

*Annual*  
**REPORT**  
AND FINANCIAL STATEMENTS  
**2013**

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PEOPLE ■ PROCESS ■ PROCEDURE

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Succeeding Together



*Annual*  
**REPORT**  
AND FINANCIAL STATEMENTS  
**2013**

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### REPORTS OF THE BOARD

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## CORPORATE PHILOSOPHY

## Vision

To be Nigeria's retail bank of choice by the year 2020.

## Mission

To create superior wealth for our stakeholders

## Business Definition

A national commercial bank with a retail soul

## Our Core Values

### TEAMWORK

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

### PASSION

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

### RESOURCEFULNESS

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

### INTEGRITY

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

### DEPENDABILITY

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

### EMPATHY

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

### EXCELLENCE

We seek to create and raise standards in our dealings.

## FINANCIAL HIGHLIGHTS

	31 December 2013 N'000	31 December 2012 N'000
<b>MAJOR STATEMENT OF FINANCIAL POSITION ITEMS</b>		
Total Assets	403,629,290	395,720,180
Loans and Advances	195,229,573	189,041,345
Deposits	303,270,560	270,060,046
Share Capital	19,223,345	19,223,345
ShareHolders Fund	28,212,639	51,457,682
<b>MAJOR INCOME STATEMENT ITEMS</b>		
Gross Earnings	62,827,927	53,760,353
Impairment Charge	(22,528,543)	(1,659,863)
Profit Before Taxation	(33,639,368)	6,456,727
Taxation	11,057,029	(276,666)
Profit After Taxation	(22,582,339)	6,180,061
<b>RATIOS</b>		
Cost of Income	% 83	% 79
Return on Assets	(6)	2
Return on Shareholders Fund	(80)	12
Capital Adequacy	(14)	8
Liquidity	34.51	35.60
Non Performing Loans	26	5
<b>OTHERS</b>		
Number of Branches	Number 240	Number 240
Number of Staff	2,105	2,081
Number of Shares in Issue ('000)	38,446,690	38,446,690

## BOARD OF DIRECTORS

**i. The Board members as at 2013 are as follows:**

Nu'uman Barau Danbatta, OON, mni	Chairman
Henry James Semenitari	Non-Executive Director
Engr.Oluseun Mabogunje	Non-Executive Director
Engr. Ahmed Ibrahim	Non-Executive Director
Alhaji Aminu Babangida	Non-Executive Director
Mr. Thomas Etuh	Non-Executive Director
Alhaji Ibrahim M. A. Kaugama,	Non-Executive Director
Dr Oluwafunsho Obasanjo	Non-Executive Director
Mr. Hakeem Shagaya	Non-Executive Director
Mallam Gimba H. Ibrahim	Non-Executive Director (Independent)
Mr. Richard Gboyega Asabia	Non-Executive Director (Independent)
Ado Yakubu Wanka	Managing Director
Rislanudeen Muhammad	Executive Director (Risk Mgt & Controls)
Ahmed Yusuf	Executive Director (IT & Operations)
Ismaila A. Galadanchi	Executive Director (North West)
I. T. Mohammed	Executive Director (Central)
Olanrewaju Elisha Fagbohun	Executive Director (Lagos & West)
Aisha Abraham	Executive Director (Secretariat & Services) / Company Secretary

The Board of Directors of Unity Bank Plc witnessed changes in its structure and composition with the entry of 5 new members and the exit of 7 former members. There were also changes in the designations of 3 Directors. The details are as below.

**ii. The Board members who have left the Bank are as follows:**

1.	Nu'man Barau Danbatta	-	Chairman
2.	Ado Yakubu Wanka	-	Managing Director
3.	Rislanudeen Muhammad	-	Executive Director
4.	Olanrewaju Fagbohun	-	Executive Director
5.	Ibrahim Tanko Mohammed	-	Executive Director
6.	Ismaila Galadanchi	-	Executive Director
7.	Hassan Ibrahim Gimba	-	Non-Executive Director

**iii. The new members who have joined the Board are as follows:**

1.	Lamis Shehu Dikko	-	Chairman
2.	Abubakar Abba Bello	-	Executive Director
3.	Arese Alonge	-	Executive Director
4.	Dahiru Chadi	-	Executive Director

**iv. The following changes were also carried out within the Board:**

	FROM	TO
1 Thomas Etuh	Non-Executive Director	Vice Chairman of the Board
2 Henry James Semenitari	Non-Executive Director	Managing Director/CEO
3 Ahmed Yusuf	Executive Director, IT and Operations	Executive Director, Retail Banking Directorate

**v. Post Balance Sheet Date Composition of Board**

Lamis Shehu Dikko	Chairman
Thomas A. Etuh	Vice-Chairman
Richard Gboyega Asabia	Independent Director
Aminu Babangida	Non-Executive Director
Ibrahim Muhammad A. Kaugama	Non-Executive Director
Gimba H. Ibrahim	Non-Executive Director (Resigned w.e.f March, 2014)
Oluseun Mabogunje	Non-Executive Director
Oluwafunsho Obasanjo	Non-Executive Director
Hakeem Shagaya	Non-Executive Director
Henry James Semenitari	Managing Director/CEO
Ahmed Yusuf	Executive Director
Aisha Azumi Abraham	Executive Director
Arese Alonge	Executive Director
Abubakar Abba Bello	Executive Director
Dahiru Chadi	Executive Director



### **ALH SHEHU LAMIS DIKKO**

**CHAIRMAN, APPOINTED, APRIL, 2014**

Lamis is 56 years old and a seasoned banker who has acquired over 28 years continuous experience in the financial services sector. He began his banking career with Habib Nigeria Bank Ltd where he worked for more than fourteen years and rose to the position of General Manager before moving to Intercity Bank Plc (one of the legacy banks of Unity Bank Plc) where he rose to become the Managing Director in 2001, a position he held until it merged with 8 other banks to form Unity bank in 2005. At Unity Bank, he was first, Executive Director, Credit Risk Management and then Group Executive Director, (Central) before he left the bank in 2010.

Lamis studied at Ahmadu Bello University Zaria then Queen Mary College, University of London where he obtained a B.Sc in Economics from 1981-1984 and a diploma in Management Development from Harvard Business School, USA in 2000.

He is currently the Chairman of the Board of Infrastructure Bank and of the Advisory Board of the Centre for Infrastructure, Policy, Regulation and Advancement of the Lagos Business School. He is also the Chairman of the Katsina State Investment & Property Development Company Limited (KIPDECO), Backbone Connectivity Network Limited and Eagles view Security Service Limited. He was a Director at Legacy Pension Managers Limited and was a Director with WSTC Financial services Limited and Enterprise Bank. He had to relinquish his Directorship with WSTC and Enterprise Bank to take up the Chairmanship of the Board of Unity Bank Plc.

He has attended various management courses such as the Nigerian Banking Industry: Strategic Imperative for 21st Century (ANDISEN); Corporate Finance Workshop (Coopers & Lybrand); Management Development (Harvard Business School, USA); Breakthrough Strategies for Banks (LBS); Teamwork Workshop and Brainstorming (Phillip Consulting); Corporate Governance and Money Laundering Seminar (KPMG).

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

He was appointed Chairman of the Board of Directors on April 22, 2014.


**THOMAS A. ETUH**

**VICE-CHAIRMAN, APPOINTED, APRIL, 2014**

**(APPOINTED NON-EXECUTIVE DIRECTOR, MARCH, 2010)**

Thomas Etuh is forty nine years old and was appointed Non-Executive Director on March 18, 2010. He has been widely exposed to corporate business leadership for more than a decade. He is presently the Managing Director/Chief Executive Officer of TAK Continental Limited.

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

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

Thomas Etuh holds a Post Graduate Diploma in Management from the Abubakar Tafawa Balewa University (1998). He is also an alumnus of the Lagos Business School (Chief Executive Programme) (2008), University of Navarra, Barcelona, Spain (Advanced Mgt. Programme) (2008), and the London Business School (Leadership Programme) (2009).

He was appointed pioneer Vice-Chairman of the Board of Directors on April 22, 2014.


**NU'UMAN BARAU DANBATT A OON, mni**
**CHAIRMAN, APPOINTED, JUNE, 2011**
**RESIGNED, MARCH, 2014**

Nu'uman Barau Danbatta is fifty-nine years old and he was the Chairman of the Board of Directors of Unity Bank Plc between June, 2011 and March 2014. A distinguished public servant, he retired from the Federal Civil Service as Permanent Secretary. During his service years, he was at various times, Director of Movement to Abuja as well as Finance and Supply in the Presidency. He was Permanent Secretary in several key Federal Ministries including those of Power and Steel, Transport, Education, Works, Culture, Tourism & National Orientation and also Transportation (merged Transport, Works and Aviation). He also served as Permanent Secretary Public Service Office (PSO) as well as Establishment & Records Office of the Head of Civil Service of the Federation (OHCSF) in The Presidency at different times. While holding the Permanent Secretary portfolio, he served as Chairman/Member of the boards of several Parastatals like the NEPA, Ajaokuta Steel, NPA, NMA, ETF, NITT and many other critical organs of government. At international level, he was a regular member of the IMO, UNESCO, WMU etc.

Nu'uman Danbatta also majored in ad hoc National Assignments. He served as secretary or member of several panels and committees set up by the Federal Government, among which were those for:

- i. The National Reconciliation Committee, NARECOM (Akinyele Panel);
- ii. Investigation of the Nigerian National Petroleum Corporation (Abisoye Panel);
- iii. Human Rights Abuse Investigative Committee (Oputa Panel);
- iv. Deputy Secretary of the Political Reform Conference in 2006.

He was also Sole Administrator to the Defunct Democratic Party of Nigeria (DPN). Danbatta was educated at Ahmadu Bello University (the then Bayero University College [BUC], Kano), where he obtained a Bachelor of Arts (Political science) in 1979 and attended Masters Programme in Public Administration at the Institute of Administration ABU Zaria (1981 – 1982). His working career started in 1980 with the Kano State Civil service where he rose to the position of Under Secretary, Deputy Clerk and Ag. Director, from where he transferred his services to the Federal Government. He is a recipient of the National Honour of Order of the Niger (OON); an alumnus (mni) of The National Institute for Policy and Strategic Studies; Life Honourary Floreat (King's College Old Boy) and Life Member Institute of Directors (IoD). He is currently serving as the Elected National President of the famous Rumfa College Kano (Premier College) Old Boys Association (RUMFOBA). Danbatta also holds the traditional title of Ajiyan Kazaure in addition to several other communal, State, National, Professional and other Organizational Honors and Awards.

Widely traveled within Nigeria, Africa and the world over, he attended several Courses and Workshops in Nigeria and abroad. Danbatta is married with children.


**HENRY JAMES SEMENITARI**

**MANAGING DIRECTOR/CEO, APPOINTED JANUARY, 2014**

**(APPOINTED NON-EXECUTIVE DIRECTOR, JULY, 2012)**

Henry James Semenitari is fifty one years old and was appointed Non-Executive Director on 19th July, 2012. He holds a first Degree in Chemical Engineering from University of Lagos (1987), Masters Degree in Business Administration (M.B.A) from University of Navarra – Spain (2000) and Advanced Leadership Training Programmes (AMP173 and ALPI).

Mr. Semenitari has traversed the banking industry and worked in Banks like All States Trust Bank Limited, Zenith International Bank Limited, Diamond Bank Limited, United Bank for Africa, ACB International Bank Limited, Continental Trust Bank Limited, Afri-Bank Nigeria Plc and First City Monument Bank Plc.

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

He was appointed Managing Director/CEO with effect from 9th January, 2014.

**RISNALUDEEN MOHAMMED****ACTING MANAGING DIRECTOR (OCTOBER - DECEMBER 2013)****(APPOINTED EXECUTIVE DIRECTOR, APRIL 2009, RESIGNED, JANUARY, 2014)**

Rislanudeen is fifty and has extensive exposure in investment, commercial, retail banking and public service where he garnered more than two decades of active experience working in CentrePoint Bank, Tropical Commercial Bank and Unity Bank Plc.

After a stint in the Budget & Economic Planning Directorate of the Kano State Government, he joined Centrepont Bank Plc, as Assistant Manager. CenterPoint is one of the nine legacy banks of Unity Bank Plc. He later moved to Tropical Commercial Bank Limited (another legacy bank of Unity Bank Plc) in 1995 where he served for a decade before rising to become its Acting MD/CEO in 2005.

Deen, as he is better known, also sharpened his skills and competences by attending courses locally and internationally. He is an alumnus of three prestigious Business Schools - Harvard, London and Lagos Business Schools and holds the professional membership of the Chartered Institute of Bankers of Nigeria (CIBN), Nigerian Institute of Management Consultants and the Nigerian Economic Society where he is a life Member.

He holds a Bachelors degree in Economics from the Bayero University, Kano, 1985; and an M.Sc degree in the same discipline from the Ahmadu Bello University, Zaria, (ABU) 1990. Rislanudeen has over 20 years banking experience.

He resigned from Unity Bank Plc with effect from January, 2014.


**ADO WANKA**

**MANAGING DIRECTOR, APPOINTED, JULY, 2011  
(RESIGNED, SEPTEMBER, 2013)**

Ado Wanka is fifty nine years old. He became Managing Director on July 1, 2011. He has had wide and varied experience in banking, having worked in some of Nigeria's major banking institutions such as First Bank Nigeria Plc, Nigerian International Bank (Citibank Nigeria), the former FSB International Bank and Gamji Bank Limited. He has also been involved in international investment and regulatory function management. He served as Executive Director, Finance and Administration and, later on, Chairman of the Board of the Nigeria and Sao Tome joint Development Authority.

He began his banking career in 1988 with the then Nigerian International Bank (Citibank Nigeria) before moving to the then FSB International Bank Plc (1991-1997) where he rose to become an Executive Director. He assumed duty as the Managing Director/Chief Executive Officer of the then Gamji Bank Limited in 1997, moved to First Bank of Nigeria Plc in 1998 as an Executive Director where he spent eight years.

He is a member of the Institute of Directors (IoD) and Fellow of the Nigerian Institute of Management (FNIM) and Chartered Institute of Bankers. He holds a B.Sc in Chemical Engineering from Ahmadu Bello University, Zaria (1977), and an MBA from the same institution (1984). He is also an alumnus of the Harvard Business School and Switzerland's Institute of Management Development, Lausanne.

Until his appointment as Managing Director, Ado Wanka was Group Executive Director, Risk Management & Controls at Unity Bank Plc. He has more than twenty three years banking experience.

He resigned in August, 2013.

**GIMBA H. IBRAHIM**

**INDEPENDENT DIRECTOR, APPOINTED MARCH, 2010  
(COMPLETED TENURE MAY, 2014)**

He is sixty one years old and was appointed Independent Director on March 18, 2011 and he is presently the Managing Director/Chief Executive Officer of Gammas Resources Ltd, Kaduna. He has in the course of his banking career been the Area Manager/Business Development Manager with the First Bank Plc. He also worked with the NNDC Group and the Nigeria Agricultural & Co-operative Bank Ltd.

Ibrahim also served on the boards of several companies including Arewa Textiles Plc, Kaduna, Northern Nigeria Flour Mills, Kano, Cristal-Hope Nigeria Limited, United Nigeria Textiles Plc, Kaduna, Guinea Insurance Plc, Lagos, and others. He obtained a B.Sc in Economics and M.A. in Business Administration from Ahmadu Bello University, Zaria (1976 – 1979). He has attended a number of professional courses and is a member of several professional bodies including the Nigeria Institute of Management, Institute of Directors, Nigerian American Chamber of Commerce, and the Nigeria Institute of Bankers.

His tenure was completed in March, 2014.

**RICHARD GBOYEGA ASABIA**

**INDEPENDENT DIRECTOR, APPOINTED MARCH, 2010**

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

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

**AMINU BABANGIDA****NON-EXECUTIVE DIRECTOR, APPOINTED MARCH, 2010**

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

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

**ENGR. OLUSEUN A. MABOGUNJE:****NON-EXECUTIVE DIRECTOR, APPOINTED MARCH, 2010**

Engr. Oluseun A. Mabogunje is fifty four years old and was appointed Non-Executive Director on March 18, 2011. He is a corporate leader of good standing and an entrepreneur.

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

He is an Electrical/Electronic Engineer trained at the University of Ife (now Obafemi Awolowo University) (1977 – 1983). He is also a member of the Nigerian Society of Engineers (NSE), Council for the Regulation of Engineering in Nigeria (COREN) and several other professional bodies.

**HAKEEM SHAGAYA****NON-EXECUTIVE DIRECTOR, APPOINTED MARCH, 2010**

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

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

He holds a Bachelor of Arts from the University of Sheffield (2005) and a Masters in Management of Science, Technology & Innovation from the University of Manchester, United Kingdom (2008).

**DR. OLUWAFUNSHO OBASANJO****NON-EXECUTIVE DIRECTOR, APPOINTED MARCH, 2010**

Dr. Oluwafunsho Obasanjo is twenty eight years old and was appointed Non- Executive Director on March 18, 2011. She is a scientist with insight in the areas of Molecular Biology/Biochemistry, Chemistry, Analytical Techniques and Bioinformatics. She obtained an M.Sc in Medicinal Chemistry from the University College, London, United Kingdom (2003 – 2007) and also holds a PhD in Bio-Organic Chemistry from the University of East Anglia (2007- 2013).

She obtained a Bsc from St. Edmunds College, Hertfordshire, United Kingdom in 2003. She attended Lagos State Model College, Kankon, Badagry for her A-Levels, She graduated in 2000.


**IBRAHIM MUHAMMAD ABEGA KAUGAMA**

**NON-EXECUTIVE DIRECTOR, APPOINTED MARCH, 2010**

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

He was educated at the Arabic Teachers College Hadejia, Jigawa State College of Education, Gumel (1992-1995) and Federal College of Education, Kano, where he obtained a Bachelor's Degree in Education (1998–2001).


**AHMED YUSUF**

**EXECUTIVE DIRECTOR, RETAIL BANKING, APPOINTED MARCH, 2010**

Ahmed Yusuf is fifty four years old. He is a consummate banker with vast experience in Investment Banking, Risk Management, Credit Marketing and Financial Analysis and had worked in the former Continental Merchant Bank, FBN (Merchant Banking) Ltd, FSB International and Intercity Bank Plc. He has also been exposed to Turnaround Management and Regional Banking.

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

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

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

He is currently the Executive Director, Retail Banking.

**AISHA AZUMI ABRAHAM**

**EXECUTIVE DIRECTOR, SECRETARIAT & SERVICES/COMPANY SECRETARY, APPOINTED OCTOBER, 2013**

Mrs. Aisha A. Abraham is fifty three years old and has over the years acquired a rich experience in legal practice spanning solicitorship, university lecturing and company secretariat practice. She was a Senior Partner in Baiyee, Abubakar & Co. where she was involved in the setting-up of small scale businesses.

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

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

She was the Project Secretary and the Secretary to the Steering Committee and Committee of Directors of the Banks in-consolidation that became Unity Bank Plc. She has been the Company Secretary of Unity Bank Plc since inception in 2006.

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

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

**ABUBAKAR ABBA BELLO**

**EXECUTIVE DIRECTOR, CORPORATE & COMMERCIAL BANKING, APPOINTED JANUARY, 2014**

Abubakar Abba Bello is forty-eight years old, and was appointed Executive Director on 9th January, 2014. He possesses a solid background in financial services having gained twenty-three years cognate experience in banking, with specialization in the management of complex multi-cultural environments and employees at national and international levels.

Since 1991, Abubakar has been actively involved in the banking practice, culminating in his appointment as the Managing Director/CEO of United Bank for Africa in Zambia. His banking experience has equipped him with expertise in the areas of Risk Management, Staff Recruitment and Banking Operations. He is also a member of the Chartered Institute of Bankers of Nigeria (CIBN).

He holds a B.Sc. in Accounting from Ahmadu Bello University, Zaria, (1989) and has attended extensive Leadership and Advanced Management courses.

**ARESE ALONGE**

**EXECUTIVE DIRECTOR, INSTITUTIONAL BANKING,  
APPOINTED JANUARY, 2014**

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

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

She holds a Bachelor of Arts from University of Benin (1988), Masters of Arts Degree from University of Lagos (1998), Masters of Business Administration from the Lagos Business School (2003).

She has also acquired other professional trainings from distinguished institutions such as the Chartered Institute of Banking, Citibank New York (Credit Analysis), London Business School (Leading High Performance Teams), and Gizmotech, Ontario, Canada (Banking Operations).

**DAHIRU CHADI**

**ED, RISK MANAGEMENT, APPOINTED APRIL, 2014**

Dahiru Chadi is fifty two years old. He is a credit risk and relationship management expert, skilled in marketing, financial control, loan recovery and is extensively versed in borrower characteristics and behavior. He was instrumental to the development of the FBN software for loan approval, management, and collection system, and has trained users on the deployment of the application across the network.

Dahiru has a B.Sc (Tech) in Textile Science & Technology from Ahmadu Bello University Zaria and an MBA in Banking and Finance from Enugu State University of Technology (ESUT).

He has 25 years cognate experience of which 21 years has been in Credit Risk and Regulatory management. He started from the Bank of Industry (formerly Nigerian Industry Development Bank Ltd) and then moved to AfriBank International Ltd (merchant Bankers) as Head, Credit Department; Principal Manager, Risk Management in United Bank for Africa Plc (UBA); Assistant General Manager in FBN Merchant Bankers Ltd (FBNMB) heading Enterprise Risk Management; Head Credit Analysis and Processing (CAP) at First Bank of Nigeria; Deputy General Manager in

charge of specialized lending and a Board member of FBN Micro Finance Bank Limited.

He has also acquired other professional trainings both locally and internationally from institutions such as IBFC Ltd and H. Pierson & Associates (Advance Credit and Marketing 1997); Credit Euro money Publication Plc U.K. (Analysis and Problem Loans 1993); International Centre for monetary and Banking studies Geneva, Switzerland (Integrated Risk Management 2000); Euro money Publication Plc U.K. (Financial Risk Management School 2005); International Faculty of Finance, (UK IFF School of Project Finance 2008) and Euro money Publication Plc U.K. (Project Finance Academy 2010).



#### **IBRAHIM TANKO MOHAMMED**

**EXECUTIVE DIRECTOR, CENTRAL, APPOINTED MARCH, 2010  
(RESIGNED NOV 2013)**

Ibrahim Tanko Mohammed is fifty four years old and was appointed Executive Director on March 18, 2011. In the course of his long sojourn in the banking industry, he has traversed widely in First Bank of Nigeria Plc, Afribank Nigeria Plc, the former Habib Bank Nigeria Ltd, and Intercity Bank Plc. He draws his experience from branch banking and operations, credit and marketing and turnaround management where he achieved recognition for exceptional performance.

Ibrahim was Executive Assistant to the Pioneer Group Managing Director of Unity Bank Plc. He was also Head, Human Capital Management, and Divisional Head, Corporate Services at Unity Bank before his appointment as Executive Director. He was actively involved in the consolidation processes of Unity Bank Plc.

Over the years, Ibrahim has sharpened his skills by successfully attending Mastering Strategy course at the Lagos Business School, Oracle E-business at the Oracle University, Dubai, Executive Leadership programme among others.

He attended Barewa College, Zaria, and holds a B.Sc in Agric Economics from Ahmadu Bello University (1984) and M.Sc in Banking & Finance from Bayero University, Kano (BUK). He has twenty three years banking experience.

He resigned in November, 2013.

**OLAREWAJU ELISHA FAGBOHUN**

**EXECUTIVE DIRECTOR, LAGOS & WEST , APPOINTED MARCH, 2010  
(RESIGNED NOV 2013)**

Olarewaju Elisha Fagbohun is fifty two years old. He was appointed Executive Director on March 18, 2011. He began his banking career with the former Habib Bank Limited in 1985. He has had good experience in several key areas of banking business ranging from operations to relationship management.

Over the years, he has worked in former BankPHB and Spring Bank Plc. He has at various times held leadership positions such as Regional Manager, Regional Director, Internal Managing Director and Executive Director (Lagos & West) at the former Spring bank Plc.

He obtained a B.Sc in Psychology from the University of Lagos in 1984 and an MBA (Banking & Finance). from the Enugu State University of Science and Technology in 2000. During the course of his career, he attended several local and international courses. He is an alumni of The Wharton School, University of Pennsylvania and IMD, Switzerland.

He joined the Board of Unity Bank Plc with about twenty five years of core banking experience.

He resigned in November, 2013.

**ISMAILA ABDULLAHI GALADANCHI**

**EXECUTIVE DIRECTOR, NORTH-WEST, APPOINTED MARCH, 2010  
(RESIGNED NOV 2013)**

Ismaila Abdullahi Galadanchi is fifty two years old and was appointed Executive Director on March 18, 2011. Ismaila possesses rich experience in consulting and banking garnered from Delliote Haskins & Sells (a firm of Chartered Accountants), former Allied Bank of Nigeria Plc and Intercity Bank Plc amongst others. He had been in Unity Bank Plc from inception in 2006 until his resignation in 2013 and was actively involved in the processes of the consolidation of the Bank.

He is deeply exposed in branch and regional banking, public sector banking and corporate services. At various times he was Branch Manager, Head of Public Sector, Regional Manager and Chief Business Officer catering for strategic groups of branch banking businesses. Until his appointment as Executive Director, Ismaila was Acting Group Executive Director, Central Directorate of Unity Bank Plc.

He had in the last decade trained in various aspects of banking, strategic leadership and business development some of which are SMP, Lagos Business School, Project Finance For PPP Project, Euro Money Training, Johannesburg, South Africa, and Financial Re-Engineering in Deals & Transactions Structure by J. F. O'Brien.

He holds a B.Sc Accountancy, 1984 and MBA, 1997 from Bayero University, Kano, (BUK).

He resigned in November, 2013.

## PROFESSIONAL ADVISERS

AUDITORS	Ahmed Zakari & Co (Chartered Accountants) 5th Floor, African Alliance House F1 Sani Abacha Way Kano
REGISTRAR AND TRANSFER OFFICE	Unity Registrars Limited 94, Agege Motor Road Idi-Oro, Lagos
SETTLEMENT BANK	First Bank of Nigeria PLC Samuel Asabia House 35 Marina Lagos
FOREIGN CORRESPONDENT BANKS	Deutsche Bank, New York Standard Chartered Bank, London Habibson Bank, London FBN Bank, UK Union Bank, UK Habib Bank, UK Banque SBA, Paris Sumitomo Mitsui, London
CORPORATE TAX	Ijewere & Co. (Chartered Tax Advisers) Itoya House 126, Lewis Street P.O.Box 8713 Lagos, Nigeria

## CHAIRMAN'S STATEMENT

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Despite a very challenging operating environment in 2013, Unity Bank was able to record significant growth in some of its key financial ratios. The Bank was able to grow its deposit by 12 percent over the previous year to close with a deposit of N303billion.

The Bank's total asset increased by 2.0 percent from N385billion in 2012 to N404 billion in 2013 and the Bank was able to grow its Risk assets by 3.2 percent from N189billion in 2012 to N195billion in 2013.

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LAMIS SHEHU DIKKO

Chairman, Board of Directors

Distinguished Shareholders, it is with great pleasure that I present to you our Bank's financial performance for the year ended 31st December, 2013. In presenting to you the Annual Report and Financial Statements of the Bank for the 2013 financial year, I would like to start by briefly reviewing the socio-political and economic environment within which our Bank operated during the year under review.

### GLOBAL ECONOMY

The global economy had another difficult year in 2013. According to the International Monetary Fund (IMF), World Output grew by 2.9% in 2013 from 3.2% in 2012. The United State's economy was held back by the fiscal uncertainties that led to the government shutdown at the beginning of the fourth quarter, 2013. According to the Institute of Supply Management (ISM), the US economy grew momentum toward the end of the year as the Purchasing Manager's Index (PMI) for the manufacturing sector in December remained at an elevated level of 57.0, almost the same level as in November. Industrial production rose by a healthy 3.0% year on year in November, at around the same level as in October and September. In another development, according to the U.S. Bureau of Labor Statistics, the unemployment rate in the U.S. stands at 6.7% in December, 2013, while inflation rate stood at 1.5%. The flat rate is close to the Federal Open Market Committee (FOMC) target of 6.5%. The Eurozone experienced a quarterly back to back growth in 2013. The International Monetary Fund has projected a growth of 1 percent in 2014 and 1.4 percent in 2015, but recovery will be uneven. Growth in emerging economies moderated to 4.7% in 2013 (4.9% in 2012), while Sub Saharan Africa (SSA) grew by 5.1% (4.8% in 2012). The 'MINT' countries (Mexico, Indonesia, Nigeria and Turkey) were classified as the emerging countries that will drive global growth in the nearest future.

The main challenges to global economic growth in 2014 will come from the risk of unexpected monetary tightening in key economies, the fragility of the Euro-zone's recovery, the degree to which Japan is able to stimulate its economy

given its sovereign debt situation, emerging economies ability to overcome structural issues, the risk of deflation in selected OECD economies and potentially re-emerging geopolitical tensions in various regions.

### DOMESTIC DEVELOPMENT IN 2013

Despite the challenging global climate, the Nigerian economy recorded significant growth in macro and micro economic indicators. The National Bureau of Statistic (NBS) estimated an overall Gross Domestic Product (GDP) of 6.87 percent for the 2013 fiscal year, up from 6.58 per cent in 2012. The non-oil sector remained the major driver of growth, recording 8.73 percent in the 4th quarter of 2013.

Throughout the year, the Central Bank of Nigeria (CBN) maintained its contractionary monetary stance by keeping bench mark rate at 12 percent all through the year and also increased Cash Reserve Requirement (CRR) on public sector funds from 12 per cent to 50 percent. The efficacy of the monetary tightening kept inflation at a 5 year low of 7.8 percent in October 2013 before ending the year at 8 percent. The Naira also remained relatively stable (at the official and interbank market) but at the expense of reserves. The Naira closed year at 157.26/US\$, 159.90/US\$ and N172.00/US\$ at the official, interbank and BDC respectively.

Also during the year, The Nigerian Capital Market scored highly on the back of improved investors' confidence and earnings. The All Share index (ASI) rose by 44.6%, closing the year at 41,329.19 from 28,078.81 on December 31, 2012. Market Capitalization (MC) also increased by 47.4 per cent from N8.97trillion in 2012 to N13.23trillion as at December 31, 2013.

Other major highlights in 2013 are the successful privatization of the Nigerian power sector which is expected to re-energize the sector and bring down the cost of manufacturing significantly in the country's quest of achieving its vision.

Notwithstanding the success in the Nigerian economy, the insurgency was yet again a major

glitch in 2013; the increasing insecurity in the North-East necessitated the extension of the state of emergency imposed on the region for another period of six months in three major states in the northern part of the Country (Borno, Adamawa and Yobe). Another issue in 2013 was increasing oil theft and vandalism which led to huge loss in oil revenue for the Government.

The Nigeria economic outlook for 2014 is positive with a projected GDP of 6.75 percent. The positive developments in the power sector, the transformation initiative in the agricultural sector and the potential rejuvenation in the manufacturing sector will drive growth and development. However, the increasing oil theft, pre-election spending, continued depletion of reserves and raising insecurity are some of the major challenges in 2014.

### THE BANKING INDUSTRY

As expected, 2013 was a challenging year for Banks as the Central Bank of Nigeria started the implementation of its new initiative and policies. Some of the notable initiatives include; the increase in AMCON levy, reduction in income from commission on turnover, minimum interest rate on saving account and ultimately the hike in Cash Reserve Requirement (CRR) of public sector deposit to 75 percent from 50 percent. The implementation of these policies impacted negatively on the net earnings of Banks (our Bank inclusive) especially in the 3rd Quarter, 2013. The Central Bank of Nigeria also extended the cashless policy- the FCT and five States (Abuja, Abia, Anambra, Kano, Ogun and Rivers States). I am glad to inform you that our Bank took the opportunity to expand its e-products and services to customers in these states.

### UNITY BANK'S PERFORMANCE

The external environment and various unexpected regulatory initiatives contributed immensely to the challenges encountered by the Bank during the year under review. However, in spite of regulatory and other challenges faced by the Bank, the Bank in 2013 recorded significant growth in some of its key financial

ratios.

During the year, the deposit mobilization drive embarked upon by the Bank was able to grow the Bank's deposits by 12 percent from N270.1billion recorded in the previous year ended 31st December, 2012 to N303billion in 2013.

Despite the fact that the Bank's total asset increased by 2 percent from N395billion in 2012 to N404billion in 2013, the Bank was able to grow its Risk assets by 4 percent from N189billion in 2012 to N196billion in 2013.

The Bank, during the year also improved on its gross earnings by 17% to close at N63billion. However, the decline in profitability was as a result of full provisioning on classified accounts as well as other assets.

During the year under review, the Board witnessed a few changes as Alhaji Ado Yakubu Wanka (the erstwhile Managing Director) retired after serving the Bank for six years. Also, three Executive Directors (Mr. Elisha Olarewaju Fagbohun, Mr. Ibrahim Tanko Mohammed and Mr. Ismaila Abdullahi Galadanchi) resigned from the Bank. Mr. Rislanudeen Muhammad was appointed the Ag. Managing Director before his voluntary resignation in April, 2014. We wish them the very best in their respective future endeavors.

Consequently, Mr. Henry James Semenitari was appointed as the new Managing Director/CEO of the Bank, while Aisha A. Abraham, Arese Alonge, Abubakar Abba Bello and Dahiru Chadi were appointed as Executive Directors. I also came on board as Chairman.

### CAPITAL RAISING

In 2013, we reached an advance stage in our bid to raise additional capital of about N40billion both through a Right issue and as a Special Placement for our growth and operational initiatives. Application for same has already been filed with the Securities and Exchange Commission (SEC).

### OUR FUTURE POSTURE

For the financial year 2014, Unity Bank Plc is being repositioned to deliver our strategic objective of

significantly growing the Bank's size (Earning Assets and Deposits) and improve our efficiency and profitability. This will be achieved through cost optimization and the implementation of policies which are aimed at revitalizing and rejuvenating the workforce to reposition our Bank for the challenges ahead.

Our ultimate aim is to have a highly trained and committed workforce to drive our business. Towards this end, we will put a lot of efforts into attracting and retaining the best people. Also, being a good corporate citizen conscious of our role in the society, we will continuously seek to meet the highest levels of sound business ethics and Corporate Social Responsibility.

### CONCLUSION

Regardless of the operating environment, I am assuring you that the Bank is now more positioned for better profitability as our operations will be realigned along business segments with a more motivated and result oriented work force which will in turn create superior wealth for our stakeholders.

### APPRECIATION

On behalf of the entire Board of Directors and fellow shareholders, I thank our valued customers and other stakeholders for their support over this period. I would also like to thank my fellow Board members, Management and staff for their continued support and cooperation. Please accept my deepest appreciation for your unwavering support and commitment to the full realization of our Bank's vision, which is to be 'Nigeria's Retail Bank of Choice by the year 2020'. I am confident that we shall record greater success in 2014 and beyond as we pursue our motto of 'succeeding together'.

Thank you.



LAMIS SHEHU DIKKO  
Chairman of the Board

## MANAGING DIRECTOR/CEO'S REVIEW



**HENRY JAMES SEMENITARI**  
Managing Director/CEO

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...the outlook for our Bank is very positive as we are near the conclusion of our Rights Issue and Special Placement that would inject additional capital of about N40 billion into the Bank. This would significantly boost our capital adequacy, improve liquidity, upgrade our IT infrastructure and e-channels, enable us compete effectively whilst aggressively projecting our brand.

”

Distinguished Shareholders, ladies and gentlemen it is an honor to present the results and performance of our Bank for the financial year ended 31st December, 2013. This report will be incomplete without a brief review of the operating environment which influenced industry performance for the period under review.

### REVIEW OF OPERATING ENVIRONMENT

The Nigerian economy continued its upward trajectory in 2013. When measured by the real Gross Domestic Product (GDP), the economy grew by 6.87 percent as the non-oil sector maintained its lead in GDP contribution driven by the agricultural sector which contributed 41.93 percent.

During the year under review, the Central Bank of Nigeria continued its tight monetary stance by keeping the MPR at 12 percent while hiking the Cash Reserve Requirement (CRR) for all public sector funds. This policy pronouncement induced a liquidity squeeze within the industry, raising cost of funds and negatively impacting net interest margin and by implication, the profitability of banks. However, as a result of the CBN's tightening policies, inflation rate was maintained at single digit throughout the year 2013.

A major concern for the Nigerian economy in 2014 will be the possible continuous fall in oil revenue as a result of increasing oil theft and pipeline vandalization which might consequently affect external reserves and in turn impinge on the Central Bank's objective of exchange rate stability. In response to this, the Central Bank of Nigeria may be inclined to sustain its tight monetary policy stance on the back of expected increase in spending as we come closer to 2015 general elections. The security challenge being experienced in parts of the country might also impact negatively on foreign investor confidence and by implication the operating environment.

### UNITY BANK'S PERFORMANCE

Despite a very challenging operating environment in 2013, Unity Bank was able to record growth in some of its key

financial indices. The Bank was able to grow its deposit by 12 percent over the previous year to close with a deposit of N303 billion. The Bank's total asset also grew by 2 percent from N396 billion in 2012 to N404 billion in 2013. Risk assets increased by 3 percent from N189 billion in 2012 to N195 billion in 2013.

For the period under review, the Bank witnessed a steep decline in profitability which was as a result of deliberate steps taken by the Bank to clean its books by applying full provisioning on classified accounts as well as other assets as it prepares to reposition itself in the market by launching a redefined operating structure and business model.

### BLAZING A NEW TRAIL

In the course of the year 2013, Alhaji Ado Y. Wanka (former Managing Director) and three other Executive Directors resigned their appointment after several years in the service of the Bank. Let me use this opportunity to specially thank them for their contributions to the Bank.

Though our performance for the period under review did not reflect the collective objective we had set for ourselves at the beginning of the financial year 2013, however, the outlook for our Bank is very positive as we near the completion of our Rights Issue and Special Placement that would inject additional capital of about N40 billion into the Bank. This will significantly boost our capital adequacy, improve liquidity, help upgrade our IT infrastructure and e-channels, thus enabling us to compete effectively and aggressively project our brand.

Most importantly, we have redefined our operating structure and adopted an enterprise business model driven by industry and market segments. This is aimed at achieving increased customer focus, accountability, efficiency, improved turnaround times in decision making and speed to market. This gives us the added leverage of fully sweating our existing retail network hence, reducing dependence on public sector business so that our performance can line up with our corporate aspirations as a Bank.

The Bank fully understands that the new structure and

operating model is an important foundational initiative, which will not succeed on its own but requires the implementation of other critical enabling factors and value drivers in line with industry standards. Therefore, the following undergirding imperatives have been embarked upon:

**Review of the competencies, skills and capabilities of staff** which would lead to targeted trainings and capacity development based on the identified gaps in areas such as credit analysis, product development, customer service, relationship management etc. Existing human resources would be leveraged upon and where necessary there would be strategic head hunting to fill identified gaps.

**The performance management system of the Bank** has also been reviewed to ensure that it is tailored to the new operating structure with clearly defined key performance indicators aimed at producing the requisite behavior and core values of the Bank, in staff. This is based on a competency matrix that would ensure that performing staff are well rewarded and those operating below par are encouraged and motivated to become star players. We see this initiative instilling in staff the required discipline, business aggression, motivation and resilience required to compete effectively and win in the market place.

**In line with our performance aspirations, we** have completely overhauled our risk management philosophy by articulating a strong risk management framework and process as well as redefining our risk acceptance criteria in line with our new business model. The aforementioned, reflects our goal of keeping a healthy and performing loan book. A fall out of this will be consistent periodic credit review meetings that are detailed and rigorous.

**We have also embarked on wholesale** internal process re-engineering and

optimization aimed at achieving internal efficiency so that our customers can enjoy excellent service delivery. In the coming months, in line with our service improvement objectives our branches are being repositioned to become defined centers of excellence. We are in the process of upgrading all customer touch points and channels to ensure they perform at an optimal level and deliver on our brand promise.

### INDUSTRY AND BANK OUTLOOK

The outlook for the Nigerian banking industry in my opinion would see a more competitive playing field with strong shift in positioning as each bank strives to reinvent itself to ensure they capture more of the market share.

Banks earnings might come under pressure due to heightened cost of funds informed by probable liquidity squeeze and the gradual reduction in Commission on Turnover and other charges. Therefore, there will be a need to think outside the box and churn out creative products and services so as to close the revenue gap.

However, Unity Bank is poised for improved performance and profitability in view of our renewed business focus, strengthened risk management processes, heightened level of employee engagement, cost control strategies and streamlined processes that will help deliver excellent services beyond customer expectations.

I will like to assure you, that in the months to come we will begin to see the tangible results of the various strategic imperatives we have embarked upon, as we continue the journey of building **'Nigeria's Retail Bank of Choice'**.

Sincere Regards,



**HENRY JAMES SEMNITARI**

Managing Director/Chief Executive Officer



**2.0%**  
Total Assets



**3.0%**  
Risk Assets



**12%**  
Deposit Growth

**DIRECTORS REPORT**

The Directors present their annual report on the affairs of Unity Bank Plc ("the Bank") together with the financial statements and Auditor's report for the twelve months ended 31st December, 2013.

**a. REPRESENTATION**

The Board of Directors represents all shareholders and acts in the best interest of the company. Each Director represents the company's shareholders regardless of the manner in which he/she was appointed. Each Director undertakes not to seek, nor to accept, any benefit that could 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 merged with the following Banks on 22 December, 2005:

1. CentrePoint Bank Plc;
2. First Interstate Bank Plc;
3. Pacific Bank Limited;
4. Societe Bancaire Nigeria Limited;
5. Tropical Commercial Bank Plc.

However, it changed its name to Unity Bank Plc on 30th December, 2005 and further merged with the following Banks on 2nd March, 2006:

1. Bank of the North Limited;
2. New Africa Bank Plc;
3. NNB International Bank Plc.

The Bank's shares are currently quoted on the Trading floor of the Nigerian Stock Exchange.

**c. PRINCIPAL ACTIVITY**

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

**d. BUSINESS REVIEW AND FUTURE DEVELOPMENT**

The Bank carried out banking activities in accordance with its Memorandum and Articles of Association. A comprehensive review of the business for the year and the prospects for the ensuing year is contained in the Managing Director's report.

**e. FIXED ASSETS**

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

**f. OPERATING RESULTS**

Gross earnings increased by 14% and profit before tax of the Bank decreased by 592%.

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

	31 December 2013	31 December 2012
(Loss) Profit after taxation	(22,582,339)	6,180,062
Profit Attribute to the shareholders	<b>(22,582,339)</b>	<b>6,180,062</b>
<b>APPROPRIATIONS:</b>		
Transfer to statutory reserve	-	1,854,019
Transfer to general reserve	<b>(22,582,339)</b>	<b>4,326,043</b>

## g. DIRECTORS

The names of the Directors during the year ended 31st December, 2013 are as follows:

NAMES	POSITION HELD
Nu'uman Barau Danbatta, OON, mni	Chairman (Retired w.e.f 10/3/2014)
Engr. Oluseun Mabogunje	Director
Dr. Oluwafunsho Obasanjo	Director
Mr. Thomas Etuh	Director
Alhaji Ibrahim M. A. Kaugama	Director
Alhaji Hakeem Shagaya	Director
Mr. Richard Gboyega Asabia	Director (Independent)
Mallam Gimba Hassan Ibrahim	Director (Independent) (Retired w.e.f May, 2014)
Alhaji Aminu Babangida	Director
Mr. Henry James Semenitari	Director
Alhaji Ado Y.Wanka	Managing Director (Retired w.e.f 28/8/2013)
Mr. Rislunudeen Muhammad	Acting Managing Director (Retired w.e.f 10/1/2014)
Mr. Ahmed Yusuf	Executive Director
Mrs. Aisha A. Abraham	Executive Director (Appointed w.e.f 2/10/2013)
Engr. Ahmed Ibrahim	Non-Executive Director (Retired w.e.f 24/4/2013)
Ismaila A. Galadanchi	Executive Director (Resigned w.e.f 8/11/2013).
Mr. Olarenwaju E. Fagbohun	Executive Director (Resigned w.e.f 8/11/2013).
Alhaji Ibrahim Tanko Mohammed	Executive Director (Resigned w.e.f 8/11/2013).

## b. DIRECTOR'S SHAREHOLDING AS AT 31ST DECEMBER 2013

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:

PARTICULARS OF DIRECTORS		%		%	
NAME OF DIRECTORS	DIRECT HOLDINGS		INDIRECT HOLDINGS		
ALH. NU'UMAN BARAU DANBATT, OON, mni	-	-	18,191,250	0.05	SALNUHA INVESTMENT C. LTD.
MR. MUHAMMAD RISLANUDEEN	148,291,379	0.39	-	-	
MR. AHMED YUSUF	46,200,000	0.12	-	-	
MR. RICHARD GBOYEGA ASABIA	979,256	0.00	-	-	
MALLAM GIMBA H. IBRAHIM	-	-	-	-	
ALH. AMINU BABANGIDA	-	-	2,397,555,340	6.24	EL-AMIN NIG. LTD. AND B-SHA LTD.
DR. OLUWAFUNSHO OBASANJO	-	-	3,209,044,117	8.35	TEMPO FOOD & PACKING LIMITED, OBASANJO HOLDINGS, ALARAB PROPERTIES LIMITED, AGRO MIXED NIGERIA LIMITED, IBAD LIMITED
ALH. IBRAHIM MUHAMMAD ABEGA KAUGAMA	-	-	1,304,444,835	3.39	JIGAWA STATE INV. & PROPERTY & JIGAWA FORUM
MR. THOMAS A. ETUH	-	-	2,649,825,738	6.89	AREWA INVESTMENT ALLIANCE LIMITED
MR. HAKEEM SHAGAYA	3,103,485	0.01	684,672,614	1.78	SHAGAYA BOLA
ENGR. OLUSEUN MABOGUNJE	-	-	33,456,135	0.09	MABOGUNJE AKINLAWON LADIPO
MR. HENRY JAMES SEMENITARI	-	-	2,776,726,594	7.22	RIVERS STATE GOVT & EKWE ENEST

MRS. AISHA A. ABRAHAM	9,246,683	0.02		
ALH. ADO YAKUBU WANKA	15,850,188	0.04		
ALH. IBRAHIM TANKO MOHAMMED	23,169,554	0.06		
ALH. ISMAILA ABDULLAHI GALADANCHI	23,201,613	0.06		
MR LANRE ELISHA FAGBOHUN	1,100,000	0.00		

#### i. SHAREHOLDING ANALYSIS

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

RANGE	NO OF SHAREHOLDERS	UNITS
1- 9999	51,844	98,760,217
10000-50000	17,258	296,947,920
50001-100000	5,894	222,210,632
100001-500000	5,216	1,170,349,303
500001-1000000	2,012	914,716,769
1000001-5000000	1,136	2,381,628,894
5000001-10000000	502	982,799,479
10000001-50000000	206	2,107,914,340
50000001-100000000	11	716,849,980
100000001-500000000	31	6,298,467,009
500000001-1000000000	22	13,822,004,770
1000000001-50000000000	5	9,434,040,397
<b>TOTAL</b>	<b>84,137</b>	<b>38,446,689,710</b>

#### j. SUBSTANTIAL INTEREST IN SHARES

According to the register of members as at 31st December 2013, no shareholder held more than 5% of the issued share capital of the Bank except the following:

Shareholder	No of Shares Held	Shareholding (%)
Arewa Investment Alliance Limited	2,649,825,738	6.89%
Ibad Limited	2,482,901,714	6.46%
El-Amin Nig Limited	2,234,638,683	5.81%
Rivers State government	2,021,645,742	5.26%
<b>TOTAL</b>	<b>9,389,011,877</b>	<b>24.42%</b>

## k. ACQUISITION OF OWN SHARES

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

## l. DONATIONS AND CHARITABLE GIFTS

The Bank has continued its tradition of making contributions to charitable and non-political organizations. Contributions during the year amounted to N52,285,000 details of which are presented below:

S/N	BENEFICIARIES	AMOUNT (N)
1	Donation to UNIBEN Education Trade Mission Project	500,000
2	Sponsorship of Construction of Computer Laboratory at Bayero University, Kano	5,000,000
3	Support Towards The University's Education Trade Mission	1,000,000
4	Donation to Care Women and Youth Initiative- Anti substance abuse campaign	5,000,000
5	Donation to Kaduna International Trade Fair, 2013	4,500,000
6	Support Towards The Credit awareness for SME's roundtable	2,458,000
7	Donation to Association of Stock Broking Houses in Nigeria	5,000,000
8	Sponsorship to Department Of Accounting B. U. K. Kano	5,000,000
9	Women of West Africa(wowe) Entrepreneurship Conference	1,000,000
10	Sponsorship of CIBN 9th Business Managers' Roundtable	300,000
11	Donation towards Niger State Environmental Protection Agency's Programme on NTA Minna	200,000
12	Rehabilitation of Aliyu Jodi Roundabout and Kofar Atiku Roundabout in Sokoto	1,269,000
13	Sponsorship of Polio Tournaments	16,820,000
14	Sponsorship of Northern Emir's Cup Football Competition	3,000,000
15	Others	1,238,000
Total		52,285,000

The Bank has between 2008 to date made a total contribution of N279 million to charitable and non political causes.

m. **POST BALANCE SHEET EVENTS**

There were no post balance sheet events that could have a material effect on the affairs of the Bank as at 31st December, 2013 which have not been adequately provided for or disclosed.

n. **HUMAN RESOURCES (GENDER ANALYSIS)**

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:

**ANALYSIS OF EXECUTIVE MANAGEMENT AND BOARD BY GENDER**

NUMBER				PERCENTAGE	
Grade	Male	Female	Total	Male	Female
ED to MD	6	1	7	85%	14%
AGM to GM	27	1	28	96%	4%
Other Directors	9	1	10	90%	10%

**ANALYSIS OF STAFF BY GENDER**

Employees	Total Number	%	Employed during the year	%
Male	1437	68	143	63
Female	665	32	83	37
Total	2102	100	226	100

**EMPLOYMENT OF DISABLED PERSONS**

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

**HEALTH, SAFETY AND WELFARE AT WORK**

The Bank enforces strict health and safety rules and practices at the work environment, which are reviewed and tested regularly and efforts are made to ensure that 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 Pension Reform Act 2004.

#### 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. AUDIT COMMITTEE

Pursuant to Section 359 (3) 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.	Alhaji Mustapha B. Atiku (Shareholder)	-	Chairman
2.	Mr. Joseph Akin Ogbeni (Shareholder)	-	Member
3.	Ms. Olufunke Titilayo Shodeinde (Shareholder)	-	Member
4.	Engr. Oluseun Mabogunje (Non-Executive Director)	-	Member
5.	Alhaji Ibrahim M. A. Kaugama (Non-Executive Director)	-	Member
6.	Alhaji Aminu Babangida (Non-Executive Director)	-	Member

#### p. AUDITORS

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

BY ORDER OF THE BOARD

AISHA A. ABRAHAM  
Company Secretary  
Unity Bank Tower  
Plot 785 Herbert Macaulay Way  
Central Business District, Abuja

Dated this .....day of ..... 2014

## STATUTORY REPORT

### CORPORATE GOVERNANCE

The Central Bank of Nigeria in its Circular BSD/04/2006 of March 2, 2014 released a Corporate Governance Code which includes the protection of equity ownership, enhancement of sound organizational structure and promotion of industry transparency. The Code requires Banks to include in their annual report and accounts; a compliance report to the Code of Corporate Governance. In compliance therefore, we state below our Compliance Report as at December 31st, 2013:

### 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 2013 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

Although the Public Sector ownership structure within the bank is more than 10%, the Bank has between 2006 to 2010 reduced the public sector shareholding from 70% to 30.40%. Furthermore, an understanding has been reached with the Public Sector Shareholders on the need to reduce their shareholding to not more than 10% and efforts are on to ensure that this is achieved.

### 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 backgrounds covering Economics, Agricultural Economics, Management, Accounting, Psychology, Information Technology, Public Administration, Law, Engineering, and Business Administration. These competences have impacted on the Bank's stability and growth. The office of the Chairman of the Board is distinct and separate from that of the Managing Director/Chief Executive Officer and the Chairman does not participate in running the daily activities of the Bank. There are no family ties within the Board members. We confirm that the Chairman of the Board is not a member of any Board Committee and appointment to the Board is made by the shareholders at the Annual General Meeting upon the recommendation of the Board of Directors.

## MEMBERSHIP OF THE BOARD OF DIRECTORS

Memberships of the Board of Directors during the year ended 31 December, 2013 were as follows:

S/N	NAME	POSITION HELD
1	Nu'uman Barau Danbatta, OON, mni	Chairman
2	Mr. Rislancodeen Muhammad	Acting Managing Director/CEO
3	Engr. Oluseun Mabogunje	Director
4	Dr. Oluwafunsho Obasanjo	Director
5	Mr. Thomas Etuh	Director
6	Alhaji Ibrahim M. A. Kaugama	Director
7	Alhaji Hakeem Shagaya	Director
8	Mr. Richard Gboyega Asabia	Director (Independent)
9	Mallam Gimba Hassan Ibrahim	Director (Independent) (retired w.e.f May, 2014)
10	Alhaji Aminu Babangida	Director
11	Mr. Henry James Semenitari	Director
12	Mr. Ahmed Yusuf	Executive Director
13	Mrs. Aisha A. Abraham	Executive Director (appointed w.e.f 2nd October 2013)
14	Engr. Ahmed Ibrahim	Director (resigned w.e.f 24th April 2013)
15	Alhaji Ado Y. Wanka	Managing Director (retired w.e.f 28th August 2013)
16	Ismaila A. Galadanchi	Executive Director (resigned w.e.f 8th November 2013)
17	Mr. Olanrewaju E. Fagbohun	Executive Director (resigned w.e.f 8th November 2013)
18	Alhaji Ibrahim Tanko Mohammed	Executive Director (resigned w.e.f 8th November 2013)

## TENURE OF OFFICE

This is as per the CBN code of Corporate Governance for Banks in Nigeria.

## DELEGATION OF POWER

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

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

## STANDING BOARD COMMITTEES

The Board carries out its oversight responsibilities through six (6) 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:

- Board Audit Committee;
- Board Credit Committee;
- Board Risk Management Committee;
- Board Finance and General Purpose Committee;
- Board Information Technology Strategy Committee;
- Board Compensation & Appointment Committee.

### BOARD AUDIT COMMITTEE

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

#### General

The Committee shall:

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

#### Whistle Blowing

- Review arrangements by which staff of the Bank may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.
- As global best practice that a direct channel of communication is established between the whistle blower and the authority to take action, investigate or cause to be investigated the matter being blown, the Committee shall ensure that arrangements are in place for the proportionate and independent investigation and follow-up of such matters.

#### Regulatory Reports

The Committee shall also:

- Examine CBN/NDIC examination Reports and make recommendations thereof.
- Monitor and review the standards of risk management and internal control, including the processes and procedures for ensuring that material business risks, including risks relating to IT security, fraud and related matters, are properly identified and managed, the effectiveness of internal control, financial reporting, accounting policies and procedures, and the Bank's statements on internal controls before they are agreed on 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.

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

#### Shareholders

1)	Alhaji Mustapha B. Atiku	-	Chairman
2)	Mr. Joseph Akin Ogben	-	Member
3)	Ms. Funke Titilayo Shodeinde	-	"

#### Non - Executive Directors

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

**Quorum : Four (4) members.**

## BOARD CREDIT COMMITTEE

The Board Credit Committee is charged with the responsibility of evaluating and or approving all credits beyond the powers of Management from ₦= 750 Million to ₦=1 Billion for fund based facilities and from ₦=1.5 Billion to ₦=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 five (5) Non-Executive Directors and five (5) Executive Directors as follows:

- |    |                            |   |          |
|----|----------------------------|---|----------|
| 1. | Mr. Richard Gboyega Asabia | - | Chairman |
| 2. | Alhaji Aminu Babangida     | - | Member   |
| 3. | Mr. Hakeem Shagaya         | - | "        |

4.	Mr. Thomas Etuh	-	"
5.	Engr. Ahmed Ibrahim	-	"
6.	Managing Director/Chief Executive Officer	-	"
7.	Executive Director (Risk Management)	-	"
8.	Executive Director (Central Directorate)	-	"
9.	Executive Director (North West Directorate)	-	"
10.	Executive Director (Lagos & West Directorate)	-	"

### Quorum

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

### BOARD RISK MANAGEMENT COMMITTEE (BRMC)

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

### Roles

The Roles and Responsibilities of the Committee are:

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

### Membership

The Committee comprises of Non-Executive Directors and Executive Directors as follows:

1.	Mallam Gimba Hassan Ibrahim	-	Chairman
2.	Dr. Oluwafunsho Obasanjo	-	Member
3.	Mr. Richard Gboyega Asabia	-	"
4.	Mr. Henry James Semenitari	-	"
5.	Managing Director/Chief Executive Officer	-	"
6.	Executive Director (Enterprise Risk Management)	-	"
7.	Executive Director (IT & Operations)	-	"

### Quorum

Three (3) members with a member each of the Non-Executive and Executive Director status

### BOARD FINANCE AND GENERAL PURPOSES COMMITTEE

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

- Periodic review of the Bank's Strategic Plans inclusive of required Organisational Structure to drive

the plans.

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

## Membership

The membership of the Committee is seven (7) made up of four (4) Non-Executive Directors and three (3) Executive Directors.

1.	Mr. Henry James Sementari	-	Chairman
2.	Alhaji Ibrahim M. A. Kaugama	-	Member
3.	Mr. Hakeem Shagaya	-	"
4.	Mr. Thomas Etuh	-	"
5.	Managing Director/Chief Executive Officer	-	"
6.	Executive Director (IT & Operations)	-	"
7.	Executive Director (Enterprise Risk Management)	-	"

## Quorum

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

## BOARD INFORMATION TECHNOLOGY (I.T.) STRATEGY COMMITTEE

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

### Strategic Alignments

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

### IT Resource Management

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

### Risk Management

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

### Performance Management

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

### Membership

The Committee's membership is six (6), made up of four (4) Non-Executive Directors and two (2) Executive Directors as follows:

1.	Mr. Henry James Semenitari	-	Chairman
2.	Engr. Oluseun Mabogunje	-	Member
3.	Mr. Hakeem Shagaya	-	"
4.	Dr. Oluwafunsho Obasanjo	-	"
5.	Managing Director/Chief Executive Officer	-	"
6.	Executive Director (IT & Operations)	-	"

### Quorum

Three (3) with at least one each from the Non-Executive and Executive Director status.

### BOARD COMPENSATION/APPOINTMENT COMMITTEE (BCAC)

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

### Functions

- Handles matters relating to Board's Remunerations and Appointment;
- Determine the remuneration, incentive arrangements and benefits of the Chairman of the Board;
- Determine the incentive arrangements and benefits of the Executive and Non- Executive Directors of the Bank within the limits imposed by Regulatory Authorities;.
- Review and submit to the full Board, recommendations concerning Executive Directors compensation plans and pre-requisites and ensure that their packages are competitive;
- Recommend any proposed change(s) to the Board;
- Keeps under review the need for appointments;
- Prepare a description of the specific experience and abilities needed for each Board appointment; consider candidates for appointment as either Executive or Non-Executive Directors and recommend such appointments to the Board;
- Review the tenor of the Non-Executive Directors on the Board and Board Committee assignments and other commitments to the Bank;
- Recommend to the Board renewal of appointment of Executive/Non Executive Directors at the end of their 1st and/ 2nd term of office based on the outcome of review of Directors performance;
- Advise the Board on succession planning regarding the roles of the Chairman, Chief Executive Officer and Executive Directors;
- Advise the Board on the contents of the Directors Annual Remuneration Report to shareholders;
- To obtain outside or other independent professional advice from third parties with relevant experience in connection with matters within the Committee's Terms of Reference and establish the selection criteria and to select, appoint and set the terms of payment for any "Remuneration Consultant" engaged by the Committee to advise it;
- To consider and decide on such matters as the Board may refer to it.

### Membership

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

1.	Mallam Gimba Hassan Ibrahim	-	Chairman
2.	Mr. Hakeem Shagaya	-	"
3.	Alhaji Aminu Babangida	-	"
4.	Dr. Oluwafunsho Obasanjo	-	"

## Quorum

Three members constitute a quorum.

## Meeting

The Committee meets once in a year or when necessary.

## Remuneration of Directors

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

### UNITY BANK PLC REMUNERATION POLICY FOR MEMBERS OF THE BOARD AND EXECUTIVES

#### Remuneration Policy for Non-Executive Directors

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

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

#### Remuneration Policy for Managing Director/CEO

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

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

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

#### Remuneration Policy for Executive Directors:

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

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

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

#### Attendance of Board and Committee Meetings

The table below shows the frequency of meetings of the Board of Directors and Board Committees, as well as Members' attendance from January 31, 2013 to December 31, 2013.

DIRECTORS DATE OF MEETINGS NUMBER OF MEETINGS	BOARD	BOARD CREDIT COMMITTEE	BOARD RISK MANAGEMENT COMMITTEE	BOARD AUDIT COMMITTEE	BOARD FINANCE & GENERAL PURPOSE COMMITTEE	BOARD INFORMATION TECHNOLOGY STRATEGY COMMITTEE	BOARD COMPENSATION / APPOINTMENT COMMITTEE
Date of Meetings	10/01/13 26/02/13 10/04/13 24/06/13 20/08/13 27/08/13 26/09/13 02/10/13 31/10/13 26/11/13 06/12/13 18/12/13 23/12/13	20/03/13 20/06/13 26/11/13	20/06/13 12/09/13 26/11/13	31/01/13 25/02/13 30/04/13 25/07/13 21/10/13	08/01/13 20/03/13 21/06/13 21/08/13 27/08/13 04/09/13 20/09/13 24/09/13 09/10/13	12/03/13 21/06/13 12/09/13	09/04/13 12/12/13 17/12/13
Number of Meetings	13	3	3	5	9	3	3
Nu'uman Barau Danbatta, OON, mni	11	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Henry Semenitari	13	1 (appointed w.e.f 26/11/13)	3	N/A	N/A	3	N/A
Mr. Richard Gboyega Asabia	11	3	3	N/A	N/A	N/A	N/A
Engr. Oluseun A. Mabogunje	12	N/A	N/A	5	N/A	3	N/A
Alh. Ibrahim M. A. Kaugama	13	N/A	N/A	5	9	N/A	N/A
Mr. Hakeem Shagaya	12	N/A	N/A	N/A	9	1	2
Engr. Ahmed Ibrahim	3 (resigned w.e.f 24/4/13)	1 (resigned w.e.f 24/04/13)	N/A	N/A	2 (resigned w.e.f 24/04/13)	N/A	N/A
Mr. Thomas A. Etuh	12	2	N/A	N/A	5	N/A	N/A
Mal. Gimba H. Ibrahim	11	2	3	N/A	N/A	N/A	3
Alh. Aminu Babangida	12	3	N/A	4	N/A	N/A	3
Dr. Oluwafunsho Obasanjo	13	N/A	3	N/A	N/A	3	3
Alh. Rislanudeen Muhammad	13	3	3	N/A	8	3	N/A
Alh. Ahmed Yusuf	13	N/A	3	N/A	9	3	N/A
Mrs. Aisha A. Abraham	5 (Appointed w.e.f 02/10/13)	N/A	N/A	N/A	N/A	N/A	N/A
Alh. Ado Yakubu Wanka	5 (retired w.e.f 28/8/13)	2 (retired w.e.f 28/8/13)	1 (retired w.e.f 28/8/13)	N/A	3 (retired w.e.f 28/8/13)	2 (retired w.e.f 28/8/13)	N/A
Alh. Ismaila A. Galadanchi	9 (resigned w.e.f 8/11/13)	2 (resigned w.e.f 8/11/13)	N/A	N/A	N/A	N/A	N/A

DIRECTORS DATE OF MEETINGS NUMBER OF MEETINGS	BOARD	BOARD CREDIT COMMITTEE	BOARD RISK MANAGEMENT COMMITTEE	BOARD AUDIT COMMITTEE	BOARD FINANCE & GENERAL PURPOSE COMMITTEE	BOARD INFORMATION TECHNOLOGY STRATEGY COMMITTEE	BOARD COMPENSATION / APPOINTMENT COMMITTEE
Alh. I.T Mohammed	8 (resigned w.e.f 8/11/13)	2 (resigned w.e.f 8/11/13)	N/A	N/A	N/A	N/A	N/A
Mr. Lanre Elisha Fagbohun	9 (resigned w.e.f 8/11/13)	2 (resigned w.e.f 8/11/13)	N/A	N/A	N/A	N/A	N/A

## Internal Control

The Bank has separate staff within the internal audit function from operational and management staff and has put in place an 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.
- Make recommendations to the Board on recruitment, promotion and discipline of employees from AGM grade level.
- 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 meet 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:	Managing Director/Chief Executive Officer
Member:	Executive Director, Risk Management & Control Directorate
	Executive Director, Operations & IT Directorate
	Executive Director, Central Directorate
	Executive Director, Lagos & West Directorate
	Executive Director, North West Directorate
	Zonal Head, Southern Directorate
	Zonal Head, North-East Directorate
	Divisional Head, Products and Channels
	Divisional Head, Operations
	Head, Financial Control Department
	Divisional Head, Corporate Services
	Divisional Head, Strategy & Corporate Development Department
Secretary:	Head, Market & Operations Risk Department

#### 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.

#### TECHNICAL ASSETS AND LIABILITY COMMITTEE (TALCO)

The Technical ALCO is made up of the following membership:-

Chairman:	Divisional Head, Corporate Planning and Strategy
Members:	Divisional Head, Operations
	Divisional Head, Products & Channels
	Head, I.T. Department
	Regional Manager, Abuja Region
	Regional Manager, Garki Region
	Head, Administration Department
	Head, Market & Operations Risk Department
	Head, Financial Control Department;

The Technical Committee meets on a weekly basis with a key focus on detail issues of gaps, profitability and growth. The Committee reports to the Bank's Executive Management Committee and Strategic ALCO through the GMD.

## MANAGEMENT IT STEERING COMMITTEE

Membership of the Management IT Steering Committee is as follows:

- Chairman: Executive Director, IT & Operations Directorate
- Members:
- Divisional Head, Internal Audit
  - Divisional Head, Operations
  - Divisional Head, Risk Management & Control
  - Head, Financial Control Department
  - DH, Corporate Services
  - DH, Information Technology
  - Head, Market & Operations Risk Department
  - Head, e-Business Department
  - Head, IS Audit Department
  - Zonal BOCD Head, Central

Secretariat: Information Technology Department

**Functions of the Management IT Steering Committee are as follows:**

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

## ENTERPRISE RISK MANAGEMENT COMMITTEE

The Enterprise Risk Management Committee oversees the establishment and management of written policy on the overall Risk 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 reports provided by Management, Internal and External (Statutory) Auditors and the Supervisory Authorities. On periodic basis, the Committee re-evaluates the Risk Management Policy of the Bank to accommodate major changes in the internal and external factors. The Committee meets monthly and renders report to the Executive Management Committee through the Executive Director, Risk Management & Control.

### Membership

The Committee has the following membership:

- Chairman: E.D., Risk Management & Controls
- Members:
- Divisional Head, Risk Management;
  - Divisional Head, Operations;
  - Divisional Head, Internal Audit and Inspection;
  - Divisional Head, Corporate Services;
  - Divisional Head, Compliance;
  - Head, Enterprise Risk Management;
  - Representative of Corporate Planning and Strategy
  - A representative from Business Directorate;
  - Head, Treasury;
  - Head, Financial Control;
  - Market & Operations Secretariat

**Functions of the Committee:**

- 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

#### 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 Code No. 6.1.11, 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 6.1.12 of the Code of Corporate Governance, we have established an alert menu on our web site where all stakeholders can access and provide useful information or grievances on any issues that directly and /or indirectly affect them or the Bank.
- The Chairman of the Board does not serve as Chairman/Member of any of the Board Committees;
- The Bank's organizational chart approved by CBN reflects clearly defined lines of responsibility and hierarchy.
- The Bank also has in place, a system of internal control, designed to achieve efficiency, effectiveness of operations, reliability of and regulations at all levels of financial reporting and compliance with applicable laws.

#### BREACHES OF THE CODE

##### Ownership Structure

Although the Government ownership structure within the Bank is more than 10%, a Memorandum of Understanding (MOU) between the Northern States Governor's Forum and the Bank has been signed and submitted to CBN. The implementation of the provisions of the MOU towards the divestment of Government holding is being pursued.

Apart from the above, we are not aware of any other violation to the Code of Corporate Governance.

## DIRECTORS RESPONSIBILITY FOR ANNUAL FINANCIAL STATEMENTS

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


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

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

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

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

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

  
AHMED YUSUF  
ED, ENTERPRISE RISK MGT.

  
HENRY JAMES SEMENITARI  
MANAGING DIRECTOR/CEO



# Ahmed Zakari & Co.

(CHARTERED ACCOUNTANTS)

## REPORT OF THE AUDITORS TO MEMBERS OF UNITY BANK PLC

### Report on the Financial Statements

We have audited the accompanying financial statements of Unity Bank Plc which comprise the Statement of Financial Position as at 31 December, 2013, the Income Statement, the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and Notes to the Financial Statements which include a summary of significant accounting policies and other explanatory notes as set out on pages 52 to 159

### Directors' responsibility for the financial statements

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

### Auditors responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion the financial statements give a true and fair view of the financial position of Unity Bank Plc as at 31 December 2013 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

Partners: Shuaibu A. Ahmed | Isma'ila M. Zakari | Tajudeen Adetokunbo Oni

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

E-mail: [info@ahmedzakari.com](mailto:info@ahmedzakari.com) Url: [www.ahmedzakari.com](http://www.ahmedzakari.com)

## Report on other Legal and Regulatory Requirements

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

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. In our opinion proper books of account have been kept by the Bank;
- iii. The Bank's balance sheet and profit and loss account are in agreement with the books of account;

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

- i. Our examination of loans and advances was carried out in accordance with the prudential Guidelines for Deposit Money Banks in Nigeria issued by the Central Bank of Nigeria and in accordance with the requirements of the International Financial Reporting Standards;
- ii. Related party transactions and balances are disclosed in Note 41 to the financial statements in accordance with the Central Bank of Nigeria Circular BSD/1/2004;
- iii. The Bank contravened the requirements of some Central Bank of Nigeria circulars during the financial year. Details of these are stated in Note 48 of the financial statements



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



**March 13, 2014**  
**Abuja, Nigeria**

**REPORT OF THE AUDIT COMMITTEE**

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

In our opinion, the scope and planning of both the internal and external audits for the year ended 31st December, 2013 were adequate. We have also received, reviewed, discussed the auditors findings on Management matters and were satisfied with the departmental responses thereon.

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

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

Dated this 13th day of March, 2014.



Alhaji Mustapha B. Atiku  
Chairman, Audit Committee

**Members of the Audit Committee**

Alhaji Mustapha B. Atiku  
Mr. Joseph Akin Ogbeni  
Ms. Funke Titilayo Shodeinde  
Engr. Oluseun Mabogunje  
Alhaji Ibrahim M. A. Kaugama  
Alhaji Aminu Babangida

## EXECUTIVE SUMMARY

SIAO was mandated to conduct the Unity Bank Board Evaluation for the 2013 fiscal year in compliance with the CBN Code of Corporate Governance and in accordance with best practices.

We wish to comment as follows:

The evaluation was conducted for the 2013 (and part of 2014) fiscal year and covers the following areas: Board Structure and Composition, Board Committees, Individual Assessments, Responsibilities and Board Processes.

The present composition of the Board reflects the competence and experience required of the Board of a banking institution.

There have been a number of material changes on the Board of Unity Bank Plc:

Alh. Nu'uman Danbatta resigned from his position as Chairman in March, 2014. Mr. Lamis Shehu Dikko has since been appointed as Chairman of the Board.

Five Executive Directors namely: Mr. Ado Wanka, Mr. Ismaila Galadanchi, Mr. Lanre Fagbohun, Mr. Ahmed Ibrahim Tanko, and Mr. Rislantudeen Mohammed also retired/resigned from the Board between August 2013 and January 2014, while the Board decided not to renew Mallam Gimba Hassan Ibrahim's contract as an independent director.

An Executive Director, Mrs. Aisha Abraham was appointed with effect from October, 2013. Mr. Abubakar Abba Bello and Ms. Arese Alonge were also appointed in January, 2014 as Executive Directors while Mr. Dahiru Chadi was appointed in April, 2014.

Finally, Mr. Henry Semenitari who was previously appointed as a Non Executive Director in October of 2012, after a rigorous selection process was appointed as the Bank's Managing Director with effect from January, 2014. All appointments have been approved by the CBN.

There still remains a separation of powers between the Chairman and the Chief Executive Officer in accordance with the CBN Code; and in compliance with the CBN Code (**Clause 5.3.5 and 5.3.6**) there are more Non Executive Directors than Executive Directors. One of these Non Executive Directors is an Independent Director.

The Directors understand their responsibilities and terms of service. Thirteen Board meetings (most of which were emergency Board meetings to address pertinent issues) were held in 2013. Thus the Board complied with the minimum number of meetings required by the Codes. Minutes of the meetings and Board resolutions are properly documented.

Board Committees are properly constituted with members who are qualified and fully understand their responsibilities.

Training programs were held during the year and several more are scheduled to hold this year.

Details of directors' remuneration, benefits and allowances are contained in the Bank's comprehensive remuneration policy.

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



## FINANCIAL STATEMENT

# INCOME STATEMENT

FOR YEAR ENDED 31 DECEMBER 2013

	Notes	31 December 2013 N'000	31 December 2012 N'000
Interest and similar income	3	52,195,852	41,237,494
Interest and similar expense	4	(22,052,800)	(15,974,022)
<b>Net interest income</b>		<b>30,143,052</b>	<b>25,263,472</b>
Fee and commission income	5	7,334,874	9,890,248
Fee and commission expense	5	-	-
<b>Net fee and commission income</b>	<b>5</b>	<b>7,334,874</b>	<b>9,890,248</b>
Net trading income	6	48,823	35,947
Other operating income	7	3,248,378	2,596,664
		<b>3,297,202</b>	<b>2,632,611</b>
<b>Total operating income</b>		<b>40,775,127</b>	<b>37,786,331</b>
Credit loss expense	8	(21,592,692)	(1,352,911)
Impairment losses on Financial investments	8	(11,000)	-
Impairment losses on Goodwill	8	(509,256)	(104,435)
Impairment losses on Non current assets held for sale	8	(405,470)	(202,517)
Impairment losses on Bank Balances	8	(10,125)	-
<b>Net operating income</b>		<b>18,246,584</b>	<b>36,126,468</b>
Personnel expenses	9	(15,093,664)	(14,577,095)
Depreciation of property and equipment	19	(2,508,152)	(2,545,017)
Amortisation of intangible assets	20	(390,668)	(395,053)
Other operating expenses	10	(33,893,468)	(12,152,575)
<b>Total operating expenses</b>		<b>(51,885,952)</b>	<b>(29,669,740)</b>
<b>(Loss)/Profit before tax</b>		<b>(33,639,369)</b>	<b>6,456,728</b>
<b>Income tax credit/(expense)</b>	<b>11</b>	<b>11,057,029</b>	<b>(276,666)</b>
<b>(Loss)/Profit after tax</b>		<b>(22,582,339)</b>	<b>6,180,061</b>
<b>Earnings per share</b>			
Basic earnings per share	12	(58.74)	16.07
Diluted earning per share	12	(58.74)	16.07

# STATEMENT OF COMPREHENSIVE INCOME

FOR YEAR ENDED 31 DECEMBER 2013

	Notes	31 December 2013 N'000	31 December 2012 N'000
(Loss)/Profit for the year		(22,582,339)	6,180,061
Other comprehensive income			
Net (loss)/ gain on available-for-sale financial assets		(54,585)	2,052,784
Income tax (charge)/credit relating to components of other comprehensive income		-	(596,847)
Other comprehensive income for the year, net of tax		<u>(54,585)</u>	<u>1,455,937</u>
Total comprehensive income for the year, net of tax		<u>(22,636,924)</u>	<u>7,635,998</u>

## STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2013 N'000	31 December 2012 N'000	31 December 2011 N'000	31 December 2010 N'000
<b>Assets</b>					
Cash and balances with Central Bank	14	9,710,926	41,245,431	27,702,285	17,334,975
Due from banks	15	7,385,127	13,586,887	61,034,229	31,721,963
Loans and advances to customers	16	195,229,573	189,041,345	117,875,258	116,688,894
Financial investments – available-for-sale	17a	49,456,338	25,247,739	16,221,557	19,439,165
"Financial investments – available-for-sale pledged as collateral"	17b	38,330,267	6,295,200	13,604,253	6,295,200
Financial investments – held-to-maturity	17c	28,259,864	55,072,364	55,939,144	35,427,340
Other assets	18	15,526,590	19,271,529	31,629,931	27,120,262
Property and equipment	19	20,091,653	20,886,553	21,954,455	22,076,596
Goodwill and other intangible assets	20	17,389,808	17,498,195	17,928,538	18,263,550
Deferred tax assets	21	19,036,676	7,147,823	7,634,265	7,755,608
Investment in Subsidiaries		-	-	1,402,832	1,921,177
Non current assets held for sale	22	3,212,468	427,115	-	-
<b>Total assets</b>		<b>403,629,290</b>	<b>395,720,180</b>	<b>372,926,748</b>	<b>304,044,730</b>
<b>Liabilities and Equity</b>					
<b>Liabilities</b>					
Due to customers	23	303,270,560	270,060,046	266,877,426	222,145,561
Debt issued and other borrowed funds	24	54,319,092	54,434,499	43,007,826	17,738,789
Current tax liabilities	25	425,554	591,511	642,480	899,277
Other liabilities	26	16,931,889	18,856,671	16,928,998	18,666,506
Employee benefit liabilities	27	469,555	319,771	1,648,335	1,392,823
<b>Total liabilities</b>		<b>375,416,650</b>	<b>344,262,498</b>	<b>329,105,065</b>	<b>260,842,956</b>
<b>Equity</b>					
Issued share capital	28	19,223,345	19,223,345	17,475,768	16,643,588
Share premium	SCE	11,929,515	11,929,515	13,677,092	14,509,272
Statutory reserve	SCE	7,691,052	7,691,052	5,837,033	5,106,539
Retained earnings	SCE	(58,700,475)	(7,478,136)	(11,682,091)	(10,554,895)
Non Distributable Regulatory Reserve	SCE	33,181,767	4,541,768	4,419,678	3,209,215
Other reserves	29	14,887,436	15,550,140	14,094,203	14,288,055
<b>Total equity</b>		<b>28,212,639</b>	<b>51,457,684</b>	<b>43,821,683</b>	<b>43,201,774</b>
<b>Total liabilities and equity</b>		<b>403,629,290</b>	<b>395,720,180</b>	<b>372,926,748</b>	<b>304,044,730</b>

The accounting policies on pages 68 to 93 and the financial statements on pages 61 to 186 were approved by the Board of Directors on 13th March, 2014 and signed on its behalf by:



Henry James Semnitari - Managing Director/CEO  
FRC/2014/IODN/000000006865



Ahmed Yusuf - Executive Director  
FRC/2014/CIBN/000000006950



Patricia Chinwe Ahunanya - Chief Financial Officer  
FRC/2014/ICAN/000000006866

**Statement of changes in equity**  
for the year ended 31 December, 2013

	Issued Capital N'000	Share Premium N'000	Statutory Reserves N'000	Retained Earnings N'000	Non-distributable Regulatory Reserve N'000	Other Reserves N'000	Total equity N'000
<b>At 1 January, 2011</b>	<b>16,643,588</b>	<b>14,509,272</b>	<b>5,106,539</b>	<b>(10,554,895)</b>	<b>3,209,215</b>	<b>14,288,055</b>	<b>43,201,774</b>
Restated balance	16,643,588	14,509,272	5,106,539	(10,554,895)	3,209,215	14,288,055	43,201,774
Prior period adjustment	-	-	-	(215,738)	-	-	(215,738)
Profit for the year	-	-	-	2,693,859	-	-	2,693,859
Issued share capital	832,180	(832,180)	-	-	-	-	-
Dividend paid	-	-	-	(1,664,360)	-	-	(1,664,360)
Transfer from retained earnings	-	-	730,494	(730,494)	-	-	-
Transfer from retained earnings in respect of excess of Prudential guideline provisions over IFRS	-	-	-	(1,210,463)	1,210,463	-	-
Other comprehensive income	-	-	-	-	-	(334,721)	(334,721)
Reclassification of fair value adjustments	-	-	-	-	-	140,869	140,869
Total Comprehensive Income for the year	-	-	-	-	-	-	-
<b>At 31 December, 2011</b>	<b>17,475,768</b>	<b>13,677,092</b>	<b>5,837,033</b>	<b>(11,682,091)</b>	<b>4,419,678</b>	<b>14,094,203</b>	<b>43,821,683</b>
Profit for the period	-	-	-	6,180,061	-	-	6,180,061
Transfer from retained earnings	-	-	-	(122,090)	122,090	-	-
Transfer from retained earnings	-	-	1,854,019	(1,854,019)	-	-	-
Dividend paid	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	1,455,937	1,455,937
<b>At 31 December, 2012</b>	<b>17,475,768</b>	<b>13,677,092</b>	<b>7,691,052</b>	<b>(7,478,136)</b>	<b>4,541,768</b>	<b>15,550,140</b>	<b>51,457,683</b>
Reclassification in respect of bonus issue	1,747,577	(1,747,577)	-	-	-	-	-
<b>At 31 December, 2012</b>	<b>19,223,345</b>	<b>11,929,515</b>	<b>7,691,052</b>	<b>(7,478,136)</b>	<b>4,541,768</b>	<b>15,550,140</b>	<b>51,457,683</b>
<b>At 1 January, 2013</b>	<b>19,223,345</b>	<b>11,929,515</b>	<b>7,691,052</b>	<b>(7,478,136)</b>	<b>4,541,768</b>	<b>15,550,140</b>	<b>51,457,683</b>
Write off from reserves	-	-	-	-	-	(608,120)	(608,120)
Profit/(Loss) for the period	-	-	-	(22,582,339)	-	-	(22,582,339)
Transfer from retained earnings	-	-	-	(28,640,000)	28,640,000	-	-
Dividend paid	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	(54,585)	(54,585)
<b>At 31 December, 2013</b>	<b>19,223,345</b>	<b>11,929,515</b>	<b>7,691,052</b>	<b>(58,700,475)</b>	<b>33,181,767</b>	<b>14,887,436</b>	<b>28,212,639</b>

**Statutory Reserve**

Nigerian banking regulations require Banks to make an annual appropriation to a statutory reserve. As stipulated by section 14(1) of the Banks and Other Financial Institutions Act of 1991 (amended), an appropriation of 30% of profit after tax is made if the statutory reserve is less than the paid up share capital and 15% of profit after tax if the statutory reserve is greater than the paid up capital

**Non Distributable Regulatory Reserve**

This is a reserve created by comparing impairment of risk assets under IFRS and provisions for risk assets using CBN Prudential Guidelines. Where the impairment amount under IFRS is lower than the provisions amount under Prudential Guidelines, the IFRS impairment figure is used in the accounts. However, the difference between the IFRS impairment and Prudential guidelines provisioning is removed from the distributable reserve to a non distributable reserve. As at 31 December, 2013, the sum of N28.64 billion was transferred from the retained earnings to the Non Distributable Regulatory Reserve as the CBN Prudential Guidelines was more than the IFRS impairment in the accounts

**Other Reserves (See Note 29)**

The reconciliation of the Statement of Changes in Equity from transition date became necessary as a result of the retrospective adjustment done on the revaluation reserves of the Bank. The revaluation reserve was adjusted and collapsed into retained earnings as the revalued amounts of the Bank's fixed assets is now taken as the deemed cost of the assets.

# STATEMENT OF CASH FLOWS

31 December 2013  
N'000

31 December 2012  
N'000

## Operating activities

<b>Profit before tax</b>	<b>(33,639,369)</b>	6,456,727
<b>Adjustment for non cash items:</b>		
Impairment losses on Bank balances	10,125	-
Impairment losses on Other assets	17,049,243	1,299,652
Impairment losses on Risk assets	21,592,692	1,352,911
Impairment losses on financial Investment	11,000	-
Impairment losses on goodwill	509,256	104,435
Impairment losses on Non current assets Held for sale	405,470	202,517
Depreciation of property and equipment	2,508,152	2,545,017
Amortisation of intangible assets	390,668	395,053
Profit on disposal of Property and equipment	(68,175)	(68,791)
Gains from sale of investments	(572,489)	(902,081)
	<b>8,196,574</b>	<b>10,771,537</b>

## Changes in operating assets

Deposits with the Central Bank of Nigeria	27,696,943	10,154,720
Loans and advances to customers	(30,853,791)	(73,543,600)
Other assets	(13,304,305)	23,168,631
	<b>(16,461,152)</b>	<b>(40,220,250)</b>

## Changes in operating liabilities

Due to customers	34,394,799	3,182,620
Current tax liabilities	(165,957)	(50,968)
Other liabilities	(1,924,782)	1,927,673
Defined contribution	149,784	(1,328,565)
	<b>32,453,844</b>	<b>3,730,760</b>

Cash generated from operations	24,189,266	(25,717,952)
Income tax paid	(400,935)	(638,774)
<b>Net cash flows from/(used in) operating activities</b>	<b>23,788,331</b>	<b>(26,356,726)</b>

## Investing activities

Purchase of property and equipment	(1,779,046)	(1,512,799)
Purchase of intangible assets	(792,138)	(69,144)
Proceeds from sale of property and equipment	133,969	1,286,346
Proceeds from sale of investment in subsidiaries	-	218,088
Available for sale investments	(58,087,530)	(605,869)
Held to maturity investments	26,812,500	866,781

<b>Net cash flows from/(used in) investing activities</b>	<b>(33,712,245)</b>	<b>183,403</b>
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## Financing activities:

Debt issued and other borrowed funds	(115,406)	11,426,673
<b>Net cash flows from/(used in) financing activities</b>	<b>(115,406)</b>	<b>11,426,673</b>

Net increase/(decrease) in cash and cash equivalents	(10,039,321)	(14,746,650)
Cash and cash equivalents at 1 January	27,135,374	41,882,025
Cash and cash equivalents at 31 December	<b>17,096,053</b>	<b>27,135,375</b>

	31 December, 2013			31 December, 2012		
	Impairment Losses Under IFRS N'000	Impairment Losses Under PG N'000	Difference taken to Regulatory Reserve N'000	Impairment Losses U nder IFRS N'000	Impairment Losses Under PG N'000	Difference taken to Regulatory Reserve N'000
Cash and Bank balances	59,836	73,998	14,163	59,836	59,836	-
Due from Banks	992,484	982,359	(10,125)	982,359	982,359	-
Risk Assets	30,405,386	58,539,434	28,134,048	5,739,824	5,861,913	(122,090)
Available for Sale Investment	717,554	1,624,939	907,384	1,330,497	1,330,497	-
Held to Maturity Investments	56,428	56,428	-	56,428	56,428	-
Other Assets	30,241,011	30,241,011	-	13,191,768	13,191,768	-
Non Current Assets Held for Sale	405,470	-	(405,470)	202,517	202,517	-
	<u>62,878,170</u>	<u>91,518,169</u>	<u>28,640,000</u>	<u>21,360,711</u>	<u>21,482,800</u>	<u>(122,090)</u>

**1.1 CORPORATE INFORMATION**

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

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

**1.2 BASIS OF PREPARATION**

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

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

**STATEMENT OF COMPLIANCE**

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

**PRESENTATION OF FINANCIAL STATEMENTS**

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

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

**1.3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

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

**GOING CONCERN**

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

**FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

**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.

**DEFERRED TAX ASSETS**

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

**PENSION OBLIGATIONS**

The bank 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.

**1.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(1) Foreign currency translation**

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

**(II) 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.

## 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.

### 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. REPURCHASE AND REVERSE REPURCHASE AGREEMENTS**

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

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

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

**5. DETERMINATION OF FAIR VALUE**

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

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

## 6. IMPAIRMENT OF FINANCIAL ASSETS

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

7. **OFFSETTING FINANCIAL INSTRUMENTS**

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

8. **LEASING**

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

**BANK AS A LESSEE**

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

**BANK AS A LESSOR**

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

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

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

9. **RECOGNITION OF INCOME AND EXPENSES**

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

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

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

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

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

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

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

**(iii) Dividend income**

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

**10. CASH AND CASH EQUIVALENTS**

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

**11. PROPERTY, PLANT AND EQUIPMENT**

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

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

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

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

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

**12. BUSINESS COMBINATIONS AND GOODWILL**

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

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

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually, or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the bank's cash-generating units (CGUs) or group of CGUs, which

are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit to which the goodwill is allocated represents the lowest level within the bank at which the goodwill is monitored for internal management purposes, and is not larger than an operating segment in accordance with IFRS 8 Operating Segments.

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

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

### 13. INTANGIBLE ASSETS

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

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

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

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

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

- Computer software 5 years

### 14. IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the bank estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its

recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

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

#### 15. FINANCIAL GUARANTEES

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

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

#### 16. PENSION BENEFITS

##### **Defined contribution pension plan**

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

#### 17. PROVISIONS

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

#### 18. TAXES

##### **(i) Current tax**

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

##### **(ii) Deferred tax**

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

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

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

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

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

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

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

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

#### 19. FIDUCIARY ASSETS

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

#### 20. DIVIDENDS ON ORDINARY SHARES

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

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

#### 21. EQUITY RESERVES

The reserves recorded in equity (other comprehensive income) on the bank's statement of financial position include: 'Available-for-sale' reserve which comprises changes in fair value of available-for-sale investments. 'Statutory reserves' are reserves mandated by statutory requirements. 'Share reconstruction reserve and share premium' are all capital reserves.

#### 22. SEGMENT REPORTING

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

#### 23. NON CURRENT ASSETS HELD FOR SALE

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

highly 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.

## 2. Segment information

The Bank prepares its segment information based on geographical segments as its primary reporting segment. A geographical segment is engaged in providing products and/or services within a particular economic environment that are subject to risks and returns different from those of segments operating in other economic environments. The Bank now operates three geographical segments (31 December 2012-five). These are Central, North and South Zones. During the year, North East Zone and North West Zone merged to form a single North Zone while Lagos & West Zone and South Zone were merged to form a single South Zone.

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, Loans 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 2012 or year ended 31 December 2013

The following table presents income and profit and certain asset and liability information regarding the Bank's operating segments. The comparative figures have been restated to align with the new operating zones.

31 December 2013	Central 31 December 2013 N'000	South 31 December 2013 N'000	North 31 December 2013 N'000	Unallocated 31 December 2013 N'000	Total 31 December 2013 N'000
<b>Operating income</b>					
Segment Revenues	<u>15,611,583</u>	<u>23,522,621</u>	<u>15,117,940</u>	<u>8,575,784</u>	<u>62,827,927</u>
Operating profit	<u>1,303,991</u>	<u>(11,970,755)</u>	<u>(6,707,728)</u>	<u>(16,264,876)</u>	<u>(33,639,369)</u>
<b>Profit before Tax</b>	<u>1,303,991</u>	<u>(11,970,755)</u>	<u>(6,707,728)</u>	<u>(16,264,876)</u>	<u>(33,639,369)</u>
Income Tax	<u>2,747,468</u>	<u>4,139,725</u>	<u>2,660,592</u>	<u>1,509,244</u>	<u>11,057,029</u>
Profit for the year	<u>4,051,459</u>	<u>(7,831,030)</u>	<u>(4,047,136)</u>	<u>(14,755,632)</u>	<u>(22,582,339)</u>
Segment assets	<u>165,948,242</u>	<u>123,641,075</u>	<u>121,589,135</u>	<u>17,287,141</u>	<u>403,629,290</u>
Segment Liabilities	<u>165,948,242</u>	<u>123,641,075</u>	<u>121,589,135</u>	<u>17,287,141</u>	<u>403,629,290</u>
<b>31 December 2012</b>	<b>Central 31 December 2012 N'000</b>	<b>South 31 December 2012 N'000</b>	<b>North 31 December 2012 N'000</b>	<b>Unallocated 31 December 2012 N'000</b>	<b>Total 31 December 2012 N'000</b>
<b>Operating income</b>					
Segment Revenues	<u>7,179,926</u>	<u>17,827,106</u>	<u>10,839,058</u>	<u>17,914,264</u>	<u>53,760,353</u>
Operating profit	<u>4,994,678</u>	<u>(561,390)</u>	<u>2,865,953</u>	<u>(842,513)</u>	<u>6,456,728</u>
<b>Profit before Tax</b>	<u>4,994,678</u>	<u>(561,390)</u>	<u>2,865,953</u>	<u>(842,513)</u>	<u>6,456,728</u>
Income Tax	<u>(36,950)</u>	<u>(91,743)</u>	<u>(55,781)</u>	<u>(92,192)</u>	<u>(276,666)</u>
Profit for the year	<u>4,957,728</u>	<u>(653,133)</u>	<u>2,810,172</u>	<u>(934,705)</u>	<u>6,180,061</u>
Segment assets	<u>144,784,600</u>	<u>82,914,473</u>	<u>121,332,793</u>	<u>46,688,316</u>	<u>395,720,182</u>
Segment Liabilities	<u>144,784,600</u>	<u>82,914,473</u>	<u>121,332,793</u>	<u>46,688,316</u>	<u>395,720,182</u>

3	Interest and similar income	31 December 2013	31 December 2012
		N'000	N'000
	Placement with Banks	603,977	504,431
	Due from Banks and Discount Houses	127,174	343,809
	Loans and advances to customers	41,613,647	28,853,515
	Advances under finance lease	4,154	45,287
	Financial investments – available-for-sale	2,039,510	1,293,620
	Financial investments – held-to-maturity	7,807,389	10,019,365
	Interest income on impaired loans	-	177,467
		<u>52,195,852</u>	<u>41,237,494</u>
4	Interest and similar expense:		
	Due to banks	2,363,376	1,473,463
	Due to customers	18,287,258	13,025,854
	Debt issued and other borrowed funds	1,402,166	1,474,705
		<u>22,052,800</u>	<u>15,974,022</u>
5	Net fees and commission income		
	<b>Fees and commission income</b>		
	Credit related fees and commission	174,648	576,670
	Commission on turnover	2,209,081	2,567,005
	Facilities management fees	1,451,250	1,754,827
	Other fees and commission	3,499,894	4,991,745
		<u>7,334,874</u>	<u>9,890,248</u>
	<b>Fees and commission expenses</b>		
	Brokerage fees	-	-
	Other fees	-	-
		<u>-</u>	<u>-</u>
	<b>Net fees and commission income</b>	<u>7,334,874</u>	<u>9,890,248</u>
6	Net trading income	31 December 2013	31 December 2012
		N'000	N'000
	Foreign exchange	48,823	35,947
		<u>48,823</u>	<u>35,947</u>
7	Other operating income		
	Dividend income	288,435	273,873
	Gains from sale of financial investments	572,489	902,081
	Operating lease income	8,730	15
	Other incomes	2,378,724	1,420,696
		<u>3,248,378</u>	<u>2,596,664</u>
8	Impairment losses		
	Charge for the year	21,682,592	1,686,647
	Recoveries	(89,800)	(333,736)
	Credit loss expense	<u>21,592,692</u>	<u>1,352,911</u>

## Financial investments – available for sale

## Debt securities

## Quoted

## Unquoted

## Equities

## Quoted

## Unquoted

## Goodwill

## Non current assets held for sale

## Bank balances

9

## Personnel expenses

## Wages and salaries

## Pension costs – Defined contribution plan

10

## Other operating expenses

31 December 2013

N'000

## Advertising and marketing

## Administrative

## Professional fees

## Rental charges payable under operating leases

## Impairment charge on other assets

## Banking Sector Resolution Funds

## Others

31 December 2012

N'000

590,258

8,651,011

171,899

447,361

1,299,652

-

992,395

12,152,575

Professional fees includes fees payable to the auditors in relation to the statutory audit of N80 million

(2012: N80million).

11

## Income tax

The components of income tax expense for the years ended 31 December 2012 and 2011 are:

31 December 2013

N'000

## Current tax

## Company Income tax

## Education tax

## Technology levy

## Capital gains tax

## Additional assessment/ Under Provision

## Minimum Tax

## Total current tax

31 December 2012

N'000

324,229

51,686

67,220

66,064

78,607

-

587,806

## Deferred tax

## Origination (reversal) of temporary differences

## Total deferred tax

## Total income tax expense

(11,292,007)

(11,292,007)

(11,057,029)

(311,140)

(311,140)

276,666

## Reconciliation of tax charge

The Bank has unrelieved losses carried forward as at 31 December, 2013. Thus it was assessed on minimum tax basis.

**12 Earnings per share**

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding at the reporting date. While diluted earnings per share is computed by dividing the net profit for the year attributable to ordinary shareholders by fully diluted shares (i.e including the impact of stock options, grants and convertible bonds) outstanding at the reporting date. The Bank as at 31st December, 2013 does not have any stock options, grants and convertible bonds.

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

	31 December 2013 N'000	31 December 2012 N'000
Net profit attributable to ordinary shareholders for basic earnings	<u>(22,582,339)</u>	<u>6,180,061</u>
Weighted average number of ordinary shares for basic earnings per share	<u>38,446,690</u>	<u>38,446,690</u>
Basic earnings per ordinary share (kobo)	(58.74)	16.07
Diluted earnings per ordinary share (kobo)	(58.74)	16.07

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

**13 Dividends paid and proposed**

	31 December 2013 N'000	31 December 2012 N'000
Declared and paid during the year	<u>-</u>	<u>-</u>
Equity dividends on ordinary shares:	<u>-</u>	<u>-</u>
Final dividend for 2010: 4 kobo		

**14 Cash and Balances with Central Bank**

	31 December 2013	31 December 2012
Cash on hand	<u>5,525,412</u>	<u>4,412,572</u>
Less: Allowance for impairment losses	<u>(59,836)</u>	<u>(59,836)</u>
	<u>5,465,576</u>	<u>4,352,736</u>
	<u>4,245,350</u>	<u>9,195,752</u>
Current account with the Central Bank of Nigeria	<u>-</u>	<u>27,696,943</u>
Deposits with the Central Bank of Nigeria	<u>9,710,926</u>	<u>41,245,431</u>

Deposits with the Central Bank of Nigeria represent mandatory reserve deposits and are not available for use in the bank's day-to-day operations

	Cash on hand N'000	Current Account with CBN N'000
<b>Impairment allowance for cash and balances</b>	<b>59,836</b>	-
At 01 January	-	-
Additional provisions	-	-
Provision no longer required	-	-
Amounts written off	<b>59,836</b>	-
At 31 December 2013		

	31 December 2013 N'000	31 December 2012 N'000
<b>15 Due from banks</b>		
Placements with banks and discount houses	139,935	4,820,169
Balances with banks within Nigeria	1,343,231	2,205,548
Balances with banks outside Nigeria	6,894,445	7,543,530
	<b>8,377,611</b>	<b>14,569,247</b>
	<b>(992,484)</b>	<b>(982,359)</b>
Less: Allowance for impairment losses	<b>7,385,127</b>	<b>13,586,888</b>

#### Impairment allowance for due from banks and cash balances

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

	N'000
<b>At 1st January 2013</b>	<b>982,359</b>
Charge for the year	10,125
Recoveries	-
Provision no longer required	-
Amounts written off	-
Interest accrued on impaired placements and loans	<b>992,484</b>
<b>At 31 December 2013</b>	
	<b>59,836</b>
Cash and bank balances	<b>992,484</b>
Due from banks	<b>1,052,320</b>

	31 December 2013 N'000	31 December 2012 N'000
<b>16 Loans &amp; Advances</b>		
<b>a Loans and advances to customers (by customer type)</b>		
Government lending	11,140,014	12,648,030
Corporate lending	70,520,153	49,519,180
Consumer lending	139,114,427	130,294,781
	<b>4,860,364</b>	<b>2,319,178</b>
Interest receivable	<b>225,634,959</b>	<b>194,781,168</b>
Gross Loans		
	<b>(30,405,386)</b>	<b>(5,739,824)</b>
Less: Allowance for impairment losses	<b>195,229,573</b>	<b>189,041,345</b>
<b>c Loans and advances to customers by performance security</b>		
Secured against real estate	48,700,593	46,911,251
Secured by shares of quoted companies	1,298,470	3,570,224
Otherwise secured	43,180,316	118,726,928
Unsecured	132,455,580	25,572,766
	<b>225,634,959</b>	<b>194,781,168</b>

**d Loans and advances to customers by performance maturity**

0 to 30 days	26,906,640	23,080,892
1 -3 months	52,685,723	45,194,550
3-6 months	15,476,293	13,275,780
6-12 Months	47,984,091	41,161,423
Over 12 Months	82,582,212	72,068,522
	<u>225,634,959</u>	<u>194,781,168</u>

**e Impairment allowance for loans and advances to customers**

A reconciliation of the allowance for impairment losses for loans and advances, by class, is as follows:

	31 December 2013 N'000	31 December 2012 N'000
At 1 January		
Charge for the year		
Recoveries	5,739,824	4,766,395
Amounts written off	21,682,492	1,686,647
Interest accrued on impaired loans and advances	(89,800)	(333,736)
At 31 December	3,072,870	(202,015)
	-	(177,467)
Individual impairment	<u>30,405,386</u>	<u>5,739,824</u>
Collective impairment	<u>22,848,367</u>	<u>4,433,276</u>
	<u>7,557,019</u>	<u>1,306,548</u>
	<u>30,405,386</u>	<u>5,739,824</u>
Gross amount of loans individually determined to be impaired before deducting individually assessed impairment allowance	<u>49,905,290</u>	<u>6,941,089</u>

**f 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

## Geographical Portfolio Distribution Analysis

S/n	State /Region	Total credit	Total credit
		N'000	N'000
		30 December 2013	31 December 2012
SOUTH SOUTH			
1	Akwa Ibom	120,436	135,451
2	Bayelsa	181,257	214,284
3	Cross rivers	687,953	86,487
4	Delta	5,575,273	4,230,605
5	Edo	2,213,494	1,740,901
6	Rivers	4,268,471	3,738,524
	Sub-total	13,046,883	10,146,252
SOUTH WEST			
7	Ekiti	559,856	391,778
8	Lagos	42,764,116	40,124,953
9	Ogun	4,362,586	3,636,670
10	Ondo	1,431,307	1,103,864
11	Osun	1,782,253	2,113,352
12	Oyo	558,536	604,517
	Sub-total	51,458,654	47,975,135
SOUTH EAST			
13	Anambra	851,201	693,555
14	Imo	683,295	547,398
15	Enugu	410,253	247,970
16	Abia	602,538	509,679
17	Ebonyi	-	-
	Sub-total	2,547,288	1,998,602
NORTH WEST			
18	Kano	28,218,666	26,527,918
19	Katsina	2,906,413	3,110,225
20	Kebbi	578,797	521,331
21	Jigawa	1,561,295	1,436,697
22	Sokoto	1,287,111	1,244,584
23	Zamfara	5,082,632	4,695,945
24	Kaduna	25,006,066	19,974,079
	Sub-total	64,640,980	57,510,778
NORTH CENTRAL			
25	Nasarawa	1,572,526	1,605,283
26	Niger	2,280,946	2,187,223
27	Plateau	732,320	672,407
28	Kogi	664,314	521,231
29	Kwara	5,395,002	4,848,880
30	Abuja	68,202,039	53,855,950
31	Benue	6,332,559	4,468,711
	Sub-total	85,179,706	68,159,686
NORTH EAST			
32	Adamawa	707,368	605,303
33	Borno	1,232,156	1,348,365
34	Bauchi	3,954,695	3,712,716
35	Gombe	932,268	1,103,606
36	Yobe	327,601	546,723
37	Taraba	1,607,357	1,674,000
	Sub-total	8,761,447	8,990,715
TOTALS		225,634,959	194,781,168

**16(g) Concentration of credit risk by Industry Buckets**  
**As at 31 December, 2013**

Industry Type	Loans & Advances N'000	% of total %	Value of Collateral N'000	Not Impaired N'000	% Not Impaired %	Impaired N'000	% Impaired %
AGRICULTURE	34,014,577	15.08	7,537,382	29,087,859	86	4,926,717	14
OIL & GAS	20,608,296	9.13	4,566,648	17,159,616	83	3,448,680	17
CAPITAL MARKET	622,357	0.28	137,910	449,199	72	173,158	28
REAL ESTATE ACTIVITIES	7,307,945	3.24	1,619,387	5,463,717	75	1,844,228	25
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	3,170,461	1.41	702,551	2,914,315	92	256,146	8
ADMINISTRATIVE, SUPPORT SERVICE ACTIVITIES	539,532	0.24	119,556	437,744	81	101,788	19
EDUCATION	1,539,843	0.68	341,218	980,082	64	559,761	36
HUMAN HEALTH & SOCIAL WORK ACTIVITIES	523,358	0.23	115,972	500,472	96	22,886	4
MANUFACTURING	23,457,500	10.40	5,198,011	17,101,090	73	6,356,409	27
WATER SUPPLY, SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	100,258	0.04	22,217	98,073	98	2,185	2
CONSTRUCTION	28,001,026	12.41	6,204,823	17,401,607	62	10,599,419	38
FINANCE & INSURANCE	5,960,831	2.64	1,320,877	2,427,146	41	3,533,685	59
GOVERNMENT	11,384,340	5.05	2,522,687	5,613,292	49	5,771,048	51
POWER	-	-	-	-	-	-	-
GENERAL COMMERCE	64,814,153	28.73	14,362,344	52,341,290	81	12,472,862	19
OTHER PUBLIC UTILITIES	-	-	-	-	-	-	-
TRANSPORTATION	14,139,915	6.27	3,133,302	9,506,885	67	4,633,030	33
COMMUNICATION	9,450,567	4.19	2,094,177	6,577,367	70	2,873,200	30
TOTAL	225,634,959	100.00	49,999,064	168,059,755	74	57,575,204	26

## As at 31 December, 2012

Industry Type	Loans & Advances N'000	% of total %	Value of Collateral N'000	Not Impaired N'000	% Not Impaired %	Impaired N'000	% Impaired %
AGRICULTURE	25,031,257	12.85	6,487,356	23,735,042.28	12.19	1,296,215	0.67
OIL & GAS	9,738,374	5.00	2,523,896	9,491,717.71	4.87	246,656	0.13
CAPITAL MARKET	1,139,857	0.59	295,417	1,126,285.02	0.58	13,572	0.01
REAL ESTATE ACTIVITIES	5,561,565	2.86	1,441,392	5,073,702.50	2.60	487,863	0.25
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	2,833,773	1.45	734,429	2,800,032.27	1.44	33,741	0.02
ADMINISTRATIVE, SUPPORT SERVICE ACTIVITIES	558,965	0.29	144,867	552,309.72	0.28	6,655	0.00
EDUCATION	1,996,372	1.02	517,400	1,789,122.63	0.92	207,250	0.11
HUMAN HEALTH & SOCIAL WORK ACTIVITIES	122,538	0.06	31,758	121,078.89	0.06	1,459	0.00
MANUFACTURING	18,093,680	9.29	4,689,343	17,043,648.69	8.75	1,050,032	0.54
ARTS, ENTERTAINMENT & RECREATION WATER SUPPLY, SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	10,142,761	5.21	2,628,701	10,021,995.22	5.15	120,766	0.06
REAL ESTATE & CONSTRUCTION	100,978	0.05	26,171	99,775.78	0.05	1,202	0.00
FINANCE & INSURANCE	22,283,835	11.44	5,775,306	20,524,805.88	10.54	1,759,029	0.90
GOVERNMENT	7,015,251	3.60	1,818,144	6,879,172.65	3.53	136,078	0.07
POWER	12,800,439	6.57	3,317,492	11,918,928.74	6.12	881,511	0.45
GENERAL COMMERCE	869,589	0.45	225,372	859,235.53	0.44	10,354	0.01
OTHER PUBLIC UTILITIES	66,350,740	34.06	17,196,135	63,454,972.57	32.58	2,895,768	1.49
TRANSPORTATION	3,220	0.00	834	3,181.34	0.00	38	0.00
COMMUNICATION	1,371,170	0.70	355,366	1,232,767.23	0.63	138,403	0.07
	8,766,804	4.50	2,272,094	8,306,980.35	4.26	459,823	0.24
TOTAL	194,781,168	100	50,481,475	185,034,755	95	9,746,413	5

17	Financial investments	31 December 2013 N'000	31 December 2012 N'000
a	Available for sale investments		
	<b>Quoted investments</b>		
	Debt securities - Bills	46,724,547	20,154,374
	Debt securities - Bonds	564,893	76,782
	Equities	282,324	3,743,801
		<u>47,571,764</u>	<u>23,974,957</u>
	<b>Unquoted investments</b>		
	Debt securities	-	-
	Equities	2,602,128	2,603,278
		<u>2,602,128</u>	<u>2,603,278</u>
	<b>Financial investments – Available for sale</b>	<b>50,173,892</b>	<b>26,578,235</b>
	Less: Allowance for impairment	(717,554)	(1,330,497)
	<b>Financial investments – Available for sale less impairment</b>	<b><u>49,456,338</u></b>	<b><u>25,247,739</u></b>
b	Quoted investments pledged as collateral		
	Government debt securities	-	-
	Other debt securities	-	-
	Equities	-	-
		<u>-</u>	<u>-</u>
	<b>Unquoted investments pledged as collateral</b>		
	Government debt securities	38,330,267	6,295,200
	Equities	-	-
		<u>38,330,267</u>	<u>6,295,200</u>
	<b>Financial investments – available for sale and pledged as collateral</b>	<b>38,330,267</b>	<b>6,295,200</b>
	Collective impairment	-	-
		<u>38,330,267</u>	<u>6,295,200</u>
i	All unquoted available for sale equities are recorded at cost since their fair values cannot be reliably estimated		
ii	They represent investment in SMEs whose shares are not traded in any active market.		
iii	The decision of the Bank to continue to hold these investment is principally on the basis of earning dividend income		
iv	The Bank would dispose the investments when it deems necessary to do so or as a result of business exigencies either by selling shares to interested existing investees or such identified buyers.		
c	Held to maturity investments	N'000	N'000
	<b>Quoted investments</b>		
	Government debt securities	15,059,300	15,059,300
	Other debt securities	-	-
		<u>15,059,300</u>	<u>15,059,300</u>
	<b>Unquoted investments</b>		
	Debt securities	13,256,992	40,069,492
		<u>28,316,292</u>	<u>55,128,792</u>
	Collective impairment	(56,428)	(56,428)
		<u>28,259,864</u>	<u>55,072,364</u>

	31 December 2013 N'000	31 December 2011 N'000
<b>18 Other assets</b>		
Advances under finance lease	15,560	-
Other assets comprise:		
Prepayments	5,077,402	6,516,715
Interbranch balances	8,004,354	8,887,635
Fraud suspense	570,267	506,278
Stationery stocks	238,654	246,840
Other stocks	189,653	384,926
Head office suspense accounts	12,163,751	3,229,771
Account receivables	4,787,679	4,418,191
Other debit balances	14,720,280	8,272,939
	<u>45,767,601</u>	<u>32,463,296</u>
Less:		
Allowance for impairment on other assets	(30,241,011)	(13,191,768)
	<u>15,526,590</u>	<u>19,271,529</u>

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

	Other assets N'000	Non Current Assets held for sale N'000	Total N'000
<b>At 01 January 2013</b>	<b>13,191,768</b>	<b>202,517</b>	<b>13,394,285</b>
Charge for the year	17,049,243	405,470	17,454,713
Amounts written off	-	(202,517)	(202,517)
<b>At 31 December 2013</b>	<b>30,241,011</b>	<b>405,470</b>	<b>30,646,481</b>

<b>19 Property and equipment</b>	Land and Buildings N'000	Leasehold Improvement N'000	Motor Vehicle N'000	Plant & Equipment N'000	Furniture & Fittings N'000	Total N'000
<b>Cost:</b>						
At 01 January 2013	17,492,866	2,091,904	3,069,039	12,019,787	2,672,509	37,346,104
Additions	190,525	37,994	238,132	1,105,352	207,043	1,779,046
Disposals	(72,748)	-	(24,200)	-	-	(96,948)
At 31 December 2013	<u>17,610,643</u>	<u>2,129,898</u>	<u>3,282,971</u>	<u>13,125,139</u>	<u>2,879,552</u>	<u>39,028,203</u>
<b>Depreciation and impairment:</b>						
At 01 January 2013	1,672,959	1,433,615	2,406,338	9,172,848	1,773,791	16,459,551
Additions	430,971	185,617	384,117	1,095,103	412,344	2,508,152
Disposals	(8,468)	-	(22,685)	-	-	(31,154)
At 31 December 2013	<u>2,095,462</u>	<u>1,619,231</u>	<u>2,767,770</u>	<u>10,267,951</u>	<u>2,186,135</u>	<u>18,936,549</u>
<b>Net book value:</b>						
At 31 December 2013	<u>15,515,181</u>	<u>510,667</u>	<u>515,201</u>	<u>2,857,188</u>	<u>693,417</u>	<u>20,091,653</u>
At 01 January 2013	<u>15,819,907</u>	<u>658,289</u>	<u>662,701</u>	<u>2,846,939</u>	<u>898,718</u>	<u>20,886,553</u>

The Land & buildings of the bank were revalued in August 2010 by Messrs Mohammed & Co. The sum of N7.219 billion was approved by the CBN and was incorporated into the accounts of the bank. The reserve arising from this has however been derecognised from the books. A retrospective adjustment was done on the reserves from 2010.

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

## 20 Goodwill and other intangible assets

	31 December 2013	31 December 2013	31 December 2013
	Goodwill	Computer	Goodwill &
	N'000	Software	Computer Software
		N'000	N'000
<b>Cost:</b>			
At 01 January 2013	16,980,591	2,300,225	19,280,816
Additions:	-	792,138	792,138
Internally Developed	-	-	-
External Purchased	-	-	-
Disposals	-	-	-
At 31 December 2013	16,980,591	3,092,363	20,072,954
<b>Amortisation and impairment:</b>			
At 01 January 2013	-	1,782,621	1,782,621
Additions	509,256	391,269	900,525
Disposals	-	-	-
At 31 December 2013	509,256	2,173,890	2,683,146
<b>Net book value:</b>			
At 31 December 2013	16,471,335	918,473	17,389,808
At 31 December 2012	16,980,591	517,605	17,498,195

Since 2008, the Bank has always tested Goodwill for impairment on an annual basis in line with IAS 3. Goodwill carried in the Bank's books was tested for impairment as at the transition date 1/1/2011. The test showed that Goodwill was not impaired as at that point in time. In determining the goodwill impairment, the business segments of the Bank were used as its cash generating units. Based on the impairment computation for 2013, the South segment was deemed to have impaired and its share of the goodwill was written down accordingly.

- ii In testing goodwill for impairment, goodwill was allocated to the Bank's Cash Generating Units (CGUs)
- ii Due to the loss incurred by the Bank, it became imperative to test the goodwill for impairment.
- iii The recoverable amount of the assets of the (CGU) was its fair value less costs of disposal

	N
iv Goodwill Impairment for South CGU	
Recoverable Amount	6,050,906
Less: Carrying amount of CGU	(3,610,113)
Less: Share of CGUs Goodwill	(2,950,049)
Impairment	(509,256)

**v Key assumptions for the impairment testing include the following:**

- a Cash projections are based on CGU's profit forecast for 2013 as a base year. These were grown at 10% and 5% respectively year on year for each CGU with the exception of the South CGU, whose cash projection was grown by 20%. This was done considering the level of investments in that CGU.
- b Projections were adjusted using the average level of budget achievement for 2011 and 2012 and 2013
- c Discount factor is based on a 4 year average of pre tax rate of return on equity as quoted by Augusto & Co. in their banking industry report.
- d Carrying amount of the Fixed Assets represents the carrying amount as represented in the books of the Bank. Goodwill was allocated to the separate CUG's taking into consideration the amount of goodwill contributed by
- e Each CGU to the total goodwill.

**21 Deferred tax**

The movement on the deferred tax payable account during the year was as follows:

	31 December 2013	31 December 2012
At the beginning of the period	7,147,823	7,634,265
Temporary difference on fixed assets	250,524	(190,446)
Impairment allowance on other assets	6,966,860	1,544,073
Unabsorbed loss and capital Allowance	3,998,033	(1,042,487)
Others	76,591	-
	11,292,007	311,140
Unrealized gain on Available for sale financial investments	-	(596,847)
	19,036,676	7,147,823

	31 December 2013	31 December 2012
At 1 January	427,115	629,632
Additions	3,461,478	-
Less Impairment	(405,470)	(202,517)
Disposal	(270,655)	-
At 31 December	3,212,468	427,115

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

Caranda Management Sevices	-	7,579
Hexalix Property Management Limited	-	60,890
Newdevco Limited	-	354,019
Unity Bureau De Change Limited	156,435	207,144
Unity Kapital Assurance Plc	3,461,478	-
	3,617,913	629,632

- a In line with directives of Central Bank of Nigeria, the Board and Shareholders approved the disposal of the Bank subsidiaries in 2011. The subsidiaries have been disposed except Unity Bureau De Change where a substantial percentage has been disposed. The balance on it is treated in non-current assets held for sale in line with IFRS 5. Unity Kapital Assurance Plc was also classified as Held for sale owing disposal process already in place and will be completed before the end of 2014.
- b Impairment on non current assets held for sale has been computed in line with the provisions of IFRS 5. The charge determined thereon has been charged to the income statement.

	31 December 2013	31 December 2012
<b>23 Due to customers</b>		
<b>i Analysis by type of account:</b>	<b>N'000</b>	<b>N'000</b>
Demand	152,612,502	161,568,351
Savings	36,980,000	32,626,988
Time deposits	73,750,467	45,141,926
Special product	7,670,995	9,178,862
Domiciliary	5,362,868	5,036,820
Due to other banks	26,893,728	16,507,100
	<u>303,270,560</u>	<u>270,060,046</u>
<b>ii Analysis by type of depositors</b>		
Government	117,650,736	99,407,580
Corporate	77,795,951	77,554,467
Individuals	106,067,383	93,097,999
	<u>303,270,560</u>	<u>270,060,046</u>
<b>iii Analysis by maturity</b>		
0-30 days	206,047,520	236,560,684
31-90 days	83,228,320	32,258,552
91-180 days	972,197	433,374
181-360 days	13,022,523	807,437
	<u>303,270,560</u>	<u>270,060,046</u>

	Bank of Industry N'000	AFREXIM N'000	Totals N'000
As at 01 January 2013	35,234,499	19,200,000	54,434,499
Additions	1,770,010	-	1,770,010
Payments	-	(1,885,417)	(1,885,417)
As at 31 December 2013	<u>37,004,509</u>	<u>17,314,583</u>	<u>54,319,092</u>

**a Bank of Industry Loan**

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

**b AFREXIM Loan**

This represents a term loan facility obtained from African Export-import Bank for a tenor of seven years, which qualifies it as Tier II . capital. Interest is payable quarterly. The facility will bear interest at a rate per annum equal to LIBOR + 5.45% (6.45%). The facility was secured over the permitted accounts, the change 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

## 25 Current tax liabilities

	31 December 2013	31 December 2012
	N'000	N'000
Current tax payable		
At the beginning of the period	591,511	591,511
Amounts recorded in the income statements	229,250	587,806
Payments made on-account during the year	(400,935)	(638,775)
Prior year's under/(over)provision	-	-
	<u>425,554</u>	<u>591,511</u>

## 26 Other liabilities

Interest payable	1,054,178	878,524
Accounts payable	1,545,794	1,606,738
Bankers payment and branch drafts	1,952,328	1,461,827
Deferred fees	542,282	762,090
Provisions and accruals	309,185	1,042,104
Obligations under financial guarantees	4,415	525,272
Unearned discounts and incomes	3,949,103	4,223,932
Margin on letters of credit	1,405,571	5,273,071
Banking sector resolution fund	4,232,536	-
Sundry Creditors	1,936,497	3,083,111
	<u>16,931,889</u>	<u>18,856,671</u>

The movement in Obligations under financial guarantees during the period ended December 2013 is as follows:

At 1 January	525,272	525,272
Arising during the year	125,200	304,603
Utilized	(646,057)	(304,603)
At 31 December	<u>4,415</u>	<u>525,272</u>

## 27 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 N999 million represents contributions payable to these plans by the bank at rates specified in the rules of the plan.

	31 December 2013	31 December 2012
	N'000	N'000
Opening defined contribution obligation	319,771	164,924
Charge for the year	999,380	951,144
Payment to PFAs	(849,596)	(796,298)
	<u>469,555</u>	<u>319,771</u>

## 28 Issued capital and reserves

	31 December 2013 N'000	31 December 2012 N'000
120,000,000,000 ordinary shares of 50 kobo each (2012 - 60,000,000,000 ordinary shares of 50 kobo each)	<u>60,000,000</u>	<u>30,000,000</u>
<b>Ordinary shares</b>		
Issued and fully paid:		
38,446,689,710 ordinary shares of 50k each	<u>19,223,345</u>	<u>17,475,768</u>

## 29 Other reserves

	Available for sale reserve N'000	Share reconstruction reserve N'000	Reserve for SM1EIS N'000	Assets revaluation reserve N'000	Total N'000
<b>At 1 January 2011</b>	(653,965)	14,501,904	440,116	-	<b>14,288,055</b>
Transfer from retained earnings in respect of excess of Prudential guideline provisions over IFRS	-	-	-	-	-
Transfer from assets revaluation Reserve to Retaining earnings on retrospective application of derecognition of revaluation reserve	-	-	-	-	-
Net loss on available for sale financial assets	(334,721)	-	-	-	<b>(334,721)</b>
Reclassification of fair value changes	140,869	-	-	-	<b>140,869</b>
<b>At 31 December 2011</b>	<u>(847,817)</u>	<u>14,501,904</u>	<u>440,116</u>	<u>-</u>	<b>14,094,203</b>
Adjustment on Remeasurement					-
Transfer from retained earnings in respect of excess of Prudential guideline provisions over IFRS					-
Net gain on available for sale financial assets	1,455,937				<b>1,455,937</b>
Net loss on available for sale financial assets					-
<b>At 31 December 2012</b>	<u>608,120</u>	<u>14,501,904</u>	<u>440,116</u>	<u>-</u>	<b>15,550,140</b>
<b>At 01 January 2013</b>	608,120	14,501,904	440,116	-	<b>15,550,140</b>
Write off from reserves	(608,120)	-	-	-	<b>(608,120)</b>
Transfer to/(from) retained earnings in respect of excess of Prudential guideline provisions over IFRS	-	-	-	-	-
Net gain on available for sale financial assets	(54,585)	-	-	-	<b>(54,585)</b>
Net loss on available for sale financial assets	-	-	-	-	-
<b>At 31 December 2013</b>	<u>(54,585)</u>	<u>14,501,904</u>	<u>440,116</u>	<u>-</u>	<b>14,887,436</b>

**Available for Sale Reserve**

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

**Share Reconstruction Reserve**

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

**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.

**Assets Revaluation Reserve**

The Land & buildings of the Bank were revalued in August 2010 by Messrs Mohammed & Co. The sum of N7.219 billion was approved by the CBN and was incorporated into the accounts of the Bank. The reserve arising from this has however been de-recognized from the books. A retrospective adjustment from the transition date.

<b>30</b>	<b>Additional cash flow information</b>	<b>31 December 2013</b>	<b>31 December 2012</b>
	<b>Cash and cash equivalents</b>	<b>N'000</b>	<b>N'000</b>
	Cash on hand (Note 14)	5,465,576	4,352,736
	Current account with the Central Bank of Nigeria (Note 14)	4,245,350	9,195,752
	Due from banks	7,385,127	13,586,888
		<u>17,096,053</u>	<u>27,135,375</u>

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

	<b>31 December 2013</b>	<b>31 December 2012</b>
	<b>N'000</b>	<b>N'000</b>
<b>Changes in operating assets</b>		
Deposits with the Central Bank of Nigeria	27,696,943	10,154,720
Loans and advances to customers	(30,853,791)	(73,543,600)
Other assets	(13,304,305)	23,168,631
	<u>(16,461,152)</u>	<u>(40,220,250)</u>
<b>Changes in operating liabilities</b>		
Due to customers	34,394,799	3,182,620
Current tax liabilities	(165,957)	(50,968)
Other liabilities	(1,924,782)	1,927,673
Defined contribution	149,784	(1,328,565)
	<u>32,453,844</u>	<u>3,730,760</u>

**Other non-cash items included in profit before tax**

	<b>31 December 2013</b>	<b>31 December 2012</b>
	<b>N'000</b>	<b>N'000</b>
Impairment losses on Bank balances	10,125	-
Impairment losses on Other assets	17,049,243	1,299,652
Impairment losses on Risk assets	21,592,692	1,352,911
Impairment losses on Investments	11,000	-

Depreciation of property and equipment	2,508,152	2,545,017
Amortisation of intangible assets	390,668	395,053
Gains from sale of investments	(572,489)	(902,081)
Changes in operating assets	40,921,216	4,621,761

**Assets and liabilities of disposed subsidiaries**

	31 December 2013 N'000	31 December 2012 N'000
<b>Cash &amp; cash equivalents</b>	85,163	604,915
<b>Other assets</b>		
Loans & Advances	115,251	14,497
Investments	1,084,518	351,772
Other assets	108,249	58,957
Fixed assets	252,297	143,257
	1,645,478	1,173,399
<b>Liabilities</b>		
Deposits & Current accounts	14,432	6,351
Due to other banks	-	1,971
Tax payable	-	6,275
Other liabilities	831,055	620,577
	845,487	635,174

**31 Fair value of financial instruments****Financial instruments recorded at fair value**

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

**Financial investments – available for sale**

Available for sale financial assets valued using valuation techniques or pricing models primarily consist of unquoted equities and debt securities.

These assets are valued using models that use both observable and un-observable data. The un-observable inputs to the models include assumptions regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.

**Determination of fair value and fair value hierarchy**

The bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

<b>December 2013</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
<b>Financial assets</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>Financial investments available for sale</b>			
Treasury bills	46,724,547	-	46,724,547
Government bonds	564,893	-	564,893
Quoted equity investment	282,324	-	282,324
Unquoted equity investments	-	2,602,128	2,602,128
	<b>47,571,764</b>	<b>2,602,128</b>	<b>50,173,892</b>
<b>December 2012</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
<b>Financial assets</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>Financial investments available for sale</b>			
Treasury bills	20,154,374	-	20,154,374
Government bonds	76,782	-	76,782
Quoted equity investment	3,743,801	-	3,743,801
Unquoted equity investments	-	2,603,278	2,603,278
	<b>23,974,957</b>	<b>2,603,278</b>	<b>26,578,235</b>

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

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

At 1 January 2013 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-13 N'000
2,603,278	-	-	-	(1,150)	-	-	2,602,128
2,603,278	-	-	-	(1,150)	-	-	2,602,128

#### Financial investments available for sale:

Unquoted equity investments							

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

	For the year ended 31-Dec-13	For the year ended 31-Dec-12	Net gain or [loss] on financial instruments designated FVTPL N'000	Net gain or [loss] on financial instruments designated FVTPL N'000
Net trading income N'000	Other operating income N'000	Other operating income N'000	Net trading income N'000	Net gain or [loss] on financial instruments designated FVTPL N'000
Quoted investments	288,435	273,873	-	-
Government bonds	3,524,505	3,991,710	-	-
Treasury bills	4,282,884	6,205,122	-	-
	8,095,824	10,470,705	-	-

#### Financial investments - available for sale:

Quoted investments	
Government bonds	
Treasury bills	

- 33 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 2013		31 December 2012	
	Carrying amount	Fair value	Carrying amount	Fair value
	N'000	N'000	N'000	N'000
<b>Financial assets</b>				
Cash and balances with central bank	9,710,926	9,710,926	41,349,382	41,349,382
Due from banks	8,377,611	7,385,127	14,569,247	13,586,888
Loans and advances to customers	195,229,573	195,001,851	194,781,168	189,041,345
	<u>213,318,110</u>	<u>212,097,904</u>	<u>250,699,797</u>	<u>243,977,614</u>
<b>Financial investments – held to maturity</b>	<u>28,259,864</u>	<u>28,259,864</u>	<u>55,072,364</u>	<u>55,072,364</u>
	<u>241,577,973</u>	<u>240,357,768</u>	<u>305,772,160</u>	<u>299,049,977</u>
<b>Financial liabilities</b>				
Due to customers	303,270,560	303,270,560	270,060,046	270,060,046
Debt issued and other borrowed funds	54,319,092	54,319,092	54,434,499	54,434,499
	<u>357,589,653</u>	<u>357,589,653</u>	<u>324,494,545</u>	<u>324,494,545</u>

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

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

#### Assets for which fair value approximates carrying value

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

#### Fixed rate financial instruments

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

#### 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.

**RISK MANAGEMENT INITIATIVES**

The main objective of Enterprise Risk Management framework in Unity Bank is to minimize losses, maximise efficiency and reduce earnings volatility.

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 continued to carry on its implementation of risk management policies during the period under review. As the Central Bank of Nigeria pilots a focused but speedy deployment of electronic payments channels to address triple objectives of operational efficiency, financial inclusion and increased surveillance of funds flow for anti-money laundering war, information security risks was correspondingly escalated. Apart from successful certification to ISO 27001 Standards by the Bank prior year, the risk mitigation for this elevated risk was further strengthened with the Bank's successful certification to the prestigious Payments Cards Industry Security Standards (PCIDSS) at the beginning of the second Quarter in 2013.

With respect to credit risk management, the Bank successfully deployed a workflow engine that was customised and being applied to objectively appraise loan applications to weed off applications that fall below set Risk Assets Acceptance Criteria. An internally developed rating system was incorporated in the workflow engine. Also, in line with the retail strategy of the Bank, certain retail products on both sides of the balance sheet were developed and deployed during the period.

**GLOBAL AND LOCAL ECONOMIC ENVIRONMENT RISK OVERVIEW**

The global economy continued its slow recovery in 2013 as it had yet to fully shake off the fallout from the crises of 2008-2009. Developed economies are still struggling to shake off the impacts of the crises largely as a result of massive stimuli pumped by the various monetary authorities in those climes. Emerging market economies and Sub-Sahara African countries continued to be the major beneficiaries of those stimuli to fuel their own better economic performance.

For example, the US export growth has been slow since the beginning of the year as global industrial production continued to trudge. Import growth has been slowed at about two percent below domestic demand; trade was a net drag on growth throughout the first-half of the year. Unemployment figures were at best improving rather slowly. The European economy remains in recession with positive signs in the near term. According to economic data, the Euro Area PMI was in contraction territory for the month of June, 2013.

The Chinese economy show significant recessing growth that could hurt exports from Europe, which is important for a recovery. Global conditions could dampen slowly regained confidence and delay investment and consumption decisions which could possibly postpone a European economic recovery. Uncertainty continues to loom with changing policy from the Federal Reserve making Europeans nervous about exports to the United States and the consequences of reduced liquidity on the global financial system.

Domestic risks witnessed in the year include the continued Political and Security Risks. It has been a year characterised by terrorism activities, single-digit headline inflation influenced by the stoic posture of the Apex Bank at retaining the monetary policy stance. Political Risks were elevated as preparations for 2015 Presidential elections commences in earnest: this reverberated in the polarisation of the Governors' Forum as the Presidency moved to curtail the unfettered influence of the leadership of the forum by placing a seemingly neutral Leadership in place despite the outcome of the elections which was contrary. Terrorism activities led to the closure of some business locations to mitigate security risk. Major successes were recorded in the fight against terrorism with the modified state of emergency declared by the Federal Government.

The improvement in Electricity generation that was expected to positively impact on the economy became a course for concern as in electricity generation went down. The mitigant to this risk is the successful orderly privatisation of the Power Holding Company of Nigeria (PHCN).

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

#### STRATEGIC RISK

The Bank carried out a major review of its strategy during the year. Risk of inappropriate or un-implementable strategy was mitigated through the strategy process. Thorough self review and environmental scanning spanning historical and futuristic perspectives vis-a-vis its current position was carried out in arriving at the current strategy.

In implementing the strategy, it carried out some reorganisation to place its people based on demonstrated competence and talents. All were done to support the drive towards the achievement of its ambitious but realistic corporate strategy.

In line with its business plan to rev up the performance of the Bank towards improved operational profitability, project Polaris was launched to drive the successful implementation of the Bank's revised strategic plan.

The Strategy is being communicated effectively to the workforce. The project is expected to identify short comings in existing processes and fashion out processes that would give the workforce directions towards achieving the Bank's strategic objective within a time frame.

#### COMPLIANCE AND LEGAL RISK

The Bank implemented both system-based and manual controls to ensure compliance with rules, regulations and laws governing operations of a financial institution in Nigeria. We have Zero-tolerance for non-compliance with Know-your-customer and Know-your-customers' business regulations in the Bank. Officers are exposed to detail 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.

A consultant was hired 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.

#### CREDIT RISK

To demonstrate the Bank's commitment towards a dramatic improvement in its loan portfolio, the Bank hired a Resident Consultant to provide guidance and help build internal capacity among the operating staff specifically in this risk area. Specialized lending area with particular reference to Agriculture finance amongst others received special attention. Also credit risk rating framework has been developed in the Bank which will be deployed subsequent to year-end.

Efforts are intensified to ensure that the Bank sustains and improve on the quality of the loan books. While industry credit growth was generally towards public sector, Unity Bank sustained its focus on providing funding for the real sector including agriculture and manufacturing.

It is noted that the Bank's risk assets portfolio suffered significant deterioration during the period due to a number of factors, key amongst which are harsh operating environment, some legacy and credits booked in the early days that were not sold to AMCON as they were not profitable for such sales but kept in the books with the understanding that the obligors will do the needful. This is with respect to honouring restructuring agreements; dwindling revenue of government which meant default with respect to government contracts amongst others.

The Bank is taking decisive steps to arrest the deterioration. Such steps include the setting up of Credit Administration Division to strengthen proactive monitoring and remediation of such assets; the strengthening of Debt Recovery Department and review of their key performance indicators to include delivery on recovery and restructuring targets.

**OPERATIONAL RISK**

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

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

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

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

**REPUTATIONAL RISK**

A full-fledged Division has been set up to drive service delivery standards under the Office of Executive Director, Services and Secretariat.

Customers' Care Centre has also been upgraded with adequate staffing to improve the response time to customers' issue logging and resolution across the enterprise.

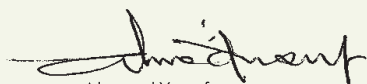
**RISK MANAGEMENT OUTLOOK**

Having successfully upgraded the Bank's enterprise risk management policies and processes, the outlook portends higher level of risk management in the next financial year. This will certainly impact positively on the quantum and quality of earnings of the Bank in the years ahead.

**CONCLUSION**

The Board and Management of the Bank are committed to implementing robust risk management policies towards creating and preserving value for its numerous internal and external stakeholders. It is our belief that effective enterprise risk management framework is a sine qua non of a sustainable growth and survival of any enterprise especially during extreme conditions of stress. The Bank will leave no stone unturned to imbibe best practice in this direction and also ensure that the policies are embedded in the decision and operational levels of the Bank. In order to achieve this, the performance management system will incorporate risk capital allocation and risk-adjusted return on capital targets in no distant future. Also, automation of the Enterprise Risk Management process shall be implemented in due course. Much efforts would be geared towards improving the risk management culture across the enterprise.

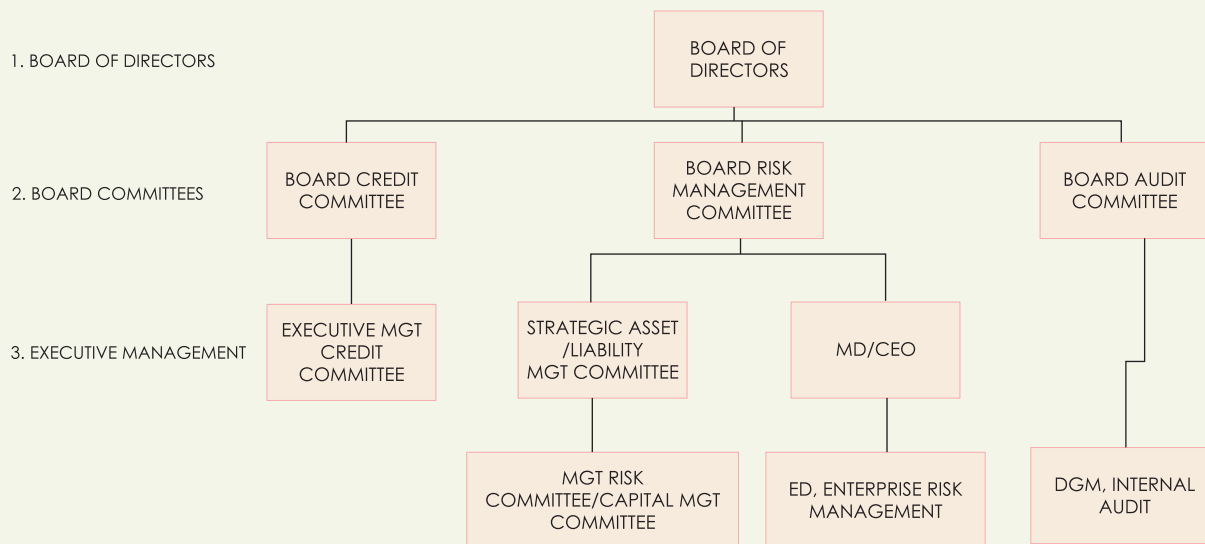
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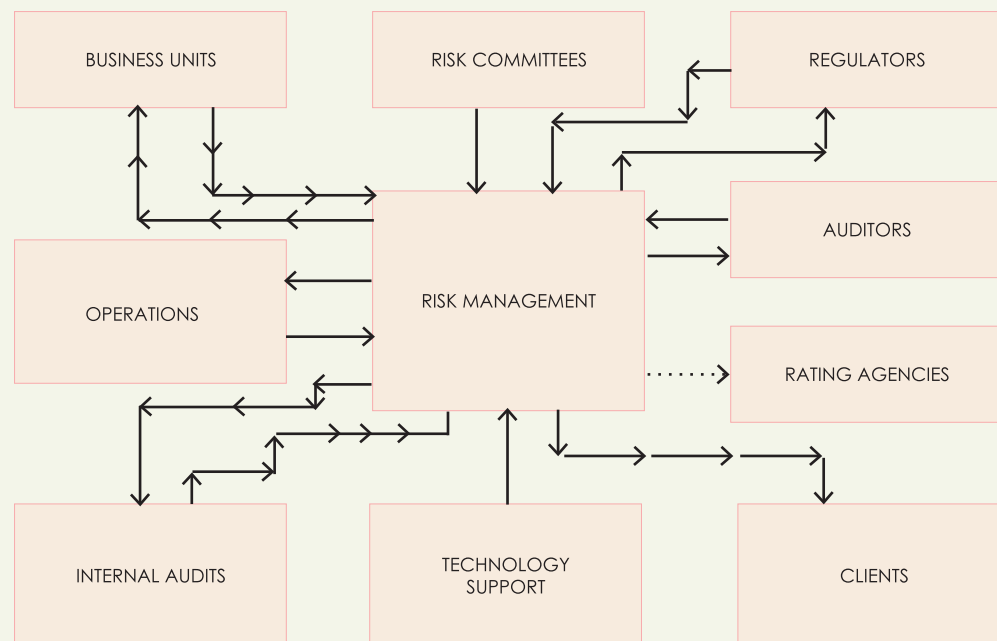
Ahmed Yusuf  
Ag. ED, ERM/Chief Risk Officer

## ENTERPRISE RISK MANAGEMENT FRAMEWORK

### RISK GOVERNANCE STRUCTURE



### RISK MANAGEMENT RELATIONSHIPS – INTERNAL AND EXTERNAL



## 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.

#### MEMBERSHIP OF BOARD RISK MANAGEMENT COMMITTEE

Mallam Gimba Hassan	Non-Executive Director	Chairman (resigned w.e.f. 5/5/2014)
Alhaji Rislanudeen Muhammad	Ag MD/CEO	Member(resigned w.e.f.10/2/2014)
Mr. Henry James Semenitari	Managing Director/CEO	Member (appointed w.e.f.10/1/2014)
Mr. Richard A. Asabia	Non-Executive Director	Member
Dr. Oluwafunsho Obasanjo	Non-Executive Director	Member
Alhaji Ahmed Yusuf	ED, IT and Operations	
	/ Ag. ED, Enterprise Risk Management	Member
Mrs. Aisha A. Abraham	ED, Secretariat & Services	Secretary

The Committee is charged with the following responsibilities:-

- Overseeing the overall Risk Management of the Bank;
- Review periodically, Risk Management objectives and Policies for consideration of the full Board;
- Approve the Risk Rating Agencies, Credit Bureau and other related engagement for the Bank 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:-

Mr Richard G Asabia	Non-Executive Director	Chairman
Mallam Gimba Hassan Ibrahim	Non Executive Director	Member (resigned w.e.f. 5/5/2014)
Alhaji Aminu Babangida	Non Executive Director	Member
Mr Thomas Etuh	Non Executive Director	Member
Mr. Henry James Seminitari	Managing Director/CEO	Member (appointed w.e.f.10/1/2014)

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.

### BOARD 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:-

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

The Audit Committee shall be responsible for:-

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

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

**EXECUTIVE MANAGEMENT COMMITTEE (EXCO)**

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

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

**ASSETS- LIABILITIES MANAGEMENT COMMITTEE (ALCO)**

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

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

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

**ENTERPRISE RISK MANAGEMENT COMMITTEE**

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

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

**Membership**

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

The committee has reporting relationship to the Executive Management.

**RISK MANAGEMENT DEPARTMENTS AND THEIR KEY FUNCTIONS****Regulatory Compliance Division:-**

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

- Ensuring compliance with regulatory laws, policies and instructions
- Ensure compliance with anti-money laundering laws

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

#### RISK MANAGEMENT DIVISIONAL OFFICE

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

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

Accordingly the following risk management departments report to him:

#### CREDIT RISK DEPARTMENT (CRD)

The CRD's responsibilities shall include:

- Reviewing and certifying all credit requests before approval by the relevant approving authorities.
- Propose annual list of insurance underwriters for Management approval
- Reviewing issues affecting credit process efficiency and/or effectiveness.
- Reviewing and recommending changes to the Risk Assets Pricing Policy.
- Issuing of Credit Circulars approved by Management.
- Appraising and recommending the appointment of professional service agents e.g. Estate Valuers, Warehousing agents, Project consultants etc.
- Proposal annual list of insurance underwriters for Management approval
- Compiling data for the measurement of Credit Risk for the Bank.
- Listing and reviewing of credit events for consideration in Credit Risk Assessment.
- Preparing monthly Portfolio Credit Risk Ratings and Limits Reports showing Risks and Rewards.
- Ensure appropriate pricing of risk assets.
- Compliance with the Bank's risk appetite definitions and RAAC.

#### MARKET RISK AND ASSETS/LIABILITIES DEPARTMENT (CRD)

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

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

#### CREDIT ADMINISTRATION DIVISION (CAD)

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

- Evaluating performance of credits to ensure that they are managed in accordance with the dynamics, terms and conditions of their approval.
- Rendition of Credit Risk Management System (CRMS) Returns to CBN.
- Rendition of all periodic credit reports to CBN.
- Monthly review and classification of Risk Assets portfolio in line with the provisions of the Prudential Guidelines.
- Reviewing the Bank's credit process; identifying credit process lapses and recommending corrective measures.

- Monitoring and ensuring compliance with the Credit and Monetary Policy Guidelines as well as the Bank's portfolio plans.
- Evaluating and recommending of disbursement of approved credits.
- Approving requests for the release of security documents.
- Executes the Assets Remediation functions which includes;

#### INSTITUTIONAL RISK MANAGEMENT DEPARTMENT

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

- Coordinate the evolution of ERM Policy and custodian of same bank-wide
- Co-ordinate effective implementation of ERM policies in all the core risk areas of the Bank including Credit Risk, Market Risk, Operations Risk and Compliance Risk Management.
- Carry out self-assessment of the Bank's enterprise risk management framework and initiate process for gap remediation.
- Coordinate internal and external review of the Bank's ERM policies and remediation of identified gaps.
- Oversee and coordinate specific risk policy implementation and compliance with respect to Strategy Risk, Reputation Risk, Business Continuity Management on enterprise wide basis and so on.
- Coordinate capital allocation for significant activities of the Bank.
- Coordinate risk-adjusted performance management system in the Bank.
- Serves as risk integration and aggregation coordinator.
- Reviewing and certifying products risk prior to deployment
- Monitor risk exposures against set limits
- Identification, reporting and management of operation risks bank-wide
- Operational risk management process
- Enterprise management of the Bank's information security risk, these include:  
Information Security Management System, IT Risk Management System, Payment Cards Industry Security Standard Certification (PCIDSS) and ISO27001 Programme Management

#### DEBT RECOVERY DEPARTMENT (DRD)

The DRD responsibilities shall include:

- Coordinating recovery efforts on accounts in lost category and initiate recovery plans.
- Processing of interest waivers and write-off requests in respect of accounts classified Lost.
- Liaise with Legal Services Department on accounts under recovery.
- Processing restructuring/workout arrangement of lost credits.
- Monthly review and rendition of reports on accounts under lost category.

#### LEGAL SERVICES DEPARTMENT (LSD)

The LSD responsibilities shall include:

- Provides technical support in identifying and managing exposure to legal risks.
- Conducting searches at State Land Registries and the Corporate Affairs Commission (CAC)
- Preparing and vetting of all credit-related Agreements/Contracts to be entered into by the Bank.
- Vetting of security documents for disbursement of approved credits.
- Issuance of contingent liability instruments.
- Providing opinion as to legal suitability of security arrangement for approved credits.
- Appointment and monitoring of Solicitors engaged by the Bank for perfection of securities, recovery of loans, litigations, searches etc.

#### REGULATORY COMPLIANCE DEPARTMENT (RCD)

The RCD responsibilities shall include:

- Ensuring Compliance with Anti-Money Laundering & Combating the Financing of Terrorism Policies and rendition of Returns on same.
- Ensure that all regulatory queries and other issues emanating from any of the Bank Business Offices are promptly and prudently attended to i.e. EFCC, NFIU, Police investigations and requests

- Co-ordinate routine examination and spot checks by the Regulatory Authorities.
- Ensuring prompt and timely rendition of Regulatory returns.
- Processing of all Approvals required by various Units/Departments/Divisions with the Regulatory Authorities.
- Review of Regulatory Circulars to bring out key requirements and forward same to the concerned Department for implementation. Attend to other Regulatory functions as may be required.
- Promote Corporate Culture in the Bank
- Investigate Compliance issues and Regulatory matters
- Relationship Management with all Regulatory Bodies
- Liaise with Regulatory Authorities on issues affecting the Bank.
- Perform investigative functions on Customers Accounts that seem to be suspicious in nature.
- Ensure Training of the Bank staff on Anti-Money Laundering & Combating the Financing of Terrorism
- Scanning of Regulatory/Anti-Money Laundering (AML) world to determine relevant issues/requirements

#### INTERNAL CONTROL

Internal Control in Unity Bank refers to the overall reviews of banking activities in operating framework, Code of conduct, Actions, Systems, Policies, Process and Procedures which exist in the Bank and is designed to ensure:

- That essential business objectives are met, including the effectiveness and efficiency of Operations and safeguarding the Bank's Assets against losses.
- Compliance with all applicable rules and regulations including regulatory, statutory and internal.
- That the Bank complies with the industry standard on Information technology and securities.
- That the Bank Complies with the best standard practice in Financial Reporting System and general accounting principles.
- Provision of reasonable assurance that exceptions/undesirable events will be prevented or detected, corrected and proffer control measures to mitigate future occurrence.

Unity Bank is committed to creating and maintaining an effective and sound Internal Control environment that will ensure proactive protection of the overall Bank's Assets capable of achieving its vision of the best retail Bank within the Nigerian financial sector.

#### OTHER STAKEHOLDERS – CORPORATE PLANNING AND STRATEGY /CORPORATE COMMUNICATION

##### CORPORATE COMMUNICATIONS

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

##### CORPORATE PLANNING AND STRATEGY

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

##### OPERATIONAL RISK

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

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

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

S/No	Unity Bank Name	Definition of risk	Risk Group Code
1	Fraud by insiders	Losses caused by act intended to defraud, misappropriate property or circumvent regulations, law or company policy. e.g. employee theft, insider trading on an employee's own account, intentional misreporting of positions.	001
2	Fraud by outsiders	Losses caused by acts of an outsider or third-party with intention to defraud, misappropriate property or circumvent the law. e.g. robbery, forgery, cheque kitting, loss or damage from computer hacking.	002
3	Staff welfare/Employee relations management	Losses arising from acts inconsistent with employment, health, or safety laws or agreements eg. losses from litigations by ex-staff on termination, payment of personal injury claims, discrimination claim payments etc.	003
4	Relationships and products management risk.	Losses arising from relationship management failures unintended or due to negligence, breach of contracts, product failures, money laundering violations etc e.g. litigations arising from customer information disclosure.	004
5	Process errors and failure risk	Losses arising from failed transactions, errors in processing, accounting errors, 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.

The Bank would migrate to AMA (Advanced Measurement Approach) at a later stage.

Key Risk Indicators have been identified as proxies to measure the potential exposure to operational risk by the Bank.

Loss events data base is being built up accordingly.

#### INTERNAL CONTROL ENVIRONMENT

The Bank creates a strong and efficient internal control environment through the implementation of the following policies:-

**CONTINUOUS AUDIT FUNCTION**

Most of the Bank's business locations have Resident Control Officers to carry out continuous audit of the Bank's operations.

**SEGREGATION OF DUTIES**

- Establishment and maintenance of the principle of segregation of duties in all its key functions.

**DUAL OR MULTI-LEVEL CONTROLS**

- Ensuring dual or multiple level controls in its key processes. No single person can initiate and conclude a process be it, manual or automated process.

**SYSTEM CONTROL OF PROCESSES**

- System-controlled processes are being emphasized as much as practicable.

**INDEPENDENCE OF INTERNAL CONTROL/BACK OFFICE FUNCTIONS**

- The independence of the internal control and back office functions is being maintained through reporting lines and authority levels.

**INDEPENDENT REVIEW OF RISK MANAGEMENT BY INTERNAL AUDIT**

- Independent review of the operational risk management framework is being carried out periodically by Internal Audit Division of the Bank.

**DATA VALIDATION AND PROVISION**

- Provision of data from internal control reports.

**DOCUMENTED ROLES OF UNITS/DEPARTMENTS**

- Roles and responsibilities of Departments and Units are well documented with clear reporting lines.

**DUPLICATION OR OVERLAPPING FUNCTIONS/JOB ROLES**

- There is no ambiguity or overlap of functions. Strategy and Corporate Development Division, Human Capital Management and ERM Office carry out annual review of job functions to remove all overlapping activities.

**CLEARLY DEFINED AUTHORITY LEVELS**

- Authority levels, delegation of authorities are clearly defined in line with best practice.

**IMPLEMENTATION OF CODE OF CORPORATE GOVERNANCE**

- Codes of corporate governance are being implemented using best practice standards.

**COMPLIANCE WITH LAWS AND REGULATIONS**

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

**OPTIMAL STAFFING**

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

**AUTHORITY LIMITS AND ACCESS RIGHTS**

- Delegated authority limits whether operational or fund-based cum contingent exposures are approved by the Board.
- Such approval limits include credit approval, placement of interbank funds, dealers' limits, posting of transactions, payment of cash, expense limits, amongst others.
- The authorities are personalized for skill-based sensitive job-roles that require high level of judgment and discretion.

**MARKET RISK**

The Bank's focus is on core traditional banking function of creating quality loans and advances. It does not engage as a deliberate policy on speculative high risk trading activities. Nonetheless there are exposures to market risk more on local currency trading and the banking books. Banking book market risk exposures are managed more through the Bank's Assets-Liabilities Management Committee. Similarly, exposures to the equity market are negligible compared to its asset base.

**INTEREST RATE RISK**

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

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

**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 41 to the financial statements shows an analysis of the interest rate risk in the Bank.

**INTEREST RATE RISK IDENTIFICATION AND MEASUREMENT**

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

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

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

**FOREIGN EXCHANGE RISK**

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

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

As at 31 December 2013	Naira N'000	Dollar N'000	Pound N'000	Euro N'000	Yen N'000	Total N'000
<b>Assets</b>						
Cash and balances with central banks	9,063,373	430,826	116,656	100,071	-	9,710,926
Due from banks	6,455,858	172,806	756,463	-	11,317	7,385,127
Loans and advances to customers	179,804,867	15,424,706	19	-	-	195,229,573
Financial investments – available-for-sale	49,456,338	-	-	-	-	49,456,338
Financial investments – available-for-sale pledged as collateral	38,330,267	-	-	-	-	38,330,267
Financial investments – held-to-maturity	28,259,864	-	-	-	-	28,259,864
Other assets	15,207,212	319,379	-	1,632	2,246.82	15,526,590
Property and equipment	20,091,653	-	-	-	-	20,091,653
Goodwill and other intangible assets	17,389,808	-	-	-	-	17,389,808
Deferred tax assets	19,036,676	-	-	-	-	19,036,676
Non current assets held for sale	3,212,468	-	-	-	-	3,212,468
<b>Total assets</b>	<b>386,308,384</b>	<b>16,347,717</b>	<b>873,138</b>	<b>101,703</b>	<b>13,564</b>	<b>403,629,290</b>
<b>Liabilities</b>						
Due to customers	293,962,473	8,941,328	80,266	286,493	-	303,270,560
Debt issued and other borrowed funds	46,241,592	8,077,500	-	-	-	54,319,092
Current tax liabilities	425,554	-	-	-	-	425,554
Other liabilities	15,874,361	776,691	81,110	199,727	11,325	16,931,889
Employee benefit liabilities	469,555	-	-	-	-	469,555
Equity	28,212,640	-	-	-	-	28,212,640
<b>Total liabilities</b>	<b>385,186,175</b>	<b>17,795,519</b>	<b>161,376</b>	<b>486,220</b>	<b>11,325</b>	<b>403,629,290</b>
<b>Gap</b>	<b>1,122,209</b>	<b>(1,447,802)</b>	<b>711,762</b>	<b>(384,517)</b>	<b>2,239</b>	
As at 31 December 2012						
<b>Assets</b>						
Cash and balances with central banks	34,175,376	5,746,384	351,537	972,135	-	41,245,431
Due from banks	12,343,223	1,166,964	76,701	-	-	13,586,888
Loans and advances to customers	185,999,907	3,041,437	-	-	-	189,041,345
Financial investments – available-for-sale	25,247,739	-	-	-	-	25,247,739
Financial investments – available-for-sale pledged as collateral	6,295,200	-	-	-	-	6,295,200
Financial investments – held-to-maturity	55,072,364	-	-	-	-	55,072,364
Other assets	14,856,131	4,415,398	-	-	-	19,271,529
Property and equipment	20,886,553	-	-	-	-	20,886,553
Goodwill and other intangible assets	17,498,195	-	-	-	-	17,498,195
Deferred tax assets	7,147,823	-	-	-	-	7,147,823
Investment in subsidiaries	-	-	-	-	-	-
Non current assets held for sale	427,115	-	-	-	-	427,115
<b>Total assets</b>	<b>379,949,624</b>	<b>14,370,183</b>	<b>428,238</b>	<b>972,135</b>		<b>395,720,180</b>
<b>Liabilities</b>						
Due to customers	263,091,215	6,080,224	150,614	737,992	-	270,060,046
Debt issued and other borrowed funds	46,591,999	7,842,500	-	-	-	54,434,499
Current tax liabilities	591,511	-	-	-	-	591,511
Other liabilities	18,405,320	447,189	4,162	-	-	18,856,671
Employee benefit liabilities	319,771	-	-	-	-	319,771
Equity	51,457,682	-	-	-	-	51,457,682
<b>Total liabilities</b>	<b>380,457,498</b>	<b>14,369,914</b>	<b>154,776</b>	<b>737,992</b>		<b>395,720,180</b>
<b>Gap</b>	<b>(507,873)</b>	<b>269</b>	<b>273,461</b>	<b>234,143</b>		

**SENSITIVITY ANALYSIS OF CURRENCY RISKS**

The table below indicates the currencies to which the Bank had significant exposure at 31 December 2013 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 %

	2013	2013	2012	2012
	Effect on PAT	Effect on Equity	Effect on PAT	Effect on Equity
	N'000	N'000	N'000	N'000
Dollar +5%	87,821	87,821	2	2
Pounds +5%	2,336	2,336	3,496	3,496
Euro +5%	7,438	7,438	2,442	2,442
Dollar -5%	(87,821)	(87,821)	(2)	(2)
Pounds -5%	(2,336)	(2,336)	(3,496)	(3,496)
Euro -5%	(7,438)	(7,438)	(2,442)	(2,442)
Dollar +2.5%	175,642	175,642	1	1
Pounds +2.5%	4,673	4,673	1,748	1,748
Euro +2.5%	1,487	1,487	1,221	1,221
Dollar -2.5%	(175,642)	(175,642)	(1)	(1)
Pounds -2.5%	(4,673)	(4,673)	(1,748)	(1,748)
Euro -2.5%	(1,487)	(1,487)	(1,221)	(1,221)

**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;
- Dealing and dealers' limits;
- Overnight position limit;
- Intra-day limits;
- Single currency limits;
- Maturity gap limit;
- Stop loss/take profit limit; and

**ASSET-LIABILITIES MANAGEMENT COMMITTEE**

The Bank set up two levels of Asset Liability Committees 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 monthly basis under the auspices of Strategic ALCO. The key term of reference is to ensure that the Bank's profitability and liquidity objectives are met on a proactive basis.

Membership includes:-

Managing Director/CEO	Chairman
ED, Enterprise Risk Management	Member
ED, IT & Operations	Member
ED, Central	Member
ED, South	Member
ED, North	Member
DGM, Operations	Member
DGM, Internal Audit	Member
GM, Corporate Planning & Strategy	Member
PM, Financial Control	Member

DGM, Risk Management	Member
AGM, Corporate Services	Member
DGM, North	Member
DGM, South	Member
DGM, Products & Channels	Member
PM, Institutional Risk Management	Secretary

The Technical ALCO is made up of the following members:-

GM, Corporate Planning & Strategy	Chairman
DGM, Operations	Member
GM, Products & Channels	Member
PM, Financial Control	Member
SM, Treasury	Member
AGM, IT	Member
DGM, Risk Management	Member
AGM, Abuja Region	Member
AGM, Garki Region	Member
AGM, Victoria Island Region	Member
AGM, Credit Administration	Member
SM, Corporate Planning & Strategy	Member
PM, Institutional Risk Management	Member
SM, Head, Market Risk / ALM	Secretary

The Technical ALCO meets every other week with a key focus on detail issues of gaps, capital adequacy, profitability and growth. The Committee reports to the Bank's Executive Management Committee and Strategic ALCO.

#### 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.

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

#### LIQUIDITY RATIOS

	31 December 2013	31 December 2012
Maximum	42.65%	55.91%
Minimum	20.65%	31.34%
Average	31.65%	42.99%

#### LOANS TO DEPOSIT RATIOS

	31 December 2013	31 December 2012
Maximum	76.86%	73.56%
Minimum	67.00%	49.72%
Average	71.93%	62.20%

#### TREASURY MARKETING DEPARTMENT

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

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

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

#### STRATEGIC RISK

The following key areas are identified as key risk exposures to strategic risk in the Bank. The steps taken to manage them 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 had been created with the Head of Department reporting to the ED, Risk Management & Control Directorate. All exposures to legal risks are being managed and mitigated on a proactive basis. Contingent liabilities are monitored closely and disclosed accordingly.

#### SYSTEMIC RISK

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

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

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

#### CREDIT RISK

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

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

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

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

The Bank operates a policy of clear separation of business powers as business officers involved in Credit approvals do

not have powers to approve disbursement of Credits as this resides in the control officers in Risk Management Directorate.

The Responsibilities of the Department Include:

- a. Planning of the credit portfolio of the Bank.
- b. Review of all credit proposals at various levels before consideration for approval.
- c. Review of Credit Policies and Procedures from time to time and issue Credit Circulars on matters bothering on credit performance.
- d. Monitor the use of delegated business powers and recommend sanctions for abuse.

#### PRINCIPAL CREDIT POLICIES

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

The main objective for creating risk assets are:

1. To generate income, while ensuring Liquidity, Safety, Solvency and Growth
2. Market for and obtain credit businesses that are consistent with the Bank's Risk Assets Acceptance Criteria as defined in the Credit Policy;
3. Manage credit risk so that the Bank's portfolio performance measured by levels of non-performing assets and write-offs is consistently one of the best in the industry;
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 counterparty's normal business operations or other financial arrangements. Realization of security remains a fall back option.
6. Adoption of a pricing model that reflects variation in the risk profile of various exposures to ensure that higher risks are compensated by higher returns.
7. Ensure that the quantum of exposure and quality and value of collateral required are determined based

on the risk profile of the counter party.

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

#### CREDIT RATING SYSTEM

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

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

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

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

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

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

Age analysis	31 December 2013	Age analysis	31 December 2012
0-30 days	26,906,640	0-30 days	715,167
31-60 days	52,685,723	31-60 days	1,810,999
61- 90 days	-	61- 90 days	385,090
	79,592,364		2,911,25

#### CREDIT APPROVAL LIMITS

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

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

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

- Executive Directors (Business Directorates)
- Zonal Heads

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

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

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

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

#### 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.
- 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-13	Fair Value of collateral and credit enhancements held								
	Maximum Exposure to credit	Cash	Securities	Letters of Credit/ Gaurantees	Property	Others	Netting agreements	Net collateral	Net Exposure
Maximum exposure to credit risk	N'm	N'm	N'm	N'm	N'm	N'm	N'm	N'm	N'm
Due from banks	5,629	-	-	-	-	-	-	-	5,629
Loans & Advances	195,230	0	1,298	0	48,701	43,180	-	93,179	102,050
Financial Investments-	-	-	-	-	-	-	-	-	-
Available for sale	87,787	-	-	-	-	87,787	-	87,787	-
Held to maturity	28,260	-	-	-	-	25,590	-	25,590	2,670
Financial guarantees	73	-	-	-	-	-	-	-	73

Letters of credits	4	-	-	-	-	-	4	0
	317,077	0	1,298	156,226	43,180	-	200,709	110,421

31-Dec-12	Fair Value of collateral and credit enhancements held								
	Maximum Exposure to credit	Cash	Securities	Letters of Credit/ Gaurantees	Property	Others	Netting agreements	Net collateral	Net Exposure
Maximum exposure to credit risk	N'm	N'm	N'm	N'm	N'm	N'm	N'm	N'm	N'm
Due from banks	13,587	-	-	-	-	-	-	-	13,587
Loans & Advances	189,041	-	3,570	-	46,911	118,727	-	169,208	19,833
Financial Investments-	-	-	-	-	-	-	-	-	-
Available for sale	31,543	-	-	-	-	-	-	-	31,543
Held to maturity	55,072	-	-	-	-	-	-	-	55,072
Financial guarantees	58,346	-	-	-	-	-	-	-	58,346
Letters of credits	26,532	26,532	-	-	-	-	-	-26,532	0
	489,629	26,532	3,570	-	46,911	118,727	-	195,740	178,381

#### INDIVIDUALLY ASSESSED ALLOWANCE

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

Gross amount of individually assessed loans during the year amounted to N49.91 billion. An analysis of risk assets that were individually determined to be impaired as at the end of the reporting period, based on the factors earlier highlighted in page 134 is shown in the following table.

Analysis of individually assessed loans as at 31 December 2013.

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

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

#### PROBABILITY OF DEFAULT (PD):

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

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

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

**LOSS GIVEN DEFAULT (LGD):**

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

**CREDIT-RELATED COMMITMENTS RISKS**

The bank makes available to its customers guarantees that may require that the bank makes payments on their behalf and enters into commitments to extend credit lines to secure their liquidity needs. Letters of credit and guarantees (including standby letters of credit) commit the bank to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods. Such commitments expose the bank to similar risks to loans and are mitigated by the same control processes and policies.

**COLLATERAL AND OTHER CREDIT ENHANCEMENT**

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

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

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

The bank also makes use of master netting agreements with counterparties with whom a significant volume of transactions are undertaken. Such an arrangement provides for a single net settlement of all financial instruments covered by the agreement in the event of default on any one contract. Master netting arrangements do not

normally result in an offset of balance-sheet assets and liabilities unless certain conditions for offsetting under IAS 32 apply.

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

#### INTEGRATED CAPITAL ADEQUACY ASSESSMENT PROCESS (ICAAP)

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

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

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

The Board has approved the implementation of the integrated approach in managing the Bank's capital using Basle 2. This comprises Standardized approach for credit risk and market risk management respectively and Modified Basic Indicator Approach to measuring exposure to operations risk. This will run in parallel with the Basle 1 template until regulatory approval is obtained for the new template. The Central Bank of Nigeria has issued guidelines and template for Base II Capital Frequency Computation for full compliance in October, 2014. The Bank is in a good stead to meet up with this deadline.

#### STRESS TESTING AND REVERSE STRESS TESTING

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

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

#### RISK CONCENTRATION

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

# RISK MANAGEMENT DISCLOSURES

## Risk Concentration as at 31 December 2013

INDUSTRY TYPE	Cash and balances with Central Bank	Due from banks	Loans and advances to customers	Financial investments available for sale	Financial investments available-for sale pledged as collateral	Financial investments held to maturity	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
AGRICULTURE	-	-	34,014,577	-	-	-	34,014,577
OIL & GAS	-	-	20,608,296	-	-	-	20,608,296
CAPITAL MARKET	-	-	622,357	-	-	-	622,357
REAL ESTATE ACTIVITIES	-	-	7,307,945	-	-	-	7,307,945
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	-	-	3,170,461	-	-	-	3,170,461
ADMINISTRATIVE, SUPPORT SERVICE ACTIVITIES	-	-	635,512	-	-	-	635,512
EDUCATION	-	-	1,539,843	-	-	-	1,539,843
HUMAN HEALTH & SOCIAL WORK ACTIVITIES	-	-	523,358	-	-	-	523,358
MANUFACTURING	-	-	23,457,500	-	-	-	23,457,500
WATER SUPPLY, SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	-	-	100,258	-	-	-	100,258
REAL ESTATE & CONSTRUCTION	-	-	28,001,026	-	-	-	28,001,026
FINANCE & INSURANCE	-	6,621,121	5,960,831	-	38,330,267	28,259,864	12,581,952
GOVERNMENT	4,245,350	-	11,384,340	49,456,338	-	-	131,676,158
POWER	-	-	-	-	-	-	-
GENERAL COMMERCE	-	-	64718,143	-	-	-	64,814,153
OTHER PUBLIC UTILITIES	-	-	-	-	-	-	-
TRANSPORTATION	-	-	14,139,915	-	-	-	14,139,915
COMMUNICATION	-	-	9,450,567	-	-	-	9,450,567
	4,245,350	6,621,121	225,634,959	49,456,338	38,330,267	28,259,864	352,643,878

## Risk Concentration as at 31 December 2012

INDUSTRY TYPE	Cash and balances with Central Bank	Due from banks	Loans and advances to customers	Financial investments available for sale	Financial investments available-for sale pledged as collateral	Financial investments held to maturity	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
AGRICULTURE	-	-	25,031,257	-	-	-	25,031,257
OIL & GAS	-	-	9,738,374	-	-	-	9,738,374
CAPITAL MARKET	-	-	1,139,857	-	-	-	1,139,857
REAL ESTATE ACTIVITIES	-	-	5,561,565	-	-	-	5,561,565
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	-	-	2,833,773	-	-	-	2,833,773
ADMINISTRATIVE, SUPPORT SERVICE ACTIVITIES	-	-	558,965	-	-	-	558,965
EDUCATION	-	-	1,996,372	-	-	-	1,996,372
HUMAN HEALTH & SOCIAL WORK ACTIVITIES	-	-	122,538	-	-	-	122,538
MANUFACTURING	-	-	18,093,680	-	-	-	18,093,680
ARTS, ENTERTAINMENT & RECREATION	-	-	10,142,761	-	-	-	10,142,761
WATER SUPPLY, SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	-	-	100,978	-	-	-	100,978
REAL ESTATE & CONSTRUCTION	-	-	22,283,835	-	-	-	22,283,835
FINANCE & INSURANCE	-	13,586,888	7,015,251	-	-	-	20,602,139
GOVERNMENT	41,245,431	-	12,800,439	18,900,659	6,295,200	55,072,364	134,314,094
POWER	-	-	869,589	-	-	-	869,589
GENERAL COMMERCE	-	-	66,350,740	6,347,079	-	-	72,697,820
OTHER PUBLIC UTILITIES	-	-	3,220	-	-	-	3,220
TRANSPORTATION	-	-	1,371,170	-	-	-	1,371,170
COMMUNICATION	-	-	8,766,804	-	-	-	8,766,804
	41,245,431	13,586,888	194,781,168	25,247,739	6,295,200	55,072,364	336,228,789

**RISK MITIGATION**

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

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

**34 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 321 litigation suits: 135 cases instituted by the Bank and 186 cases instituted against the bank, none of which is likely to give rise to any material contingent liability. The Directors are of the opinion that none of the aforementioned cases is likely to have a single material effect on the Bank and are not aware of any other pending or threatened claims and litigations

**b Capital Commitments**

At 31 December 2013, the Bank had capital commitments amounting to N 129.042 million (2012:64.570 million) in respect of authorized and contracted capital projects

**c Contingent Liabilities**

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

Even though these obligations may not be recognised on the statement of financial position, they do contain credit risk and are therefore part of the overall risk of the bank.

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

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

	<b>31 December 2013</b>	<b>31 December 2012</b>
	<b>N'000</b>	<b>N'000</b>
Performance Bonds and Guarantees	<b>72,561,088</b>	58,346,233
Letters of credit	<b>4,045,201</b>	26,531,977
	<b><u>76,606,288</u></b>	<b><u>84,878,209</u></b>

**35 Lease arrangements**

Operating lease commitments – Bank as lessee

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

Future minimum lease payments under non-cancellable operating leases as at 31 December, 2013 are, as follows:

	<b>31 December 2013</b>	<b>31 December 2012</b>
	<b>N'000</b>	<b>N'000</b>
Within one year	<b>207,247</b>	<b>84,623</b>
After one year but not more than five years	<b>1,133,728</b>	<b>1,337,557</b>
More than five years	<b>379,669</b>	<b>272,141</b>
	<b><u>1,720,645</u></b>	<b><u>1,694,320</u></b>

## 36 Related party disclosures

**a Compensation of key management personnel of the bank IAS 24.17**

	31 December 2013 N'000	31 December 2012 N'000
Short-term employee benefits (Executive Compensation)	466,380	582,977
Termination benefits	406,990	-
	<u>873,370</u>	<u>582,977</u>

The non-executive directors do not receive pension entitlements from the bank.

**b Transactions with key management personnel of the bank**

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

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

	31 December 2013 N'000	31 December 2012 N'000	Income/ Expense 31 December 2013 N'000
Key management personnel of the bank:			
Loans and advances (Note 36B)	19,599,911	1,034,431	1,175,995
Deposits	89,167	114,012	65,538
The details of the directors deposits as at 31 December, 2013 are shown below:			

	Directors	A/c Number	N'000
1	Nu'uman B. Dambatta	210/15235358/1/1/0	7,758
2	Henry James Seminitari	233/2041135/1/1/0	1,958
3	Richard Gboyega Asabia	416/1979491/1/1/0	3,506
4	Gimba H. Ibrahim	237/1903404/1/1/0	2,821
5	Aminu Babangida	233/1999287/1/1/0	3,459
6	Thomas Etuh	359/1706538/1/1/0	2,831
7	Ibrahim Kaugama	290/1876606/1/1/0	1,585
8	Olusegun Mabogunje	377/1890216/1/1/0	5,656
9	Oluwafunsho Obasanjo	418/1962945/1/1/0	5,772
10	Hakeem Shagaya	233/1890494/1/1/0	4,628
11	Ado Y. Wanka	233/1024062/1/6/0	434
12	Rislanudeen Muhammad	403/573777/1/6/0	19,085
13	I.A. Galadanchi	208/146862/1/6/0	15,885
14	Ibrahim Tanko Mohammed	207/141813/1/6/0	10,715
15	Ahmed Yusuf	207/143487/1/6/0	91
16	Fagbohun Elisha Olarenwaju	359/1868139/1/6/0	1,294
17	Aisha A Abraham	330/73167/1/6/0	1,688
			<u>89,167</u>

**c Risk assets outstanding as at 31 December 2013.**

- I) Included in loans and advances is an amount of N19.599 billion (2012: N15.007) representing credit facilities to companies in which certain directors and shareholders have interest. The balances as at 31 december, 2013 are as follows:

**37 Events after the reporting date**

Some significant events after the reporting date which could have had a material effect on the financial statements as at 31 December 2013.

**38 Capital**

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

**Capital Management**

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

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

<b>Regulatory capital</b>	<b>31 December 2013</b>	<b>31 December 2012</b>
	<b>N'000</b>	<b>N'000</b>
<b>Tier 1 capital</b>		
Share capital	19,223,345	17,475,768
Share premium	11,929,515	13,677,092
Share Reconstruction	14,501,904	14,501,904
Statutory Reserves	7,691,052	7,691,052
SMEIES Reseves	440,116	440,116
Retained earnings	(58,700,475)	(12,152,121)
Less: goodwill and intangible assets		
assets	(17,389,808)	(17,393,760)
Less: Deferred Tax Assets	(19,036,676)	(7,147,823)
Total qualifying Tier 1 Capital	<u>(41,341,029)</u>	<u>21,633,995</u>
<b>Tier 2 capital</b>		
Preference Share	-	-
Non-Controlling Interest	-	-
Convertible Bonds	-	-
Other Reserves	33,181,767	4,541,768
Revaluation Reserve_Investment Securities	(54,585)	608,120
Total qualifying Tier 2 Capital	<u>-</u>	<u>608,120</u>
<b>Total Qualifying Capital</b>	<u>(41,341,029)</u>	<u>22,242,116</u>
<b>Risk - weighted assets:</b>		
On balance sheet	261,129,092	232,574,263
Contingents	38,310,418	42,440,960
<b>Total risk-weighted assets</b>	<u>299,439,510</u>	<u>275,015,223</u>
Ratio	<u>-13.81%</u>	<u>8.09%</u>



### 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 2013	Up to 1 Month N'000	1 to 3 Months N'000	3 to 6 Months N'000	6 to 12 Months N'000	1 to 3 Years N'000	Over 3 Years N'000	Total N'000
<b>Assets</b>							
Cash and balances with central banks	9,710,926	-	-	-	-	-	9,710,926
Due from banks	7,385,127	-	-	-	-	-	7,385,127
Loans and advances to customers	26,906,640	52,685,723	15,476,293	47,984,091	58,307,751	-	195,229,573
Financial investments – available-for-sale	-	-	-	49,456,338	-	-	49,456,338
"Financial investments – available-for-sale pledged as collateral"	-	-	-	38,330,267	-	-	38,330,267
Financial investments – held-to-maturity	-	-	-	-	28,259,864	-	28,259,864
Other assets	8,465,979	4,983,961	830,660	692,217	553,773	-	15,526,590
Non current assets held for sale	-	-	3,212,468	-	-	-	3,212,468
Property and equipment	-	-	-	-	20,091,653	-	20,091,653
Goodwill and other intangible assets	-	-	-	-	17,389,808	-	17,389,808
Deferred tax assets	-	-	-	-	19,036,676	-	19,036,676
<b>Total assets</b>	<b>52,468,672</b>	<b>57,669,684</b>	<b>19,519,421</b>	<b>136,462,912</b>	<b>77,898,200</b>	<b>65,741,325</b>	<b>403,629,291</b>
<b>Liabilities</b>							
Due to customers	206,047,520	83,228,320	972,197	13,022,523	-	-	303,270,560
Debt issued and other borrowed funds	-	-	-	-	-	54,319,092	54,319,092
Current tax liabilities	-	-	425,554	-	-	-	425,554
Other liabilities	8,388,303	4,832,923	1,074,486	1,430,896	1,144,717	60,562	16,931,889
Employee benefit liabilities	-	-	469,555	-	-	-	469,555
Deferred tax liabilities	-	-	-	-	-	-	-
Equity	-	-	-	-	-	28,212,639	28,212,639
<b>Total liabilities</b>	<b>214,435,823</b>	<b>88,061,243</b>	<b>2,941,792</b>	<b>14,453,420</b>	<b>1,144,717</b>	<b>82,592,294</b>	<b>403,629,290</b>
<b>Gap</b>	<b>(161,967,151)</b>	<b>(30,391,559)</b>	<b>16,577,629</b>	<b>122,009,493</b>	<b>76,753,483</b>	<b>(16,850,969)</b>	

As at 31 December 2012

**Assets**

	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
Cash and balances with central banks	41,245,431	-	-	-	-	-	41,245,431
Due from banks	13,586,888	-	-	-	-	-	13,586,887
Loans and advances to customers	45,194,550	13,275,780	41,161,423	72,068,522	4,820,554	12,520,514	189,041,345
Financial investments – available-for-sale	-	-	-	25,247,739	-	-	25,247,739
"Financial investments – available-for-sale pledged as collateral"	-	-	-	6,295,200	-	-	6,295,200
Financial investments – held-to-maturity	-	-	-	-	-	55,072,364	55,072,364
Other assets	10,507,932	6,186,068	1,031,011	859,176	687,341	-	19,271,529
Property and equipment	-	-	-	-	-	20,886,553	20,886,553
Goodwill and other intangible assets	-	-	-	-	-	17,498,195	17,498,195
Deferred tax assets	-	-	-	7,147,822.71	-	-	7,147,823
Non Current Assets Held for Sale	-	-	427,115	-	-	-	427,115
<b>Total assets</b>	<b>110,534,801</b>	<b>19,461,849</b>	<b>42,619,550</b>	<b>111,618,460</b>	<b>5,507,895</b>	<b>105,977,626</b>	<b>395,720,179</b>

**Liabilities**

Due to customers	179,303,498	43,451,822	25,281,961	18,961,471	3,061,294	-	270,060,046
Debt issued and other borrowed funds	-	-	-	3,605,350	22,032,694	28,796,453.65	54,434,499
Current tax liabilities	-	-	591,511	-	-	-	591,511
Other liabilities	9,341,868	5,382,320	1,196,632	1,593,558	1,274,847	67,446.89	18,856,671
Employee benefit liabilities	-	-	319,771	-	-	-	319,771
Deferred tax liabilities	-	-	-	-	-	-	-
Equity	-	-	-	-	-	51,457,682	51,457,684
<b>Total liabilities</b>	<b>188,645,366</b>	<b>48,834,142</b>	<b>27,389,875</b>	<b>24,160,379</b>	<b>26,368,835</b>	<b>80,321,582</b>	<b>395,720,182</b>
Gap	78,110,565	29,372,293	(15,229,674)	(87,458,081)	20,860,940	(25,656,044)	

**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 2013**

	Up to 1 Month N'million	1 to 3 Months N'million	3 to 6 Months N'million	6 to 12 Months N'million	1 to 3 Years N'million	Total N'million
Performance Bonds & Guarantees	773	7,712	3,284	57,947	2,845	72,561
Letters of credit	-	-	-	4,045	-	4,045
<b>As at 31 December 2012</b>	<b>773</b>	<b>7,712</b>	<b>3,284</b>	<b>61,992</b>	<b>2,845</b>	<b>76,606</b>
Performance Bonds & Guarantees	622	6,201	2,641	46,595	2,287	58,346
Letters of credit	-	-	-	26,532	-	26,532
	622	6,201	2,641	73,127	2,287	84,878
	785	690	95	836	834	2

**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 2013**

	Naira N'000	Dollar N'000	Pound N'000	Euro N'000	Yen N'000	Total N'000
<b>Assets</b>						
Cash and balances with central banks	9,063,373	430,826	116,656	100,071	-	9,710,926
Due from banks	6,455,858	172,806	756,463	-	11,317	7,385,127
Loans and advances to customers	179,804,867	15,424,706	19	-	-	195,229,573
Financial investments – available-for-sale	49,456,338	-	-	-	-	49,456,338
"Financial investments – available-for-sale pledged ascollateral"	38,330,267	-	-	-	-	38,330,267
Financial investments – held-to-maturity	28,259,864	-	-	-	-	28,259,864
Other assets	15,207,212	319,379	-	1,632	2,246,82	15,526,590
Property and equipment	20,091,653	-	-	-	-	20,091,653
Goodwill and other intangible assets	17,389,808	-	-	-	-	17,389,808
Deferred tax assets	19,036,676	-	-	-	-	19,036,676
Non current assets held for sale	3,212,468	-	-	-	-	3,212,468
<b>Total assets</b>	<b>386,308,384</b>	<b>16,347,717</b>	<b>873,138</b>	<b>101,703</b>	<b>13,564</b>	<b>403,629,290</b>
<b>Liabilities</b>						
Due to customers	293,962,473	8,941,328	80,266	286,493	-	303,270,560
Debt issued and other borrowed funds	46,241,592	8,077,500	-	-	-	54,319,092
Current tax liabilities	425,554	-	-	-	-	425,554
Other liabilities	15,874,361	776,691	81,110	199,727	11,325	16,931,889
Employee benefit liabilities	469,555	-	-	-	-	469,555
Equity	28,212,639	-	-	-	-	28,212,639
<b>Total liabilities</b>	<b>385,186,174</b>	<b>17,795,519</b>	<b>161,376</b>	<b>486,220</b>	<b>11,325</b>	<b>403,629,290</b>
<b>Gap</b>	<b>1,122,209</b>	<b>(1,447,802)</b>	<b>711,762</b>	<b>(384,517)</b>	<b>2,239</b>	

As at 31 December 2012

**Assets**

	Naira N'000	Dollar N'000	Pound N'000	Euro N'000	Yen N'000	Total N'000
Cash and balances with central banks						
Due from banks	34,175,376	5,746,384	351,537	972,135	-	41,245,431
Loans and advances to customers	12,343,223	1,166,964	76,701	-	-	13,586,888
Financial investments – available-for-sale	185,999,907	3,041,437	-	-	-	189,041,345
"Financial investments – available-for-sale pledged as collateral"	25,247,739	-	-	-	-	25,247,739
Financial investments – held-to-maturity	6,295,200					6,295,200
Other assets	55,072,364	-	-	-	-	55,072,364
Property and equipment	14,856,131	4,415,398	-	-	-	19,271,529
Goodwill and other intangible assets	20,886,553	-	-	-	-	20,886,553
Deferred tax assets	17,498,195	-	-	-	-	17,498,195
Investment in subsidiaries	7,147,823	-	-	-	-	7,147,823
Non current assets held for sale	-	-	-	-	-	-
<b>Total assets</b>	<u>427,115</u> <u>379,949,624</u>	<u>14,370,183</u>	<u>428,238</u>	<u>972,135</u>		<u>427,115</u> <u>395,720,180</u>
<b>Liabilities</b>						
Due to customers	263,091,215	6,080,224	150,614	737,992	-	270,060,046
Debt issued and other borrowed funds	46,591,999	7,842,500	-	-	-	54,434,499
Current tax liabilities	591,511	-	-	-	-	591,511
Other liabilities	18,405,320	447,189	4,162	-	-	18,856,671
Employee benefit liabilities	319,771	-	-	-	-	319,771
Deferred tax liabilities	-	-	-	-	-	-
Equity	51,457,682	-	-	-	-	51,457,682
<b>Total liabilities</b>	<u>380,457,498</u>	<u>14,369,914</u>	<u>154,776</u>	<u>737,992</u>		<u>395,720,180</u>
<b>Gap</b>	<u>(507,873)</u>	<u>269</u>	<u>273,461</u>	<u>234,143</u>		

**Interest Rate Risk**

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

**As at 31 December 2013**

	Up to 1 Month N'000	1 to 3 Months N'000	3 to 6 Months N'000	6 to 12 Months N'000	1 to 3 Years N'000	Over 3 Years N'000	Total N'000
<b>Assets</b>							
Due from banks	7,385,127	-	-	-	-	-	7,385,127
Loans and advances to customers	223,584,154	297	330,841	138,901	1,505,552	75,511	225,634,959
Financial investments – available-for-sale	(23,743)	29,423,415	25,644,595	32,742,338	-	-	87,786,605
Financial investments – held-to-maturity	-	-	2,500,000	-	8,402,825	17,357,039	28,259,864
<b>Total assets</b>	<u>230,945,538</u>	<u>29,423,712</u>	<u>28,475,436</u>	<u>32,881,239</u>	<u>9,908,376</u>	<u>17,432,550</u>	<u>349,066,554</u>
<b>Liabilities</b>							
Due to customers	249,715,281	24,395,778	921,110	311,422	27,926,968	-	303,270,560
Debt issued and other borrowed funds	-	-	-	-	54,319,092	-	54,319,092
<b>Total liabilities</b>	<u>249,715,281</u>	<u>24,395,778</u>	<u>921,110</u>	<u>311,422</u>	<u>27,926,968</u>	<u>54,319,092</u>	<u>357,589,653</u>
<b>Gap</b>	<b>(18,769,743)</b>	<b>5,027,934</b>	<b>27,554,326</b>	<b>32,569,817</b>	<b>(18,018,592)</b>	<b>(36,886,543)</b>	<b>(8,523,098)</b>

**As at 31 December 2012**

	Up to 1 Month N'000	1 to 3 Months N'000	3 to 6 Months N'000	6 to 12 Months N'000	1 to 3 Years N'000	Over 3 Years N'000	Total N'000
<b>Assets</b>							
Due from banks	13,586,888	-	-	-	-	-	13,586,887
Loans and advances to customers	45,194,550	13,275,780	41,161,423	72,068,522	4,820,554	12,520,514	189,041,345
Financial investments – available-for-sale	-	-	-	18,900,659	-	-	18,900,659
"Financial investments – available-for-sale pledged as collateral"	-	-	-	6,295,200	-	-	6,295,200
Financial investments – held-to-maturity	-	-	-	-	-	55,072,364	55,072,364
<b>Total assets</b>	<u>58,781,437</u>	<u>13,275,780</u>	<u>41,161,423</u>	<u>97,264,382</u>	<u>4,820,554</u>	<u>67,592,878</u>	<u>282,896,454</u>
<b>Liabilities</b>							
Due to customers	177,190,431	42,939,748	24,984,017	18,738,013	3,025,217	-	270,060,046
Debt issued and other borrowed funds	-	-	-	2,848,529	17,407,679	22,751,617.00	54,434,499
<b>Total liabilities</b>	<u>177,190,431</u>	<u>42,939,748</u>	<u>24,984,017</u>	<u>21,586,542</u>	<u>20,432,896</u>	<u>22,751,617</u>	<u>324,494,545</u>
<b>Gap</b>	<b>(118,408,994)</b>	<b>(29,663,968)</b>	<b>16,177,406</b>	<b>75,677,840</b>	<b>(15,612,342)</b>	<b>44,841,261</b>	<b>(41,598,091)</b>

## 43. Customer complaints data

	DESCRIPTION	NUMBER		AMOUNT CLAIMED		AMOUNT REFUNDED	
		2013 Nos	2012 Nos	2013 N'000	2012 Nos	2013 N'000	2012 Nos
1	Pending Complaints B/F	2	-	70	-	N/A	N/A
2	Received Complaints	2,338	836	3,083,106	4,118	N/A	N/A
3	Resolved Complaints	2,251	834	1,016,349	4,049	300,710	3,342
4	Unresolved Complaints escalated to CBN for intervention	1	-	-	-	N/A	N/A
5	Unresolved Complaints pending with the Bank C/F	87	2	2,066,757	70	N/A	N/A

## 44. Employees and Directors

31 December 2013

31 December 2012

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

	Number	Number
Executive Directors	3	6
Management	305	322
Non-management	1,797	1,750
	<u>2,105</u>	<u>2,078</u>

During the year, the Managing Director and three executive directors resigned from the Bank. This is due to the current reorganisation to reposition the Bank for greater achievement. A new Managing Director and three Executive Directors have resumed after the year end.

Compensation for the above staff (excluding executive directors) include:

	N'000	N'000
Salaries and wages	14,464,388	14,012,266
Pension costs:		
Defined Contribution plans	629,277	564,830
Other retirement plans	-	-
	<u>15,093,664</u>	<u>14,577,095</u>

The number of employees of the Group, 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	230	883
N2,800,001 - N3,500,000	679	427
N3,500,001 - N4,000,000	345	59
N4,000,001 - N5,500,000	222	335
N5,500,001 - N6,500,000	182	64
N6,500,001 - N7,800,000	164	95
N7,800,001 - N9,000,000	80	56
b N9,000,001 and above	200	153
	<u>2,102</u>	<u>2,072</u>

31 December 2013

31 December 2012

	N'000	N'000
<b>Remuneration paid to Non Executive Directors</b>		
Fees and sitting allowances	78,204	104,436
Termination costs	-	262,021
Other director expenses and benefits	61,641	39,712
	<u>139,845</u>	<u>406,169</u>
Fees and other emoluments disclosed above include amounts paid to:		
The Chairman	<u>31,000</u>	<u>31,000</u>
	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	13	16
	<u>13</u>	<u>16</u>
Reconciliation of profit before tax to cash generated from operation		
	N'000	N'000
<b>Profit before tax</b>	(33,639,369)	6,456,727
Adjustments to reconcile profit to net cashflow from operating activities		
Depreciation	2,508,152	2,545,017
Impairments	37,037,338	2,476,144
Amortization of intangible assets	390,668	395,053
Profit on sale of fixed assets	(68,175)	(68,791)
Profit from sale of Investment	(572,489)	(902,081)
Net change in operating assets	(16,461,152)	(40,220,250)
Net change in operating liabilities	32,453,844	3,730,760
Increase/(Decrease) in tax payable	(165,957)	(50,968)
<b>Net Cash from operating activities</b>	<u>23,788,331</u>	<u>(26,356,726)</u>

#### 47 Acquisitions and disposals

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

**48 Contraventions**

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

S/n	Nature of Contravention	Regulatory Body	31 December 2013	31 December 2012
			N'000	Penalty Paid N'000
1	Penalty in respect of 2011 Management promotions	CBN	20,000	-
2	Penalty for Software Licensing Registration violation	CBN	100	-
3	Penalty	SEC	694	-
4	Under reporting of public sector deposit	CBN	2,000	-
5	Penalty for Absenteeism-4th Quarter Bankers's Forum	CBN	5	-
6	Penalty with respect to FOREX dealings	CBN	2,000	2,000
7	Anti Money Laundering Act	NFIU	-	4,000
8	Enforcement defaults	CAC	-	969
9	Unauthorized publication	NSE	-	1,544
			<u>24,799</u>	<u>8,513</u>

**49 Future Accounting Development and its impact on the Bank****Standards issued but not yet effective**

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

**IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income**

The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Company's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012. This has affected the Bank's presentation

**IAS 19 Employee Benefits (Amendment)**

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

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

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

**IFRS 9 Financial Instruments: Classification and Measurement**

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The completion of this project is expected over the course of 2011 or the first half of 2012. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Bank's financial assets, but will potentially have no impact on classification and measurements of financial liabilities. The Bank will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

**STATEMENT OF VALUE ADDED  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	31 December 2013		31 December 2012	
	N'000	%	N'000	%
Gross earnings	62,827,927		53,760,353	
Interest expense	(22,052,800)		(15,974,022)	
	40,775,127		37,786,331	
<b>Administrative and other expenses:</b>				
Local	16,094,583		(11,310,824)	
Impairment of assets	(39,577,787)		(2,959,515)	
	17,291,923	100	24,201,119	100
<b>Applied to pay:</b>				
<b>Employees:</b>				
<b>Wages, salaries and pensions</b>	15,093,664	87	14,577,095	60
<b>Taxes</b>	11,057,029	64	520,586	2
Information technology levy	-	-	67,220	0
<b>Shareholders:</b>				
Dividend	-	-	-	-
To be retained in the business for expansion for expansion and future wealth creation				
Depreciation	2,508,152	15	2,545,017	11
Deferred taxation	11,215,416	65	311,140	1
(Loss)/Profit for the year	(22,582,339)	(131)	6,180,061	26
	17,291,923	100	24,201,119	100

Value Added is the 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**

	31 December 2013 N'000	31 December 2012 N'000	31 December 2011 N'000	31 December 2010 N'000	31 December 2009 N'000
<b>Assets</b>					
Cash and balances with Central Bank	9,710,926	41,245,431	27,702,285	17,334,975	7,708,254
Due from banks	7,385,127	13,586,887	61,034,229	31,721,963	52,720,679
Loans and advances to customers	195,229,573	189,041,345	117,875,258	116,688,894	87,817,499
Financial investments – available-for-sale	49,456,338	25,247,739	16,221,557	19,439,165	7,961,549
"Financial investments – available-for-sale pledged as collateral"	38,330,267	6,295,200	13,604,253	6,295,200	9,500,000
Financial investments – held-to-maturity	28,259,864	55,072,364	55,939,144	35,427,340	-
Other assets	15,526,590	19,271,529	31,629,931	27,120,262	46,487,582
Property and equipment	20,091,653	20,886,553	21,954,455	22,076,596	16,525,180
Goodwill and other intangible assets	17,389,808	17,498,195	17,928,538	18,263,550	17,085,024
Deferred tax assets	19,036,676	7,147,823	7,634,265	7,755,608	7,796,712
Investment in subsidiaries	-	-	1,402,832	1,921,177	1,572,867
Non current assets held for sale	3,212,468	427,115	-	-	-
<b>TOTAL ASSETS</b>	<b>403,629,290</b>	<b>395,720,179</b>	<b>372,926,748</b>	<b>304,044,730</b>	<b>255,175,346</b>
<b>Liabilities and Equity</b>					
<b>Liabilities</b>					
Due to customers	303,270,560	270,060,046	266,877,426	222,145,561	214,986,082
Debt issued and other borrowed funds	54,319,092	54,434,499	43,007,826	17,738,789	-
Current tax liabilities	425,554	591,511	642,480	899,277	309,598
Other liabilities	16,931,889	18,856,671	16,928,998	18,666,506	32,540,891
Employee benefit liabilities	469,555	319,771	1,648,335	1,392,823	155,097
<b>Total liabilities</b>	<b>375,416,650</b>	<b>344,262,498</b>	<b>329,105,065</b>	<b>260,842,956</b>	<b>247,991,668</b>
<b>Equity</b>					
Issued share capital	19,223,345	19,223,345	17,475,768	16,643,588	7,976,047
Share premium	11,929,515	11,929,515	13,677,092	14,509,272	5,841,730
Statutory reserve	7,691,052	7,691,052	5,837,033	5,106,539	1,381,897
Retained earnings	(58,700,475)	(7,478,136)	(11,682,091)	(10,554,895)	(22,958,016)
Non distributable regulatory reserves	33,181,767	4,541,768	4,419,678	3,209,215	-
Other reserves	14,887,436	15,550,140	14,094,203	14,288,055	14,942,020
<b>Total equity</b>	<b>28,212,639</b>	<b>51,457,684</b>	<b>43,821,683</b>	<b>43,201,774</b>	<b>7,183,678</b>
<b>Total liabilities and equity</b>	<b>403,629,290</b>	<b>395,720,180</b>	<b>372,926,748</b>	<b>304,044,730</b>	<b>255,175,346</b>

Note that financial statements for 2009 were prepared under local GAAP

FIVE YEAR FINANCIAL SUMMARY

PROFIT AND LOSS

	31 December 2013 N'000	31 December 2012 N'000	31 December 2011 N'000	31 December 2010 N'000	31 December 2009 N'000
Net operating income	40,775,127	37,786,331	37,111,721	50,177,125	29,668,397
Operating expenses	(51,885,952)	(29,669,741)	(32,330,846)	(30,067,172)	(36,552,487)
Impairment losses	(22,528,543)	(1,659,863)	(1,323,194)	(6,795,204)	(14,086,398)
Profit before taxation	(33,639,369)	6,456,727	3,457,682	13,314,749	(20,970,488)
Information technology Levy	-	(67,220)	(30,470)	-	-
Current taxation	(234,978)	(520,586)	(612,010)	(899,277)	(224,926)
Deferred taxation	11,292,007	311,140	(121,343)	-	5,339,559
Profit/(Loss) after taxation	(22,582,339)	6,180,061	2,693,859	12,415,472	(15,855,855)
Profit/(Loss) attributable to shareholders	(22,582,339)	6,180,061	2,693,859	12,415,472	(15,855,855)
Earnings per share (basic)	(58.74)	17.68	7.71	37.52	(1.01)

Note that financial statements for 2009 and 2010 were prepared under local GAAP



## CORPORATE SOCIAL RESPONSIBILITY

By way of financial contribution, the bank has expended the sum of N52,285,000.00 (Fifty Two Million Two Hundred and Eighty Five Thousand Naira Only) on various CSR commitments covering the fields of Education/Capacity Building, Trade Promotions, Professional Developments, Community Interventions, Sports and Health.

## EDUCATION/ CAPACITY BUILDING

•Book launch: Olusegun Obasanjo- The Presidential Legacy 1999-2007	N5,000,000.00
•Sponsorship of Construction of Computer Laboratory at Bayero University, Kano	N5,000,000.00
•I-Care Women and Youth Initiative- Anti substance abuse campaign	N2,000,000.00
•Kuntau Science Academy	N30,000.00
•Support Towards The University's Education Trade Mission	N500,000.00
•Donation to UNIBEN Education Trade Mission Project	N500,000.00
	<b><u>N13,030,000.00</u></b>

## TRADE AND PROMOTIONS

•Kaduna International Trade Fair, 2013	N4,500,000.00
•The Credit awareness for SME's roundtable	N2,458,000.00
•Made in Nigeria Trade Fair	N250,000.00
•Corporate Table at LBS Annual Zonal Dinner	N300,000.00
	<b><u>N7,508,000.00</u></b>

## PROFESSIONAL DEVELOPMENT

•Association of Stock Broking houses in Nigeria	N5,000,000.00
•Women of Qwest Africa(wowe) Entrepreneurship Conference	N1,000,000.00
•CIBN 9th Business Managers' Roundtable	N300,000.00
•Sponsorship to Department Of Accounting B. U. K. Kano	N5,000,000.00
•Donation towards the visit of the CIBN president to Abuja	N250,000.00
	<b><u>N11,550,000.00</u></b>

## COMMUNITY INTERVENTION

•Niger State Environmental Protection Agency's Programme on NTA Minna	N200,000.00
•Supply Of Furniture & Office Equipment To Sars	N298,000.00
•Support to Hajia Zainab Suleiman Editor of Blue Print	N100,000.00
•Wedding gift for the daughter of former CBN Deputy Gov	N310,000.00
•Donation to a Prime Customer as a token on the loss of his mother	N200,000.00
•Rehabilitation of Aliyu Jodi Roundabout and Kofar Atiku Roundabout in Sokoto	N1,269,000.00
	<b><u>N2,377,000.00</u></b>

## SPORT

•National Unity Polo Tournament, 2013	N3,000,000.00
•Zaria National Polo Tournament, 2013	N2,000,000.00
•Sponsorship of Northern Emir's Cup Football Competition	N3,000,000.00
•Bauchi Polo Tournament- Medical facility and security	N1,820,000.00
•Minna Polo Tournament	N3,000,000.00
•Sponsorship of Emir of Kastina Cup at the Kaduna Polo Tournament	N5,000,000.00
	<b><u>N17,820,000.00</u></b>

## GRAND TOTAL

**N52,285,000.00**

## PRINCIPAL OFFICERS

### ZONAL HEADS

	NAME	GRADE	ZONE
1	Muhammad Mustapha	Assistant General Manager	North East
2	Chukwurah Dac	Assistant General Manager	South

### DIVISIONAL HEADS

	NAME	GRADE	DIVISION
3	Adamu Bashir	General Manager	Finance and Strategy
4	Abaji Usman	General Manager	Retail Banking
5	Onyilokwu Ochofie Andrew	Deputy General Manager	Internal Audit
6	Abubakar Baba Danlami Mr.	Deputy General Manager	Risk Management
7	Adamu Mohammed Umar	Deputy General Manager	Legal and Compliance
8	Adenowo Bilau Adekayode	Deputy General Manager	Operations
9	Lere Aliyu Yahaya	Assistant General Manager	Credit Administration
10	Atiku Abubakar Zubairu	Assistant General Manager	Information Technology
11	Usman Tukur Fatimah	Assistant General Manager	Corporate Services

### HEADS OF DEPARTMENT

	NAME	GRADE	DEPARTMENT
12	Alhassan Danhama Zulkifli	Assistant General Manager	Domestic Operations
13	Jamoh Yusuf Mustapha	Assistant General Manager	Internal Control (Branches)
14	Dalhatu Umar	Deputy General Manager	Debt Recovery
15	Adum-Ozuzu Mwuese	Deputy Manager	Training & Development
16	Mshelia Musa Adamu	Deputy Manager	IS Audit
17	Odeh Michael	Deputy Manager	Service Delivery
18	Dauda Kayode Abdurraheem	Manager Credit	Control & Policy
19	Katune Amina	Manager	Administration
20	Otueso Olorunfunmi	Manager	Credit Management
21	Umar Aliyu Suleiman	Principal Manager	Agri-Business
22	Ahmadu Habibu	Principal Manager	End User Support & Services Management
23	Ibrahim Giddi Mohammed	Principal Manager	Consumer Products
24	Mohammed Bulawa Abdullahi	Principal Manager	Financial Control
25	Owolewa Anthony Oluyide	Principal Manager	Enterprise Risk Management
26	Williams Adejumbi Alaba	Principal Manager	Human Capital Management
27	Abba Kazaure Yahaya	Senior Manager	Business Support
28	Abdullahi Farouk Umar	Senior Manager	Credit Risk
29	Abraham Isaac Olugbenga	Senior Manager	Treasury Marketing
30	Abubakar Siddiki Adamu	Senior Manager	Strategy Implementation & Monitoring
31	Alade Adeyemi Emmanuel	Senior Manager	Payments & Collections
32	Amechi Nwaego Theodora	Senior Manager	Corporate Communication
33	Bwakarshak Habakkuk Emmanuel	Senior Manager	Foreign & Treasury Operations
34	Coker Fehintola Olugbolahan	Senior Manager	Reconciliation
35	Hussein Mohammed Gambo	Senior Manager	Audit Monitoring & Control
36	Ibrahim Fatima Bintu	Senior Manager	Performance Management
37	Mohammed Abimbola Aleem	Senior Manager	Internal Control (Head Office)
38	Mohammed Ali	Senior Manager	Market & Operations Risk
39	Sani Alhaji Lokoja	Senior Manager	Datacentre Operations
40	Yahaya Bungudu Rufai	Senior Manager	Investigation
41	Yomi-Balogun Chinyere Grace	Senior Manager	E-Settlement/Clearing
42	Elfrida Igiebu	Banking Officer	Customer Service

### REGIONAL MANAGERS

	NAME	GRADE	REGION
43	Baffa Aminu	Deputy General Manager	Abuja Central
44	Ohagwu Titus Emeka	Assistant General Manager	Victoria Island
45	Mahmud Elems Umar	Assistant General Manager	Benin

46	Umar Abdullahi Ahmad	Assistant General Manager	Garki
47	Adamu Mohammed Kabir	Assistant General Manager	Makurdi
48	Lawan Alhaji Bulama	Assistant General Manager	Dutse
49	Muhammad Shu'Aibu Sani	Assistant General Manager	Kano-South
50	Sayyadi Lawan	Assistant General Manager	Kano North
51	Guri Muhammad Alhaji	Assistant General Manager	Sokoto
52	Bashir Mohammed Nuruddin	Assistant General Manager	Kaduna
53	Yakubu Yahaya	Principal Manager	Abuja Satellite
54	Sani Shehu	Principal Manager	Bauchi
55	Husaini Kabir	Principal Manager	
56	Ahunanya Chinwe Patricia	Principal Manager	Apapa
57	Egena Adejo Idris	Senior Manager	Lokoja
58	Sani Ismaila Sabiu	Senior Manager	Lafia
59	Iriogbe Idiagi Lawrence	Senior Manager	Asaba
60	Kuye Adedehinbo Okunola	Senior Manager	Ikeja
61	Gana Ibrahim Abbakura	Senior Manager	Maiduguri
62	Ibrahim Farouk Umar	Senior Manager	Katsina
63	Mohammed Alhaji Kabiru	Senior Manager	Adamawa
64	Ikwudogu Obiechina Ernest	Senior Manager	Makurdi
65	Ibrahim Baba Musa	Senior Manager	Minna
66	Oladokun Adeboyin	Assistant Manager	Ibadan

#### BUSINESS DEVELOPMENT MANAGERS

	NAME	GRADE	BUSINESS DEVELOPMENT AREA
67	Anyaokei Chukwugozi Charles	Senior Manager	Business Development Office - Enugu
68	Otumbga Idam Okechukwu	Manager	Business Development Office - Uyo
69	Owoeye Olutayo Akinniyi	Senior Manager	Business Development Office - Yaba

#### PRINCIPAL OFFICERS THAT JOINED THE BANK IN 2014

1	Okhaimo Enike Bonaventure	General Manager	Group Head, Operations & IT
2	Omorogieva Osamwonyi Solomon	General Manager	Group Head, Enterprise Risk Management
3	Ogunrinde Abiodun Olubowale	General Manager	Group Head, Corporate & Commercial Banking
4	Aboyade-Cole Olufemi Agboola	Deputy General Manager	Group Head, Operations - North
5	Okafor Kaodinye Maurice	Deputy General Manager	Group Head, Operations - South
6	Essel Gregory Chukwudi	Deputy General Manager	Group Head, Internal Control
7	Bakwunye Obijieza Sunny	Assistant General Manager	Group Head, Treasury Group
8	Anyalenkeya Uzoma Benedict	Assistant General Manager	Group Head, e-Business
9	Oke Segun Nosakhare	Assistant General Manager	Group office - Financial institutions

PRODUCTS	FEATURES	BENEFIT
CURRENT ACCOUNT	<ol style="list-style-type: none"> <li>Flexible opening balance of N5000.00 for individuals and N10,000.00 for Corporate with minimum operating balance of N500.00.</li> <li>cash/cheque lodgements and payment</li> <li>Clearing of banking and financial instruments</li> <li>Unlimited Withdrawals on demand</li> <li>Flexible third party transactions</li> </ol>	<ol style="list-style-type: none"> <li>ATM card</li> <li>Internet banking access</li> <li>Mobile Banking access.</li> <li>SMS Alerts</li> <li>Funds transfer</li> <li>personalized cheque booklet</li> </ol>
GENERAL SAVINGS ACCOUNT (NYSC Savings Indv, Partnership, Club & Society accounts)	<ol style="list-style-type: none"> <li>Flexible opening balance of N2000.00 and operating balance of N500.00</li> <li>Cash lodgment and payment,</li> <li>Quarterly statements of account (By email or surface mail).</li> </ol>	<ol style="list-style-type: none"> <li>ATM card,</li> <li>Internet banking access,</li> <li>SMS alert,</li> <li>Mobile Banking access,</li> <li>Competitive Interest rate (subject to three withdrawals per month)</li> <li>Online deposit/ withdrawals from any Unity Bank branch.</li> <li>Attractive interest payment.</li> </ol>
DOUBLE EDGE ACCOUNT (Individual & Corporate)	<ol style="list-style-type: none"> <li>Combines features of savings and current account,</li> <li>Non-clearing customized cheque,</li> <li>Opening and minimum operating balance of N20, 000 for individuals and N50, 000 for corporate bodies</li> </ol>	<ol style="list-style-type: none"> <li>Cheque and dividend warrant lodgment allowed</li> <li>Interest Bearing at normal saving s rate,</li> <li>COT free,</li> <li>Instant access to electronic banking Facilities (Internet Banking, ATM, SMS Alerts),</li> <li>Allows withdrawals by third party but subject to maximum of N50, 000.00, Account serves as Collateral for borrowing.</li> </ol>
TARGET SAVINGS ACCOUNT (TSA)	<ol style="list-style-type: none"> <li>Flexible opening balance of N2000.00 and operating balance of N5000.00,</li> <li>Personal cheque and dividend warrant lodgment applicable</li> <li>Cash lodgment and payment,</li> <li>Instalment deposit plan to be mutually agreed and fixed based on investor's financial capabilities and tenor</li> <li>Monthly statements of account (By email or surface mail),</li> <li>Threshold i.e. operating balance of N5000.00, Flexible deposit options i.e. weekly, monthly, quarterly.</li> <li>Access to PTA for international passengers (e.g Holy Pilgrimages)</li> </ol>	<ol style="list-style-type: none"> <li>ATM card. (for individuals),</li> <li>Internet banking access,</li> <li>SMS alert</li> <li>Mobile Banking access,</li> <li>Bridging facility subject to terms and conditions as advised by the Credit Process</li> <li>Interest rate of 1% above savings rate</li> </ol>
UNITY KIDS ACCOUNT	<ol style="list-style-type: none"> <li>Normal savings interest rate,</li> <li>one withdrawal allowed monthly,</li> <li>converts automatically to major when the child turns 18 years</li> </ol>	<ol style="list-style-type: none"> <li>Encourages savings and banking habits from childhood,</li> <li>A chance to win Scholarship,</li> <li>Automatically becomes member of ACE Kiddy Club,</li> <li>The child gets free birthday gift.</li> </ol>
Business Empowerment Thrift Account (BETA)	<ol style="list-style-type: none"> <li>Flexible opening balance of N2,000.00</li> <li>Regular periodic deposit up to a targeted amount over a specific period (max period of 5yrs)</li> <li>Competitive Interest rate</li> <li>Personal cheque lodgement in the name of the account holder (Conditions Apply),</li> </ol>	<ol style="list-style-type: none"> <li>Cheque and dividend warrant lodgements allowed.</li> <li>Interest Bearing at normal savings rate</li> <li>COT free</li> <li>Collateral for borrowing</li> <li>Instant access to electronic banking Facilities (Internet Banking, ATM, SMS Alert, etc)</li> </ol>

	<ul style="list-style-type: none"> <li>v. Only one withdrawal in a quarter.</li> <li>l. Non-clearing customised cheque</li> <li>ii. Business expansion support available (Condition apply)</li> </ul>	<ul style="list-style-type: none"> <li>vi. On-line withdrawal /deposit from any of our branches</li> <li>vii. Allows withdrawals by third party but subject to maximum of N50,000</li> <li>viii. Draft/MCs issuance allowed from the account</li> </ul>
UNITYPAYS SALARY ADVANCE "UNITY SALAD"	<ul style="list-style-type: none"> <li>i. The salary advance will be a maximum of 33.33% of monthly salary</li> <li>ii. Monthly deduction will not exceed 33 1/3 % of net salary paid into the customer's account with Unity Bank.</li> <li>iii. Domiciliation of Monthly Salary</li> <li>iv. Tenor not exceeding 12 months</li> </ul>	<ul style="list-style-type: none"> <li>l. Assists customers in addressing immediate financial challenges</li> <li>ii. Very fast credit processes.</li> </ul>
UNITYPAYS SALARY LOAN "SALOAN"	<ul style="list-style-type: none"> <li>i. The salary advance will be a maximum of 33.33% of Annual Pay.</li> <li>ii. Monthly deduction will not exceed 33.33% of net salary paid into the customer's account with Unity Bank</li> <li>iii. Domiciliation of Monthly Salary</li> <li>iv. Tenor not exceeding 36 months</li> </ul>	<ul style="list-style-type: none"> <li>i. Assists customers in carrying out specific purpose e.g. financing of Asset Aquisition</li> <li>iii. Very fast credit processes.</li> </ul>

PRODUCTS	FEATURES	BENEFITS
UNITY FARMERS COOPERATIVES FINANCE SCHEME.	Targeted at farmers' cooperative societies/ farmers groups to meet their financial needs for the production of crops such as maize, cotton, rice, cassava etc. Maintenance of 30% in savings account to serve as collateral support Counter guarantee of members of the Cooperative Societies.	Loan amount to be granted is up to 3 times the collateral balance Maximum tenor of 12 months Free Professional advice from Agric Desk. Flexible repayment periods. CBN guarantee with interest rebate under under NIRSA
UNITY FARMERS COOPERATIVES LEASING SCHEME	Targeted at farmer's cooperative societies / farmers groups in need of farming tools and equipment e.g irrigation pumps, sprayers, ploughs etc. Maintenance of 30% in savings account to serve as collateral support Counter guarantee of members of the cooperative Society.	Maximum loan amount is 3 times the collateral balance. Maximum tenor of 36 months. The leased equipments serve as part of the collateral. Free Professional advice from Agric Desk. Flexible repayment periods. CBN guarantee with interest rebate under under NIRSA
UNITY INDUSTRIAL INPUT FARMERS SCHEME	Targeted at farmers that grow crops on large scale or can purchase produce/animal bye-products in large quantities to serve as raw materials for industries. To maintain a collateral of 30% of facility required Domiciliation of sales proceeds to the bank	Facility has no limit Tenor depends on business analysis of the project to be financed subject to a maximum period of 12months. Free Professional advice from Agric Desk. Flexible repayment periods. CBN guarantee with interest rebate under under NIRSA
GENERAL AGRO –ALLIED FARMERS SCHEME	Targeted at farmers who need farm equipments such as: planters, harvesters, irrigation equipments, battery cages, storage facilities etc. Collateral includes equipments to be purchased.	No facility limit. Tenor depends on business analysis of what is to be financed. Flexible repayment period. Free Professional advice from Agric Desk. CBN guarantee with interest rebate under NIRSA
COMMERCIAL AGRICULTURE CREDIT SCHEME.	Targeted at Corporate, large and Medium scale commercial farmers/Agro enterprises as well as State Governments Business plan Submission of financials i.e. audited account, cash flow projections etc	Single digit interest rate (9%). Relatively longer period of loan repayment Free Professional advice from Agric Desk. State Governments have a loan limit of N1 billion to on lend to farmers, provision of an Irrevocable Standing Payment Order (ISPO)
AGRICULTURAL TRUST FUND MODEL	Designed to partner with Federal, State/Local Governments, Non-Governmental organizations and private companies (Blue Chips) in making credits available to small and medium scale farmers and cooperative societies, that lack tangible collateral to offer for agricultural loan facilities. Employer or partnering body to contribute at least 50% of loan able funds. Farmers to contribute 25% of the loan	Farmers/Farmer group to access agric facilities up to 4 times the collateral balance Flexible tenure Refund of deposit held in lien after the loan repayment. Free Professional advice from Agric Desk. CBN guarantee with interest rebate under under NIRSA
NIGERIAN INCENTIVE BASED RISK SHARING SYSTEM FOR AGRICULTURAL LENDING (NIRSA)	A Federal Government Initiative. Targeted at all categories of farmers Borrower to contribute 20% equity contribution. Finances all activities within the agribusiness value	No facility limit. Tenor depends on business analysis of what is to be financed. Flexible repayment period.

	<p>chain</p> <p>Support the borrowings to State, Federal and Local Government entities if acting as project sponsors along the agribusiness value chain, but must have a special purpose Vehicle with an independent board of directors.</p>	<p>Free Professional advice from Agric Desk.</p> <p>CBN guarantee with interest rebate under NIRSAL</p>
GROWTH ENHANCEMENT SUPPORT SCHEME(GES).	<p>A Federal Government Initiative Targeted at Tertiary, Secondary and Primary Agro dealers, and also key value chain actors in the fertilizer business.</p> <p>Interest rate at 7%</p> <p>Agro dealer to provide 25% equity</p>	<p>No facility limit.</p> <p>Tenor is a maximum of six (6) months.</p> <p>Free Professional advice from Agric Desk.</p> <p>Buy back of unsold fertilizer</p>

CARD TYPES	FEATURES	BENEFITS
<b>DEBIT CARDS</b>		
<b>VERVE CARD (N)</b> It is a Naira debit card that is linked to customer's savings, current or corporate account which can only be used to settle purchases within Nigeria.	<ul style="list-style-type: none"> <li>•Naira denominated Card</li> <li>•2 years validity period</li> <li>•For local transactions (within Nigeria)</li> <li>•CHIP &amp; PIN secured</li> </ul>	<ul style="list-style-type: none"> <li>•24 hours access to funds on ATM, POS and WEB within Nigeria.</li> <li>•All customers' accounts can be linked to one card to enable accessibility to funds on any account type.</li> <li>•Reduces the risk and inconvenience of carrying cash.</li> <li>•Chip and Pin secured.</li> </ul>
<b>MASTERCARD PLATINUM (\$)</b> An internationally accepted debit card issued in partnership with MasterCard Worldwide. The card is a Dollar denominated card targeted at high end customers. It is linked to customer's dollar domiciliary account and can be used to settle purchases within and outside Nigeria. All transactions done using this card reflect immediately on the customer's domiciliary account.	<ul style="list-style-type: none"> <li>•Dollar denominated</li> <li>•Higher transaction limits</li> <li>•Off-line transaction capability</li> <li>•2 years validity period</li> <li>•For International &amp; Local transactions</li> <li>•CHIP &amp; PIN secured</li> </ul>	<ul style="list-style-type: none"> <li>•24 hours access to funds on ATM, POS and WEB within and outside Nigeria</li> <li>•Increased withdrawal limits</li> <li>•Increased transaction velocity limit</li> </ul>
<b>PREPAID CARDS</b>		
<b>GENERIC PREPAID MASTERCARD (\$)</b> An international prepaid card issued in partnership with MasterCard Worldwide. It is denominated in US Dollars and is not attached to any account which however, can be used to settle purchases in other major currencies. Settlement of outstanding is not applicable as customers spend the available funds loaded on their card.	<ul style="list-style-type: none"> <li>•Dollar denominated</li> <li>•2 years validity period</li> <li>•For local &amp; International transactions</li> <li>•CHIP &amp; PIN secured</li> </ul>	<ul style="list-style-type: none"> <li>•24 hours access to funds on ATM, POS and WEB within and outside Nigeria</li> <li>•Your card eliminates the risk and inconvenience of carrying cash.</li> <li>•Unity Bank Prepaid MasterCard can be loaded with a minimum of \$100.</li> <li>•Helps to manage the risk of overspending</li> </ul>
<b>HOLYTRIP PREPAID MASTERCARD (\$)</b> It is an international prepaid card issued in partnership with MasterCard Worldwide. It is a US Dollar denominated card that enables you to make purchases in the holy land. It is not attached to any account and can be used to settle purchases in other currencies. Settlement of outstanding is not applicable as customers spend the available funds loaded on their card.	<ul style="list-style-type: none"> <li>•Dollar denominated</li> <li>•2 years validity period</li> <li>•For local &amp; International transactions</li> <li>•CHIP &amp; PIN secured</li> </ul>	<ul style="list-style-type: none"> <li>•24 hours access to funds on ATM, POS and WEB within and outside Nigeria</li> <li>•Your card eliminates the risk and inconvenience of carrying cash.</li> <li>•Unity Bank Prepaid MasterCard can be loaded with a minimum of \$100.</li> <li>•Helps to manage the risk of overspending</li> </ul>
<b>VERVE PREPAID (N)</b> It is card issued in partnership with Interswitch Limited. This is a reloadable naira denominated card that can be used for transaction on all terminals within Nigeria. The card is not attached to any account as walk-in customers/customers	<ul style="list-style-type: none"> <li>•Naira denominated</li> <li>•2 years validity period</li> <li>•For local transactions</li> <li>•CHIP &amp; PIN secured</li> </ul>	<ul style="list-style-type: none"> <li>•24 hours access to funds on ATM, POS and WEB within Nigeria</li> <li>•Your card eliminates the risk and inconvenience of carrying cash.</li> <li>•Helps to manage the risk of overspending</li> </ul>

load funds on the card at their convenience.		
<b>COMBO CARD (N)</b> It is combination of an identification card and a payment card. (All-in-one). This card is specifically designed for Schools (Secondary & Tertiary Institutions), Cooperative societies and Corporate/ Government organizations	<ul style="list-style-type: none"> <li>•Data of Institution /Student</li> <li>•Naira denominated</li> <li>•2 years validity period</li> <li>•For local transactions</li> <li>•CHIP &amp; PIN secured</li> </ul>	<ul style="list-style-type: none"> <li>•Customised identity &amp; payment card</li> <li>•24 hours access to funds on ATM, POS and WEB within Nigeria</li> <li>•Your card eliminates the risk and inconvenience of carrying cash.</li> <li>•Helps to manage the risk of overspending</li> </ul>
<b>GENESIS CARD (\$)</b> This is a reloadable card issued in partnership with e-Tranzact Limited. The card is a complimentary product for PocketMoni (our mobile banking solution). PocketMoni subscribers can transfer funds at their convenience to third parties (cardholders). The card is not linked to any account.	<ul style="list-style-type: none"> <li>•Pin and Chip secured</li> <li>•Card validity is 3 years</li> <li>•Card is not attached to any account</li> </ul>	<ul style="list-style-type: none"> <li>•Card is not attached to any account</li> <li>•24 hours access to funds on ATM, POS and WEB within Nigeria</li> </ul>

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

### 2013 Volume and Value of Transactions

Volume of Transaction (2013)	Value of Transactions (2013)
6,479,453	N54,030,257,287.35

## CORPORATE INFORMATION

S/N	BRANCH NAME	BRANCH ADDRESS	STATE	REGION	ZONE
1	Nass Branch, Abuja	National Assembly, White House, Basement 3 Arms Zone	FCT	Abuja Central	Central
2	Head Office Branch, Abuja	Plot 785, Herbert Macaulay Way, CBD, Abuja	FCT	Abuja Central	Central
3	Hafsat Plaza Branch, Abuja	Hafsat Plaza, Plot 472, Constitution Ave. Central Area, Abuja	FCT	Abuja Central	Central
4	Maitama Branch, Abuja	11 Imani Est, Shehu Shagari Way, Maitama, Abuja	FCT	Abuja Central	Central
5	FMBN Building Branch, Abuja	Plot 266, Cadastral A O, FMBN Building, CBD Abuja	FCT	Abuja Central	Central
6	Banex Plaza Branch, Abuja	Aminu Kano Crescent, Abuja	FCT	Abuja Central	Central
7	Russell Center Branch, Abuja	Russell Centre Complex, Plot 2097, Herbert Macaulay Way, Wuse Zone 4, Abuja	FCT	Abuja Central	Central
8	Mararaba Branch, Nasarawa State	2, Baba Street, Keffi Road, Mararaba	Nasarawa	Abuja Central	Central
9	Bwari Branch, Abuja	Bwari, Opposite JAMB Office, FCT	FCT	Abuja Satellite	Central
10	Kubwa Branch, Abuja	Kubwa by Gado Nsako Junction	FCT	Abuja Satellite	Central
11	Gwarinpa Branch, Abuja	Anafara'a Plaza, Gwarinpa Estate.	FCT	Abuja Satellite	Central
12	Gwagwalada Branch, Abuja	Secreriari Road, Gwagwalada, FCT	FCT	Abuja Satellite	Central
13	Kwali Branch, Abuja	Area Council Road, Kwali LGA, FCT	FCT	Abuja Satellite	Central
14	Suleja Branch	Usman Farouk Rd, Suleja	Niger	Abuja Satellite	Central
15	Dawaki Road, Suleja	Dawaki Road, Suleja, After Shuaibu Naibi Primary School	Niger	Abuja Satellite	Central
16	Evarist House Branch, Abuja	Evarist House, Plot 1529, Noukchoff Str, Wuse Zone I	FCT	Garki	Central
17	Jabi Branch, Abuja	Sabon Dale Shopping Complex, Obafemi Awolowo Street, Jabi District, Abuja	FCT	Garki	Central
18	Garki Area 3 Branch, Abuja	No.11 Faskari Street, Area III Garki, Abuja	FCT	Garki	Central
19	Wuse Zone 5 Branch, Abuja	No 4, Algies Street, Copper House Plaza, Wuse Zone 5 (Sokode Crescent)	FCT	Garki	Central
20	Wuse 2 Branch, Abuja	515 Adetokunbo Ademola Way, Wuse II	FCT	Garki	Central
21	Wuse Market Branch, Abuja	No. 35 Aswan Street, Wuse Zone 4, Abuja. (Wuse Market)	FCT	Garki	Central
22	Lafia Branch	Shadam Road, Opposite State Secretariate	Nassarawa	Lafia	Central
23	Keffi Branch	2 Abubakar Buga Road, Keffi	Nassarawa	Lafia	Central
24	Akwanga Branch	Lafia Road, Akwanga	Nassarawa	Lafia	Central
25	Ahmadu Bello Way Branch, Jos	7, Ahmadu Bello Way, Jos	Plateau	Lafia	Central
26	Anglo Jos Branch	41, Yakubu Gowon Way Jos	Plateau	Lafia	Central
27	Wase Branch	New Layout, Lantang Road, Wase	Plateau	Lafia	Central
28	Farin Gada Branch, Jos	No. 1 Farin Gada, Kaduna-Zaria Rd, Jos	Plateau	Lafia	Central
29	Pankshin Branch	New layout, Langtang Road, Pankshin	Plateau	Lafia	Central
30	Bosso Rd, Minna	No. 3 Commercial Complex, Bosso Road, Minna	Niger	Minna	Central
31	Paiko Rd, Minna	No. 3 Paiko Road, Minna.	Niger	Minna	Central
32	Bida Branch	Zungeru Road, Bida	Niger	Minna	Central
33	Zungeru Branch	Old Kontagora Road, Zungeru	Niger	Minna	Central
34	Kontagora Branch	Bokane Estate, Lagos Kaduna Road, Kontagora, Niger State.	Niger	Minna	Central
35	New Bridge Road Branch, Makurdi		Benue	Makurdi	Central
36	Gboko Branch	Plot 1339, New Bridge Road, Makurdi	Benue	Makurdi	Central
37	Zaki Biam Branch	42, J S tarka Way, Gboko	Benue	Makurdi	Central
38	Bank Road, Makurdi	Y- Junction, Zaki Biam.	Benue	Makurdi	Central
39	Otukpo Branch	35, Bank Road, Makurdi	Benue	Makurdi	Central
40	Ugbokolo Branch	63, Ahmadu Bello Way, Otukpo	Benue	Makurdi	Central
41	Apa Branch	Old Otukpo Road, Ugbokolo	Benue	Makurdi	Central
42	Jalingo Branch	Adoka - Ugbokpo Road, Ugbokpo, Benue State	Benue	Makurdi	Central
43	Wukari Branch	No.11 Hama Ruwa Road, Jalingo	Taraba	Makurdi	Central
44	Ajaokuta Branch	Ibbi Road, Wukari	Taraba	Makurdi	Central
45	Lokoja Branch	Geregu Camp, Ajaokuta	Kogi	Lokoja	Central
		Murtala Moh'd Way, Lokoja	Kogi	Lokoja	Central

46	Okene Branch	Lokoja/Ajaokuta Road Junction, Okene	Kogi	Lokoja	Central
47	Ankpa Branch	Ayangba Road, Ankpa	Kogi	Lokoja	Central
48	Kabba Branch (Iyara Branch)	Beside AP Filling Station, Kabba, Kogi State.	Kogi	Lokoja	Central
49	Lokoja 2 (Anyigba Branch)	Lokoja International Market, Kogi state.	Kwara	Lokoja	Central
50	Ilorin Main Branch, Ilorin	147 Murtala Mohammed Way, Ilorin	Kwara	Lokoja	Central
51	Iwo Road, Offa	Ibrahim Taiwo Road, Offa	Kwara	Lokoja	Central
52	New Market Road, Ilorin	New Market Road, Ilorin	Kwara	Lokoja	Central
53	New Road Branch, Duste	New Duste Road, Duste	Jigawa	Duste	North
54	Abubakar Maje Road Branch.	Abubakar Maje Road, Hadejia	Jigawa	Duste	North
55	Birinkudu Town Branch.	Maiduguri Road, Birinkudu Town	Jigawa	Duste	North
56	Kiyawa Road Branch	Opposite PHCN, Kiyawa Rd, Dutse	Jigawa	Duste	North
57	Malam Madori Road Branch	Malam Madori Road, Hadejia Town	Jigawa	Duste	North
58	Kazaure Branch	Daura Road, Kazaure	Jigawa	Duste	North
59	Maigatari Branch	Chirama Ahmadu Sir. Maigatari	Jigawa	Duste	North
60	Gwaram Branch	Busika Road, Gwaram	Jigawa	Duste	North
61	Jahun Branch	Kafin Hausa Road, Jahun	Jigawa	Duste	North
62	Ringim Branch	Sabon Gida, Ringim Town, Jigawa State	Jigawa	Duste	North
63	Gumel Branch	No. 2 Unguwar Yadi Gumel	Jigawa	Duste	North
64	Kafin Hausa Branch	Kafin Hausa By Main Market and Old Motor Park	Jigawa	Duste	North
65	Intercity Bank Street Branch	No. 1, Intercity Bank Street, Kaduna	Kaduna	Kaduna	North
66	Sokoto Road Branch, Zaria	Sokoto Road, Zaria	Kaduna	Kaduna	North
67	Inuwa Abdulkadir Road Branch	24 Inuwa Abdulkadir Road, Kaduna South, Kaduna	Kaduna	Kaduna	North
68	Ikara Branch	N0. 7, Secretariat Road, Ikara	Kaduna	Kaduna	North
69	Abubakar Gumi Market Branch 1,	Shiek Abubakar Gumi Mkt Road	Kaduna	Kaduna	North
70	Kaduna				
71	Yakubu Gowon Way Branch	Plot 1B Yakubu Gowon Way, Kaduna	Kaduna	Kaduna	North
72	Kachia Road Branch	N0. 7 Kachia Road, Kaduna.	Kaduna	Kaduna	North
73	Kafanchan Branch	Kagoro Road, Kafanchan	Kaduna	Kaduna	North
74	Main Street Zaria Branch	N0. 1 Main Street, Zaria	Kaduna	Kaduna	North
75	Continental Lane Branch	Mangal Plaza, Broadcasting Road, Kaduna	Kaduna	Kaduna	North
76	Bakori House Branch	No. A3 Ahmadu Bello Way, Bakori House, Kaduna	Kaduna	Kaduna	North
77	Birin Gwari Branch	Kaduna-Lagos Road, Birin Gwari	Kaduna	Kaduna	North
78	Abubakar Gumi Market Branch 2,	Ibrahim Taiwo Road, Kaduna	Kaduna	Kaduna	North
79	Kaduna				
80	Independence Way Branch, Kaduna Junction Road, Kaduna Branch	Opp. Ranchas Babes Stadium, Independence Way, Kaduna	Kaduna	Kaduna	North
81	Kaduna Refinery Branch	No.175BZ, Junction Road, Kaduna.	Kaduna	Kaduna	North
82	Pambegua Branch	NNPC Staff Cooperative Plaza Building Kaduna Refinery, Kaduna.	Kaduna	Kaduna	North
83	Ibrahim Taiwo Road Branch	Kaduna - Jos Road, Near UBE Primary Education, Pambegua.	Kaduna	Kaduna	North
84	Karlin Kwari Branch (Relocated Branch)	89E Ibrahim Taiwo Road, Kano	Kano	Kano North	North
85	Kano City Branch	No. 50, Ibrahim Taiwo Rd, Beside Access Bank, By Filling Paki, Kano.	Kano	Kano North	North
86	Nassarawa Branch	No. 2, Durumin Iya Qtrs, Beside PHCN Kano City Service Station	Kano	Kano North	North
87	Sharada Branch	No.2, Zaria Road, kano.	Kano	Kano North	North
88	Takai Branch	Sharada Ind Est, Phase 1, Kano	Kano	Kano North	North
89	Danbatta Branch	No 2A Albasu Road, Takai Kano	Kano	Kano North	North
90	Murtala Mohammed Way Branch	Kazaure Road, Danbatta	Kano	Kano North	North
91	Wudi Branch	72B Murtala Mohammed Way, Kano	Kano	Kano North	North
	Dawanua Grain Market Branch, Kano	Gaya Road, Wudil	Kano	Kano North	North
		Dawanau Grain Market, Katsina Road, Dawakin Tofa Local Govt. Kano	Kano	Kano North	North

## CORPORATE INFORMATION

92	Hotoro Branch	No. 458, Bashir Maitama Sule Street, Hotoro (Opposite Rimi Holding Limited, Maiduguri Road), Kano.	Kano	Kano North	North
93	Sani Abacha Way Branch	5A Sani Abacha Way, Kano	Kano	Kano South	North
94	Chiromawa Toll Gate Branch	Chiromawa Toll Gate, Kano-Zaria Road	Kano	Kano South	North
95	Kofar Ruwa Market Branch	Kofar Ruwa Market, Opposite Bank PHB, Kano	Kano	Kano South	North
96	Elorado Branch (31/32 Bello Rd Branch)	Elorado By Airport Road, Kano.	Kano	Kano South	North
97	Zoo Road Branch	No.1 Zoo Road by New Court Road, Kano	Kano	Kano South	North
98	10E Bello Road Branch	10E Bello Road, Kano	Kano	Kano South	North
99	Dawakin Kudu Branch	Dawakin Kudu Unguwar Naibi, Kofar Arewa, Dawakin Kudu	Kano	Kano South	North
100	Ub Plc (Tcb) - IBB Way Branch, Kano	4 IBB Way, Kanfin Kwari, Kano	Kano	Kano South	North
101	Bompai Branch	18B Murtala Mohammed Way, Bompai	Kano	Kano South	North
102	Tai'Udu Branch, Kano	No.311 Aminu Kano Way, Opposite Jagora Bookshop, Kano.	Kano	Kano South	North
103	Gwarzo Branch	Adjacent to Honeywell Filling Station, Kano-Gwarzo Road.	Kano	Kano South	North
104	Bichi Branch	No 24 Gwale Road, Along Katsina Road, Bichi	Kano	Kano South	North
105	Karaye Branch	Beside Alh Isa Karaye Petroleum Co Ltd.	Kano	Kano South	North
106	Tudun wada- Doguwa	Tudun Wada	Katsina	Kano South	North
107	Kipdeco Building Branch	61 IBB Way KIPDECO Building Katsina	Katsina	Katsina	North
108	Katsina Branch	210 IBB Way, PMB 2002, Katsina	Katsina	Katsina	North
109	Funtua Branch	Sokoto Road, Funtua	Katsina	Katsina	North
110	Daura Branch	Kongalon Road, Daura	Katsina	Katsina	North
111	Dutsin-Ma Branch	Opp. Gen. Hospital Dutsin-Ma	Katsina	Katsina	North
112	Katsina Central Market Branch	Katsina Central Market, Katsina State	Katsina	Katsina	North
113	Musawa Branch	Musawa Town, Adjacent Musawa market, Katsina	Kebbi	Katsina	North
114	Sultan Abubakar Road Branch	1 Sultan Abubakar Road, Birnin Kebbi	Kebbi	Sokoto	North
115	Jega Branch	Jega, Kebbi State	Kebbi	Sokoto	North
116	Birnin Kebbi Main Branch	Ahmadu Bello Way, Birnin Kebbi	Kebbi	Sokoto	North
117	Wasagu Branch	Wasagu Town	Kebbi	Sokoto	North
118	Yauri Branch	No.35 Kontagora - Sokoto Road, Yauri, Kebbi State	Sokoto	Sokoto	North
119	Aliyu Jodi Road Branch	No. 1 Aliyu Jodi Road, Sokoto	Sokoto	Sokoto	North
120	Gusau Road Branch	Gusau Road, Sokoto	Sokoto	Sokoto	North
121	Bodinga Branch	Birnin Kebbi Bodinga	Sokoto	Sokoto	North
122	Gada Branch	Gada Town	Sokoto	Sokoto	North
123	Gwadabawa Branch	Lalish Road Gwadabawa Town	Sokoto	Sokoto	North
124	Sabon Birnin Branch	Sabon Birni Town	Sokoto	Sokoto	North
125	Market Branch	No. 1 Aliyu Jodi Road, Sokoto	Sokoto	Sokoto	North
126	Yabo Branch	Yabo Town, Sokoto	Zamfara	Sokoto	North
127	Bungudu Branch (Canteen Road Branch)	35 Canteen Area, Gusau	Zamfara	Sokoto	North
128	Gusau Main Branch	5 Canteen Road, Gusau	Zamfara	Sokoto	North
129	Talata Mafara Branch	Gusau Road, Talata Mafara	Adamawa	Sokoto	North
130	Yola Branch	No. 1 Bank Road, Bekaji, Yola	Adamawa	Adamawa	North
131	Mubi Branch	Ahmadu Bello Way, Mubi	Adamawa	Adamawa	North
132	Numan Branch	Plot 24/26 Yola Road, Numan	Adamawa	Adamawa	North
133	Hong Branch	Opposite First Bank Plc, Close to the District Head's Palace, Hong, Adamawa State.	Adamawa	Adamawa	North
134	Ganye Branch	Tee Junction, Opposite Total Filling Station and Ganye Town market, Ganye, Adamawa state	Bauchi	Adamawa	North
135	Murtala Mohd Way Branch	560 Murtala Muh'd Way, Bauchi	Bauchi	Bauchi	North
136	Commercial Road Branch	Ahmed Abulkadir Road Bauchi	Bauchi	Bauchi	North
137	Alkaleri Branch	Gombe Road, Alkaleri Town	Bauchi	Bauchi	North
138	Azare Branch	Jama'are Road, Azare	Gombe	Bauchi	North
139	Biu Road Branch, Gombe	Plot 9, Gombe/Biu Rd, Gombe	Gombe	Bauchi	North

140		Gombe Commercial Area Branch	Commercial Area, Gombe		Gombe	Bauchi	North
141	Billiri Branch		Yola Road, Billiri Town		Gombe	Bauchi	North
142	Tudun Hasi Branch		Tudun Hasi Grain Market, Emir's Palace Road, Gombe State		Gombe	Bauchi	North
143	Kirkasama Road Branch		10 Kirkasama Road, Maiduguri		Borno	Maiduguri	North
144	Bama Road Branch		11 Bama Road, Maiduguri		Borno	Maiduguri	North
145	Lake Chad Road Branch		Lake Chad Road, Maiduguri		Borno	Maiduguri	North
146	Monday Mkt Branch, Maiduguri		Mongonu Road, Monday Market, Maiduguri.		Borno	Maiduguri	North
147	Baga Road Branch, Maiduguri		Baga Road, Maiduguri		Borno	Maiduguri	North
148	Dikkwa Branch		Gombaru Ngala Road, Dikwa, Maiduguri.		Borno	Maiduguri	North
149	Damaturu Branch		Maiduguri Road, Damaturu		Yobe	Maiduguri	North
150	Nguru Yobe Branch		Market Road, Nguru		Yobe	Maiduguri	North
151	Poliskum Branch		Opposite NPN Market, Main Road, Poliskum		Yobe	Maiduguri	South
152	Ado Ekiti Branch		158, Opopogboro Street, Ado-Ekiti		Ekiti	Akure	South
153	Olun Ekiti Branch, Ekiti state		Moba Local Govt. secretariat Olun Eki		Ekiti	Akure	South
154	Oba Adesida Branch		No 15A, Oba Adesida Road Akure		Ondo	Akure	South
155	Commercial Zone Branch, Akure		Plot 9 Block XLIII Commercial Zone GRA Alagbaka Akure		Ondo	Akure	South
156	Oyemekun Rd Branch, Akure		59/61, Oyemekun Road, Akure, Ondo		Ondo	Akure	South
157	Igbokoda Branch, Ondo		54, Broad Street, Igbokoda, Ondo		Ondo	Akure	South
158	Eleganza Plaza, Apapa		Eleganza Plaza, Wharf Road		Lagos	Apapa	South
159	Creek Rd. Apapa		18 Creek Road		Lagos	Apapa	South
160	Ibafon, Apapa		Bank House No.1 capital Oil Close WestMinister, Ibru Jetty Complex,Apapa		Lagos	Apapa	South
161	Burma Rd 1, Apapa		44 Burma Road		Lagos	Apapa	South
162	Tincan Port, Apapa		Behind Tincan Port Admin Block		Lagos	Apapa	South
163	Burma Rd 2, Apapa		32, Burma Road, Apapa		Lagos	Apapa	South
164	Apapa Comm Ave, Apapa		1, Commercial Avenue, Eleganza Plaza		Lagos	Apapa	South
165	Alaba Int'l Branch		A65, Ojo Igbede Road, Alaba Int'l Market.		Lagos	Apapa	South
166	Aspanda Branch		Aspanda market, Lagos - Badagry Express way, Lagos.		Lagos	Apapa	South
167	Festac Branch		No. 26, second Avenue, Festac Town		Lagos	Apapa	South
168	Adetokumbo Ademola 2 Branch		No 38, Adetokumbo Ademola St. V/I		Lagos	Victoria Island	South
169	Bar Beach Branch		NO 1230E, Ahmadu Bello Way, V/I		Lagos	Victoria Island	South
170	Head Office Annex Branch		Plot 290A, Akin Olugbade Street		Lagos	Victoria Island	South
171	Sanusi Fafunwa Road Branch		Plot 1683, Sanusi Fafunwa Street		Lagos	Victoria Island	South
172	Adeola Odeku Branch		19, Adeola Odeku Street		Lagos	Victoria Island	South
173	Awolowo Road Branch		Awolowo Road,Lagos		Lagos	Victoria Island	South
174	Lekki Express Way Branch		No. 1 Prince Ibrahim Odoafin Street, Lekki Expressway.		Lagos	Victoria Island	South
175	Balogun Branch		32, Balogun Street		Lagos	Lagos Island	South
176	Broad Street Branch		114 Broad Street		Lagos	Lagos Island	South
177	Marina Branch		2/4 Davies Street Off Marina		Lagos	Lagos Island	South
178	Oke Arin Branch		No. 1 John Street		Lagos	Lagos Island	South
179	Ebute Ero Branch		110, Alakara Street		Lagos	Yaba	South
180	Yaba Comm Avenue Branch		32A, Commercial Avenue,Sabo Yaba		Lagos	Yaba	South
181	Idi Oro Branch		No. 94, Agege Motor Road, Idi Oro, Mushin, Lagos		Lagos	Yaba	South
182	Mushin Branch		87, Ladipo Street, Mushin		Lagos	Yaba	South
183	Iddo Branch		NO. 8, Taylor Road,Iddo, Lagos		Lagos	Yaba	South
184	Surulere Branch		No. 53 Bode Thomas Street, Surulere		Lagos	Yaba	South
185	Allen Branch		NO 95, Allen Avenue		Lagos	Ikeja	South
186	Opebi Branch		37, Opebi Road		Lagos	Ikeja	South
187	Oba Akran Branch		42, Oba Akran Avenue		Lagos	Ikeja	South
188	Abule Egba Branch		Abule Egba Junction, Oko Oba		Lagos	Ikeja	South
189	Mile 12 Branch		565, Ikorodu Road, Mile 12		Lagos	Ikeja	South
190	Oregun Road Branch		100, Kudirat Abiola Way, Ikeja		Lagos	Ikeja	South

## CORPORATE INFORMATION

191	Ikorodu Branch, Lagos Road	No. 32 Lagos Road, Ikorodu	Lagos	Ikeja	South
192	Abeokuta Branch	4, Tinubu Street, Ita-eko	Ogun	Ikeja	South
193	Oshogbo Branch	Gbongan/Ibadan Road, Osoybo	Osun	Ibadan	South
194	Ede Branch	Station Road, Back to land Junction, Agip Area, Ede	Osun	Ibadan	South
195	Odutola Road Branch, Ibadan	Jimoh Odutola Street old Gbagi	Oyo	Ibadan	South
196	Lebanon Road Branch, Ibadan	9, Lebanon Road	Oyo	Ibadan	South
197	Bodija Branch	No. 98 Bodija-Agbowo Road, New Bodija Ibadan.	Oyo	Ibadan	South
198	Iwo Road Branch	No. 96, Iwo Road, Ibadan, Ibadan NorthEast LGA, Ibadan, Oyo State	Oyo	Ibadan	South
199	Afuze Branch	Auchi Afuze Road	Edo	Benin	South
200	Auchi Branch	Otaru Road	Edo	Benin	South
201	Mission Road Branch	69 Mission Road	Edo	Benin	South
202	New Benin Branch	98 New Lagos Road	Edo	Benin	South
203	Ring Road Branch	Ring Road Benin	Edo	Benin	South
204	Uromi Branch	Market Road	Edo	Benin	South
205	Igarra Branch	Momodou Ajayi Road, by Nigerian police Divisional HQ, Igarra, Edo	Edo	Benin	South
206	Uniben Branch	University of Benin, Ugbowo Campus, Edo State	Edo	Benin	South
207	Abarka Branch	Delta State University Road	Delta	Asaba	South
208	Agbor Branch	Old Lagos / Asaba Road	Delta	Asaba	South
209	Asaba Branch	Dennis Osadebey Way	Delta	Asaba	South
210	Effurun Branch	29, Effurun/Warri Road	Delta	Asaba	South
211	Kwale Branch	109, Umusadege Road	Delta	Asaba	South
212	Olen Branch	6, IDC Road Olen	Delta	Asaba	South
213	Sapele Branch	Court Road	Delta	Asaba	South
214	Ughelli Branch	2, Post Office Road	Delta	Asaba	South
215	Warri Branch	10 Warri Sapele Road	Delta	Asaba	South
216	Ozoro Branch	Urude Road, Ozoro, Delta State	Delta	Asaba	South
217	Niger House Branch	No. 1B Bright Street, Opposite De-Young Shopping Complex	Anambra	Enugu	South
218	SCBN Building Branch	38, New Market Road, Nkpor	Anambra	Enugu	South
219	New Market Road Branch	No. 33 New Market Road, Onitsha.	Anambra	Enugu	South
220	Awka Branch	37, Zik Avenue, Awka	Anambra	Enugu	South
221	Enugu Branch	46, Ogui Road, Enugu	Enugu	Enugu	South
222	Owerri Branch	23 Whettheral Road, Owerri	Imo	Enugu	South
223	Abakaliki Branch	No. 30b, Ogoja Road, along Sam Egwu way Abakpa, Abakaliki	Ebonyi	Enugu	South
224	Yenagoo Branch	No. 552 Chief Melford Okilo Express way, Ebis Junction, Biogbolo, Yenagoo.	Bayelsa	Port Harcourt	South
225	Azikiwe Road Branch	No. 3 Azikiwe Road Port Harcourt	Rivers	Port Harcourt	South
226	Old Aba Road Branch	No. 28A Old Aba Road, Port Harcourt	Rivers	Port Harcourt	South
227	Omoku Branch	171, Ahoadia Road Omoku Rivers	Rivers	Port Harcourt	South
228	Aba Road 1 Branch	198A, Aba Road, Opposite Presidential Hotel	Rivers	Port Harcourt	South
229	Trans Amadi Branch	474, Trans Amadi Layout, Port Harcourt	Rivers	Port Harcourt	South
230	Olu Obasanjo Branch	Olu Obasanjo street, Port Harcourt	Rivers	Port Harcourt	South
231	Aba Road 2 Branch	112E, Aba Road Port Harcourt	Rivers	Port Harcourt	South
232	Regional Office Branch	Port Harcourt	Rivers	Port Harcourt	South
233	Onne Branch (Regional office Branch)	Opposite Trailer Pack, Borí Road Onne (No. 10 Azikiwe Road, P/H)	Rivers	Port Harcourt	South
234	Woji Branch	No. 46 Wojí Road, Wojí	Rivers	Port Harcourt	South
235	Factory Road Branch	No 7 Factory Road Aba	Abia	Uyo	South
236	Faulks Road Branch	185, Faulks Road, Aba	Abia	Uyo	South
237	Umuahia Branch	No. 2 Club Road, Umuahia, Abia	Abia	Uyo	South
238	Ikoí Ekpen Branch	164 Ikoí Ekpen Road Uyo	A\Ibom	Uyo	South
239	Aka Road Branch, Uyo	268, Aka road Uyo, Akwa Ibom	A\Ibom	Uyo	South
240	Calabar Branch	Ediba road by Ndidem Usang Iso Road junction.	C\River	Uyo	South

## CASH CENTRES

	State	Cash Centre	Branch Attached to	Region
1	Ekiti	Ikere Ekiti	Ado Ekiti Branch	Ibadan
2	Oyo	Lead City University	Lebanon Branch	Ibadan
3	Edo	Irrua	Uromi Branch	Benin
4	Delta	Secretariate- Asaba	Asaba Branch	Benin
5	Adamawa	Savannah Sugar Numan	Numan Branch	Yola
6	Lagos	Lekki	Lekki Express Way Branch	Lagos Island
7	Lagos	Apapa Port	Tin Can Port Branch	Apapa
8	Lagos	Pan-Atlantic	Tin Can Port Branch	Apapa
	Lagos	Lagos State Abattoir Complex, Oko-Oba, Agege.	Abule-Egba Branch	Ikeja
9	Rivers	NPA	Azikiwe Branch	Port Harcourt
10	Rivers	Slaughter House	Azikiwe Branch	Port Harcourt
11	Edo	Ubiaja	Uromi Branch	Benin
12	Benue	BCC (Benue Cement Company)	Gboko Branch	Makurdi
13	Niger	Bosso	Bosso Road Branch	Minna
14	Edo	Medical Centre	UniBen Branch	Benin
15	FCT	Head Office	Head Office Branch	Abuja Central
16	Kano	TudunWada Doguwa	Chiromawa Toll Gate Branch	Kano South

## SHAREHOLDER INFORMATION

## NOTICE OF UNITY BANK PLC EIGHTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Eighth Annual General Meeting of Members of UNITY BANK PLC will be held on Wednesday, 12th November, 2014 at 11.00am at Green Legacy Resort, Presidential Boulevard, Oke-Mosan, Abeokuta, Ogun State to transact the following:

### ORDINARY BUSINESS

1. To receive the audited accounts for the year ended 31st December, 2013 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 this 13th day of October, 2014

### 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, 94, Agege Motor Road, Idi-Oro, 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 November 3, 2014 to November 10, 2014 (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.

By order of the Board



**AISHA A ABRAHAM**

Company Secretary

## EIGHT ANNUAL GENERAL MEETING

**TO BE HELD ON WEDNESDAY, 12TH NOVEMBER, 2014 AT THE GREEN LEGACY RESORT, PRESIDENTIAL BOULEVARD, OKE-MOSAN, ABEOKUTA, OGUN STATE AT 11:00AM**

Being member/members of UnityBank Plc hereby appoint.....or failing him Prof. A. L. MABOGUNJE, NNOM, CON or failing him MALLAM FALALU BELLO, OFR, as my/our proxy to act and vote for me/us and on my/our behalf at the 8th Annual General Meeting of the Bank to be held on..... 2014 at 11.00 a.m. and at any adjournment thereof.

As witness my/our hand this.....day of ...2014.

Signed:.....

### NOTE:

A member to attend and vote at the General Meeting is entitled to appoint a proxy in his stead. All proxy forms should be deposited at the Office of the Registrar, Unity Registrars Limited, Plot 1683 Sanusi Fafunwa Street, Victoria Island, Lagos not less than 48 hours before the time for holding the meeting. A proxy need not be a member of the company.

In the case of joint shareholders, any one of such may complete the form but the name of all joint shareholders must be stated.

It is required by law under the Stamp Duties Act, Cap 41 Law of the Federation of Nigeria 1990, that any adjustment of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must bear Stamp Duty at the appropriate rate, not adhesive postage stamps.

If the shareholder is a corporation, this form must be under its common seal or under the hand of some officers or attorney duly authorised in that behalf.

	ORDINARY BUSINESS		FOR	AGAINST
I/We desire this proxy to be used in favour of/or against the resolution as indicated alongside (strike out which ever is not desired).	1	To receive the audited accounts for the year ended 31st December, 2013 together with the Reports of the Directors, Auditors and the Audit Committee thereon.		
	2	To authorize the Directors to fix the remuneration of the Auditors;		
	3	To elect/re-elect Directors;		
	4	To approve the remuneration of Directors.		
	5	To elect members of the Audit Committee.		
	6	To approve change of Financial Year End.		
Please indicate with "X" in the appropriate box how you wish your vote to be cast on the resolution set out above. Unless otherwise instructed, the proxy votes or abstains from voting at his/her discretion.				

TEAR OFF THIS CARD AND RETAIN IT

## ADMISSION CARD

### EIGHT UNITY BANK PLC ANNUAL GENERAL MEETING

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

NAME OF SHAREHOLDERS/PROXY

SIGNATURE

ADDRESS

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





