UNITY BANK PLC
UNAUDITED FINANCIAL STATEMENTS
Jun-16

1.1 Corporate Information

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

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

The Financial Statements for the period ended 30 June 2016 were authorized for issue in accordance with a resolution of the Board of Directors

1.2 Basis of preparation

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

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

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

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

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

1.3 Summary of significant accounting policies

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

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

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

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

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

(iv) Dividend income

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

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

23. Non Current Assets Held for Sale

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell. No- current assets are classified as Held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition, management has committed to the sale and the sale is expected to be completed within one year from the date of classification.

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

UNITY BANK PLC
Statement of Profit or Loss & Other Comprehensive Income
For The 6 Months Ended 30 June, 2016

	Notes	30 June 2016 Unaudited N'000	30 June 2015 Unaudited N'000	31 December 2015 Audited N'000
Gross Income		**21,775,801**	33,562,953	78,805,800
Interest and similar income	1	**13,477,418**	23,366,820	62,711,194
Interest and similar expense	2	**(5,922,053)**	(8,803,175)	(19,619,178)
Net interest income		**7,555,365**	14,563,645	43,092,016
Fee and commission income	3	**804,218**	4,660,840	9,251,682
Net fee and commission income	3	**804,218**	4,660,840	9,251,682
Net Trading Income	4	**910,442**	829,355	1,850,453
Foreign Exchange Revaluation Income	5	**56,223**	1,236,750	817,249
Other operating income	6	**6,527,500**	3,469,187	4,175,222
		7,494,165	5,535,293	6,842,924
Total operating income		**15,853,748**	24,759,778	59,186,622
Credit loss expense	7a	**(130,855)**	(903,630)	(22,234,333)
Other Impairments	7b	**-**		(4,887,849)
Net operating income		**15,722,893**	23,856,148	32,064,440
Personnel expenses	8	**(6,942,227)**	(7,096,937)	(14,395,452)
Depreciation of property and equipment	15b	**(895,181)**	(1,011,964)	(2,003,959)
Amortisation of intangible assets	16b	**(101,073)**	(136,106)	(246,271)
Other operating expenses	9	**(5,169,633)**	(6,836,264)	(13,076,091)
Total operating expenses		**(13,108,114)**	(15,081,272)	(29,721,773)
Profit before tax		**2,614,779**	8,774,876	2,342,666
Taxation		**(261,478)**	(877,488)	2,346,490
Profit for the period		**2,353,301**	**7,897,389**	4,689,156
Other Comprehensive Income				
Items Reclassifiable to Profit or Loss				
Profit/(Loss)for the period		**2,353,301**	7,897,389	4,689,156
Net gain/(loss) on available for sale financial assets		**(1,637,782)**	338,642	1,145,974
Total comprehensive income for the period, net of tax		**715,519**	8,236,031	5,835,130
Earnings Per Share(Basic)		**20.13 Kobo**	**12.28 Kobo**	**12.34 Kobo**

STATEMENT TO THE NIGERIAN STOCK EXCHANGE AND THE SHAREHOLDERS ON THE EXTRACT OF THE UNAUDITED RESULTS OF UNITY BANK PLC FOR THE SIX MONTHS ENDED 30 JUNE, 2016.

The Board of Directors of Unity Bank Plc is pleased to present an extract of the unaudited financial statements for the Six months ended 30 June, 2016.

Statement of Financial Position

	Notes	30 June 2016 N'000 Unaudited	31 December 2015 N'000 Audited
Assets			
Cash and balances with Central Bank	10	33,474,354	27,587,476
Due from banks	11	13,578,196	18,579,346
Loans and advances to customers	12	258,538,117	246,143,129
Financial investments - held for trading	13a	104,673	110,633
Financial investments – available-for-sale	13b	54,038,622	43,114,404
Financial investments – available-for-sale pledged as collateral	13c	11,917,141	17,138,888
Financial investments – held-to-maturity	13d	29,371,206	25,239,272
Other assets	14	9,866,992	6,391,066
Property and equipment	15	20,160,698	18,968,143
Goodwill and other intangible assets	16	16,854,605	16,920,408
Deferred tax assets	17	19,666,769	19,666,769
Non current assets held for sale	18	-	3,461,478
TOTAL ASSETS		**467,571,373**	443,321,012
Liabilities and Equity			
Liabilities			
Due to customers	19	279,650,710	231,440,942
Due to other banks	20	11,899,403	40,531,041
Debt issued and other borrowed funds	21	79,112,569	70,294,256
Current tax liabilities	22	613,373	613,373
Other liabilities	23	12,918,682	17,781,333
Employee benefit liabilities	24	86,585	85,536
Total liabilities		**384,281,322**	360,746,481
Equity			
Issued share capital	25	5,844,669	5,844,669
Share premium	26	10,485,871	10,485,871
Statutory reserve	27	11,602,168	11,602,168
Retained earnings	28	(114,916,994)	(117,270,296)
Non Distributable Regulatory and Other reserves	29	170,274,338	171,912,120
Total equity		**83,290,051**	82,574,531
Total liabilities and equity		**467,571,373**	443,321,012

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

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

UNITY BANK PLC
Statement of Changes in Equity
for The 6 Months Ended 30 June 2016

	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	Totals N'000
At 1 January, 2015	**58,446,690**	**10,485,871**	**10,898,794**	**(56,434,482)**	**38,400,508**	**14,466,615**	**76,263,995**
Write off from reserves	-	-	-		-	-	-
Profit/(Loss) for the period	-	-	-	**4,689,157**	-	-	**4,689,156.56**
Transfer from/to retained earnings	-	-	703,373	**(703,373)**	-	-	-
Issued Share Capital	-	-	-	**(64,821,597)**	64,821,597	-	-
Share Reconstruction	(52,602,021)	-	-	-	-	52,602,021	-
Dividend paid	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	1,145,974	**1,145,974**
Reclassification of Prior Year AFS Reserve						475,406	**475,406**
At 31 December, 2015	**5,844,669**	**10,485,871**	**11,602,168**	**(117,270,296)**	**103,222,105**	**68,690,015**	**82,574,531**
							-
Profit/(Loss) for the period	-	-	-	**2,353,302**	-	-	**2,353,302**
Share Reconstruction	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	**(1,637,782)**	**(1,637,782)**
At 30 June 2016	**5,844,669**	**10,485,871**	**11,602,168**	**(114,916,994)**	**103,222,105**	**67,052,233**	**83,290,051**

UNITY BANK PLC
Statement of Cash Flows
For the 6 Months Ended 30 June 2016

	30 June 2016 N'000	31 December 2015 N'000
Profit before tax	2,614,779	4,482,103
Impairment losses on Other assets	130,855	4,887,849
Impairment losses on Risk assets	-	20,094,897
Depreciation of property and equipment	895,181	2,003,959
Amortisation of intangible assets	101,073	246,271
Profit on disposal of Property and equipment	-	(213,748)
Gains from sale of investments	(1,888,523)	-
	1,853,364	31,501,332
Changes in operating assets		
Deposits with the Central Bank of Nigeria	(12,000,000)	(14,874,324)
Loans and advances to customers	(12,525,842)	(49,042,116)
Other assets	(125,926)	(2,604,190)
	(24,651,768)	(66,520,630)
Changes in operating liabilities		
Due to customers	48,209,768	(42,493,957)
Due to Other Banks	(28,631,638)	36,207,702
Current tax liabilities	(0)	-
Other liabilities	(5,806,837)	5,221,774
Defined contribution	1,049	9,756
	13,772,342	(1,054,724)
Cash generated from operations	(9,026,062)	(36,074,024)
Income tax paid	-	(617,146)
Net cash flows from/(used in) operating activities	(9,026,062)	(36,691,170)
Investing activities		
Purchase of property and equipment	(2,087,735)	(2,048,945)
Purchase of intangible assets	(35,270)	(473,878)
Proceeds from sale of property and equipment	944,186	455,215
Proceeds from sale of investment	2,000,000	-
Held for trading investments	5,960	18,290,029
Available for sale investments	(7,340,254)	2,683,067
Held to maturity investments	(4,131,934)	1,311,159
Net cash flows from/(used in) investing activities	(10,645,047)	20,216,648
Financing activities:		
Share Capital	-	-
Debt issued and other borrowed funds	8,818,313	24,794,444
Net cash flows from /(used in) financing activities	8,818,313	24,794,445
Net increase/(decrease) in cash and cash equivalents	(10,852,797)	8,319,922
Cash and cash equivalents at 1 January	31,292,499	22,972,576
Cash and cash equivalents at 30 June	20,178,226	31,292,499

UNITY BANK PLC Notes to the financial statements	30 June 2016 Unaudited N'000	30 June 2015 Unaudited N'000	31 December 2015 Audited N'000
1 Interest and similar income			
Cash reserve deposit	**-**	-	-
Due from banks	**86,494**	111,009	131,350
Loans and advances to customers	**9,283,125**	17,908,224	52,254,809
Advances under finance lease	**-**	75	75
Financial investments – available-for-sale	**2,169,296**	3,297,453	6,354,082
Financial investments – held-to-maturity	**1,938,502**	2,050,058	3,970,877
	13,477,418	23,366,820	62,711,194
2 Interest and similar expense:			
Due to banks	**216,864**	1,368,291	4,638,098
Due to customers	**2,754,121**	6,402,619	13,125,363
Debt issued and other borrowed funds	**2,951,068**	1,032,266	1,855,717
	5,922,053	8,803,175	19,619,178
3 Fees and commission income			
Credit related fees and commission	**273,169**	4,270,548	8,020,052
Commission on turnover	**349,609**	275,203	542,761
Other fees and commission	**181,440**	115,089	688,869
Fees and commission income	**804,218**	4,660,840	9,251,682
4 Trading Income			
Net Gain/(Loss) on HFT trading(Bonds)	**383,190**	(42,550)	(20,880)
Foreign Exchange Trading Income	**527,252**	871,905	1,871,333
	910,442	829,355	1,850,453
5 Foreign Exchange Revaluation			
Foreign exchange Revaluation	**56,223**	1,236,750	817,249
	56,223	1,236,750	817,249
6 Other Operating Income			
Dividend income	**-**	47,467	118,242
Gains from sale of financial investments	**-**	904,239	1,575,668
Recoveries	**175,396**	1,361,388	-
E-Banking	**1,223,433**	546,677	1,418,721
Other	**5,128,670**	609,417	1,062,590
	6,527,500	3,469,187	4,175,222
7a Impairment losses			
Charge for the Period	**130,855**	903,630	23,928,482
Recoveries	**-**	0	(1,694,149)
Credit loss expense	**130,855**	903,630	22,234,333
7b Impairment losses on Financial investments	**-**	-	-
Impairment losses on Goodwill	**-**	-	4,887,849
Impairment losses on Non current assets held for sale	**-**	-	-
Impairment losses on Bank Balances	**-**	-	-
	-	-	4,887,849
8 Personnel expenses			
Wages and salaries	**5,661,388**	6,775,632	13,774,381
Pension costs – Defined contribution plan	**280,839**	321,305	621,071
Pension costs – Defined benefit plan	**1,000,000**		

UNITY BANK PLC **Notes to the financial statements**	**30 June 2016** **Unaudited** **N'000**	30 June 2015 Unaudited N'000	31 December 2015 Audited N'000
	6,942,227	7,096,937	14,395,452
9 Other operating expenses			
Advertising and marketing	**106,280**	100,708	178,332
Administrative		5,084,133	9,470,297
Professional fees	**139,526**	257,136	431,954
Rental charges payable under operating leases	**224,963**	219,991	454,272
Impairment charge on other assets	**-**	-	-
Banking Sector Resolution Cost	**1,108,403**	1,050,000	2,218,560
Others	**3,590,461**	124,296	322,676
	5,169,633	6,836,264	13,076,091
10 Cash and balances with central bank			
Cash on hand	**5,734,597**		4,672,197
Current account with the Central Bank of Nigeria	**865,433**		8,040,955
Deposits with the Central Bank of Nigeria	**26,874,324**		14,874,324
	33,474,354		27,587,476
11 Due from banks			
Placements with banks and discount houses	**13,578,196**		18,579,346
12 Loans & Advances			
By Product Type			
Loans & Advances - Discounted Investments			323,537
Loans & Advances - Overdrafts			241,416,646
Loans & Advances - Term Loans	**81,998,355**		63,260,041
Loans & Advances- Other Loans			704,547
Advances under Finance Lease			10,553
Staff Loans			726,414
Loans & Advances- Interest Receivable			5,455,809
Non Performing Loans	**262,967,378**		
Less: Allowance for impairment losses	**(86,427,616)**		(65,754,418)
	258,538,117		246,143,129
13 Financial investments			
13a Held For Trading Investments			
Debt securities - bills	**104,640**		-
Debt securities - bonds			110,633
Equities	**-**		-
	104,640		110,633
13b Available for sale investments			
Quoted investments			
Debt securities - bills	**40,487,181**		41,572,300
Debt securities - bonds	**12,693,445**		673,107
Equities	**-**		282,324
	53,180,626		42,527,732
Unquoted investments			
Debt securities	**-**		-
Equities	**857,996**		1,455,423
	857,996		1,455,423
Financial investments – Available for sale	**54,038,622**		43,983,154
Less: Allowance for impairment	**-**		(868,751)
	54,038,622		43,114,404

UNITY BANK PLC
Notes to the financial statements

	30 June 2016 Unaudited N'000	30 June 2015 Unaudited N'000	31 December 2015 Audited N'000
13c Quoted investments pledged as collateral			
Financial investments – available for sale and pledged as collateral	**11,917,141**		17,138,888
Collective impairment	**-**		-
	11,917,141		17,138,888
13d Held to maturity investments			
Quoted investments			
Government debt securities (HTM)	**29,371,206**		25,239,272
	29,371,206		25,239,272
Unquoted investments			
Debt securities	**-**		-
	29,371,205.85		25,239,272
14 Other assets			
Prepayments	**4,475,681**		4,570,470
Interbranch balances	**(174,730)**		-
Fraud suspense	**746,623**		730,427
stationery stocks	**133,963**		157,455
Other stocks	**22,013**		71,938
Account receivables	**3,830,720**		3,498,627
Other debits balances	**7,244,837**		3,843,668
	16,279,108		12,872,584
Less:			
Allowance for impairment on other assets	**(6,412,116)**		(6,481,519)
	9,866,992		6,391,066
15 Property and equipment			
Furn & Fittings:			
Cost	**3,351,880**		3,256,349
Accummulated Depreciation	**(2,936,702)**		(2,830,206)
Net Book value	**415,178**		426,143
Leasehold Land & Building			
Cost	**2,408,907**		2,389,396
Accummulated Depreciation	**(2,166,730)**		(2,092,861)
Net Book value	**242,177**		296,535
Freehold Land & Buildings			
Cost	**17,635,428**		18,030,858
Accummulated Depreciation	**(2,945,608)**		(2,804,202)
Net Book value	**14,689,821**		15,226,656
Motor Vehicles			
Cost	**3,540,165**		3,651,668
Accummulated Depreciation	**(3,086,447)**		(3,093,177)
Net Book value	**453,718**		558,491
Plant & Equipment			
Cost	**14,017,455**		13,883,715
Accummulated Depreciation	**(12,309,701)**		(11,994,399)
Net Book value	**1,707,754**		1,889,316

UNITY BANK PLC Notes to the financial statements		30 June 2016 Unaudited N'000	30 June 2015 Unaudited N'000	31 December 2015 Audited N'000
	Capital Work in Progress	2,652,050		571,002
	Total Property and Equipment			
	Cost	43,605,885		41,782,988
	Accummulated Depreciation	(23,445,188)		(22,814,845)
	Property and equipment	20,160,698		18,968,143
15b	**Current Depreciation Charge**			
	Furn & Fittings	106,646		259,282
	Leasehold Land & Building	74,005		199,856
	Freehold Land & Buildings	201,256		426,142
	Motor Vehicles	121,872		297,317
	Plant & Equipment	391,403		821,362
		895,181		2,003,959
16	**Goodwill and other intangible assets**			
	Computer Software			
	Cost	3,212,275		3,176,345
	Accummulated Amortisation	(2,829,005)		(2,727,272)
	Net Book value	383,270		449,073
	Goodwill			
	Cost:	16,471,335		16,471,335
	Accummulated Amortisation	-		-
	Net book value:	16,471,335		16,471,335
	Goodwill and other intangible assets			
	Cost:	19,683,610		19,647,680
	Accummulated Amortisation	(2,829,005)		(2,727,272)
	Net book value:	16,854,605		16,920,408
16b	**Amortisation charge for the Period**			
	Computer Software	(101,073)		246,271
	Goodwill	-		-
		(101,073)		246,271
17	**Deferred tax**			
	Deferred tax assets	19,666,769		19,666,769
18	**Non Current Assets Held for Sale**			
	Unity Bureau De Change Limited	-		-
	Unity Kapital Assurance Plc	-		3,461,478
		-		3,461,478
	Less Impairment	-		-
		-		3,461,478
19	**Due to customers**			
	Analysis by type of account:			
	Demand	123,735,950		92,933,246
	Savings	45,297,669		41,961,917
	Time deposits	105,300,171		91,586,090
	Special product	234,453		234,453
	Domiciliary	5,082,468		4,725,235
		279,650,710		231,440,942

UNITY BANK PLC Notes to the financial statements		30 June 2016 Unaudited N'000	30 June 2015 Unaudited N'000	31 December 2015 Audited N'000
20	**Due to other banks**	11,899,403		40,531,041
		11,899,403		40,531,041
21	**Debt issued and other borrowed funds**			
	Other Long Term Loans BOI	23,850,072		25,292,235
	Other Long Term Loan-Afrexim Bank	5,262,497		10,553,967
	CBN Loan	50,000,000		34,448,055
		79,112,569		70,294,256
22	**Current tax liabilities**			
	Current tax payable	613,373		613,373
23	**Other liabilities**			
	Interest payable	-		-
	Accounts payable suspense	4,701,435		5,294,659
	Bankers payment and branch drafts	809,990		388,609
	Deferred fees	302,297		13,129
	Provision and accrual	1,035,710		627,027
	Unearned discounts and incomes	268,183		43,697
	Magin on letters of credit	2,764,135		188,145
	Sundry Creditors	598,222		5,768,725
	Banking Sector Resolution Fund	-		5,457,342
		12,918,682		17,781,333
24	**Retirement benefit plan**			
	Defined contribution obligation	86,585		85,536
		86,585		85,536
	Issued capital and reserves			
	120,000,000,000 ordinary shares of 50 kobo each	60,000,000		60,000,000
25	**Ordinary shares**			
	Issued and fully paid: 11,689,337,942 ordinary shares of 50k each	5,844,669		5,844,669
	Other reserves			
26	Share premium	10,485,871		10,485,871
27	**Statutory reserve**	11,602,168		11,602,168
28	**Retained earnings**	(117,270,296)		(56,434,482)
	Profit/ (Loss)for the period	2,353,301		4,689,157
	Transfer from retained earnings To Non-Distributable Regulatory Reserve & Statutory Reserve	-		(65,524,970)
		(114,916,994)		(117,270,296)
29	**Other reserves**			
	Available for Sale Reserve	(491,808)		1,145,974
	Share Reconstruction Reserve	67,103,925		67,103,926
	Reserve for SMIEIS	440,116		440,116
	Non- Distributable Regulatory Reserve	103,222,105		103,222,105
		170,274,338		171,912,120
30	**Contingents Assets**			
	Performance Bonds and Guarantees	20,053,723		17,779,369
	Letters of credit	-		4,740

UNITY BANK PLC Notes to the financial statements	30 June 2016 Unaudited N'000	30 June 2015 Unaudited N'000	31 December 2015 Audited N'000
Contingent Liabilities	**20,053,723**		17,784,108

31 STATEMENT OF COMPLIANCE

The financial statements and accompanying notes have been drawn up in compliance with IAS 34

31 OTHER DISCLOSURES

The same accounting policies and methods of computation are followed in the interim financial statements as were used in last audited annual financial statements of the bank.

The banks prepares interim financial statements for publication and submission to the Securities and Exchange Commission and Nigeria Stock Exchange on a quarterly basis

There are no events after the reporting date which could have had a material effect on the interim financial statements as at 30 June 2016.