assets	168,170,189	11,756,444	62,204,529	101,669,035	71,412,901	77,468,548	492,681,647
Liabilities							
Due to other banks	50,195,162	-	-	-	-	-	50,195,162
Due to customers	225,912,547	33,835,566	1,452,546	442,184	2,553,500	-	264,196,344
Debt issued and other borrowed funds	21,012,397	3,614,333	-	50,000,000	7,228,667	53,288	81,908,685
Current tax liabilities	-	-	644,509	-	-	-	644,509
Other liabilities	1,001,646	1,304,657	-	6,139,123	-	4,058,922	12,504,349
Employee benefit liabilities	125,618	-	-	-	-	-	125,618
Equity	-	-	-	-	-	83,106,981	83,106,981
Total liabilities	298,247,371	38,754,557	2,097,055	56,581,307	9,782,167	87,219,190	492,681,647
Gap	(130,077,182)	(26,998,112)	60,107,474	45,087,728	61,630,734	(9,750,642)	(0)

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As at 31 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
Goodwill and other intangible assets	-	-	-	-	-	-	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	-	-	-	-	-	82,574,530	82,574,530
Total liabilities	214,703,129	79,387,683	14,867,960	25,926,997	8,504,451	99,930,793	443,321,012
Gap	(11,212,563)	(63,934,074)	17,620,775	43,847,033	37,408,450	(23,729,622)	-

43. Maturity Profile of Contingents

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

As at 31 December 2016	Up to 1 Month N'000	1 to 3 Months N'000	3 to 6 Months N'000	6 to 12 Months N'000	Over 1 Year N'000	Total N'000
Performance Bonds & Guarantees	921,707	3,979,754	2,741,412	8,281,801	18,509,441	34,434,116
Letters of credit	-	-	-	-	-	-
	921,707	3,979,754	2,741,412	8,281,801	18,509,441	34,434,116
As at 31 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	Over 1 Year N'000	Total N'000
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

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 2016	Naira N'000	Dollar N'000	Pound N'000	Euro N'000	Others N'000	Total N'000
Assets						
Cash and balances with central banks	49,063,940	1,935,256	62,155	67,710	-	51,129,061
Due from banks	2,164,736	6,084,468	567,498	496,739	11,317	9,324,758
Loans and advances to customers	240,937,551	36,276,970	-	-	-	277,214,521
Financial investments – held-for-trading	97,063	-	-	-	-	97,063
Financial investments – available-for-sale	26,152,264	-	-	-	-	26,152,264
Financial investments – held-to-maturity	33,023,297	-	-	-	-	33,023,297
Other assets	26,170,862	33,467	6,989	-	-	26,211,318
Property and equipment	9,353,166	-	-	-	-	9,353,166
Goodwill and other intangible assets	22,800,643	-	-	-	-	22,800,643
Deferred tax assets	16,766,392	-	-	-	-	16,766,392
Non current assets held for sale	20,609,164	-	-	-	-	20,609,164
Total assets	447,139,077	44,330,162	636,642	564,449	11,317	492,681,647
Liabilities						
Due to other banks	50,195,162	-	-	-	-	50,195,162
Due to customers	224,621,912	38,511,883	400,942	661,607	-	264,196,344
Debt issued and other borrowed funds	71,354,718	10,553,967	-	-	-	81,908,685
Current tax liabilities	644,509	-	-	-	-	644,509
Other liabilities	9,599,350	2,523,928	68,208	186,086	126,777	12,504,349
Employee benefit liabilities	125,618	-	-	-	-	125,618
Equity	83,106,980	-	-	-	-	83,106,980
Total liabilities	439,648,249	51,589,778	469,150	847,693	126,777	492,681,647
Gap	7,490,828	(7,259,616)	167,492	(283,244)	(115,459)	-

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

As at 31 December 2015	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	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	-	-	-	70,294,257
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	443,321,012
Gap	12,353,333	(12,875,578)	189,602	448,929	(116,286)	-

45. Interest Rate Risk

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

	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
AS AT 31 DECEMBER 2016							
Assets							
Due from banks	9,324,758	-	-	-	-	-	9,324,758
Loans and advances to customers	131,191,491	9,454,254	49,765,907	45,403,539	24,333,020	17,066,309	277,214,521
Financial investments – held-for-trading	-	-	-	97,063	-	-	97,063
Financial investments – available-for-sale	16,898,818	2,271,376	11,884,738	22,856,638	442,532	4,821,459	59,175,560
Financial investments – held-to-maturity	-	-	-	5,244,732	5,716,860	15,249,726	26,211,318
Total assets	157,415,067	11,725,630	61,650,645	73,601,972	30,492,412	37,137,495	372,023,221
Liabilities							
Due to other banks	50,195,162	-	-	-	-	-	50,195,162
Due to customers	225,912,547	33,835,566	1,452,546	442,184	2,553,500	-	264,196,344
Debt issued and other borrowed funds	21,012,397	3,614,333	-	50,000,000	7,228,667	53,288	81,908,685
Total liabilities	246,924,944	37,449,900	1,452,546	50,442,184	9,782,167	53,288	346,105,029
Gap	(89,509,877)	(25,724,270)	60,198,099	23,159,788	20,710,245	37,084,207	25,918,192

	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
AS AT 31 DECEMBER 2015							
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	2,300	-	40,531,041
Due to customers	196,346,584	33,122,196	1,403,825	566,037	8,502,151	17,356,262	231,440,942
Debt issued and other borrowed funds	4,477,631	34,455,769	3,440,763	2,061,681	8,504,451	17,356,262	70,294,257
Total liabilities	204,995,256	78,377,965	14,254,588	18,777,718	8,504,451	17,356,262	342,266,240
Gap	(14,218,227)	(62,955,171)	14,218,786	26,833,743	21,987,961	22,192,340	8,059,432

NOTES TO THE FINANCIAL STATEMENTS ▾

46. Customer complaints data

DESCRIPTION	NUMBER		AMOUNT CLAIMED		AMOUNT REFUNDED	
	2016	2015	2016	2015	2016	2015
	Nos	Nos	N'000	N'000	N'000	N'000
1. Pending Complaints B/F	352	264	2,319,119	7,300,670	-	-
2. Received Complaints	32,334	15,298	15,705,271	3,671,628	-	-
3. Resolved Complaints	(31,970)	(14,946)	(1,955,215)	(1,352,510)	1,165,673	275,059
4. escalated to CBN for intervention	275	5	11,581,892	171,320	906,071	-
5. Unresolved Complaints pending with the Bank C/F	364	352	13,750,056	2,319,119	-	-

FOREIGN CURRENCY					
S/N	CURRENCY	AMOUNT CLAIMED		AMOUNT REFUNDED	
		2016	2015	2016	2015
1	US Dollars (\$)	7,150	-	7,150	-

	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	N'000
47. Employees and Directors	Number	Number
a. The average number of persons employed by the Bank during the year was as follows:		
Executive Directors	5	5
Management	19	214
Non-management	1,930	1,911
	1,954	2,130
b. Compensation for the above staff (excluding Bank directors) include:	N'000	N'000
Salaries and wages	10,982,064	13,774,381
Pension costs:		
Defined Contribution plans	651,987	621,071
	11,634,051	14,395,452

NOTES TO THE FINANCIAL STATEMENTS ▾

	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	N'000
47. Employees and Directors (continued)		
c. The number of employees of the Bank, other than directors, who received emoluments in the following ranges (excluding pension contributions), were:	Number	Number
N300,000 and below	-	-
N300,001 - N2,000,000	-	-
N2,000,000 - N2,800,000	-	-
N2,800,001 - N3,500,000	869	933
N3,500,001 - N4,000,000	305	402
N4,000,001 - N5,500,000	250	254
N5,500,001 - N6,500,000	205	211
N6,500,001 - N7,800,000	159	159
N7,800,001 - N9,000,000	77	70
N9,000,001 and above	89	101
	1,954	2,130
48. Related party disclosures		
a. Compensation of key management personnel of the bank IAS 24.17	N'000	N'000
Short-term employee benefits (Executive Management Compensation)	346,240	435,437
Termination benefits	-	159,093
	346,240	594,530

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:

	N'000	N'000
Key management personnel of the bank:		
Loans and advances (Note 48d)	10,858,098	26,529,796
Deposits (Note 48c)	105,481	160,349

48. Related party disclosures (continued)

c. Transactions with key management personnel of the bank	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	N'000
The details of the directors' deposits as at 31 December 2016 are shown below		
Serving Directors:		
1 Aisha Azumi Abraham	1,406	7,801
2 Thomas A. Etuh	7,871	696
3 Ibrahim M. A Kaugama	112	461
4 Oluwafunsho Obasanjo	35,086	20,687
5 Richard G. Asabia	2,251	4,219
6 Aminu Babangida	1,445	1,399
7 Abubakar Abba Bello	10,758	417
8 Dahiru Chadi	2,269	41,931
9 Iliya Dauda Ndirpaya	2,688	2,809
10 Tomi Somefun	6,065	63,615
11 Yabawa Lawan Wabini	4,038	674
12 Priya Heal	18,215	15,338
13 Tuedor Temisan	722	303
14 Sam Okagbue	9,058	-
15 Hakeem Shagaya	3,497	-
	105,481	160,349

d. Risk assets outstanding as at 31 December 2016

- i) As at the close of business exposure to related party totaled N23.04billion (2015: N26.53billion). This amount represents credit facilities granted to companies in which certain present and past directors and shareholders have interest.

	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	N'000
Currently Serving Directors	10,858,098	15,524,466
Previous Serving Directors	12,178,593	11,005,330
	23,036,691	26,529,796

48. Related party disclosures (continued)
e. Insider related credit as at 31 December 2016

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	14496592	ALARAB PROPERTIES LTD	DR O.O. OBASANJO	DIRECTOR	OVERDRAFT	600,000,000.00	11/15/2012	11/19/2015		946,296,150	946,296,150
2	20225702	GENERAL METAL PRODUCTS LTD.	A.H. AMINU BABANGIDA	DIRECTOR	OVERDRAFT	115,289,254.40	11/26/2012	7/13/2014		107,159,883	107,159,883
3	160564	NIGER NORTH LIMITED	A.H. UMARU NDANUSA	FORMER DIRECTOR	OVERDRAFT	10,000,000.00	5/2/2008	7/6/2010		11,100,903	11,100,903
4	14478671	OBA QUARRY LIMITED	DR O.O. OBASANJO	DIRECTOR	OVERDRAFT	400,000,000.00	11/15/2012	11/14/2015		666,618,601	666,618,601
5	414243	MISBAHU BELLO SANI	ALH FALALU BELLO	RELATION OF FORMER MANAGING DIRECTOR	OVERDRAFT	180,000,000.00	9/6/2011	9/27/2013		235,788,282	235,788,282
6	20188434	FALALU BELLO	FALALU BELLO	FORMER MANAGING DIRECTOR	OVERDRAFT	584,940,000.00	8/15/2012	8/14/2014		489,098,176	489,098,176
7	436337	M B S MERCHANTS	FALALU BELLO	FORMER MANAGING DIRECTOR	OVERDRAFT	3,070,000,000.00	7/13/2011	10/21/2011		3,434,982,907	3,434,982,907
8	4404512	ABRAHAM AISHA AZUMI	ABRAHAM AISHA AZUMI	EXECUTIVE DIRECTOR	SHARE LOAN	8,000,000.00	3/30/2015	4/8/2022	2,005,348		2,005,348
9	23998742	ABRAHAM AISHA AZUMI	ABRAHAM AISHA AZUMI	EXECUTIVE DIRECTOR	MORTGAGE	60,000,000.00	2/2/2015	2/28/2020	42,000,000		42,000,000
10	17176631	ADEKUNLE OYINLOYE	ADEKUNLE OYINLOYE	FORMER EXECUTIVE DIRECTOR	SHARE LOAN	120,000,000.00	3/2/2015	1/10/2017	6,700,979		6,700,979
11		ADEKUNLE OYINLOYE	ADEKUNLE OYINLOYE	FORMER EXECUTIVE DIRECTOR	OVERDRAFT	-	4/10/2015	5/25/2015	81,724,897		81,724,897
12		ADEKUNLE OYINLOYE	ADEKUNLE OYINLOYE	FORMER EXECUTIVE DIRECTOR	OVERDRAFT	-	3/5/2015	3/4/2016	4		4
13	21611146	AHMED YUSUF	AHMED YUSUF	FORMER EXECUTIVE DIRECTOR	TERM LOAN	184,150,525.28	10/27/2014	7/23/2018	98,911,315		98,911,315
14	21936515	AHMED YUSUF	AHMED YUSUF	FORMER EXECUTIVE DIRECTOR	TERM LOAN	261,247,265.75	3/3/2015	4/21/2017	75,577,427		75,577,427
15	491293	AHMED YUSUF	AHMED YUSUF	FORMER EXECUTIVE DIRECTOR	OVERDRAFT	-	10/23/2015	4/20/2016	510,792,877		510,792,877
16	23173770	BACKBONE CONNECTIVITY NETWORK	LAMIS DIKKO	FORMER CHAIRMAN	TERM LOAN	1,552,951,235.39	6/30/2016	6/30/2016	1,087,343,751		1,087,343,751
17	23142435	BELLO ARUBAKAR ABBA	BELLO ARUBAKAR ABBA	EXECUTIVE DIRECTOR	TERM LOAN	15,111,200.62	4/3/2014	4/10/2020	9,307,534		9,307,534
18	18121047	EVANS EIJE WOHEREM	EVANS EIJE WOHEREM	FORMER EXECUTIVE DIRECTOR	SHARE LOAN	150,000,000.00	3/2/2015	1/27/2017	2,431,361		2,431,361
19	20334080	EVANS EIJE WOHEREM	EVANS EIJE WOHEREM	FORMER EXECUTIVE DIRECTOR	SHARE LOAN	54,437,610.75	2/21/2012	1/31/2017	2,269,228		2,269,228
20	3124833	EVANS EIJE WOHEREM	EVANS EIJE WOHEREM	FORMER EXECUTIVE DIRECTOR	OVERDRAFT		2/25/2015	4/11/2015	54,927,035		54,927,035

48. Related party disclosures (continued)
e. Insider related credit as at 31 December 2016

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
21	20190356	FALALU BELLO	FALALU BELLO	FORMER MANAGING DIRECTOR	SHARE LOAN	64,422,464.93	1/20/2012	1/10/2017	2,691,624		2,691,624
22	20190796	FALALU BELLO	FALALU BELLO	FORMER MANAGING DIRECTOR	SHARE LOAN	21,474,154.97	1/20/2012	1/10/2017	1,140,747		1,140,747
23	98458	IBRAHIM BABANGIDA B. KASHTON CONCEPTS NIGERIA LTD	ALH. AMINU BABANGIDA HAKEEM	RELATION OF DIRECTOR	TERM LOAN	200,000,000.00	11/10/2011	11/15/2014		66,242,813	66,242,813
24	17534208	KASHTON CONCEPTS NIGERIA LTD	SHAGAYA HAKEEM	DIRECTOR	OVERDRAFT	250,000,000.00	8/26/2015	8/25/2016	315,640		315,640
25	23875610	KASHTON CONCEPTS NIG LTD 2	SHAGAYA HAKEEM	DIRECTOR	OVERDRAFT	35,946,212.61	10/9/2015	4/6/2016	160,154,892		160,154,892
26	17535786	KASHTON HOMES LIMITED	SHAGAYA HAKEEM	DIRECTOR	OVERDRAFT	49,000,000.00	2/24/2015	2/23/2016	19,912,150		19,912,150
27	21881639	LAMIS SHEHU DIKKO	ALHAJI LAMIS SHEHU DIKKO	FORMER CHAIRMAN	TERM LOAN	36,000,000.00	11/6/2014	4/28/2017	4,689,370		4,689,370
28	21480874	LAMIS SHEHU DIKKO	ALHAJI LAMIS SHEHU DIKKO	FORMER CHAIRMAN	TERM LOAN	30,000,000.00	7/4/2013	3/17/2017	2,019,726		2,019,726
29	19644312	LAMIS SHEHU DIKKO	ALHAJI LAMIS SHEHU DIKKO	FORMER CHAIRMAN	OVERDRAFT	-	1/30/2015	3/16/2015		61,410,070	61,410,070
30	22799588	PACIFIC ENERGY COMPANY LIMITED	DR. ADEDEJI ADELEKE	FORMER DIRECTOR	SYNDICATED CONTRACT OVERDRAFT	USD10,666,818.79	12/15/2013	12/5/2018	1,460,324,465		1,460,324,465
31	21168217	PACIFIC ENERGY COMPANY LIMITED	DR. ADEDEJI ADELEKE	FORMER DIRECTOR	OVERDRAFT	-	3/31/2016	3/31/2016	716,531,622		716,531,622
32	206488	SHAGAYA HAKEEM	SHAGAYA HAKEEM	DIRECTOR	OVERDRAFT	2,115,104.35	2/7/2007	3/9/2007	4,849,876		4,849,876
33	24325758	SHAGAYA HAKEEM	SHAGAYA HAKEEM	DIRECTOR	TERM LOAN	110,000,000.00	5/19/2015	8/13/2019	29,176,275		29,176,275
34	21289981	SWAP TECHNOLOGIES AND TELECOMM	HENRY SEMINITARI	FORMER MANAGING DIRECTOR	TERM LOAN	USD10,000,000	11/1/2012	12/31/2014	3,771,893,109		3,771,893,109
35	23178270	TAK AGRO & CHEMICAL LIMITED	THOMAS ETUH	CHAIRMAN	TERM LOAN	5,099,183,503.83	6/30/2016	6/30/2016	4,217,069,122		4,217,069,122
36	24449595	TEMPO STARCH AND GLUCOSE LTD	DR O.O. OBASANJO	DIRECTOR	BOI	3,500,000,001.00	6/24/2015	6/23/2023	3,332,741,065		3,332,741,065
37	14497465	TEMPO STARCH AND GLUCOSE LTD	DR O.O. OBASANJO	DIRECTOR	BOI	200,000,000.00	9/27/2010	9/30/2016	100,054,795		100,054,795
38	14479874	TEMPO STARCH AND GLUCOSE LTD	DR O.O. OBASANJO	DIRECTOR	OVERDRAFT	-	12/18/2015	2/16/2016	922,740,634		922,740,634
39	17046084	TAK CONTINENTAL LTD	THOMAS ETUH	CHAIRMAN	OVERDRAFT	188,751,863.07	4/30/2015	6/14/2015	7,502,489,071		7,502,489,071
									15,534,201,626		23,036,690,697

	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	N'000
49. Remuneration paid to Non Executive Directors		
Fees	315,000	315,000
Sitting Allowances	60,008	71,135
Other director expenses	36,532	36,391
	411,540	422,527
Fees and other emoluments disclosed above include amounts paid to:		
The Chairman	41,400	39,389
	Number	Number
The number of directors who received fees and other emoluments(excluding pension contributions)		
Below N1,000,000	-	-
N1,000,000 - N2,000,000	-	-
N2,000,001 - N3,000,000	-	-
N5,000,001 and above	15	15
	15	15
50. Reconciliation of profit before tax to cash generated from operation		
	N'000	N'000
Profit before tax	1,816,431	2,342,667
Adjustments to reconcile profit to net cash flow from operating activities		
Depreciation	1,727,010	2,003,959
Impairments	35,948,596	27,122,182
Amortization of intangible assets	192,626	246,271
Profit on sale of fixed assets	-	(213,748)
Profit from sale of Investment	(3,231,144)	-
Net change in operating assets	(94,668,587)	(66,520,631)
Net change in operating liabilities	35,438,435	(1,054,724)
Increase/(Decrease) in tax payable	(543,892)	(617,146)
Net Cash from operating activities	(23,320,526)	(36,691,170)
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 all been disposed in line with the CBN directives.		

a. Nature of Contavention and penalty paid	31 DECEMBER 2016		31 DECEMBER 2015	
	REGULATORY BODY	N'000		N'000
Later rendition of FINA & EFASS returns to CBN	CBN	75	-	-
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	-
Penalty for contravening various AML/CFI requirements	CBN	18,000	-	-
Penalty for non-disclosure of excess funds and utilization	CBN	2,000	-	-
		20,075		6,995

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 31 December 2016 after the lapse of the period of the forbearance granted previously. The current revised cash reserve ratio is set at 22.5%. During the year, CBN deducted N500million weekly to cover the CRR the Bank is expected to maintain.

NON IFRS DISCLOSURE	31 DECEMBER 2016		31 DECEMBER 2015	
	N'000	%	N'000	%
Gross earnings	84,012,662		78,805,800	
Interest expense	(19,901,215)		(19,619,178)	
	64,111,447		59,186,622	
Bought in materials and services				
Local	(12,792,734)		(13,076,091)	
Impairment of assets	(35,948,596)		(27,122,182)	
	15,370,117	100	18,988,349	100
Applied to pay:				
Employees:				
Wages, salaries and pensions	11,634,051	76	14,395,452	76
Government				
Taxes	575,028	4	582,791	3
Shareholders:				
Dividend	-	-	-	-
To be retained in the business for expansion and future wealth creation:				
Depreciation	1,727,010	11	2,003,959	11
Amortisation	192,626	1	246,271	1
Deferred taxation	(942,395)	(6)	(2,929,281)	(15)
(Loss)/Profit for the year	2,183,798	14	4,689,157	25
	15,370,117	100	18,988,349	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.

FIVE YEAR FINANCIAL SUMMARY ▾

STATEMENT OF FINANCIAL POSITION

NON IFRS DISCLOSURE	31 DECEMBER		31 DECEMBER		
	2016 N'000	2015 N'000	2014 N'000	2013 N'000	2012 N'000
Assets					
Cash and balances with Central Bank	51,129,061	27,587,476	6,814,218	9,710,926	41,245,431
Due from banks	9,324,758	18,579,346	16,158,360	7,385,127	13,586,887
Loans and advances to customers	277,214,521	246,143,129	219,335,346	195,229,573	189,041,345
Financial investments – held-for-trading	97,063	110,633	2,793,700	-	-
Financial investments – available-for-sale	26,152,264	43,114,403	57,903,167	49,456,338	25,247,739
Financial investments – available-for-sale pledged as collateral	33,023,297	17,138,888	19,605,200	38,330,267	6,295,200
Financial investments – held-to-maturity	26,211,318	25,239,272	26,550,431	28,259,864	55,072,364
Other assets	9,353,166	6,391,066	8,681,702	15,526,590	19,271,529
Property and equipment	22,800,643	18,968,143	18,491,476	20,091,653	20,886,553
Goodwill and other intangible assets	16,766,392	16,920,408	17,148,015	17,389,808	17,498,195
Deferred tax assets	20,609,164	19,666,769	16,737,488	19,036,676	7,147,823
Investment in subsidiaries	-	-	-	-	-
Non current assets held for sale	-	3,461,478	3,086,008	3,212,468	427,115
TOTAL ASSETS	492,681,647	443,321,012	413,305,111	403,629,290	395,720,179
Liabilities and Equity					
Liabilities					
Due to other banks	50,195,162	40,531,041	-	-	-
Due to customers	264,196,344	231,440,942	277,025,613	303,270,560	270,060,046
Debt issued and other borrowed funds	81,908,685	70,294,256	45,499,812	54,319,092	54,434,499
Current tax liabilities	644,509	613,373	647,727	425,554	591,511
Other liabilities	12,504,349	17,781,333	13,792,184	16,931,889	18,856,671
Employee benefit liabilities	125,618	85,536	75,780	469,555	319,771
TOTAL LIABILITIES	409,574,667	360,746,481	337,041,116	375,416,650	344,262,498
Equity					
Issued share capital	5,844,669	5,844,669	58,446,690	19,223,345	19,223,345
Share premium	10,485,871	10,485,871	10,485,871	11,929,515	11,929,515
Statutory reserve	11,929,737	11,602,168	10,898,794	7,691,052	7,691,052
Retained earnings	(275,980,402)	(117,270,296)	(56,434,482)	(58,700,475)	(7,478,136)
Non Distributable Regulatory Reserve	263,788,438	103,222,105	38,400,508	33,181,767	4,541,768
Other reserves	67,038,667	68,690,015	14,466,615	14,887,436	15,550,140
TOTAL EQUITY	83,106,980	82,574,531	76,263,995	28,212,639	51,457,684
TOTAL LIABILITIES AND EQUITY	492,681,647	443,321,012	413,305,111	403,629,290	395,720,180

PROFIT OR LOSS

NON IFRS DISCLOSURE	31 DECEMBER		31 DECEMBER		
	2016 N'000	2015 N'000	2014 N'000	2013 N'000	2012 N'000
ASSETS					
Total operating income	64,111,448	59,186,622	59,886,928	40,775,127	37,786,331
Operating expenses	(26,346,421)	(29,721,773)	(31,193,291)	(51,885,952)	(29,669,741)
Impairment losses	(35,948,596)	(27,122,182)	(15,054,246)	(22,528,543)	(1,659,863)
Profit before taxation	1,816,431	2,342,667	13,639,390	(33,639,369)	6,456,727
Information technology Levy	(18,164)	(56,994)	(56,994)	-	(67,220)
Current taxation	(556,864)	(525,797)	(525,797)	(234,978)	(520,586)
Deferred taxation	942,395	2,929,281	(2,299,187)	11,292,007	311,140
PROFIT/(LOSS)AFTER TAXATION	2,183,798	4,689,157	10,757,411	(22,582,339)	6,180,061
Profit/(Loss) attributable to shareholders	2,183,798	4,689,157	10,757,411	(22,582,339)	6,180,061
EARNINGS PER SHARE (BASIC)	18.68	12.34	17.45	(58.74)	17.68

COMPARISON OF IFRS WITH PRUDENTIAL CLASSIFICATION ▾

COMPARISON OF IFRS WITH PRUDENTIAL CLASSIFICATION

NON IFRS DISCLOSURE	31 DECEMBER 2016	31 DECEMBER 2015
	N'000	N'000
Loans and Advances	378,758,599	311,897,547
Impaired Loans (IFRS)	211,846,564	109,910,445
Non performing Loans (PG)	369,139,834	241,317,690
NPL Ratio (%)	97%	77%

Inline with CBN prudential guideline and directive, the Bank charged additional provisions of N160billion against the retained earning in 2016 financial year and transferred it to Non-Distributable Regulatory Reserves. This brings the balance in the Non-Distributable Regulatory Reserve to N263billion being the excess of prudential provisioning over IFRS impairment.

E.R.M DISCLOSURES

APPROACH TO RISK MANAGEMENT

Unity Bank recognizes the importance of risk management practices in the achievement of its overall strategic objectives. The Bank has an effective risk governance structure and an experienced risk team. Its risk management structure facilitates maximization of opportunities, mitigation of potential threats and timely decision making. The Bank realizes that effective risk management is fundamental to achieving financial soundness. To this end, risk management has become an integral part of our strategy. A major target is to create a homogeneous risk awareness culture throughout the institution. This will help all staff to collectively own risk. Risk management style is well defined to create a balance between corporate oversight and actual risk management functions with a focus on the three lines of defence below:



In the process of prospecting businesses for the Bank, risk management should be activated. This will reduce the burden of assessment of other risk functions. In the case of a process breach in line with management objectives, internal audit will identify and recommend for process correction.

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

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

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

1. Establishing a context

This is done by considering the following:

- The environment within which the organization operates (Organizational context)
- The objectives, core activities and operations of the Bank (Strategic context)

2. Identification of risks

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

3. Evaluation of risk

It involves analysing likelihood and consequences of risks identified

4. Treatment of risks

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

5. Reporting and monitoring of risks

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

SCOPE OF RISKS

The following risks are directly managed by the bank:

- a. Credit Risk
- b. Market Risk and liquidity Risk
- c. Operational Risk
- d. Strategic Risk
- e. Compliance and Legal Risk
- f. Reputational Risk
- g. Interest rate Risk
- h. Foreign Exchange risk

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 a lender and it 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 and assessment process.

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.

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 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.

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.

S/N	UNITYBANK 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

S/N	UNITYBANK NAME	DEFINITION OF RISK	RISK GROUP CODE
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 riskment risk.	Losses arising from failed transactions, errors in processing, accounting errors, un-reconciled balances, human capital competence and attitude issues.	005
6	Business disruption and system 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

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.

Strategic Risk

It encompasses a variety of uncertainties which are not directly financial in nature, caused by macro-economic factors, industry trends or lapses in a firm's strategic choices which may turn out wrong and adversely affect the firm's earnings and shareholder's value.

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. The Board further engaged the services of Price Water Cooper to assess the Bank's resources – human and material resources with a view to re-organise these resources along the strategy it is driving.

This strategy 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 has 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 of Nigeria 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. The Bank has also re strategized to focus on the retail with renewed vigour and we believe the relocation of the headquarters to Lagos will help us achieve that goal.

Compliance and Legal Risk

Compliance risk is the possibility of loss arising from the inability of the Bank to properly align its processes and policies to the regulatory dictates cum policies of the Apex Bank and /or other regulatory bodies.

Compliance and Legal Risk (Continued)

The Bank implemented both system-based and manual controls to ensure compliance with rules, regulations and laws governing operations of a financial institution in Nigeria. We have Zero-tolerance for non-compliance with Know-your-customer and Know-your-customers' business regulations in the Bank. Officers are exposed to detailed and regular training on anti-money laundering practices to acquire relevant capacity to manage these franchise risk issues. Expert opinions are obtained from internal and external solicitors to manage legal risks in all its key decision making processes.

The bank regularly engages a consultant to carry out detailed review of the Bank's Compliance risk management policies and processes with a view to determining the existing gaps and proffering appropriate remediation for such identified gaps in the framework.

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

Reputational Risk

This risk arises from damage to the Bank's image which may impair its ability to retain and generate business. It is the potential that negative perceptions of the Bank's conduct or business practices will adversely affect profitability, operations or customers and client.

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.

Interest Rate Risk

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

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

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

Interest Rate Risk Management

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

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

Foreign Exchange Risk (Continued)

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 INITIATIVES

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

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

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

During the Financial Year ending 31st December 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 company, its assets and reputation.

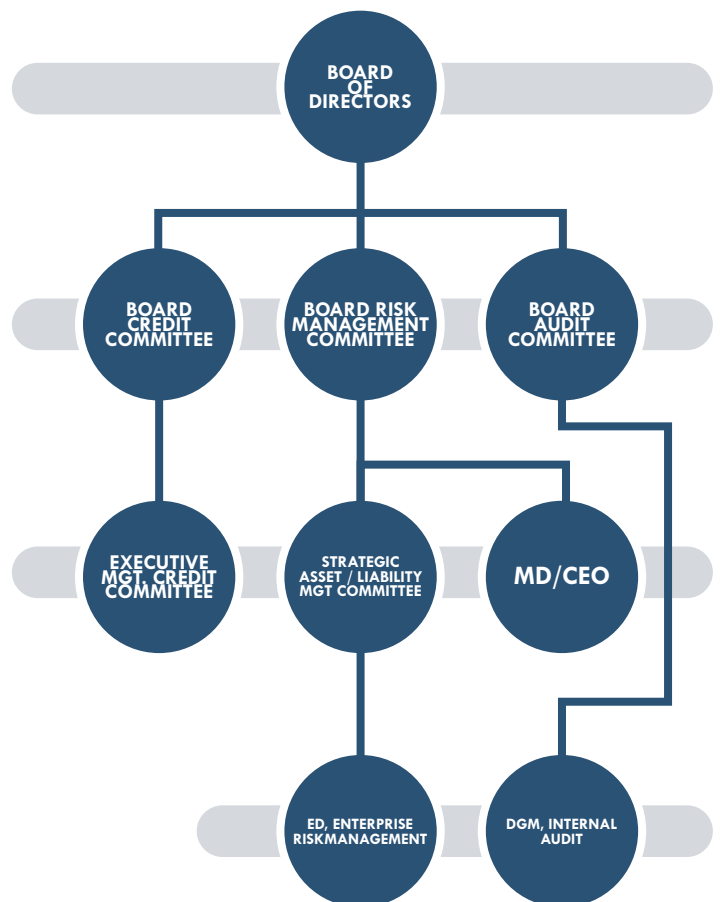
The scope expansion will also help the Bank improve its ability to recover operations and continue business in case of an event and improve the overall organizations security awareness. The Bank's strategy to improve service delivery across the enterprise and in meeting regulatory requirements as contained in the CBN IT Standards Blueprint, engaged the services of consultants to see it through to attaining ISO 20000 global standards for Information Technology Service Management (ITSM).

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

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.

Enterprise Risk Management Framework Risk Governance Structure



Roles and Responsibilities

Board of Directors

The Board has the overall responsibility for all risk policy formulation bank-wide thereby setting the risk agenda for enterprise risk management.

The Board and its Committees are being subjected to annual corporate governance review

Board Risk Management Committee (BRMC)

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

- | | |
|--------------------------------|----------------------------|
| • Richard G. Asabia-Chairman - | (Independent Director) |
| • Dr. Oluwafunsho Obasanjo - | Member (Director) |
| • Ibrahim M. A Kaugama - | " (Director) |
| • Yabawa Lawan Wabi - | " (Director) |
| • Dauda N. Iliya - | " (Director) |
| • Tomi Somefun - | Managing Director/CEO |
| • Aisha Abraham - | ED, Secretariat & Services |
| • Dahiru Chadi - | ED, Enterprise Risk Mgt |

The Committee is charged with the following responsibilities:-

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

Board Credit Committee (BCC)

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

· Dauda Iliya	-	Chairman	(Director)
· Hakeem Shagaya	-	Member	(Director)
· Sam N. Okagbue	-	“	(Independent Director)
· Priya Heal	-	“	(Director)
· Aminu Babangida	-	“	(Director)
· Richard G. Asabia	-	“	(Independent Director)
· Tomi Somefun	-	“	Managing Director
· Dahiru Chadi	-	“	Executive Director
· Abba Bello	-	“	Executive Director
· Temisan Tuedor	-	“	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		
· Yabawa Lawan Wabi	-	(Director)
· Sam Okagbue	-	(Director)
· Ibrahim M. A Kaugama	-	(Director)

The Audit Committee shall be responsible for:-

- Ensuring that there is an open avenue of communication between the External Auditors and the Board.
- Reviewing the periodic financial results, and other published information to satisfy itself that they meet all statutory requirements and appropriate Financial Reporting Standards.
- Review annually the accounting policies of the Bank and make recommendations to the Board.

- Review and assess the annual internal audit plan.
- Receive and review on quarterly basis, Internal Auditors Reports of the Bank.
- Review and monitor Management's responsiveness to the findings and recommendations of the Internal Auditors.
- Reviewing the Bank's internal financial controls and risk management systems, and submitting these reviews and its recommendations to the Board.
- Considering and reviewing with the external auditors the adequacy of the Bank's systems of internal control (including computerized information systems).
- Review promptly all material Reports on the Bank from the internal auditors.
- Review the activities, resources, organizational structure and the operational effectiveness of internal audit, and where appropriate, make recommendations to the Board.
- Recommend to the Board the appointment, re-appointment and removal of the external auditors.
- Review and discuss any Report from the external auditors on critical accounting policies, including Management's response.
- Develop and implement policies on the engagement of Accountants other than the external auditors to supply non-audit services, and recommend to the Board e.g. tackling reconciliation problems.
- Review arrangements by which staff of the Bank may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The Committee will ensure that arrangements are in place for the proportionate and independent investigation and follow-up of such matters.
- Monitor and review the standards of risk management and internal control, including the processes and procedures for ensuring that material business risks, including risks relating to IT security, fraud and related matters, are properly identified and managed.
- The effectiveness of internal control, financial reporting, accounting policies and procedures, and the Bank's statements on internal controls before they are agreed by the Board for each year's Annual Report.
- Consider and review the process for risk management annually to ensure adequate oversight of risk faced by the Bank and the system of internal controls and reporting of those risks within the Bank.
- Receive regular Reports on significant litigation and financial commitments and potential liability (including tax) issues involving the Bank.

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

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

- | | |
|--|-----------------------|
| • Tomi Somefun | Managing Director/CEO |
| • ED, Secretariat & Services | Aisha Abraham |
| • ED, North-West | Abba Bello |
| • ED, Enterprise Risk Mgt | Dahiru Chadi |
| • ED, South-South & South-East | Temisan Tuedor |
| • 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-West | 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.

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

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:

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

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:

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. 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
 - Portfolio Stress Testing
 - Total Portfolio Limit
 - 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.

- 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.

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.

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.

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- 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.

ENTERPRISE RISK MANAGEMENT DISCLOSURES

Compliance with Laws and Regulations

- There is full compliance with all laws and regulations of the Central Bank of Nigeria, Securities and Exchange Commission, NAFIU – Anti-money laundering laws, as well as all other regulatory bodies

Optimal Staffing

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

Authority Limits and Access Rights

- Delegated authority limits whether operational or fund-based 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.

AS AT 30 SEPTEMBER 2016	DOLLAR N'000	POUND N'000	EURO N'000	YEN N'000	TOTAL N'000
ASSETS					
Cash and balances with central banks	924,488	58,011	102,274	-	1,084,773
Due from banks	9,147,733	(25,235)	365,449	11,317	9,499,264
Loans and advances to customers	30,343,255	-	-	-	30,343,255
Financial investments – HFT	-	-	-	-	-
Financial investments – AFS	-	-	-	-	-
Financial investments –HTM	-	-	-	-	-
Other assets	19,764	7,348	-	-	27,113
Property and equipment	-	-	-	-	-
Goodwill and other intangible assets	-	-	-	-	-
Deferred tax assets	-	-	-	-	-
Non current assets held for sale	-	-	-	-	-
Total Assets	40,435,240	40,124	467,723	11,317	40,954,405
LIABILITIES					
Due to other banks	-	-	-	-	-
Due to customers	37,715,531	154,834	223,603	-	38,093,968
Debt issued and other borrowed funds	10,553,967	-	-	-	10,553,967
Current tax liabilities	-	-	-	-	-
Other liabilities	1,740,043	195,881	74,410	126,777	2,137,111
Employee benefit liabilities	-	-	-	-	-
Equity	-	-	-	-	-
Total Liabilities	50,009,541	350,715	298,013	126,777	50,785,046
Gap	(9,574,301)	(310,591)	169,710	(115,459)	(9,830,641)

ENTERPRISE RISK MANAGEMENT DISCLOSURES ▾

AS AT 30 SEPTEMBER 2016	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)

Sensitivity analysis of currency risks

The table below indicates the currencies to which the Bank had significant exposure at 30 September 2016 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	SEP 2016	SEP 2016	DEC 2015	DEC 2015
	EFFECT ON PAT	EFFECT ON EQUITY	EFFECT ON PAT	EFFECT ON EQUITY
	N'000	N'000	N'000	N'000
Dollar + 5%	872,789	872,789	295,550	295,550
Pounds + 5%	8,444	8,444	6,677	6,677
Euro + 5%	(15,707)	(15,707)	8,199	8,199
Dollar -5%	(872,789)	(872,789)	(295,550)	(295,550)
Pounds -5%	(8,444)	(8,444)	(6,677)	(6,677)
Euro -5%	15,707	15,707	(8,199)	(8,199)
Dollar + 2.5%	436,394	436,394	147,775	147,775
Pounds + 2.5%	4,222	4,222	3,339	3,339
Euro + 2.5%	(7,854)	(7,854)	4,099	4,099
Dollar -2.5%	(436,394)	(436,394)	(147,775)	(147,775)
Pounds -2.5%	(4,222)	(4,222)	(3,339)	(3,339)
Euro -2.5%	7,854	7,854	(4,099)	(4,099)

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.

LIQUIDITY RATING	DESCRIPTION
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.

	30 SEPTEMBER 2016	31 DECEMBER 2016
MAXIMUM	32.52%	48.04%
MINIMUM	35.21%	32.33%
AVERAGE	34.33%	44.19%

Loans to Deposit Ratios from average balances

	30 SEPTEMBER 2016	31 DECEMBER 2016
MAXIMUM	98.98%	118.81%
MINIMUM	82.60%	97.07%
AVERAGE	89.50%	107.28%

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.
- Implement risk-adjusted performance management system in conjunction with ERM's Office of the ED, Risk Management.
- Proactively monitor business performance vis-a-vis strategic targets through
- Periodic appraisal of strategy implementation on monthly, quarterly, bi-annual review.
- Competition review.

Reputational Risk

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

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

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

Legal Risks

A full fledge 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 Measurement and Management

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

Credit risk arises when an obligor fails to meet with the terms and conditions specified and agreed in a trading or loan contract or when its ability to perform such obligations is impaired. This may arise not only when an obligor or borrower defaults in payment of a loan or settlement but also when his repayment capability dwindles.

Credit risk event occur from activities both on and off Balance Sheet engagements which include trade or project finance, interbank transactions, foreign exchange, bonds, guarantees, commitment and settlement transactions.

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.

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.

MANAGEMENT PROPOSALS

S/N	TYPE OF FACILITY	COLLATERAL	AMOUNT	APPROVAL AUTHORITY
1a	secured Lending, Assets Based	Legal or Mortgage Debenture on all commercial properties and plant and machineries shall be valued at OMV and FSV. The basis of the security cover shall be 100% of FSV. Legal Mortgage on all residential properties shall be valued on the basis of Rental Values (RV). valuation shall be based on: (a) OMV = RV X 15 years (b) FSV = RV X 10 years. Security cover shall be based on 100% of FSV. Note that only Valuation Reports from the Bank's accredited Estate Valuers will be acceptable.	N751- 1.0 Billion	BCC

MANAGEMENT PROPOSALS (Continued)

S/N	TYPE OF FACILITY	COLLATERAL	AMOUNT	APPROVAL AUTHORITY
1b	Secured Lending, Assets Based	"	N251 -750 million	EXCO
1c	Secured Lending, Assets Based	"	N250 million	MD/CEO
2a	Temporary Overdrafts	Not exceeding 30 days tenor against above securities	N251 - 500 Million	BCC
2b	Temporary Overdrafts	Not exceeding 30 days tenor against above securities	N151 - 250 Million	EXCO
2c	Temporary Overdrafts	Not exceeding 30 days tenor against above securities	N150 million	MD/CEO
3a	Clean Limits	not exceeding 30 days tenor	N21 -30 million	BCC
3b	Clean Limits	Not exceeding 30 days tenor	N11 -20 million	EXCO
3c	Clean Limits	Not exceeding 30 days tenor	N10 Million	MD/CEO
4a, 4b, 4c	Contingent liabilities			
5a	Bonds and Guarantees	% cash margin and or tangible security of an equivalent value as per policy		
		10% Cash Margin	N1.5 Billion	BCC
		15% Cash Margin	N2.0 Billion	BCC
		25% Cash Margin	N2.5 Billion	BCC
	Letters of Credits	(a)30% equity contribution, and/or (b) Tangible security, and/or © Warehousing agreement	N1.5 Billion	BCC
	Unconfirmed LC's	(a)30% equity contribution, and/ or (b) Tangible security, and/or © Warehousing agreement	N1.5 Billion	BCC
5b	Bonds and Guarantees	% cash margin and or tangible security of an equivalent value as per policy		
		10% Cash Margin	N1.0 Billion	EXCO
		15% Cash Margin	N1.5 Billion	EXCO
		25% Cash Margin	N2.0 Billion	EXCO
		100% Cash Margin	No Limit	EXCO

MANAGEMENT PROPOSALS (Continued)

S/N	TYPE OF FACILITY	COLLATERAL	AMOUNT	APPROVAL AUTHORITY
	Letters of Credits	(a)30% equity contribution, and/or (b) Tangible security, and/or © Warehousing agreement	N1.0 Billion	EXCO
	Unconfirmed LC's	Tangible security, and/or © Warehousing agreement	N1.0 Billion	EXCO
5c	Bonds and Guarantees	% cash margin and or tangible security of an equivalent value as per policy		
		10% Cash Margin	N500 Million	MD/CEO
		15% Cash Margin	N750 Million	MD/CEO
		25% Cash Margin	N1.0 Billion	MD/CEO
		100% Cash Margin	N1.5 Billion	MD/CEO
	Letters of Credits	(a)30% equity contribution, and/or (b) Tangible security, and/or © Warehousing agreement	N500 Million	MD/CEO
	Unconfirmed LC's	(a)30% equity contribution, and/or (b) Tangible security, and/or © Warehousing agreement	N500 Million	MD/CEO
6a	(a) Trade Finance Facility	20% - 30% contribution		
	(b) Warehousing	Warehousing agreement or	N2 billion	BCC
	© LPO/Contract finance	Tangible security in case of LPO / Contract Financing		
6b	(a) Trade Finance Facility	20% - 30% contribution		
	(b) Warehousing	Warehousing agreement or	N500Million	EXCO
	© LPO/Contract finance	Tangible security in cae of LPO/ Contract Financing		
6b	(a) Trade Finance Facility	20% - 30% contribution		
	(b) Warehousing	Warehousing agreement or	N300Million	MD/CEO
	© LPO/Contract finance	Tangible security in cae of LPO/ Contract Financing		
7a	MDA's subventions adjustable for 1 month and not exceeding 50% of subvention. Backed by ISPO, AG's and Supervising Ministries approvals	(i) Subvention Account maintained with Unity Bank. (ii) Corporate or Management Guarantee of supervising Ministry or parastatal	N1.0 -1.5 Billion	BCC

MANAGEMENT PROPOSALS (Continued)

S/N	TYPE OF FACILITY	COLLATERAL	AMOUNT	APPROVAL AUTHORITY
7b	Against States, LGs, MDA's subventions adjustable for 1 month and not exceeding 50% of subvention. Backed by ISPO, AG's and Supervising Ministries approvals	(I) Subvention Account maintained with Unity Bank. (ii) Corporate or Management Guarantee of supervising Ministry or parastatal	N251 - B1 Billion	EXCO
7c	Against States, LGs, MDA's subventions adjustable for 1 month and not exceeding 50% of subvention. Backed by ISPO, AG's and Supervising Ministries approvals	(I) Subvention Account maintained with Unity Bank. (ii) Corporate or Management Guarantee of supervising Ministry or parastatal	N250 Million	MD/CEO

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

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

Credit Risk Assessment

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

- Significant financial difficulty of the customer
- A breach of contract such as a default of payment
- Where the bank grants the customer a concession due to the customer experiencing financial difficulty.

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

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

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

Maximum Exposure to Credit Risk

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

31 DEC 15		FAIR VALUE OF COLLATERAL AND CREDIT ENHANCEMENT							
	Maximum Exposure to credit	Cash	Securities	Letters of Credit/ Guarantees	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	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	-	-	-	-	-	-	-	-	-

31 DEC 15 FAIR VALUE OF COLLATERAL AND CREDIT ENHANCEMENT									
	Maximum Exposure to credit	Cash	Securities	Letters of Credit/ Guarantees	Property	Others	Netting agreements	Net collateral	Net Exposure
Held to maturity	-	-	-	-	-	-	-	-	-
Financial guarantees	38,243	1,487		1,195	18,186	14,621	4,355		39,844
Letters of credits	-	-	-	-					

31 DEC 15 FAIR VALUE OF COLLATERAL AND CREDIT ENHANCEMENT									
	Maximum Exposure to credit	Cash	Securities	Letters of Credit/ Guarantees	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
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 counterparts' 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.

ENTERPRISE RISK MANAGEMENT DISCLOSURES ▾

Gross value of individually assessed loans as at 31st December 2016 amounted to N183 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 31st December 2016.

GROSS VALUE OF LOANS BY INDUSTRIES	COLLECTIVE IMPAIRMENT		INDIVIDUAL IMPAIRMENT		Totals
	Significant Performing	Significant Non Performing	Insignificant Performing	Insignificant Non performing	
ADMINISTRATION	639,054,808	368,064,122	16,507,789	250,248,825	1,273,875,544
AGRICULTURE	33,589,577,272	28,788,701,451	11,414,116	798,901,540	63,188,594,378
CAPITAL	26,552,450	200,305,021	11,960,176	136,577,466	375,395,114
COMMERCE	6,196,745,190	14,285,340,754	135,949,275	1,524,943,085	22,142,978,304
CONSTRUCTION	17,378,978,326	24,806,758,900	3,470,232	341,239,771	42,530,447,230
EDUCATION	672,842,336	1,048,214,712	26,141,532	394,742,540	2,141,941,120
TATE	3,283,150,316	10,098,496,179	51,205,241	40,060,606	13,472,912,342
FINANCE	2,057,344,353	1,273,450,811	5,105,217	154,065,560	3,489,965,942
GENENERAL	15,656,201,598	41,356,881,739	635,737,799	22,924,976,643	80,573,797,779
GOVERNMENT	189,300,039	10,684,604,235	14,522,606	580,224,887	11,468,651,767
HEALTH	521,080,054	49,606,967	329,760	71,487,201	642,503,981
INFORMATION	7,988,065,385	13,057,320,460	29,993,091	172,318,718	21,247,697,653
MANUFACTURING	37,813,879,148	8,989,500,296	39,745,661	323,369,599	47,166,494,704
OIL & GAS	20,419,166,444	12,304,624,229	25,951,696	388,848,239	33,138,590,608
PROFESSIONAL	6,174,778,893	256,392,096	30,664,835	122,045,658	6,583,881,482
TRANSPORT	13,245,754,317	15,833,932,920	20,864,975	111,479,017	29,212,031,229
WATER	-	84,841,554	7	23,998,694	108,840,255
	165,852,470,928	183,487,036,445	1,059,564,008	28,359,528,050	378,758,599,432

Analysis of individually assessed loans as at 31st December 2016.

	GROSS INDIVIDUALLY LOANS IMPAIRED	IMPAIRMENT
ADMINISTRATION	368,064,121.89	287,514,121.89
AGRICULTURE	28,788,701,451.13	12,898,354,082.14
CAPITAL	200,305,021.16	155,305,021.16
COMMERCE	14,285,340,754.12	8,556,881,080.73
CONSTRUCTION	24,806,758,900.03	7,247,993,315.96
EDUCATION	1,048,214,712.38	965,144,712.38
ESTATE	10,098,496,178.75	3,496,752,200.29
FINANCE	1,273,450,811.18	1,077,278,689.58
GENENERAL	41,356,881,738.63	27,914,292,327.12
GOVERNMENT	10,684,604,235.05	7,210,165,763.62
HEALTH	49,606,966.81	49,606,966.81
INFORMATION	13,057,320,459.54	2,060,184,618.53
MANUFACTURING	8,989,500,295.77	4,930,927,166.16
OIL & GAS	12,304,624,229.48	6,441,246,742.11

	GROSS INDIVIDUALLY LOANS IMPAIRED	IMPAIRMENT
PROFESSIONAL	256,392,096.16	188,094,953.30
TRANSPORT	15,833,932,919.58	9,561,444,590.25
WATER	84,841,553.57	48,841,553.57
	Percentage of gross amount of Individually Impaired loans to total gross loans	50.73%
	Percentage of Individual Impairment to total impairment	91.67%

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.

The following table shows the probability of default computed for the various bucket or industry categories as at 30th December 2016.

INDUSTRY BUCKETS	PROBABILITY OF DEFAULT	
	16-DEC	15-DEC
ADMINISTRATION	0.2859	0.1856
AGRICULTURE	0.1815	0.0705
CAPITAL	0.4070	0.2984
COMMERCE	0.3840	0.26
CONSTRUCTION	0.3906	0.2776
EDUCATION	0.3872	0.2778
ESTATE	0.3697	0.2405
FINANCE	0.3851	0.2571
GENERAL	0.3213	0.1872
GOVERNMENT	0.3821	0.2839
HEALTH	0.2083	0.0812
INFORMATION	0.2949	0.1461
MANUFACTURING	0.2738	0.1394
OIL & GAS	0.2275	0.0998
PROFESSIONAL	0.1172	0.0489
TRANSPORT	0.2647	0.1372
WATER	0.1998	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

ENTERPRISE RISK MANAGEMENT DISCLOSURES ▾

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.

The Bank uses the Herfindahl Hirschman Index (HHI) to measure the level of concentration in the credit portfolio. This also helps it to apply the regulatory granularity adjustment to compute additional capital requirement from credit concentrations

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 - 2016	CASH AND BALANCES WITH CENTRAL BANK	DUE FROM BANKS	LOANS AND ADVANCES TO CUSTOMERS	FINANCIAL INVESTMENTS AVAILABLE FOR SALE	FINANCIAL INVESTMENTS AVAILABLE FOR SALE PLEGDED AS COLLATERAL	FINANCIAL INVESTMENTS HELD TO MATURITY	TOTAL
	N'000	N'000	N'000				
ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES			1,273,875.54				
AGRICULTURE			63,188,594.38				
ARTS, ENTERTAINMENT AND RECREATION			248,735.31				
CAPITAL MARKET			375,395.11				
CONSTRUCTION			42,530,447.23				
EDUCATION			2,141,941.12				
FINANCE AND INSURANCE			3,489,965.94				
GENERAL			80,573,797.78				
GENERAL COMMERCE			22,142,978.30				
GOVT			11,463,554.76				

ENTERPRISE RISK MANAGEMENT DISCLOSURES ▾

INDUSTRY TYPE - 2016	CASH AND BALANCES WITH CENTRAL BANK	DUE FROM BANKS	LOANS AND ADVANCES TO CUSTOMERS	FINANCIAL INVESTMENTS AVAILABLE FOR SALE	FINANCIAL INVESTMENTS AVAILABLE FOR SALE PLEGGED AS COLLATERAL	FINANCIAL INVESTMENTS HELD TO MATURITY	TOTAL
	N'000	N'000	N'000				
HUMAN HEALTH AND SOCIAL WORK ACTIVITIES			393,768.67				
INFORMATION AND COMMUNICATION			21,247,697.65				
MANUFACTURING			47,166,494.70				
OIL AND GAS			22,343,952.68				
POWER AND ENERGY			10,794,637.93				
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES			6,583,881.48				
PUBLIC UTILITIES			5,097.01				
REAL ESTATE			13,472,912.34				
TRANSPORTATION AND STORAGE			29,212,031.23				
WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIAION ACTIVITIES			108,840.25				
			378,758,599.43				



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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

PRINCIPAL OFFICERS IN THE BANK ▾

SN	ID	EMPLOYEE NAME	GRADE	POSITION
1	05521	Tomi Somefun	Managing Director	Managing Director
2	00027	Abraham Azumi Aisha Mrs.	Executive Director	Executive Director.Corporate Planning & Compliance
3	05557	Tuedor Temisan Mr.	Executive Director	Executive Director.South
4	05641	Kolawole Ademola Ebenezer Mr.	General Manager	Chief Finance Officer
5	04947	Okhaimo Enike Bonaventure Mr.	General Manager	Head, Products & Channels
6	04980	Ogunrinde Abiodun Olubowale Mr.	General Manager	Zonal Head.Lagos & South West Zone
7	00108	Muhammad Mustapha Mr.	Deputy General Manager	Acting Head. North Bank
8	00084	Atiku Abubakar Zubairu Mr.	Deputy General Manager	Group Head.Central Operations Group
9	04886	Bakwunye Obijjeze Sunny Mr.	Deputy General Manager	Group Head.Treasury Group/Chief Treasurer
10	04899	Aboyade-Cole Olufemi Agboola Mr.	Deputy General Manager	Group Head.IT & Operations Directorate
11	04900	Okafor Kaodinye Maurice Mr.	Deputy General Manager	Group Head.Internal Control Group
12	00096	Bashir Mohammed Nuruddin Mr.	Deputy General Manager	Regional Manager.Kaduna Region
13	05808	Akinmade Olugbenga Olufunwa Mr.	Assistant General Manager	Group Head.SME & Retail Banking Group
14	00094	Ahunanya Chinwe Patricia Mrs.	Assistant General Manager	Acting Group Head Enterprise Risk Management Directorate
15	00127	Williams Adejumbi Alaba Mr.	Assistant General Manager	Head. Legal Services Department
16	00119	Sani Shehu Mr.	Assistant General Manager	Regional Manager.Kano North Region
17	05426	Nwambu Obidike Chris Mr.	Assistant General Manager	Regional Manager.Port Harcourt Region
18	05539	Olanrewaju K Olusegun Mr.	Assistant General Manager	Regional Manager.SW 1 Region
19	05562	Oladipo Babatunde Olusegun Mr.	Assistant General Manager	Regional Manager.VI/Lagos Island Region
20	05579	Odigie William Otaigboria Innocent Mr.	Assistant General Manager	Regional Manager.Benin Region
21	05430	Shehu Mohammed Mr.	Principal Manager	Company Secretary
22	00169	Abba Kazaure Yahaya Mr.	Principal Manager	Group Head.Information Technology Group
23	00197	Awolewa Anthony Oluyide Mr.	Principal Manager	Head.Credit Admin Department
24	00201	Abubakar Siddiki Adamu Mr.	Principal Manager	Acting Chief Compliance Officer
25	05447	Gbewesa Abiola Babatunde Mr.	Principal Manager	Head.Debt Recovery Department
26	00232	Baba Idris Mustapha Mr.	Principal Manager	Regional Manager.Dutse Region
27	00248	Ibrahim Farouk Umar Mr.	Principal Manager	Regional Manager.Katsina Region
28	00249	Gana Ibrahim Abbakura Mr.	Principal Manager	Regional Manager.Adamawa Region
29	04628	Egena Adejo Idris Mr.	Principal Manager	Regional Manager.Lokoja Region
30	05150	Enoka Gloria Ngozi Mrs.	Principal Manager	Regional Manager.Abuja Central Region
31	05474	Okafor Richard Obiajulu Mr.	Principal Manager	Regional Manager.Ikeja Region
32	05571	Abimbola Simiat Adenike Mrs.	Principal Manager	Regional Manager.SW2 Region
33	05708	Agbaeze Chilasa Clifford Dr.	Principal Manager	Regional Manager.Enugu Region
34	03517	Jibril Abu Sadiq Mr.	Senior Manager	Group Head Resources
35	05894	Olalemi Benjamin Olaniyi Mr.	Senior Manager	Acting Group Head.Internal Audit Group
36	00426	Oluwaniyi Simeon Adegboyega Mr.	Senior Manager	Head.Audit Monitoring & Control Department
37	05415	Dagun Nangwan Andrew Mr.	Senior Manager	Head.Business Support Department
38	05416	Ifidon Amina Binta Mrs.	Senior Manager	Head.Collections Department
39	05714	Amana Oboni John Mr.	Senior Manager	Head.Financial Institution
40	00351	Bello Kehinde Oseni Mr.	Senior Manager	Head. Financial Control Department
41	00225	Ajuebon Nkemchor Hilary Mr.	Senior Manager	Regional Manager.Asaba Region
42	05379	Abba Kabir Zubairu Mr.	Senior Manager	Regional Manager.Kano-South Region
43	05580	Amushitan Grace Olushola Miss	Senior Manager	Regional Manager.Garki Region
44	00368	Garba Sani Balarabe Mr.	Manager	Group Head, Operations North
45	03830	Adegbesan Olorunwa Babatunde Mr.	Manager	Group Head. Operations South
46	00230	Arogundade Kehinde Timothy Mr.	Manager	Head.General Audit & Inspection Department
47	04889	Olaosun Akanji Adesina Mr.	Manager	Head.Compliance Monitoring & Enforcement Department
48	05770	Ojesina Akintunde Opeyemi Mr.	Manager	Head.SME Banking Department
49	05775	Odubogun Oluwale Olushoga Mr.	Manager	Head.Business Process Improvement Department
50	00601	Dahiru Abdullahi Mohammed Mr.	Manager	Regional Manager.Kaduna II Region
51	05686	Moyi Aminu Mr.	Manager	Regional Manager.Sokoto Region
52	05624	Ukpe Uma Etop Mr.	Manager	Regional Manager. Uyo Region
53	05756	Obiazikwor Matthew Mr.	Deputy Manager	Head.Corporate Communication Department
54	05843	Iko Tiekuromo James Mr.	Deputy Manager	Head.Market & Operations Risk Department

PRINCIPAL OFFICERS IN THE BANK ▾

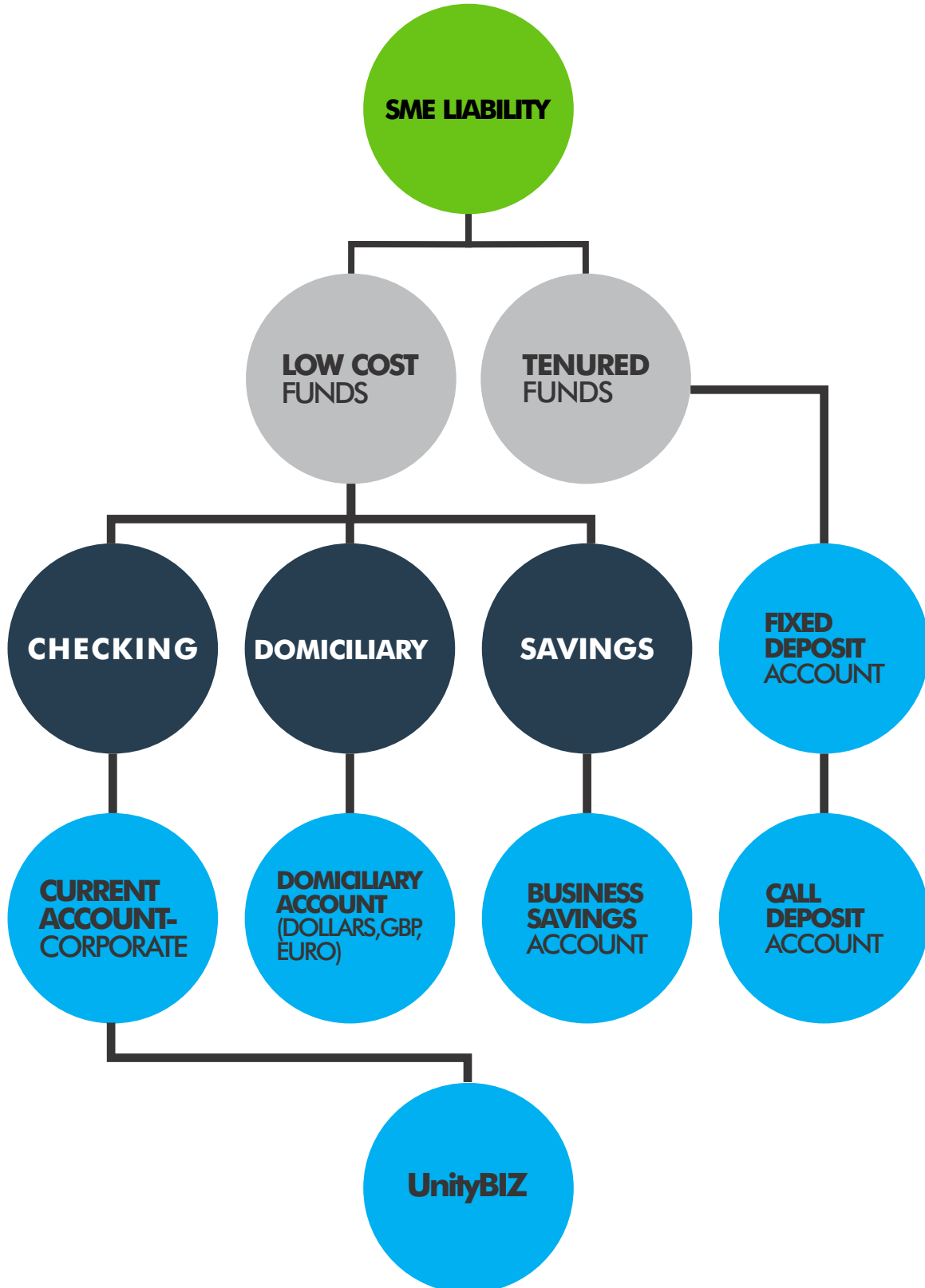
SN	ID	EMPLOYEE NAME	GRADE	POSITION
55	05924	Gidado Oreoluwa Adeolu Mr.	Deputy Manager	Head.Administration Department
56	05928	Adelana Emmanuel Olugbenga Mr.	Deputy Manager	Head.Agri-Business Department
57	00341	Arabi Ahmad Mahmoud Mr.	Deputy Manager	Regional Manager.Bauchi Region
58	05553	Ikimalo Benson Mr.	Deputy Manager	Regional Manager.Lafia Region
59	00581	Jamoh Yusuf Munir Mr.	Assistant Manager	Head.Investigation Department
60	00763	Bello Olabisi Monsurat Mrs.	Assistant Manager	Head.E-Settlement/Clearing Department
61	00946	Salami M Ademola Mr.	Assistant Manager	Head.IS Audit Department
62	01934	Igebu Emike Elfrida Miss	Assistant Manager	Head.Customer Care Department
63	05193	Oluwole Olufunke Taiwo Mrs.	Assistant Manager	Acting Head,eBusiness
64	01985	Ogweje Usman Jonathan Mr.	Assistant Manager	Acting Head.Human Capital Management Department
65	00964	Sosanya Omobola Yetunde Miss	Senior Banking Officer	Head.e-Services Support Department
66	03657	Wilcox Chienyenwa Anita Miss	Senior Banking Officer	Head.Total Quality Management Department
67	02058	Abdulkareem Haruna Iyal Mr.	Banking Officer	Acting Head. Training Department

PRODUCT INFORMATION

RETAIL & SME LIABILITY PRODUCTS



SME LIABILITY PRODUCTS



PRODUCT DESCRIPTION:

▶ This product is a traditional current account designed for registered businesses. It is designed to meet the needs of businesses that needs to issue third party cheques and also enjoy transaction flexibility.

PRODUCT DESCRIPTION:

▶ 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.

Business Savings Account

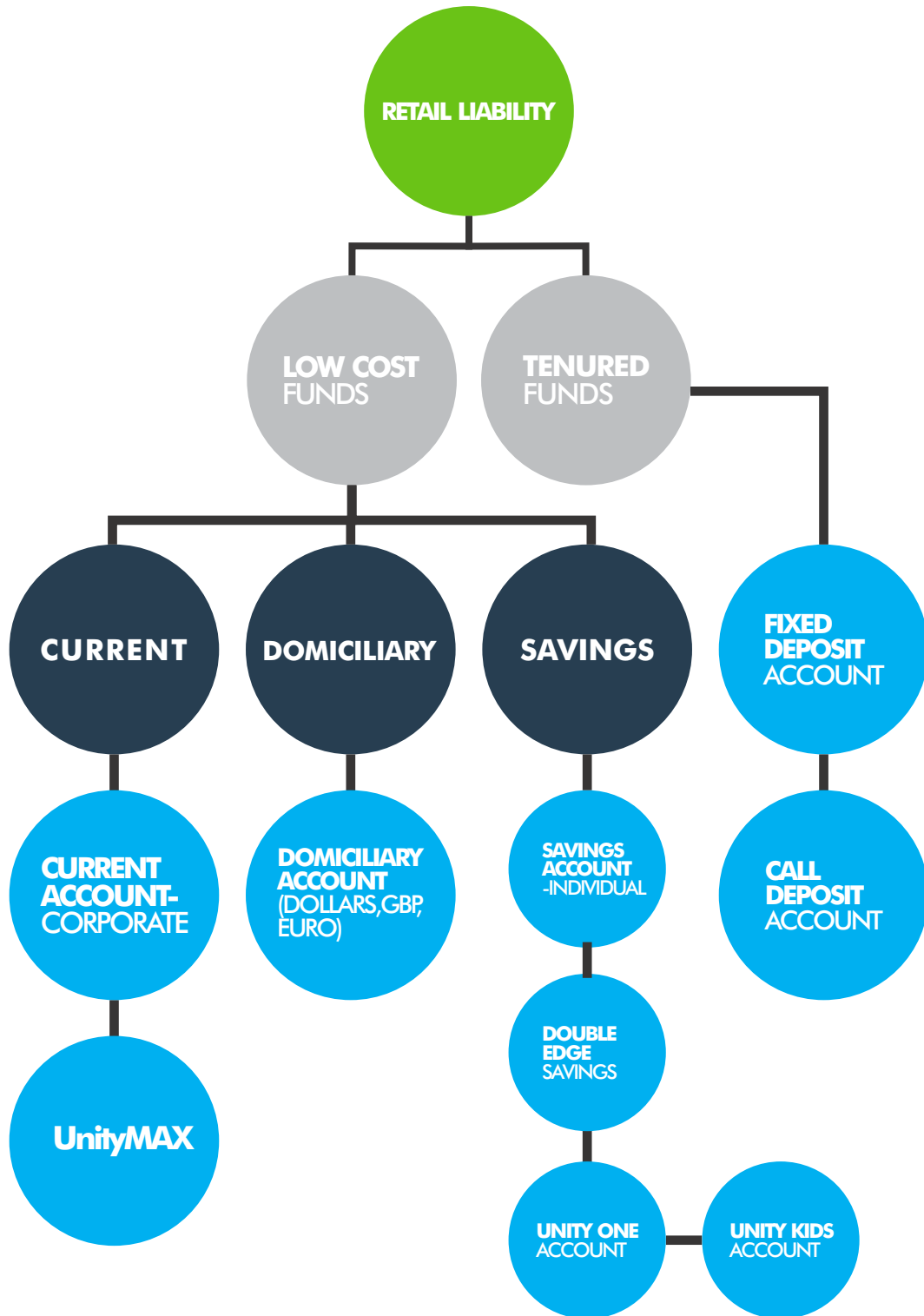
PRODUCT DESCRIPTION:

▶ This savings account is a product for all kinds of business who need to put some funds away for ventures and earn interest.

PRODUCT DESCRIPTION:

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

RETAIL LIABILITY PRODUCTS



PRODUCT DESCRIPTION:

- ▶ 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.

PRODUCT DESCRIPTION:

- ▶ 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

PRODUCT DESCRIPTION:

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

PRODUCT DESCRIPTION:

- ▶ This savings account is a product for all kinds of business who need to put some funds away for ventures and earn interest.

PRODUCT DESCRIPTION:

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

PRODUCT DESCRIPTION:

- ▶ This savings account is a product for all kinds of business who need to put some funds away for ventures and earn interest.

PRODUCT DESCRIPTION:

- ▶ This savings account is kids and Teenagers below 18 years. It offers parent and guardian the opportunity to set aside funds for their children.

PRODUCT DESCRIPTION:

- ▶ This savings account is targeted mainly at unbanked and underbanked people. It is a product mandatorily required by CBN, as it is an important part of the financial inclusion agenda, tasked with banking the unbanked

E - PRODUCTS

	CARD TYPES	FEATURES	BENEFITS
DEBIT CARDS			
1	<p>UNITY VERVE CARD (₦)</p> <p>It is a Naira debit card linked to customer's savings, current or corporate account which can only be used to settle purchases within Nigeria.</p>	<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	<p>UNITY NAIRA DEBIT MASTERCARD (N)</p> <p>Unity Naira Debit MasterCard is an international card denominated in Naira. It is 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.</p>	<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.
3	<p>UNITY PLATINUM MASTERCARD (\$)</p> <p>This is a Dollar denominated card targeted at high end customers. It is linked to customer's dollar domiciliary account which can be used to settle purchases within and outside Nigeria. All transactions done using this card reflect immediately on customer's domiciliary account.</p>	<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 limit. 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.
PREPAID CARDS			
1	<p>UNITY GENERIC PREPAID MASTERCARD (\$/N)</p> <p>It is an international prepaid card issued in partnership with MasterCard Worldwide. It can either be denominated in US Dollars or Naira. The card is not attached to any account which however, can be used to settle purchases in other major currencies. 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"> 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.

E - PRODUCTS

	CARD TYPES	FEATURES	BENEFITS
PREPAID CARDS			
2	<p>UNITY VERVE PREPAID (N)</p> <p>This is a reloadable naira denominated card that can be used for transactions on electronic terminals within Nigeria. The card is not attached to any account as 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
3	<p>UNITY COMBO CARD (N)</p> <p>It is combination of identification card and 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"> • 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 increase brand visibility and awareness • Access to discounts at Verve rewards partner locations worldwide
4	<p>UNITY GIFT CARD (N)</p> <p>It is a variant of Verve Prepaid card loaded with funds which can be issued as 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 at 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
- Quick Payment
- 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;

- Bills payment
- Purchases
- Benefits
- Merchants can operate 24/7 without risk
- Lower operational cost
- Reduced risk of theft and pilfering by cashiers
- Increased sales – cardholders are likely to make spontaneous purchases with cards
- Increase market share
- Increase patronage
- Image projection internationally for merchants accepting international 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

- Cash withdrawal
- Balance Enquiry
- Intra-Bank Transfers
- Interbank transfers
- Utility bills payment, etc.
- Airtime top-up
- Benefits
- Excellent customer services
- 24 hour access to transfer from your account
- Convenient and saves time of queuing at the branch

PAYMENTS PRODUCTS – UNITY REMIT#

Features

- Automate your staff payroll at no cost
- Prepare your payroll from anywhere in the world
- Make vendor payments online from anywhere in the world
- Make salary payments online from anywhere in the world
- Make your tax payments from the comfort of your office or homes
- Liquidity management
- Payment of vendors and other sundry expenses, bulk payment to people without bank accounts
- View and manage all your accounts in various banks on a single platform
- Benefits
- Secured payment
- Reduced risk of carrying cash
- Reduced social cost of transactions
- Improve your brand equity
- No reconciliation challenges
- Easy management of funds

MoneyGram
International Money Transfer

unity
bank
WESTERN UNION

You can now
send and receive
cash through
MoneyGram

MoneyGram is an electronic Funds Transfer product that allows beneficiaries in Nigeria to send and receive funds from their loved ones abroad.

- The recipient must have an account with Unity Bank or produce a reference. However the recipient is allowed to receive transaction without producing an account if it is \$500 and below.
- The sender can be a non account holder. Funds can be received from any of Unity Bank branch bank wide.
- Transferred amount can only be collected in local denomination (Naira) and money can only be sent in Naira.

Unity Bank Plc **www.unitybanking.com**

For enquiries kindly visit your nearest Unity Bank branch or contact our customer care center
0706 7382 256-3, 0706 0665 099 or email we.care@unitybanking.com

Unity Bank Head Office: No 42 Ahmadu Bello Way, Three Victoria Island Lagos
Head office Annex: Unity Bank Plc plot 250A, Akoka, Oshodi Street, Lagos
Website: www.unitybanking.com

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

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

Benefits

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

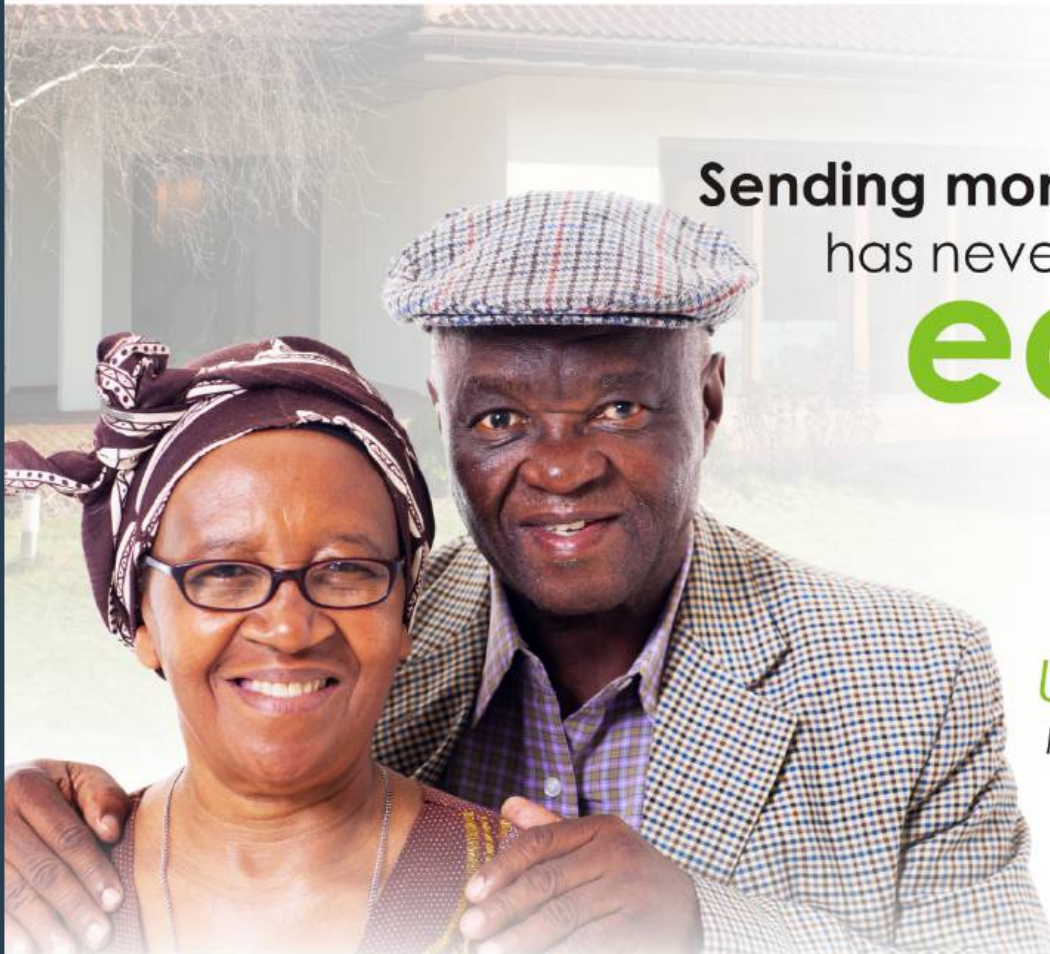
Benefits:

- A cheap means of mobilizing deposits/low cost funds
- Sure means of a 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

BRANCH NETWORK INFORMATION ▾

SN	CODE	LOCATION	NEW ZONE	NEW DIRECTORATE
1	210	210: Evarist House Branch	Abuja & North Central Zone	North Directorate
2	227	227: NASS Branch	Abuja & North Central Zone	North Directorate
3	234	234: Hafsat Plaza Branch	Abuja & North Central Zone	North Directorate
4	250	250: Gwagwalada Branch	Abuja & North Central Zone	North Directorate
5	274	274: Kwali Branch	Abuja & North Central Zone	North Directorate
6	326	326: Maitama Branch	Abuja & North Central Zone	North Directorate
7	336	336: Wuse Zone 5 Branch	Abuja & North Central Zone	North Directorate
8	408	408: Bannex Branch	Abuja & North Central Zone	North Directorate
9	417	417: Bwari Branch	Abuja & North Central Zone	North Directorate
10	420	420: Kubwa Branch	Abuja & North Central Zone	North Directorate
11	219	219: Jabi Branch	Abuja & North Central Zone	North Directorate
12	232	232: Garki Area 3 Branch	Abuja & North Central Zone	North Directorate
13	233	233: Head Office Branch	Abuja & North Central Zone	North Directorate
14	265	265: Keffi Branch	Abuja & North Central Zone	North Directorate
15	365	365: Wuse II Branch	Abuja & North Central Zone	North Directorate
16	380	380: Mararaba Branch	Abuja & North Central Zone	North Directorate
17	385	385: Wuse Zone 3 Branch	Abuja & North Central Zone	North Directorate
18	466	466: Gwarimpa Branch	Abuja & North Central Zone	North Directorate
19	473	473: Karu Branch	Abuja & North Central Zone	North Directorate
20	259	259: Ajaokuta Branch	Abuja & North Central Zone	North Directorate
21	260	260: Lokoja Branch	Abuja & North Central Zone	North Directorate
22	261	261: Okene Branch	Abuja & North Central Zone	North Directorate
23	262	262: Murtala Mohammed Way, Ilorin Branch	Abuja & North Central Zone	North Directorate
24	263	263: Offa Branch	Abuja & North Central Zone	North Directorate
25	299	299: Ankpa Branch	Abuja & North Central Zone	North Directorate
26	300	300: Kabba Branch	Abuja & North Central Zone	North Directorate
27	302	302: New Market Road Ilorin Branch	Abuja & North Central Zone	North Directorate
28	264	264: Lafia Branch	Abuja & North Central Zone	North Directorate
29	269	269: Ahmadu Bello Way Branch	Abuja & North Central Zone	North Directorate
30	283	283: Gboko Branch	Abuja & North Central Zone	North Directorate
31	284	284: Otukpo Branch	Abuja & North Central Zone	North Directorate
32	285	285: Ugbokolo Branch	Abuja & North Central Zone	North Directorate
33	286	286: Zaki Biam Branch	Abuja & North Central Zone	North Directorate
34	303	303: Akwanga Branch	Abuja & North Central Zone	North Directorate
35	308	308: Wase Branch	Abuja & North Central Zone	North Directorate
36	309	309: Pankshin Branch	Abuja & North Central Zone	North Directorate
37	338	338: Bank Road, Makurdi Branch	Abuja & North Central Zone	North Directorate
38	363	363: Farin Gada Branch	Abuja & North Central Zone	North Directorate
39	431	431: Apa Branch	Abuja & North Central Zone	North Directorate
40	203	203: Bosso Road Branch	Abuja & North Central Zone	North Directorate
41	206	206: Suleja Branch	Abuja & North Central Zone	North Directorate
42	301	301: Paiko Road Branch	Abuja & North Central Zone	North Directorate
43	304	304: Dawaki Road Branch	Abuja & North Central Zone	North Directorate
44	305	305: Bida Branch	Abuja & North Central Zone	North Directorate
45	306	306: Zungeru Branch	Abuja & North Central Zone	North Directorate
46	472	472: Kontagora Branch	Abuja & North Central Zone	North Directorate
47	224	224: Murtala Mohd Way, Bauchi Branch	Abuja & North Central Zone	North Directorate
48	228	228: Biu Road Branch	Abuja & North Central Zone	North Directorate
49	252	252: Commercial Road Branch	North West/North East Zone	North Directorate
50	254	254: Gombe Commercial Area Branch	North West/North East Zone	North Directorate
51	281	281: Alkali Branch	North West/North East Zone	North Directorate
52	282	282: Azare Branch	North West/North East Zone	North Directorate

BRANCH NETWORK INFORMATION ▾

SN	CODE	LOCATION	NEW ZONE	NEW DIRECTORATE
53	289	289: Billiri Branch	North West/North East Zone	North Directorate
54	426	426: Tudun Hatsi Branch	North West/North East Zone	North Directorate
55	474	474: Kirfi Branch	North West/North East Zone	North Directorate
56	217	217: Kirkasama Road Branch	North West/North East Zone	North Directorate
57	235	235: Bama Road Branch	North West/North East Zone	North Directorate
58	236	236: Lake Chad Road Branch	North West/North East Zone	North Directorate
59	272	272: Damaturu Branch	North West/North East Zone	North Directorate
60	287	287: Monday Market Branch	North West/North East Zone	North Directorate
61	317	317: Nguru Yobe Branch	North West/North East Zone	North Directorate
62	318	318: Potiskum Branch	North West/North East Zone	North Directorate
63	390	390: Baga Road Branch	North West/North East Zone	North Directorate
64	255	255: New Road Dutse Branch	North West/North East Zone	North Directorate
65	290	290: Abubakar Maje Road Branch	North West/North East Zone	North Directorate
66	391	391: Birninkudu Town Branch	North West/North East Zone	North Directorate
67	392	392: Kiyawa Road Branch	North West/North East Zone	North Directorate
68	394	394: Kazaure Branch	North West/North East Zone	North Directorate
69	395	395: Maigatari Branch	North West/North East Zone	North Directorate
70	448	448: Jahun Branch	North West/North East Zone	North Directorate
71	451	451: Gumel Branch	North West/North East Zone	North Directorate
72	465	465: Kafin Hausa Branch	North West/North East Zone	North Directorate
73	212	212: Sokoto Road Zaria,Branch	North West/North East Zone	North Directorate
74	223	223: Ikara Branch	North West/North East Zone	North Directorate
75	237	237: Yakubu Gowon Way Branch	North West/North East Zone	North Directorate
76	238	238: Kachia Road Branch	North West/North East Zone	North Directorate
77	293	293: Main Street Zaria Branch	North West/North East Zone	North Directorate
78	396	396: Bakori House Branch	North West/North East Zone	North Directorate
79	453	453: Pambegua Branch	North West/North East Zone	North Directorate
80	225	225: Abubakar Gumi Market 1 Branch	North West/North East Zone	North Directorate
81	292	292: Kafanchan Branch	North West/North East Zone	North Directorate
82	413	413: Birnin Gwari Branch	North West/North East Zone	North Directorate
83	428	428: Independence Way Branch	North West/North East Zone	North Directorate
84	434	434: Junction Road, Kaduna Branch	North West/North East Zone	North Directorate
85	452	452: Kaduna Refinery Branch	North West/North East Zone	North Directorate
86	208	208: Ibrahim Taiwo Road Branch	North West/North East Zone	North Directorate
87	239	239: Kano City Branch	North West/North East Zone	North Directorate
88	240	240: Nassarawa Branch	North West/North East Zone	North Directorate
89	243	243: Sharada Branch	North West/North East Zone	North Directorate
90	370	370: Takai Branch	North West/North East Zone	North Directorate
91	399	399: Danbatta Branch	North West/North East Zone	North Directorate
92	404	404: Wudi Branch	North West/North East Zone	North Directorate
93	425	425: Dawanua Grain Market Branch	North West/North East Zone	North Directorate
94	468	468: Tudun-Wada Doguwa Branch	North West/North East Zone	North Directorate
95	241	241: Sani Abacha Way Branch	North West/North East Zone	North Directorate
96	294	294: Chiromawa Toll Gate Branch	North West/North East Zone	North Directorate
97	355	355: Kofar Ruwa Market Branch	North West/North East Zone	North Directorate
98	369	369: Eldorado Branch	North West/North East Zone	North Directorate
99	397	397: Zoo Road Branch	North West/North East Zone	North Directorate
100	398	398: Bello Road Branch	North West/North East Zone	North Directorate
101	400	400: Dawakin Kudu Branch	North West/North East Zone	North Directorate

BRANCH NETWORK INFORMATION ▾

SN	CODE	LOCATION	NEW ZONE	NEW DIRECTORATE
156	476	476: Head Office Branch, VI Lagos	Lagos & South West Zone	South Directorate
157	267	267: Oba Adesida Branch	Lagos & South West Zone	South Directorate
158	268	268: Odutola Road Branch	Lagos & South West Zone	South Directorate
159	331	331: Commercial Zone Branch	Lagos & South West Zone	South Directorate
160	381	381: Oyemekun Road Branch	Lagos & South West Zone	South Directorate
161	382	382: Igbokoda Branch	Lagos & South West Zone	South Directorate
162	418	418: Abeokuta Branch	Lagos & South West Zone	South Directorate
163	440	440: Iwo Road Branch	Lagos & South West Zone	South Directorate
164	475	475: Mowe Branch	Lagos & South West Zone	South Directorate
165	332	332: Lebanon Road Branch	Lagos & South West Zone	South Directorate
166	367	367: Ado Ekiti Branch	Lagos & South West Zone	South Directorate
167	368	368: Otun Ekiti Branch	Lagos & South West Zone	South Directorate
168	383	383: Oshogbo Branch	Lagos & South West Zone	South Directorate
169	439	439: Bodija Branch	Lagos & South West Zone	South Directorate
170	441	441: Ede Branch	Lagos & South West Zone	South Directorate
171	205	205: Yaba Comm Avenue Branch	Lagos & South West Zone	South Directorate
172	362	362: Idi Oro Branch	Lagos & South West Zone	South Directorate
173	374	374: Ebute Ero Branch	Lagos & South West Zone	South Directorate
174	414	414: Mushin Branch	Lagos & South West Zone	South Directorate
175	437	437: Iddo Branch	Lagos & South West Zone	South Directorate
176	438	438: Surulere Branch	Lagos & South West Zone	South Directorate
177	339	339: Abraka Branch	Lagos & South West Zone	South Directorate
178	340	340: Agbor Branch	Lagos & South West Zone	South Directorate
179	341	341: Asaba Branch	South South & South East Zone	South Directorate
180	342	342: Effurun Branch	South South & South East Zone	South Directorate
181	343	343: Kwale Branch	South South & South East Zone	South Directorate
182	344	344: Oleh Branch	South South & South East Zone	South Directorate
183	345	345: Sapele Branch	South South & South East Zone	South Directorate
184	346	346: Ughelli Branch	South South & South East Zone	South Directorate
185	347	347: Warri Branch	South South & South East Zone	South Directorate
186	424	424: Ozorro Branch	South South & South East Zone	South Directorate
187	348	348: Afuze Branch	South South & South East Zone	South Directorate
188	349	349: Auchi Branch	South South & South East Zone	South Directorate
189	350	350: Mission Road Branch	South South & South East Zone	South Directorate
190	351	351: New Benin Branch	South South & South East Zone	South Directorate
191	352	352: Ring Road Branch	South South & South East Zone	South Directorate
192	353	353: Uromi Branch	South South & South East Zone	South Directorate
193	421	421: Igarra Branch	South South & South East Zone	South Directorate
194	422	422: Uniben Branch	South South & South East Zone	South Directorate
195	249	249: Factory Road Branch	South South & South East Zone	South Directorate
196	280	280: Niger House Branch	South South & South East Zone	South Directorate
197	323	323: SGBN Building Branch	South South & South East Zone	South Directorate
198	335	335: Faulks Road Branch	South South & South East Zone	South Directorate
199	337	337: New Market Road Ontisha Branch	South South & South East Zone	South Directorate
200	457	457: Umuahia Branch	South South & South East Zone	South Directorate
201	458	458: Awka Branch	South South & South East Zone	South Directorate
202	459	459: Abakaliki Branch	South South & South East Zone	South Directorate
203	460	460: Enugu Branch	South South & South East Zone	South Directorate
204	461	461: Owerri Branch	South South & South East Zone	South Directorate
205	248	248: Azikiwe Road Branch	South South & South East Zone	South Directorate
206	325	325: Old Aba Road Branch	South South & South East Zone	South Directorate
207	333	333: Omoku Branch	South South & South East Zone	South Directorate
208	334	334: Aba Road 1 Branch	South South & South East Zone	South Directorate

BRANCH NETWORK INFORMATION ▾

SN	CODE	LOCATION	NEW ZONE	NEW DIRECTORATE
102	401	401: IBB Way Branch	North West/North East Zone	North Directorate
103	402	402: Bompai Branch	North West/North East Zone	North Directorate
104	435	435: Tal'Udu Branch	North West/North East Zone	North Directorate
105	445	445: Gwarzo Branch	North West/North East Zone	North Directorate
106	454	454: Hotoro Branch	North West/North East Zone	North Directorate
107	221	221: Kipdeco Building Branch	North West/North East Zone	North Directorate
108	256	256: Katsina Branch	North West/North East Zone	North Directorate
109	257	257: Funtua Branch	North West/North East Zone	North Directorate
110	295	295: Daura Branch	North West/North East Zone	North Directorate
111	296	296: Dutsin-Ma Branch	North West/North East Zone	North Directorate
112	429	429: Katsina Central Market Branch	North West/North East Zone	North Directorate
113	467	467: Musawa Branch	North West/North East Zone	North Directorate
114	211	211: Bungudu Branch	North West/North East Zone	North Directorate
115	231	231: Jega Branch	North West/North East Zone	North Directorate
116	258	258: Birnin Kebbi Branch	North West/North East Zone	North Directorate
117	270	270: Sokoto Main Branch	North West/North East Zone	North Directorate
118	273	273: Gusau Branch	North West/North East Zone	North Directorate
119	298	298: Wasagu Branch	North West/North East Zone	North Directorate
120	311	311: Gada Branch	North West/North East Zone	North Directorate
121	312	312: Gwadabawa Branch	North West/North East Zone	North Directorate
122	313	313: Sabon Birni Branch	North West/North East Zone	North Directorate
123	314	314: Market Branch	North West/North East Zone	North Directorate
124	315	315: Yabo Branch	North West/North East Zone	North Directorate
125	319	319: Talatan Mafara Branch	North West/North East Zone	North Directorate
126	433	433: Yauri Branch	North West/North East Zone	North Directorate
127	251	251: Yola Branch	North West/North East Zone	North Directorate
128	271	271: Jalingo Branch	North West/North East Zone	North Directorate
129	276	276: Mubi Branch	North West/North East Zone	North Directorate
130	277	277: Numan Branch	North West/North East Zone	North Directorate
131	316	316: Wukari Branch	North West/North East Zone	North Directorate
132	449	449: Hong Branch	North West/North East Zone	North Directorate
133	450	450: Ganye Branch	Lagos & South West Zone	South Directorate
134	244	244: Creek Road Branch	Lagos & South West Zone	South Directorate
135	357	357: Burma Road Branch	Lagos & South West Zone	South Directorate
136	378	378: Tincan Port, Branch	Lagos & South West Zone	South Directorate
137	405	405: Orile Coker Branch	Lagos & South West Zone	South Directorate
138	415	415: Alaba Int'L Branch	Lagos & South West Zone	South Directorate
139	442	442: Aspamda Branch	Lagos & South West Zone	South Directorate
140	462	462: Festac Branch	Lagos & South West Zone	South Directorate
141	245	245: Allen Branch	Lagos & South West Zone	South Directorate
142	329	329: Opebi Branch	Lagos & South West Zone	South Directorate
143	360	360: Oba Akran Branch	Lagos & South West Zone	South Directorate
144	372	372: Abule Egba Branch	Lagos & South West Zone	South Directorate
145	376	376: Mile 12 Branch	Lagos & South West Zone	South Directorate
146	377	377: Oregun Road Branch	Lagos & South West Zone	South Directorate
147	443	443: Ikorodu Branch	Lagos & South West Zone	South Directorate
148	246	246: Broad Street Branch	Lagos & South West Zone	South Directorate
149	247	247: Tiamiyu Savage Branch	Lagos & South West Zone	South Directorate
150	330	330: Marina Branch	Lagos & South West Zone	South Directorate
151	359	359: Head Office Annex Branch	Lagos & South West Zone	South Directorate
152	387	387: Sanusi Fafunwa Road Branch	Lagos & South West Zone	South Directorate
153	406	406: Adeola Odeku Branch	Lagos & South West Zone	South Directorate
154	416	416: Awolowo Road Ikoyi, Branch	Lagos & South West Zone	South Directorate
155	444	444: Lekki Express Way Branch	Lagos & South West Zone	South Directorate

BRANCH NETWORK INFORMATION ▾

SN	CODE	LOCATION	NEW ZONE	NEW DIRECTORATE
209	384	384: Trans Amadi Branch	South South & South East Zone	South Directorate
210	388	388: Olu Obasanjo Branch	South South & South East Zone	South Directorate
211	407	407: Aba Road 2 Branch	South South & South East Zone	South Directorate
212	432	432: Yenegoa Branch	South South & South East Zone	South Directorate
213	469	469: Onne Branch	South South & South East Zone	South Directorate
214	471	471: Woji Branch	South South & South East Zone	South Directorate
215	279	279: Ikot Ekpene Branch	South South & South East Zone	South Directorate
216	366	366: Aka Road Branch	South South & South East Zone	South Directorate
217	463	463: Calabar Branch	South South & South East Zone	South Directorate



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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

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.

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.

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.

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.

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

NOTICE OF UNITY BANK PLC ELEVENTH ANNUAL GENERAL MEETING ▾

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of Members of UNITY BANK PLC will be held on, 2017 at 11.00am at, to transact the following:

ORDINARY BUSINESS

1. To receive the audited accounts for the year ended 31st December, 2016 together with the reports of the Directors, Auditors and Audit Committee thereon.
2. To elect/re-elect Director(s).
3. To authorize the Director(s) to fix the remuneration of the Auditors.
4. To approve the remuneration of Directors.
5. To elect Members to the Audit Committee.

Dated thisday of, 2017.

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, 2017 to, 2017 (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.

In line with the provisions of the SEC and CBN Codes of Corporate Governance, some members of the Committee must be knowledgeable in Internal Control processes.

Also, in accordance with the requirements of the FRC Code, the Chairman of the Statutory Audit Committee must be a professional member of an accounting body established by an Act of the National Assembly.

Accordingly, all nominations should be accompanied by a copy of the nominees detailed CV revealing the nominee's qualification.

3 Rights of Securities Holder to ask Questions

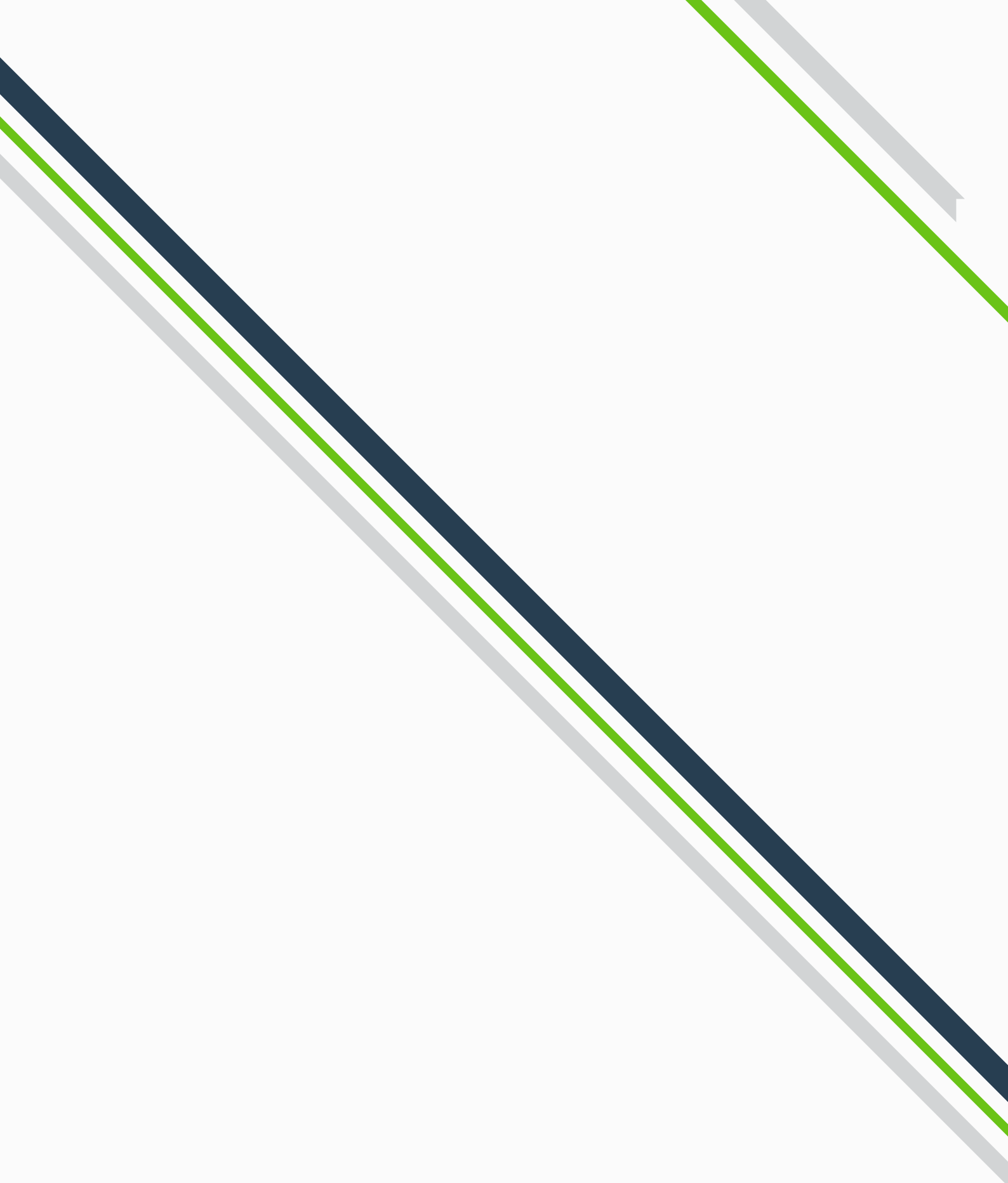
Securities Holders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such questions must be submitted to the Company on or before, 2017.

4 Biographical details of Directors for Re-election/Election.

Profiles of the Directors standing for election or re-election are provided in the Annual report.

By order of the Board

Mohammed Shehu
Company Secretary



www.unitybankng.com