ZENITH BANK PLC

Annual Report - 31 December 2024

ZENITH BANK PLC

DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS	Jim Ovia, CFR	Chairman
	Mr. Chuks Emma Okoh	Non-Executive Director
	Engr. Mustafa Bello	Non-Executive Director
	Dr. Juliet Ehimuan	Non-Executive Director
	Mr. Gabriel Ukpeh****	Non-Executive Director/Independent
	Dr. Omobola Ibidapo-Obe Ogunfowora	Non-Executive Director/Independent
	Dr. Peter Olatunde Bamkole	Non-Executive Director/Independent
	Dr. Al-Mujtaba Abubakar, MFR	Non-Executive Director/Independent
	Ms. Pamela Yough**	Non-Executive Director
	Dr. Adaora Umeoji, OON*	Group Managing Director/CEO
	Mr. Henry Oroh	Executive Director
	Mrs. Adobi Nwapa	Executive Director
	Mr. Akindele Ogunranti	Executive Director
	Mr. Lawani Adamu***	Executive Director
	Mr. Louis Odom***	Executive Director

*Dr. Adaora Umeoji, OON was appointed as the Group Managing Director/CEO effective 1 June 2024 following the retirement of Dr. Ebenezer Onyeagwu from the Board effective 31 May 2024.
**Ms. Pamela Mimi Yough was appointed to the Board effective 30 April, 2024.
***Mr. Lawani Adamu & Mr. Louis Odom were appointed to the Board effective 24 April, 2024.
**** Mr. Gabriel Ukpeh retired from the Board effective 8 March, 2024.

COMPANY SECRETARY	Michael Osilama Otu Esq.
REGISTERED OFFICE	Zenith Bank Plc Zenith Heights Plot 84/87, Ajose Adeogun Street Victoria Island, Lagos.
AUDITOR	PricewaterhouseCoopers (PwC) Chartered Accountants Landmark Towers, 5B Water Corporation Road Victoria Island Lagos.
REGISTRAR AND TRANSFER OFFICE	Veritas Registrars Limited (formerly Zenith Registrars Limited) Plot 89 A, Ajose Adeogun Street Victoria Island Lagos.

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ZENITH BANK PLC

Directors' Report
for the Year Ended 31 December 2024

The directors present their report on the affairs of ZENITH BANK PLC ("the Bank"), together with the financial statements and the independent auditor's report for the year ended 31 December 2024.

1. Legal form

The Bank was incorporated in Nigeria under the Companies and Allied Matters Act as a private limited liability company on 30 May,1990. It was granted a banking licence in June 1990, to carry on the business of commercial banking and commenced business on June 16, 1990. The Bank was converted into a Public Limited Liability Company on 20 May 2004. The Bank's shares were listed on the floor of the Nigerian Stock Exchange on 21 October 2004. In August 2015, the Bank was admitted into the premium Board of the Nigerian Stock Exchange. The Bank is also listed on the London Stock Exchange.

There have been no material changes to the nature of the Group's business from the previous year.

2. Principal activities and business review

The principal activity of the Bank is the provision of banking and other financial services to corporate and individual customers. Such services include obtaining deposits from the public, granting of loans and advances, corporate finance and money market activities.

The Bank has six subsidiary companies namely; Zenith Bank (Ghana) Limited, Zenith Bank (UK) Limited, Zenith Bank (Sierra Leone) Limited, Zenith Bank (The Gambia) Limited, Zenith Pensions Custodian Limited and Zenith Nominees Limited. During the year, the Bank opened 7 new branches.

As at 31 December 2024 the Group had 454 branches, 167 cash centers; 2,134 ATM terminals; 475,524 POS terminals and 27,941,582 cards issued to its customers. (31 December 2023: 447 branches, 166 cash centers, 2,102 ATM terminals, 414,192 POS terminals and 25,653,330 cards issued).

3. Operating results

Gross earnings of the Group increased by 86% and profit before tax increased by 67% . Highlights of the Group's operating results for the year under review are as follows:

	31 December 2024 N' Million	31 December 2023 N' Million
Gross earnings	3,970,959	2,131,750
Profit before tax	1,326,851	795,962
Income tax expense	(293,956)	(119,053)
Profit after tax	1,032,895	676,909
Non- controlling interest	(184)	(340)
Profit attributable to the equity holders of the parent	**1,032,711**	**676,569**
Appropriations		
Transfer to statutory reserve	140,424	97,693
Transfer to credit risk reserve	10,200	(1,322)
Transfer to retained earnings	882,087	580,198
	1,032,711	**676,569**
Basic and diluted earnings per share (Naira)	32.87	21.55

4. Dividends

The Board of Directors, pursuant to the powers vested in it by the provisions of section 426 of the Companies and Allied Matters Act (CAMA 2020) of Nigeria, proposed a final dividend of N4.00 per share which in addition to the N1.00 per share as interim dividend amounts to N5.00 per share (2023: Interim dividend of N0.50 per share, final dividend of N3.50 and a total dividend per share of N4.00) from the retained earnings accounts as at 31 December 2024. This will be presented for ratification by the shareholders at the next Annual General Meeting.

Payment of dividends is subject to witholding tax rate of 10% in the hands of qualified recipients.

5. Capital raise exercise

In compliance with the Central Bank of Nigeria's (CBN) directive on minimum capital requirements, Zenith Bank Plc conducted a capital raise exercise through a combination of rights and public offers, generating N343 billion.
The total number of additional shares raised by the bank through the capital raise exercise is 9,673,336,214. This brings the total number of issued shares of the bank from a previous 31,396,493,787 units to a current 41,069,830,001 units.

As of December 31, 2024, the CBN has verified these shares, and the Securities and Exchange Commission (SEC) has approved their inclusion in the financial statements, pending approval for final allotment. This successful capital raise enhances the bank's financial stability and supports our strategic growth objectives.

6. Directors' shareholding

The direct and indirect interests of directors in the issued share capital of Zenith Bank Plc as recorded in the register of directors shareholding and/or as notified by the directors for the purposes of sections 301 and 302 of the Companies and Allied Matters Act (CAMA 2020) and the listing requirements of the Nigerian Stock Exchange is as follows:

Interests in shares

		Number of Shareholding			
		31 December 2024		31 December 2023	
Director	**Designation**	**Direct**	**Indirect**	**Direct**	**Indirect**
Jim Ovia, CFR.	Chairman / Non-Executive Director	3,552,949,395	1,529,851,344	3,552,949,395	1,529,851,344
Mr. Chuks Emma Okoh	Non-Executive Director	371,124	-	203,412	-
Mr.Gabriel Ukpeh****	Non Executive Director	32,660	-	32,660	-
Dr Juliet Ehimuan	Non-Executive Director	128,906	-	128,906	-
Engr. Mustafa Bello	Non Executive Director/Independent	-	-	-	-
Dr. Al-Mujtaba Abubakar,MFR	Non Executive Director / Independent	-	-	-	-
Dr. Omobola Ibidapo-Obe Ogunfowora	Non Executive Director / Independent	-	-	-	-
Dr. Peter Olatunde Bamkole	Non Executive Director / Independent	-	-	-	-
Ms. Pamela Mimi Yough**	Non-Executive Director	22,878	-	-	-
Dr. Adaora Umeoji,OON.*	Group Managing Director	90,192,856	1,710,123	90,000,000	1,710,123
Mr. Henry Oroh	Executive Director	14,813,703	-	14,813,703	-
Mrs. Adobi Nwapa	Executive Director	15,008,206	-	15,008,206	-
Mr. Akindele Ogunranti	Executive Director	6,885,601	-	6,885,601	-
Mr. Lawani Adamu***	Executive Director	3,133,245	-	3,133,245	-
Mr. Louis Odom***	Executive Director	2,424,557	-	2,424,557	-
		-	-	-	-
	-	-	-	-	-

*Dr. Adaora Umeoji,OON was appointed as the Group Managing Director/CEO on 1 June 2024 following the retirement of Dr. Ebenezer Onyeagwu from the Board.
** Ms. Pamela Mimi Yough was appointed to the Board on 30 April, 2024.
***Mr. Adamu Lawani and Mr. Louis Odom were appointed to the Board on 24 April, 2024.
****Mr. Gabriel Ukpeh retired from the Board effective 8 March, 2024.

The indirect holdings relate to the holdings of the director in the underlisted companies:

- **Jim Ovia:** (Institutional investors Ltd, Lurot Burca Ltd, Jovis Nigeria Ltd, Veritas Registars Ltd, and Quantum Zenith Securities Ltd).
- **Adaora Umeoji:** (Palais Vendome Limited).

7. Directors' Remuneration

The Bank ensures that remuneration paid to its Directors complies with the provisions of the Code of Corporate Governance issued by its regulators.

In compliance with Section 34(5) of the Code of Corporate Governance for Public Companies as issued by Securities and Exchange Commission, the Bank makes disclosure of the remuneration paid to its directors as follows:

Type of package Fixed	Description	Timing
Basic Salary	- Part of gross salary package for Executive Directors only. Reflects the banking industry's competitive salary package and the extent to which the Bank's objectives have been met for the financial year.	Paid monthly during the financial year.
Other allowances	- Part of gross salary package for Executive Directors only. Reflects the banking industry's competitive salary package and the extent to which the Bank's objectives have been met for the financial year.	Paid at periodic intervals during the financial year.
Productivity bonus	-Paid to Executive directors only and tied to performance of the line report. It is also a function of the extent to which the Bank's objectives have been met for the financial year.	Paid annually in arears.
Director fees	- Paid annually on the day of the Annual General Meeting ('AGM') to Non-Executive Directors only.	Paid annually on the day of the AGM.
Sitting allowances	- Allowances paid to Non-Executive Directors only, for attending Board and Board Committee Meetings.	Paid after each Meeting.

8. Changes on the Board

Dr. Adaora Umeoji, OON was appointed as the Group Managing Director effective 1 June 2024.

Ebenezer Onyeagwu retired from the Board effective 31 May 2024.

Mr. Gabriel Ukpeh retired from the Board effective 8 March 2024.

Ms. Pamela Yough was appointed to the Board effective 30 April 2024.

Mr. Adamu Lawani and Mr. Louis Odom were appointed to the Board effective 24 April 2024.

9. Directors' interests in contracts

For the purpose of section 303(1) and (3) of Companies and Allied Matters Act of Nigeria, (CAMA 2020), information relating to related parties transactions are contained in Note 37 to the financial statements.

10. Acquisition of own shares

The shares of the Bank are held in accordance with the Articles of Association of the Bank. The Bank has no beneficial interest in any of its shares.

11. Property and equipment

Information relating to changes in property and equipment is given in Note 26 to the financial statments. In the opinion of the directors, the market value of the Group's property and equipment is not less than the value shown in the financial statements.

12. Shareholding analysis

The shareholding pattern of the Bank as at 31 December 2024 is as stated below:

Share range	No. of Shareholders	Percentage of Shareholders	Number of holdings	Percentage Holdings (%)
1-10,000	549,184	84.0955 %	1,596,169,135	5.08 %
10,001 - 50,000	79,586	12.1869 %	1,644,208,132	5.24 %
50,001 - 1,000,000	22,675	3.4722 %	3,850,300,830	12.26 %
1,000,001 - 5,000,000	1,233	0.1888 %	2,509,553,999	7.99 %
5,000,001 - 10,000,000	152	0.0233 %	1,064,997,545	3.39 %
10,000,001 - 50,000,000	157	0.0240 %	3,224,352,248	10.27 %
50,000,001 - 1,000,000,000	58	0.0089 %	11,535,196,576	36.74 %
Above 1,000,000,000	3	0.0005 %	5,971,715,322	19.02 %
	653,048	**100 %**	**31,396,493,787**	**100 %**

The bank issued additional 9,673,336,214 shares through a combination of right issue and public offer. This has moved the total number of shares to 41,069,830,001. Approval for the allotment of the newly issued share was outstanding as at 31st December 2024. The allotment of the newly issued shares were approved by the securities & exchange commission on 23 January, 2025.

The shareholding pattern of the Bank as at 31 December 2023 is as stated below

Share range	No. of Shareholders	Percentage of Shareholders	Number of holdings	Percentage Holdings (%)
1-10,000	542,071	83.9600 %	1,591,364,537	5.07 %
10,001 - 50,000	79,281	12.2800 %	1,637,601,326	5.22 %
50,001 - 1,000,000	22,650	3.5100 %	3,854,576,850	12.28 %
1,000,001 - 5,000,000	1,265	0.2000 %	2,612,484,842	8.32 %
5,000,001 - 10,000,000	151	0.0200 %	1,087,361,826	3.46 %
10,000,001 - 50,000,000	151	0.0200 %	3,085,943,442	9.83 %
50,000,001 - 1,000,000,000	65	0.0100 %	11,633,370,085	37.05 %
Above 1,000,000,000	3	- %	5,893,790,879	18.77 %
	645,637	**100 %**	**31,396,493,787**	**100 %**

13. Substantial interest in shares

According to the register of members as at 31 December 2024, the following shareholders held more than 5% of the share capital of the Bank.

	Number of Shares Held	Number of Shares Held
Jim Ovia, CFR	3,552,949,395	11.32 %

According to the register of members as at 31 December 2023, the following shareholders held more that 5% of the issued share capital of the Bank.

	Number of Shares Held	Number of Shares Held
Jim Ovia, CFR	3,552,949,395	11.32 %

14. Donation and charitable gifts

The Bank made contributions to charitable and non-political organisations amounting to N4,750 million during the year ended 31 December 2024 (31 December 2023: N5,673 million).

The beneficiaries are as follows:

	31 December 2024 N' Million
State government infrastructure/security trust funds	2,548
Conferences and seminars	951
Sport organisations	276
Educational institutions	259
Charitable organisations	164
Various Professional Associations	83
Religious organisation	58
Health/medical initiatives	53
Other donations individually below N5million	358
	4,750

15. Events after the reporting period

On January 23, 2025, the bank received approval for the allotment of its newly issued shares. The total number of additional shares raised by the bank through the capital raise exercise is 9,673,336,214. This brings the total number of issued shares of the bank from a previous 31,396,493,787 units to a current 41,069,830,001 units.

See below analysis of the newly allotted shares:

Share range	No. of Shareholders (Right)	No of shares (Right)	No. of Applicants	No. of Shares (Public offer)	Total no of Shareholders	Total no of issued shares
1 - 50,000	38,169	410,937,059	116,643	815,302,250	154,812	1,226,239,309
50,001 - 100,000	637	85,569,449	5,700	465,710,250	6,337	551,279,699
100,001 - 500,000	660	410,622,233	3,834	877,405,500	4,494	1,288,027,733
500,001 - 1,000,000	121	97,269,348	756	649,132,500	877	746,401,848
1,000,001 - 5,000,000	115	353,919,902	411	915,262,500	526	1,269,182,402
5,000,001 - 10,000,000	19	177,806,321	30	214,104,000	49	391,910,321
10,000,001 - 50,000,000	23	633,280,993	21	391,340,750	44	1,024,621,743
50,000,001 and above	14	3,063,343,659	2	112,329,500	16	3,175,673,159
	39,758	**5,232,748,964**	**127,397**	**4,440,587,250**	**167,155**	**9,673,336,214**

16. Disclosure of customer complaints in financial statements for the year ended 31 December 2024

Description	Number		Amount claimed		Amount refunded	
In millions of Naira	31 December 2024	31 December 2023	31 December 2024 N.'m	31 December 2023 N.'m	31 December 2024 N.'m	31 December 2023 N.'m
Pending complaints brought forward	101,647	169,797	16,246	31,839	1,048	13
Received Complaints	102,140	355,210	181,921	16,915	63,873	3,694
Resolved Complaints	202,384	423,360	125,889	32,508	64,921	15,486
Unresolved Complaints	**1,403**	**101,647**	**72,278**	**16,246**	**-**	**-**

17. Human resources

(i) Employment of disabled persons

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

(ii) Health, safety and welfare at work

The Group enforces strict health and safety rules and practices at the work environment, which are reviewed and tested regularly. The COVID-19 pandemic also presented an opportunity for the Group to enhance its health and safety protocols in all its operating locations. The Group has retained Hospitals used by staff and immediate family members.

Fire prevention and fire-fighting equipment are installed in strategic locations within the Group’s premises, while occassional fire drills are conducted to create awareness amongst staff.

The Group 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.

(iii)Employee training and development

The Group ensures, through various fora, that employees are informed on matters concerning them. Formal and informal channels are also employed in communication with employees with an appropriate two-way feedback mechanism.

In acordance with the Group's policy of continuous development, training facilities are provided in well-equipped training centres. These are complemented by on-the-job training.

(iv) Gender analysis of staff

The average number of employees of the Bank during the year by gender and level is as follows;

(a) Analysis of total employees

	Gender Number			Gender Percentage	
	Male	**Female**	**Total**	**Male**	**Female**
Employees	3,614	4,090	7,704	47 %	53 %
	3,614	**4,090**	**7,704**	**47 %**	**53 %**

9

(b) Analysis of Board and top management staff

	Gender Number			Gender Percentage	
	Male	**Female**	**Total**	**Male**	**Female**
Board members (Executive and Non-executive directors)	9	5	14	64 %	36 %
Top management staff (AGM-GM)	63	29	92	68 %	32 %
	72	**34**	**106**	**68 %**	**32 %**

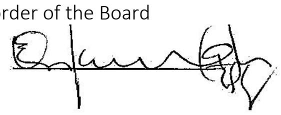
(c) Further analysis of board and top management staff

	Gender Number			Gender Percentage	
	Male	**Female**	**Total**	**Male**	**Female**
Assistant general managers	31	16	47	66 %	34 %
Deputy general managers	22	9	31	71 %	29 %
General managers	10	4	14	71 %	29 %
Board members (Non-executive directors)	5	3	8	63 %	38 %
Executive Directors (excluding MD)	4	1	5	80 %	20 %
Managing Director/CEO	-	1	1	- %	100 %
	72	**34**	**106**	**68 %**	**32 %**

18. Auditors

The auditors, Messrs Pricewaterhousecoopers, having satisfied the relevant corporate governance rules on their tenure in office, have indicated their willingness to continue in office as auditors to the Bank. In accordance with section 401 (2) of the Companies and Allied Matters Act of Nigeria 2020, therefore, the auditors will be reappointed at the next annual general meeting of the Bank without any resolution being passed.

By order of the Board



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Michael Osilama Otu Esq.

Company Secretary

January 30, 2025

FRC/2013/MULTI/00000001084

ZENITH BANK PLC

Statement of Corporate Responsibility in Relation to the Financial Statements for the Year Ended 31 December 2024

In line with the provision S. 405 of CAMA 2020 we have reviewed the audited financial statements of the Bank for the year ended 31 December 2024 and based on our knowledge confirm as follows:

(i) The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact which could make the statements misleading.

(ii)The audited financial statements and all other financial information included in the financial statmements fairly present, in all material respects the financial condition and results of operation of the Bank as of and for the year ended 31 December 2024.

(iii) The Bank's internal controls have been designed to ensure that all material information relating to the Bank and its subsidiaries is received and provided to the Auditors in the course of the audit.

(iv) The Bank's internal controls were evaluated within 90 days of the financial reporting date and are effective as of 31 December 2024.

(v) That we have disclosed to the Bank's Auditors and the Audit Committee the following information:

(a) there are no material weaknesses in the design or operation of the Bank's internal controls which could adversely affect the Bank's ability to record process and summarise and report financial data, and have discussed with the auditors any weakness in internal controls observed in the cause of the Audit

(b) there is no fraud involving management or other employees which could have any significant role in the Bank's internal control.

(vi) There are no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses.

30 January 2025

Durosinmi Abiodun Akanbi	Dame (Dr.) Adaora Umeoji, OON
Chief Financial Officer	Group Managing Director / CEO
FRC/2013/ICAN/00000001308	FRC/2024/PRO/DIR/003/967545

Corporate Governance Report
for the Year Ended 31 December 2024

1. Introduction

Corporate Governance is central to our business. The Bank conducts its business in line with the highest level of Corporate Governance and best practice. These governance practices are replicated across our subsidiary companies and constantly reviewed to ensure that we keep pace with global standards as well as changes occasioned by the dynamics in the business environment.

2. The Directors and other key personnel

During the year under review, the Directors and other key personnel of the Bank complied with the following Codes of Corporate Governance, which the Bank subscribes to:

a) The Central Bank of Nigeria (CBN) issued Corporate Governance Guidelines for Commercial, Merchant, Non-interest, and Payment Services Banks in Nigeria.

b) The Securities and Exchange Commission (SEC) issued Code of Corporate Governance for public companies.

c) The National Code of Corporate Governance for Public Companies which became effective in January 2019.

In addition to the above Codes, the Bank complies with relevant disclosure requirements in other jurisdictions where it operates.

3. Shareholders

The Bank has a diverse shareholding structure with no single ultimate individual shareholder holding more than 12% of the Bank’s total shares.

4 Board of Directors

The Board has the overall responsibility for setting the strategic direction of the Bank and for oversight of Senior Management. It also ensures that good Corporate Governance processes and best practices are implemented across the Bank and the the Subsidiary companies at all times.

The Board of the Bank consists of persons of diverse disciplines and skills, chosen on the basis of professional background and expertise, business experience and integrity as well as knowledge of the Bank’s business.

Directors are fully abreast of their responsibilities and knowledgeable in the business and are therefore able to exercise good judgment on issues relating to the Bank’s business. They have on the basis of this acted in good faith with due diligence and skill and in the overall best interest of the Company and relevant stakeholders during the year under review.

The Board has a Charter which regulates its operations. The Charter is reviewed from time to time in line with the CBN Code of Corporate Governance.

5. Board structure

The Board is made up of a Non-Executive Chairman, seven (7) Non-Executive Directors and six (6) Executive Directors including the GMD/CEO. Three (3) of the Non-Executive Directors are Independent Directors, appointed in compliance with the Central Bank of Nigeria (CBN) circular on Appointment of Independent Directors by Banks.

The Group Managing Director/Chief Executive is responsible for the day to day running of the Bank, assisted by the Executive Committee (EXCO). EXCO comprises the Executive Directors, and the Group Managing Director/Chief Executive as its Chairman.

6. Responsibilities of the Board

The Board is responsible for the following amongst others:

a) reviewing and approving the Bank’s strategic plans for implementation by management;

b) reviewing and approving the Bank’s financial statements;

c) reviewing and approving the Bank’s financial objectives, business plans and budgets, including capital allocations and expenditures;

d) monitoring corporate performance against the strategic plans and business, operating and capital budgets;

e) implementing the Bank’s succession planning;

f) approving acquisitions and divestitures of business operations, strategic investments and alliances and major business development initiatives;

g) approving delegation of authority for any unbudgeted expenditure;

h) setting the tone for and supervising the Corporate Governance Structure of the Bank, including corporate structure of the Bank and the Board and any changes to the strategic plans of the Bank and the Group;

i) assessing its own effectiveness in fulfilling its responsibilities, including monitoring the effectiveness of individual directors.

The membership of the Board during the year is as follows:

Board of Directors

Name	Date of Appointment
Jim Ovia, CFR. - (Chairman)	April 2, 2014
Mr.Gabriel Ukpeh - (Ind.NED)*****	February 24, 2016
Engr. Mustafa Bello - (NED)	December 29, 2017
Dr. Al-Mujtaba Abubakar, MFR - (Ind.NED)	August 1, 2019
Dr. Omobola Ibidapo-Obe Ogunfowora - (Ind.NED)	June 30, 2021
Mr Chuks Emma Okoh - (NED)	April 12, 2022
Dr. Peter Olatunde Bamkole - (Ind. NED)	April 12, 2022
Dr. Ebenezer Onyeagwu- GMD/CEO****	April 24, 2013
Dr. Adaora Umeoji,OON - (GMD)*	August 2, 2023
Mr. Henry Oroh - (ED)	August 1, 2019
Mrs Adobi Nwapa - (ED)	April 12, 2022
Mr. Akindele Ogunranti - (ED)	April 12, 2022
Dr. Juliet Ehimuan	August 29, 2023
Mr. Lawani Adamu***	April 24, 2024
Mr Louis Odom***	April 24, 2024
Ms. Pamela Yough**	April 30, 2024

*Dr. Adaora Umeoji, OON was appointed as the Group Managing Director effective 1 June 2024.

**Ms. Pamela Mimi Yough was appointed to the Board on 30 April, 2024

***Mr. Lawani Adamu and Mr. Louis Odom was appointed to the Board on 24 April, 2024.

****Dr.Ebenezer Onyeagwu retired from the Board effective 31 May 2024

*****Mr. Gabriel Ukpeh retired from the Board effective 8 March, 2024

The Board meets at least once every quarter but may hold extra-ordinary sessions to address urgent matters that require the attention of the Board.

7. Roles of Chairman and Chief Executive

The roles of the Chairman and Chief Executive are separate and no one individual combines the two positions. The Chairman's main responsibility is to lead and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Chairman is responsible for ensuring that Directors receive accurate, timely and clear information to enable the Board take informed decisions and provide advice to promote the success of the Bank. The Chairman also facilitates the contribution of Directors and promotes effective relationships and open communications between Executive and Non-Executive Directors, both inside and outside the Boardroom.

The Board has delegated the responsibility for the day-to-day management of the Bank to the Group Managing Director/Chief Executive Officer, who is supported by Executive Management. The Group Managing Director executes the powers delegated to him in accordance with guidelines approved by the Board of Directors. The Executive Management is accountable to the Board for the development and implementation of strategies and policies. The Board regularly reviews group performance, matters of strategic concern and any other matter it regards as material.

8. Director Nomination Process

The Board Governance Nomination and Remuneration Committee is charged with the responsibility of leading the process for Board appointments and for identifying and nominating suitable candidates for the approval of the Board.

With respect to new appointments, the committee identifies, reviews and recommends candidates for potential appointment as Directors. In identifying suitable candidates, the Committee considers candidates on merit against objective criteria and with due regard to diversity on the Board, including gender as well as the balance and mix of appropriate skills and experience.

Shareholding in the Bank is not a criterion for the nomination or appointment of a Director. The appointment of Directors is subject to the approval of the shareholders and the Central Bank of Nigeria.

9. Induction and continuous training

Upon appointment to the Board and to Board Committees, all Directors receive an induction tailored to meet their individual requirements.

The induction, which is facilitated by the Company Secretary, may include meetings with senior management staff and key external advisors, to assist Directors in acquiring a detailed understanding of the Bank's operations, its strategic plan, its business environment, the key issues the Bank faces, and to introduce Directors to their fiduciary duties and responsibilities.

The Bank attaches great importance to training its Directors and for this purpose, continuously offers training and education from onshore and offshore institutions to its Directors, in order to enhance their performance on the Board and the various committees to which they belong.

10 Board Committees

The Board carries out its oversight functions using its various Board Committees. This makes for efficiency and allows for a deeper attention to specific matters for the Board.

Membership of the Committees of the Board is intended to make the best use of the skills and experience of non-executive directors in particular.

The Board has established the various Committees with well defined terms of reference and Charters defining their scope of responsibilities in such a way as to avoid overlap or duplication of functions.

The Committees of the Board meet quarterly but may hold extraordinary sessions as the business of the Bank demands.

The following are the current standing Committees of the Board:

10.1. Board Credit Committee

The Committee is currently made up of seven (7) members comprising four (4) Non-Executive Directors and three (3) Executive Directors of the Bank. The Board Credit Committee is chaired by a Non-Executive Director who is well versed in credit matters. The Committee considers loan applications above the level of Management Credit Committee. It also determines the credit policy of the Bank or changes therein.

The membership of the Committee during the year is as follows:

Mr. Chuks Emma Okoh - Chairman
Dr. Al- Mujtaba Abubakar
Dr.Peter Bamikole
Ms. Pamela Mimi Yough
Mr. Adamu Lawani
Mr. Henry Oroh
Dr. Adaora Umeoji

Terms of reference

- To conduct a quarterly review of all collateral security for Board consideration and approval;
- To recommend criteria by which the Board of Directors can evaluate the credit facilities presented for various customers;
- To review the credit portfolio of the Bank;
- To approve all credit facilities above Management approval limit;
- To establish and periodically review the Bank's credit portfolio in order to align organizational strategies, goals and performance;
- To evaluate on an annual basis the components of total credit facilities as well as market competitive data and other factors as deemed appropriate, and to determine the credit level based upon this evaluation;
- To make recommendations to the Board of Directors with respect to credit facilities based upon performance, market competitive data, and other factors as deemed appropriate
- To recommend to the Board of Directors, as appropriate, new credit proposals, restructure plans, and amendments to existing plans;
- To recommend non-performing credits for write-off by the Board;

- To perform such other duties and responsibilities as the Board of Directors may assign from time to time.

10.2. Finance and General Purpose Committee

This Committee is made up of six (6) members: three (3) Non-Executive Directors and three (3) Executive Directors. It is chaired by a non-executive Director. The Committee considers large scale procurement by the Bank, as well as matters relating to staff welfare, discipline, staff remuneration and promotion.

The membership of the Committee during the year is as follows:

Dr. Peter Olatunde Bamkole – Chairman
Dr. Omobola Ibidapo-Obe Ogunfowora
Dr. Juliet Ehimuan
Mr. Adamu Lawani
Mrs. Adobi Stella Nwapa
Dr. Adaora Umeoji

Terms of reference

- Approval of large scale procurements by the Bank and other items of major expenditure by the Bank;
- Recommendation of the Bank's Capital Expenditure (CAPEX) and major Operating Expenditure (OPEX) limits for consideration by the Board;
- Consideration of management requests for branch set up and other business locations;
- Consideration of management request for establishment of offshore subsidiaries and other offshore business offices;
- Oversight responsibility with respect to the Bank and its subsidiary companies relating to material and strategic financial matters, including those related to investment policies and strategies, merger and acquisition transactions, financings, and structure including debts and equity securities, and credit agreements;
- Consider the Group's financial risk management and major insurance program.
- Overall tax planning activities and related developments;
- Consider the ratings from Credit rating agencies.
- Consideration of the dividend policy of the Bank and the declaration of dividends or other forms of distributions and recommendation to the Board;
- Consideration of capital expenditures, divestments, acquisitions, joint ventures and other investments, and other major capital transactions;
- Consideration of senior management promotions as recommended by the GMD/CEO;
- Review and recommendations on recruitment, promotion, and disciplinary actions for senior management staff;
- To discharge the Board's responsibility relating to oversight of the management of the health and welfare plans that cover the company's employees;
- Review and recommendation to the Board, salary revisions and service conditions for senior management staff, based on the recommendation of the Executives;
- Oversight of broad-based employee compensation policies and programs;

10.3. Board Risk Management Committee

The Board risk management committee has oversight responsibility for the overall risk assessment of various areas of the Bank's operations and compliance.

The Chief Risk Officer , the chief information security officer and the Chief inspector have access to this Committee and make quarterly presentations for the consideration of the Committee. Chaired by Engr. Mustapha Bello (a Non-Executive Director), the Committee's membership comprises the following:

Engr. Mustapha Bello – Chairman
Dr. Peter Olatunde Bamkole
Dr.Omobola Ibidapo-Obe Ogunfowora
Dr. Juliet Ehimuan
Mr. Louis Odom
Mr. Akindele Ogunranti
Mr. Henry Oroh
Dr. Adaora Umeoji

Terms of reference

- The primary responsibility of the Committee is to ensure that sound policies, procedures and practices are in place for the risk-wide management of the Bank's material risks and to report the results of the Committee's activities to the Board of Directors;

- Design and implement risk management practices, specifically provide ongoing guidance and support for the refinement of the overall risk management framework and ensuring that best practices are incorporated;

- Ensure that management understands and accepts its responsibility for identifying, assessing and managing risk

- Ensure and monitor risk management practices, specifically determine which enterprise risks are most significant and approve resource allocation for risk monitoring and improvement activities, assign risk owners and approve action plans;

- Periodically review and monitor risk mitigation progress and periodically review and report to the Board of Directors:
  (a) the magnitude of all material business risks;
  (b) the processes, procedures and controls in place to manage material risks; and
  (c) the overall effectiveness of the risk management process;

- Ensure the implementation of the approved cyber security policies, standards and delineation of cybersecurity responsibilities.

- Ensure that cybersecurity processes are conducted in line with the business requirements, applicable laws and regulation.

- Engage the Chief Information Security Officer (CISO) whose duties includes amongst others – responsibility for the implementation of approved cybersecurity policies and standards as well as to focus on the Bank-wide cybersecurity activities and the mitigation of cybersecurity risks in the Bank.

- Facilitate the development of a comprehensive risk management framework for the Bank and develop the risk management policies and processes and enforce its compliance;

- Provide oversight for the Bank's IT governance and Cybersecurity programme, including value delivery, strategic alignment, framework for performance management, resource management and policies;

- Review, approve and provide oversight for the bank's sustainability policy and banking principles and practices to ensure compliance with globally accepted standards.

- Perform such other duties and responsibilities as the Board of Directors may assign from time to time.

10.4. Board Audit and Compliance Committee

The Committee comprises Non-Executive Directors only and is chaired by - Dr. Al-Mujtaba Abubakar, who is well experienced and knowledgeable in financial matters. The Chief Inspector and Chief Compliance Officer have access to this Committee and make quarterly presentations for the consideration of the Committee.

The Committee’s membership comprises the following:

Dr. Al-Mujtaba Abubakar, MFR – Chairman
Engr. Mustafa Bello
Dr. Omobola Ibidapo-Obe Ogunfowora
Mr. Chuks Okoh

Committee's terms of reference

The Board Audit and Compliance Committee have the following responsibilities as delegated by the Board of Directors:

- Ascertain whether the accounting and reporting policies of the Bank are in accordance with legal requirements and acceptable ethical practices;

- Review the scope and planning of audit requirements including the review of the external audit plan;
- Review the findings on management matters (Management Letter) in conjunction with the external auditors and Management's responses thereon;
- Review the effectiveness of the Bank's system of accounting and internal control;
- Make recommendations to the Board regarding the appointment, removal and remuneration of the external auditors of the Bank
- Authorize the internal audit function to carry out investigations into any activities of the Bank which may be of interest or concern to the Committee;
- Assist in the oversight of compliance with legal and other regulatory requirements, assessment of qualifications and independence of the external auditors and performance of the Bank's internal audit function as well as that of the external auditors;
- Ensure that the internal audit function is firmly established and that there are other reliable means of obtaining sufficient assurance of regular review or appraisal of the system of internal control in the Bank;
- Oversee management's processes for the identification of significant fraud risks across the Bank and ensure that adequate prevention, detection and reporting mechanisms are in place
- On a quarterly basis, obtain and review reports by the internal auditor on the strength and quality of internal controls, including any issues or recommendations for improvement, raised during the most recent control review of the Bank;
- Discuss and review the Bank's unaudited quarterly and annual financial statements with management and external auditors to include disclosures, management control reports, independent reports and external auditors' reports before submission to the Board, in advance of publication
- Meet separately and periodically with management, the internal auditor and the external auditors, respectively;
- Review and ensure that adequate whistle - blowing procedures are in place and that a summary of issues reported is highlighted to the Board, where necessary;
- Review with external auditors, any audit scope limitations or problems encountered and management responses to them;
- Review the independence of the external auditors and ensure that they do not provide restricted services to the Bank;
- Appraise and recommend the appointment of internal auditor of the Bank to the Board and review his/her performance annually;
- Review the response of management to the observations and recommendation of the Auditors and Bank regulatory authorities;
- Agree Internal Audit Plan for the year with the Internal auditor and ensure that the internal audit function is adequately resourced and has appropriate standing within the Bank
- Undertake quarterly review of Internal Audit progress against Plan for the year as well as outstanding agreed actions including following up
- Develop a comprehensive internal control framework for the Bank and obtain assurances on the operating effectiveness of the Bank's internal control framework;
- Establish management's processes for the identification of significant fraud risks across the Bank and ensure that adequate prevention, detection and reporting mechanisms are in place;
- Liaise with the Internal Auditor to develop the Internal Audit Plan for the year and ensure that the internal audit function is adequately resourced to carry out the plan;
- Review the report of the Chief Compliance Officer as it relates to Anti-Money Laundering policies of the Bank and other law enforcement issues.
- The Chief Inspector and the Chief Compliance Officer makes quarterly presentation to the Committee, in addition to reporting to the Group Managing Director. The Chief Inspector and the Chief Compliance Officer also have unrestricted access to the Chairman of the Committee;.
- Review and discuss external suspicious activity/transaction reports (SARs) submitted by the Chief Compliance officer with a view to making recommendations to the Board.
- Review and discuss recommendations from the Compliance Group on ways to enhance the company's compliance with statutes, rules and directives of the relevant regulatory agencies, most especially the Nigerian Financial Intelligence Unit (NFIU).

- Ensure the generation and submission, in due time, of external suspicion activity/transaction reports (SARs) and submit same to the Nigerian Financial Intelligence Unit (NFIU) and other relevant Regulatory Authorities in accordance with the AML/CFT/CPF rules or any other relevant legislation in force at the time.

- Perform such other duties and responsibilities as the Board of Directors may assign from time to time.

10.5. Board Governance, Nomination and Remuneration Committee

The Committee is made up of five (5) Non-Executive Directors and is chaired by an Independent Non-Executive Director.

The membership of the Committee is as follows:

Dr.Omobola Ibidapo-Obe Ogunfowora – (Chairman)
Engr. Mustafa Bello
Dr. Al-Mujtaba Abubakar, MFR
Mr. Chuks Okoh
Dr. Juliet Ehimuan
Ms. Pamela Mimi Yough

Committee's terms of reference

- Determine a fair, reasonable and competitive compensation practices for Executive officers and other key employees of the Bank which are consistent with the Bank's objectives;

- Determine the quantum and structure of compensation and benefits for Non-Executive Directors, Executive Directors and senior management of the Group;

- Ensure the existence of an appropriate remuneration policy and philosophy for Executive Directors, Non-Executive Directors and staff of the Group;

- Review and recommend for the Board's ratification, all terminal compensation arrangements for Directors and senior management;

- Recommend appropriate compensation for Non-Executive Directors for Consideration by the Board and at the Annual General Meeting;

- Review and approve any recommended compensation actions for the Company's Executive Committee members, including base salary, annual incentive bonus, long-term incentive awards, severance benefits, and perquisites;

- Review and continuously assess the size and composition of the Board and Board Committees, and recommend the appropriate Board structure, size, age, skills, competencies, composition, knowledge, experience and background in line with needs of the Group and diversity required to fully discharge the Board's duties;

- Recommendation of membership criteria for the Group Board, Board Committees and subsidiary companies Boards.

- Identification at the request of the Board of specific individuals for nomination to the Group and subsidiary companies Boards and to make recommendations on the appointment and election of New Directors (including the Group MD) to the Board, in line with the Group's approved Director Selection criteria

- Review of the effectiveness of the process for the selection and removal of Directors and to make recommendations where appropriate;

- Ensuring that there is an approved training policy for Directors, and monitoring compliance with the policy;

- Review and make recommendations on the Group's succession plan for Directors and other senior management staff for the consideration of the Board;

- Monitor compliance by Directors and staff of the Group's code of ethics and business conduct;

- Review the Group's organization structure and to make recommendations to the Board for approval;

- Review and agree at the beginning of the year, of the key performance indicators for the Group MD and Executive Directors;

- Ensure that the Group has a succession policy and plan in place for the Chairman of the Board, the MD/CEO and all other EDs, NEDs, and Senior Management positions to ensure leadership continuity in the Group.

- Review and make recommendations on the recruitment, promotions and disciplinary actions for Executive Management level personnel.

- Ensure that board evaluation reports of subsidiaries are formally discussed and documented as a way of radiating sound governance practices across the Group.

- Ensure annual review or appraisal of the performance of the Board is conducted. This review/appraisal covers all aspects of the Board's structure, composition, responsibilities, individual competencies, Board operations, Board's role in strategy setting, oversight over corporate culture, monitoring role and evaluation of management performance and stewardship towards shareholders etc.

10.6. Audit Committee of the Bank

The Committee is established in line with section 404(2) (CAMA 2020). The Committee's membership consists of three (3) representatives of the shareholders elected at the Annual General Meeting (AGM) and two (2) Non-Executive Directors. The Committee is chaired by a shareholder's representative. The Committee meets every quarter, but could also meet at any other time, should the need arise.

The Chief Inspector, the Chief Financial Officer, as well as the External Auditors are invited from time to time to make presentation to the Committee.

All members of the Committee are financially literate.

The membership of the Committite is as follows:

Shareholders' representative

Mrs. Adebimpe Balogun – (Chairman)
Prof (Prince) L.F.O Obika
Mr. Michael Olusoji Ajayi

Non-Executive Directors / Director's Representatives
Dr. Al-Mujtaba Abubakar
Engr. Mustafa Bello

Committee's terms of reference

- To meet with the independent auditors, chief financial officer, internal auditor and any other Bank executive both individually and/or together, as the Committee deems appropriate at such times as the Committee shall determine to discuss and review:

- The Bank's quarterly and audited financial statements, including any related notes, the Bank's specific disclosures and discussion under "Managements Control Report" and the independent auditors' report, in advance of publication;

- The performance and results of the external and internal audits, including the independent auditor's management letter, and management's responses thereto;

- The effectiveness of the Bank's system of internal controls, including computerized information systems and security; any recommendations by the independent auditor and internal auditor regarding internal control issues and any actions taken in response thereto; and, the internal control certification and attestation required to be made in connection with the Bank's quarterly and annual financial reports;

- Such other matters in connection with overseeing the financial reporting process and the maintenance of internal controls as the committee shall deem appropriate.

- To prepare the Committee's report for inclusion in the Bank's annual report;

- To report to the entire Board at such times as the Committee shall determine.

10.7. Executive committee (EXCO)

The EXCO comprises the Group Managing Director, Deputy Managing Director as well as all the Executive Directors. EXCO has the GMD/CEO as its Chairman. The Committee meets weekly (or such other times as business exigency may require) to deliberate and take policy decisions on the effective and efficient management of the Bank. It also serves as a first review platform for issues to be discussed at the Board level. EXCO's primary responsibility is to ensure the implementation of strategies approved by the Board, provide leadership to the Management team and ensure efficient deployment and management of the Bank's resources. Its Chairman is responsible for the day-to-day running and performance of the Bank.

10.8. Other Committees

In addition to the afore-mentioned committees, the Bank has in place, other standing management committees. They include:

a) Management Committee (MANCO)

b) Assets and Liabilities Committee (ALCO)

c) Management Global Credit Committee(MGCC)

d) Sustainability Steering Committee (SSC)

e) Information Security Steering Committee

a) Management Committee (MANCO)

The Management Committee comprises the senior management of the Bank and has been established to identify, analyze, and make recommendations on risks arising from day-to-day activities. They also ensure that risk limits as contained in the Board and Regulatory policies are complied with. Members of the management committee make contributions to the respective Board Committees and also ensure that recommendations of the Board Committees are effectively and efficiently implemented. They meet weekly and as frequently as the need arises.

b) Assets and Liabilities Committee (ALCO)

The ALCO is responsible for the management of a variety of risks arising from the Bank's business including market and liquidity risk management, loan to deposit ratio analysis, cost of funds analysis, establishing guidelines for pricing on deposit and credit facilities, exchange rate risks analysis, balance sheet structuring, regulatory considerations and monitoring of the status of implemented assets and liability strategies. The members of the Committee include the Group Managing Director, Executive Directors, the Treasurer, the Head of Financial Control, Group Head, Risk Management Group and a representative of the Assets and Liability Management Unit. A representative of the Asset and Liability Management Department serves as the secretary of this Committee.

The Committee meets weekly and as frequently as the need arises.

c) Management Global Credit Committee(MGCC)

The Management Global Credit Committee is responsible for ensuring that the Bank complies with the credit policy guide as established by the Board. The Committee also makes contributions to the Board Credit Committee. The Committee can approve credit facilities to individual obligors not exceeding in aggregate a sum as pre-determined by the Board from time to time. The Committee is responsible for reviewing and approving extensions of credit, including one-obligor commitments that exceed an amount as may be determined by the Board. The Committee reviews the entire credit portfolio of the Bank and conducts periodic assessment of the quality of risk assets in the Bank. It also ensures that adequate monitoring of performance is carried out. The secretary of the committee is the Head of the Credit Administration Department.
The Committee meets weekly or at such other times, depending on the number of credit applications to be considered. The members of the Committee include the Group Managing Director, the Executive Directors and all divisional and group heads.

d) Sustainability Steering Committee (SSC)

This Committee is responsible for regular analysis and review of sustainable Banking policies and practices within the Bank to ensure compliance with globally acceptable economic, environmental and social norms.

The Bank, recognizing that every institution is as strong as the strength of its relationship and that the ability to nurture existing relationships and develop new ones will invariably play a significant role in the financial stability of the organization. Therefore, the Bank believes that an organization must forge a closer relationship with its stakeholders, including customers, employees, local communities, suppliers, among others, to ensure triple bottom line profit.

The Committee present quarterly reports to the Board Risk Management Committee and also ensures that the Committee's decisions and policies are implemented. The members of the Committee include representatives from various marketing and operations departments and groups within the Bank as well as the CSR and Research Group.

e) Information Security Steering Committee

The information security steering committee is responsible for the governance of the cybersecurity programme. The Committee is also responsible for providing oversight and ensure alignment between information security strategy and company objectives. Assessing the adequacy of resources and funding to sustain and advance successful security programs and practices for identifying, assessing, and mitigating cybersecurity risks across all business functions. The Committee review company policies pertaining to information security and cyberthreats, taking into account the potential for external threats, internal threats, and threats arising from transactions with trusted third parties and vendors. Review of privacy and information security policies and standards and review the ramifications of updates to policies and standards as well as establish standards and procedures for escalating significant security incidents to the ISSC, Board, other steering committees, government agencies, and law enforcement agencies, as appropriate.

Membership of the Committee

The membership of the Information Security Steering Committee comprises of:

1. Group Managing Director / CEO

2. Executive Directors

3. Chief Information Officer

4. Chief Inspector

5. Chief Risk Officer(CRO)

6. Chief Financial Officer(CFO)

7. Head of InfoTech - Software

8. Head of InfoTech – Engineering

9. Group Head Retail

10. Chief Information Security Officer(CISO)

11. Head of IT Audit

12. Information Security Officer

13. Head of Risk Management

14. Head of Card Services

15. Representatives of Marketing Group

11. Policy on trade in the Bank's securities

The Bank has a policy on trading on the Bank's Securities by Directors and other key personnel of the Bank. This is to guide against situations where such personnel in possession of confidential and price sensitive information deal with Bank's securities in a manner that amounts to insider trading.

12 Relationship with shareholders

Zenith Bank maintains an effective communication with its shareholders, which enables them understand our business, financial condition, operating performance and trends. Apart from the Bank's annual report and accounts, proxy statements and formal shareholders' meetings, the Bank maintains a rich website (with suggestion boxes) that provide information on a wide range of issues for all stakeholders.

Also, a quarterly publication of the Bank and Group performance is produced in line with the disclosure requirements of the Nigerian Stock Exchange.

The Bank has an Investors Relations Unit which holds regular forum to brief all stakeholders on operations of the Bank.

The Bank also, from time to time, holds briefing sessions with market operators (stockbrokers, dealers, institutional investors, issuing houses, stock analysts, mainly through investors conference) to update them with the state of business. These professionals, as advisers and purveyors of information, relate with and relay to the shareholders useful information about the Bank. The Bank also regularly briefs the regulatory authorities, and file statutory returns which are usually accessible to the shareholders.

13. Directors remuneration policy

The Bank's remuneration policy is structured taking into account the environment in which it operates and the results it achieves at the end of each financial year. It includes the following elements:

Non-Executive Directors

- Components of remuneration is annual fee and sitting allowances which are based on levels of responsibilities.

- Directors are also sponsored for training programmes that they require to enhance their duties to the Bank.

- During the year under review, in addition to other programmes, all Directors attended the CFT/AML training programme to keep them abreast of recent trends in CFT and money laundering.

Executive Directors

The remuneration policy for Executive Directors considers various elements, including the following:

- Fixed remuneration, taking into account the level of responsibility, and ensuring this remuneration is competitive with remuneration paid for equivalent posts in Banks of equivalent status both within and outside Nigeria.

- Variable annual remuneration linked to the Zenith Bank financial results. The amount of this remuneration is subject to achieving specific quantifiable targets, aligned directly with shareholders' interest.

MONITORING COMPLIANCE WITH CORPORATE GOVERNANCE

Chief Compliance Officer

The Chief Compliance Officer monitors compliance with money laundering requirements and the implementation of the Code of Corporate Governance of the Bank. He reports to the Board through the the Executive compliance officer(ECO).

The Chief Compliance Officer and the Company Secretary forward regular returns to the Central Bank of Nigeria and other regulatory bodies on all whistle-blowing reports and also on corporate governance compliance.

Whistle Blowing Procedures

The Bank has a whistle-blowing procedure that ensures anonymity for whistle-blowers. The Bank has a direct link on the Bank's website, provided for the purpose of whistle-blowing.

Internally, the Bank has a direct link on its intranet for dissemination of information, to enable members of staff report all identified breaches of the Bank's Code of Corporate Governance. All reports are investigated and necessary sanctions applied for breache.

Codes of Coduct

The Bank has a Code of Professional Conduct for Employees, which all members of staff subscribe to upon assumption of duties with the Bank. The Bank also has a Code of Conduct for Directors.

14. Foreign Subsidiaries Governance Structure

The Bank as at 31 December 2024 has four (4) foreign subsidiaries, two (2) local subsidiaries and one (1) representative office. Their activities are governed by the foreign subsidiaries governance structure put in place by the Group Head Office through the Group Governance Framework to ensure efficient and effective operations. The framework establishes the scope, method of performance management, periodic reviews and feedback mechanism for operating within the local laws in their respective jurisdiction.

The activities of the subsidiaries are closely monitored by Zenith Bank Plc using the following strategies:

Liaison and Oversight Function

The Foreign Subsidiaries Department is charged with the responsibility of overseeing the growth and implementation of the Bank's global expansion strategy into new territories/regions. The Department serves as an interface between the Bank and its offshore subsidiaries. It also provides guidance on how to optimize synergy within the Group. Reports from the Group is presented to the Board at its quarterly meetings.

Representation on the Subsidiary Board

Zenith Bank Plc exercises control over the subsidiaries by maintaining adequate representation on the Board of each subsidiary. The representatives are chosen on the basis of professional competencies, business experience and integrity as well as knowledge of the Bank's business.

The Board of Directors of the subsidiaries are responsible for reviewing and approving the strategic plans and financial objectives as well as monitoring the corporate performance against these objectives.

Local Board and Board Committee

To ensure that the activities of the subsidiaries reflects the same values, ethics, controls and processes, Zenith Bank Plc is represented by at least one (1) non-executive director in the local board and board committee of each foreign subsidiary. These directors provide effective oversight function over each subsidiary and ensure that there is consistency with the strategic direction of the Bank. They also act as a link with the parent board at the Group Head Office in Nigeria.

Subsidiary Board Committees

The Subsidiary Board meets at least every quarter and exercises oversight function on the business of each location through the following committee structure.

- Board Credit Committee which is charged with the responsibility of considering the approval of new loans and renewal of existing ones above the threshold set for the Management Credit Committee. It also determines the credit policy or changes therein.

- Board Risk Management Committee which has oversight responsibility for the overall risk management of various areas of the Bank's operations and compliance. This includes advising the Board on risk-related matters arising from its business.

- Board Audit and Compliance Committee is responsible for the review of accounting and reporting policies to ensure compliance with regulatory and financial reporting requirements. The Board, through the committee exercise oversight on the Compliance and AML/CFT activities of the Bank. Overall, it monitors the effectiveness of the Bank's system of internal control to safeguard its assets for shareholders.

- Board Governance, Nomination and Remuneration Committee (BGNRC) saddled with the responsibility of determining a fair, reasonable and competitive renumeration structure for senior management of the Bank as well as administering the Governance structure for the Bank.

- Board Staff Welfare, Finance & General Purpose Committee has the responsibility of approving large scale procurements by the Bank, as well as matters relating to staff welfare, discipline, staff remuneration and promotion.

Management of Subsidiaries

Zenith Bank Plc appoints one of its senior management staff to act as the Managing Director of each subsidiary. Other key staff are seconded to assist the managing director in the supervision of critical departments of the Bank.

The objective of this management structure is to ensure that the core values and principles of the Zenith Bank brand are instilled seamlessly across its offshore subsidiaries. It also offers the Group an opportunity to adopt a uniform culture of best practices in the area of corporate governance, technology, controls and customer service excellence.

Monthly and Quarterly Reports

The subsidiaries furnish Zenith Bank Plc with monthly and quarterly reports on their business and operational activities. These reports covers the subsidiaries' financial performance, risk assessment, regulatory and compliance matters amongst others. The reports are analyzed and presented to Executive Management and the Group Board of Directors for decision making and fulfilment of its oversight function.

Group Performance & Strategy Review/Budget Session

The Managing Directors and senior management team of the respective Subsidiaries of the Bank attend the annual Group's Performance & Strategy Review/Budget Session during which their performances are analyzed and recommendations made towards achieving continuous improvement in financial, social and environmental performance. The annual budget of the subsidiaries are discussed at this session. This session also serves as a forum for sharing business ideas, tapping into identified synergy within the Group and disseminating information on relevant best practices that could enhance our sustained growth in the Banking landscape.

Annual Internal Control Audit

The Internal Control & Audit Department of Zenith Bank Plc carries out an annual audit of each of the offshore subsidiaries in line with the Group's Annual Audit Programme. This audit exercise covers all operational areas of the subsidiaries and the outcome is discussed with Executive Management at the home office for timely intervention on identified lapses. It is important to note that this exercise is distinct from the daily operations audit carried out by the respective internal audit unit within the subsidiaries

Annual Loan Review/Audit

This audit is carried out by the Loan Review & Monitoring Unit of Zenith Bank Plc. The core areas of concentration during this audit exercise include asset quality assessment, loan performance, review of security pledged, loan conformity with credit policy, documentation check and review of central liability report among others

Group Compliance Function

Zenith Bank Plc is committed to complying with regulatory requirements in all locations where it operate. To this end, The Bank's Compliance Group monitors ongoing developments in the regulatory environment of each location where it operates and ensuring compliance with same. This include conducting periodic compliance checks on each subsidiary annually to ascertain compliance with local banking laws and regulations.

Report of External Auditors

In line with global best practices and regulatory guidelines, the Bank undertakes the review of Management letters from external Auditors on periodic audit of the subsidiary companies. This is to ensure that all exceptions are complied with and for implementation of the Auditors' recommendations.

15. Complaints Management Policy

The Bank has put in place a complaints management policy framework to resolve complaints arising from issues covered under the Investments and Securities Act, 2007 (ISA). This can be found on the Bank's website.

16. Report of Fraud and Forgeries

This report details the fraud and forgery incidents that took place during the specified year, summarizing both attempted and successful cases.

	31 December 2024	31 December 2023
Number of fraud cases	497	523
Amount involved (N'millions)	7,746	894.4
Amount involved ($'millions)	62	0.61
Actual loss (N'millions)	5,261	383.38
Actual loss ($'millions)	0.049	0.6

17. Schedule of board and board committees meeting held during the period

The table below shows the frequency of meetings of the Board of directors, board committees and members' attendance at these meetings during the year under review.

Directors	Board	Board credit committee	Finance and general purpose committee	Board governance, nomination and remuneration committee	Board risk management committee	Board audit and compliance committee
Attendance/no of meetings	**8**	**5**	**4**	**4**	**4**	**4**
Jim Ovia, CFR	8	N/A	N/A	N/A	N/A	N/A
Mr. Jeffrey Efeyin	4	2	N/A	2	2	2
Prof. Chukuka S.Enwemeka	4	2	2	N/A	2	N/A
Mr.Gabriel Ukpeh*	2	1	1	1	N/A	1
Engr.Mustafa Bello	8	N/A	N/A	4	4	4
Dr. Al-Mujtaba Abubakar, MFR	8	5	N/A	4	1	4
Dr. O. Ibidapo-Obe Ogunfowora	8	N/A	4	4	4	4
Mr Peter Bamkole	8	4	4	2	4	2
Mr Chuks Emma Okoh	8	5	2	4	N/A	2
Dr. Juliet Ehimuan	8	N/A	N/A	4	4	4
Ms. Pamela Yough***	4	2	N/A	2	N/A	N/A
Dr.Ebenezer Onyeagwu****	5	2	2	N/A	2	N/A
Dr.Adaora Umeoji, OON*****	8	5	4	N/A	2	N/A
Mr. Umar Shuaib Ahmed	7	N/A	N/A	N/A	4	N/A
Mr. Henry Oroh	8	4	2	N/A	4	N/A
Mr. Dennis Olisa	7	N/A	N/A	N/A	4	N/A
Mrs. Adobi Nwapa	8	N/A	4	N/A	N/A	N/A
Mr. Akindele Ogunranti	8	N/A	N/A	N/A	4	N/A
Mr. Adamu Lawani**	4	2	N/A	N/A	N/A	N/A
Mr. Louis Odom**	4	N/A	N/A	N/A	2	N/A

Note:

* Mr. Gabriel Ukpeh retired from the Board effcetive 8 March, 2024.

** Mr. Adamu Lawani and Mr. Louis Odom was appointed to the Board effective 24 April, 2024.

*** Ms. Pamela Yough was appointed to the Board effective 30 April, 2024.

**** Dr. Ebenezer Onyeagwu retired from the Board effective 31 May, 2024.

***** Dr. Adaora Umeoji was appointed as Group Managing Director/CEO effective 1 June, 2024

N/A - Not Applicable (Not a Committee member)

Dates for Board and Board Committee meetings held within the year to 31 December 2024

Board meetings	Board credit committee meeting	Finance and general purpose committee	Board Risk Management committee Meeting	Board Audit and Compliance Committee Meeting	Board Governance, Nomination and Remuneration Committee	Audit committee meeting of the bank
25-Jan-24						
31-Jan-24	30-Jan-24	29-Jan-24	29-Jan-24	30-Jan-24	29-Jan-24	30-Jan-24
19-Mar-24		27-Apr-22	26-Apr-22	26-Apr-22	26-Apr-22	26-Apr-22
28-Jul-22	27-Jul-22	26-Jul-22	26-Jul-22	27-Jul-22	26-Jul-22	27-Jul-22
25-Apr-24	24-Apr-24	23-Apr-24	23-Apr-24	22-Apr-24	23-Apr-24	22-Apr-24
08-May-24					05-Apr-16	05-Apr-16
27-Jun-24	19-Jul-24	18-Jul-23	18-Jul-23	19-Jul-23	18-Jul-23	19-Jul-23
23-Jul-24	19-Jul-24	18-Jul-24	18-Jul-24	22-Jul-24	18-Jul-24	22-Jul-24
25-Oct-23	11-Sep-24	24-Oct-23	24-Oct-23	23-Oct-23	23-Oct-23	23-Oct-23
30-Oct-24	29-Oct-24	28-Oct-24	28-Oct-24	21-Oct-24	25-Oct-24	21-Oct-24
28-Dec-22						

18. Audit Committee

The table below shows the frequency of meetings of the audit committee and members' attendance at these meetings during the year under review.

Number of meetings held during the year:

Members	Number of Meetings attended
Mrs. Adebimpe Balogun (SR)	4
Prof. (Prince) L.F.O Obika (SR)	4
Mr. Michael Olusoji Ajayi (SR)	4
Engr. Mustafa Bello (INED)	4
Dr.Al-mujtaba Abubakar (INED)	4

SR - Shareholders representative

INED- Independent Non-Executive Director

* Changes arising from AGM Resolution

Statement of Directors' Responsibilities in Relation to the Financial Statements for the Year Ended 31 December 2024

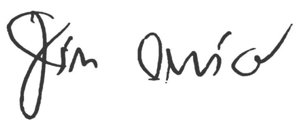
The Directors accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act, (CAMA 2020) of Nigeria, Financial Reporting Council of Nigeria Act, 2011, the Banks and Other Financial Institutions Act, (BOFIA),2020 relevant Central Bank of Nigeria (CBN) Guidelines and Circulars.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act, (CAMA 2020) of Nigeria and for such internal control as the directors determines necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

The Directors have assessed the Bank's and Group's ability to continue as a going concern and have no reason to believe that the Bank and the Group will not remain a going concern for at least a year from the date of approval of the financial statements.

SIGNED ON BEHALF OF THE

BOARD OF DIRECTORS BY:



Jim Ovia, CFR.
Chairman
FRC/2013/CIBN/00000002406
30 January, 2025

Dame (Dr.) Adaora Umeoji, OON
Group Managing Director / CEO
FRC/2024/PRO/DIR/003/967545
30 January, 2025

ZENITH BANK PLC

Report of the Audit Committee
for the Year Ended 31 December 2024

In compliance with Section 407(1) Companies and Allied Matters Act of Nigeria 2020, we have reviewed the consolidated and separate financial statements of Zenith Bank Plc for the year ended 31 December 2024 and hereby state as follows:

1. The scope and planning of the audit were adequate in our opinion;

2. The accounting and reporting policies of the Group and Bank conformed with the statutory requirements and agreed ethical practices;

3. The internal control and internal audit functions were operating effectively; and

4. The external auditor's findings as stated in the management letter are being dealt with satisfactorily by the management.

5. Related party balances and transactions have been disclosed in Note 37 to the financial statements in accordance with requirements of the International Financial Reporting Standards (IFRS) and directives issued by the Central Bank of Nigeria (CBN) as contained in the Prudential Guidelines for Deposit Money Banks in Nigeria and Circular on Disclosure of insider related credits in financial statements BSD/1/2004.

Dated 27th January, 2025.

Mrs. Adebimpe Balogun
Chairman Audit Committee
FRC/2017/CITN/00000017467

MEMBERS OF THE COMMITTEE

Shareholders Representative

1. Mrs Adebimpe Balogun - Chairman

2. Mr. Michael Olusoji Ajayi

3. Prof. (Prince) L.F.O Obika

Directors· Representative

Non-Executive Director

1.Dr. Al-Mujtaba Abubakar, MFR

2. Engr. Mustafa Bello

ZENITH BANK PLC
RC: 150224

HEAD OFFICE
Zenith Heights, Plot 84/87 Ajose Adeogun Street,
P. O. Box 75315, Victoria Island, Lagos.
(01) 2787000, 2927000, 4647000
www.zenithbank.com | SWIFT: ZEIBNGLA

ZENITH

Annual Report and Financial Statements for the year ended 31 December 2024

Management's Annual Assessment of, and Report on, ZENITH BANK Plc's Internal Control over Financial Reporting

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of ZENITH BANK Plc for the year ended 31 December 2024:

i. ZENITH BANK Plc's management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.

ii. ZENITH BANK Plc's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR;

iii. ZENITH BANK Plc's management has assessed that the entity's ICFR as of the end of 31 December 2024 is *effective.*

iv. ZENITH BANK Plc's external auditor Messrs PricewaterhouseCoopers that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.
The attestation report of Messrs PricewaterhouseCoopers that audited its financial statements will be filed as part of ZENITH BANK Plc's annual report.

Jim Ovia

Name: Jim Ovia, CFR.

Chairman

Name: Dame (Dr.) Adaora Umeoji, OON

Group Managing Director/ CEO

ZENITH BANK PLC
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Annual Report Financial Statements for the year ended 31 December 2024

Certification of Management assessment on internal control over financial reporting,

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of ZENITH BANK Plc for the year ended 31 December 2024

I, Durosinmi Abiodun, certify that:

a) I have reviewed this Management assessment on internal control over financial reporting of ZENITH BANK Plc;

b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;

d) The entity's other certifying officer and I:

1) are responsible for establishing and maintaining internal controls;

2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

4) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):

ZENITH

1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and

2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

f) The entity's other significant certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Name: Durosinmi Abiodun

FRC No: FRC/2013/ICAN/00000001308

Date: 30/01/2025

Designation: Chief Financial Officer

Signature: ______________________

ZENITH BANK PLC
RC: 150224

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Annual Report and Financial Statements for the year ended 31 December 2024

Certification of management's assessment on Internal control over financial reporting.

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of ZENITH BANK Plc for the year ended 31 December 2024.

I, Dame (Dr.) Adaora Umeoji, certify that:

a) I have reviewed this management assessment on internal control over financial reporting of ZENITH BANK Plc;
b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
d) The entity's other certifying officer and I:
1) are responsible for establishing and maintaining internal controls;
2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
4) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):

1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and

2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

f) The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Name: Dame (Dr.) Adaora Umeoji

Designation: Group Managing Director / CEO

FRC No: FRC/2024/PRODIR/003/967545

Date: 30 /01 /2025

Signature:

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Independent practitioner's report

To the Members of Zenith Bank Plc

Report on an assurance engagement performed by an independent practitioner to report on management's assessment of controls over financial reporting

Our opinion

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management of Zenith Bank Plc ("the bank") and its subsidiaries (together "the group") are not adequate as of 31 December 2024, based on the SEC Guidance on Implementation of Section 60 – 63 of The Investments and Securities Act 2007 issued by The Securities and Exchange Commission.

What we have performed

We have performed an assurance engagement on Zenith Bank Plc's internal control over financial reporting as of December 31, 2024, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria. The bank's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Assessment of, and Report on, Zenith Bank Plc's International Control Over Financial Reporting. Our responsibility is to express an opinion on the bank's internal control over financial reporting based on our assurance engagement.

Basis for opinion

We conducted our assurance engagement in accordance with the Guidance, which requires that we plan and perform the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other matter

We also have audited, in accordance with the International Standards on Auditing, the consolidated and separate financial statements of Zenith Bank Plc and our report dated 26 March 2025 expressed as an unqualified Opinion.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0168633

Wura Olowofoyeku

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria
FRC/2023/COY/176894

26 March 2025

Engagement Partner: Wura Olowofoyeku
FRC/2017/PRO/ICAN/004/00000016809

Independent auditor's report

To the Members of Zenith Bank Plc

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Zenith Bank Plc ("the bank") and its subsidiaries (together "the group") as at 31 December 2024, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with international financial reporting standards as issued by the International Accounting Standards Board ("*IFRS Accounting Standards*") and the requirements of the Companies and Allied Matters Act, the Banks and Other Financial Institutions Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

What we have audited

Zenith Bank Plc's consolidated and separate financial statements comprise:

- the consolidated and separate statements of profit or loss and other comprehensive income for the year ended 31 December 2024;
- the consolidated and separate statements of financial position as at 31 December 2024;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of material accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

pwc

Key audit matter	How our audit addressed the key audit matter
Expected credit losses on loans and advances to customers (refer to notes 2.7,4.2 and 20) The expected credit losses (ECL) on loans and advances to customers is a key audit matter in the consolidated and separate financial statements because the measurement of impairment allowance is highly subjective and involves the exercise of significant judgments and the use of complex models and assumptions. The gross balance of loans and advances to customers as at 31 December 2024 was N10,994 billion and N9,723 billion for group and bank respectively. The associated impairment allowance on loans and advances to customers was N1,028 billion and N1,014 billion for group and bank respectively. The key areas of significant judgment in the calculation of ECL include: • input assumptions and judgments applied in estimating the Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) which are key parameters in the ECL model; and • incorporation of macro-economic inputs and forward-looking information into the ECL model and scenario weights applied to them. This is considered a key audit matter in both the consolidated and separate financial statements.	We understood management's process, evaluated and tested key controls around the determination of the allowance for ECL. To assess management's determination of staging incorporated as inputs into the PD and LGD models, we selected a sample of customers and performed the following procedures: • tested the inputs into the credit rating tool and agreed the output of the tool to the ECL model; • examined customer specific information to assess management's conclusions relating to staging; and • tested the valuation of collaterals used in the ECL model by comparing the values to the results of valuation performed by management's external valuers. We assessed the competence, experience, and independence of the external valuers. With the assistance of our modelling experts, we: • evaluated the appropriateness of the IFRS 9 impairment methodology for reasonableness. • checked the reasonableness and accuracy of the PD methodology and computations respectively by performing independent calculations based on the bank's default experience; • assessed the validity of the assumptions used in determining the recoveries applied in estimating LGD for compliance with the requirements of IFRS 9; • checked the accuracy of EAD computation by performing an independent calculation for a selected sample of loan exposures using the customer contractual cash flows. • checked that the credit conversion factor (CCF) for off-balance sheet exposures was correctly estimated, and applied in determining the EAD by performing independent computations on a selected sample of exposures; • evaluated the appropriateness of macro-economic inputs, forward-looking information and their associated scenario weights by comparing to available industry information and checking that they have been appropriately incorporated into the ECL model; and • checked the accuracy of ECL computation by performing an independent computation for a selected sample of loan exposures. We assessed the adequacy of the disclosures in the financial statements in accordance with IFRS 9.

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Other information

The directors are responsible for the other information. The other information comprises Directors, Officers and Professional Advisers, Directors' Report, Statement of Corporate Responsibility in Relation to the Financial Statements, Corporate Governance Report, Statement of Directors' Responsibilities in Relation to the Financial Statements, Report of the Audit Committee, Management's Annual Assessment of, and Report on, Zenith Bank Plc's Internal Control over Financial Reporting, Chief Finance Officer's Certification of management's assessment on internal control over financial reporting, Chief Executive Officer's Certification of management's assessment on internal control over financial reporting, Value Added Statement and Five-Year Financial Summary, but does not include the consolidated and separate financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the other sections of the Zenith Bank Plc 2024 Annual Report, which are expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of the Zenith Bank Plc 2024 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors and those charged with governance for the consolidated and separate financial statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria (Amendment) Act, 2023, the Banks and Other Financial Institutions Act, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The Companies and Allied Matters Act and the Banks and Other Financial Institutions Act require that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) the bank has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches and locations not visited by us;

iii) the bank's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns;

iv) the information required by Central Bank of Nigeria Circular BSD/1/2004 on insider related credits is disclosed in Note 37 to the consolidated and separate financial statements; and

v) disclosed in Note 41 to the consolidated and separate financial statements, the bank paid penalties in respect of contraventions of certain sections of the Banks and Other Financial Institutions Act and/or relevant circulars issued by the Central Bank of Nigeria during the year ended 31 December 2024.

In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of Zenith Bank Plc's internal control over financial reporting as of 31 December 2024. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, and we have issued an unqualified opinion in our report dated 26 March 2025.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0168632

Wura Olowofoyeku

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

26 March 2025

Engagement Partner: Wura Olowofoyeku
FRC/2017/PRO/ICAN/004/00000016809

ZENITH BANK PLC

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income for the Year ended 31 December 2024

		Group		Bank	
In millions of Naira	Note(s)	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Interest and similar income	6	2,721,377	1,144,674	2,284,763	926,232
Interest and similar expense	7	(992,474)	(408,492)	(839,111)	(355,228)
Net interest income		**1,728,903**	**736,182**	**1,445,652**	**571,004**
Impairment charge on financial and non-financial instruments	8	(658,805)	(409,616)	(668,913)	(398,412)
Net interest income after impairment loss on financial and non-financial instruments		1,070,098	326,566	776,739	172,592
Net income on fees and commission	9	206,867	109,307	149,861	71,080
Trading gains	10	1,100,002	566,973	1,053,127	538,286
Other operating (loss)/income	11	(206,764)	242,588	(146,665)	264,063
Depreciation of property and equipment	26	(44,228)	(29,857)	(33,198)	(26,090)
Amortisation of intangible assets	27	(8,318)	(3,469)	(5,860)	(2,447)
Personnel expenses	36	(204,170)	(124,415)	(128,644)	(88,083)
Operating expenses	12	(586,636)	(291,731)	(532,071)	(261,686)
Profit before tax		**1,326,851**	**795,962**	**1,133,289**	**667,715**
Income tax expense	13a	(293,956)	(119,053)	(197,131)	(72,114)
Profit for the year after tax		**1,032,895**	**676,909**	**936,158**	**595,601**
Other comprehensive income:					
Items that will never be reclassified to profit or loss					
Fair value movements on equity instruments at FVOCI		151,011	122,252	151,011	122,252
Impact of adopting IAS 29 on 1 January		109,202	81,408	-	-
Total items that will not be reclassified to profit or loss		**260,213**	**203,660**	**151,011**	**122,252**
Items that are or may be reclassified to profit or loss:					
Foreign currency translation differences for foreign operations		220,288	162,942	-	-
Fair value movement on debt securities at FVOCI		6,046	10,280	-	-
Income tax effect relating to fair value movement on debt securities at FVOCI		(2,841)	(2,603)	-	-
Other comprehensive income for the year net of taxation		**483,706**	**374,279**	**151,011**	**122,252**
Total comprehensive income for the year		**1,516,601**	**1,051,188**	**1,087,169**	**717,853**
Profit attributable to:					
Equity holders of the parent		1,032,711	676,569	936,158	595,601
Non-controlling interest		184	340	-	-
		1,032,895	**676,909**	**936,158**	**595,601**
Total comprehensive income attributable to:					
Equity holders of the parent		1,515,864	1,050,373	1,087,169	717,853
Non-controlling interest		737	815	-	-
		1,516,601	**1,051,188**	**1,087,169**	**717,853**
Earnings per share					
Basic and diluted (Naira)	14	32.87	21.55	29.79	18.97

The accompanying notes are an integral part of these consolidated and separate financial statements.

ZENITH BANK PLC

Consolidated and Separate Statements of Financial Position as at 31 December 2024

		Group		Bank	
In millions of Naira	Note(s)	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Assets					
Cash and balances with central banks	15	5,888,216	4,253,374	5,249,789	3,965,386
Treasury bills	16	2,678,929	2,736,273	2,437,464	2,529,966
Assets pledged as collateral	17	266,866	308,638	89,062	255,061
Due from other banks	18	4,935,707	1,834,314	4,442,436	1,691,722
Derivative assets	19	280,626	534,739	271,213	507,942
Loans and advances	20	9,965,364	6,556,470	8,708,775	5,928,796
Investment securities	21	5,098,044	3,290,895	2,248,587	1,205,724
Investments in subsidiaries	22	-	-	34,625	34,625
Deferred tax asset	24	21,542	17,251	1,756	-
Current tax receivable	13	6,869	18,975	-	-
Other assets	25	326,725	474,976	184,136	417,419
Property and equipment	26	400,441	295,532	290,273	230,267
Intangible assets	27	88,196	47,018	80,203	44,185
Total assets		**29,957,525**	**20,368,455**	**24,038,319**	**16,811,093**
Liabilities					
Customers' deposits	28	21,959,369	15,167,740	17,163,424	12,154,824
Derivative liabilities	32	9,258	70,486	4,465	45,514
Current income tax payable	13	256,168	33,877	248,613	28,080
Deferred tax liabilities	24	5,502	59,310	-	59,233
Other liabilities	29	1,402,045	1,039,712	1,323,440	1,003,947
On lending facilities	30	250,725	263,065	250,725	263,065
Borrowings	31	2,045,185	1,410,885	1,951,616	1,450,182
Total liabilities		**25,928,252**	**18,045,075**	**20,942,283**	**15,004,845**
Capital and reserves					
Share capital	33	20,535	15,698	20,535	15,698
Share premium	34	594,113	255,047	594,113	255,047
Retained earnings	34	2,015,513	1,179,390	1,538,189	893,938
Other reserves	34	1,396,747	871,617	943,199	641,565
Attributable to equity holders of the parent		4,026,908	2,321,752	3,096,036	1,806,248
Non-controlling interest	34	2,365	1,628	-	-
Total shareholders' equity		**4,029,273**	**2,323,380**	**3,096,036**	**1,806,248**
Total liabilities and equity		**29,957,525**	**20,368,455**	**24,038,319**	**16,811,093**

The accompanying notes are an integral part of these consolidated and seperate financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 30th January 2025 and signed on its behalf by:

Jim Ovia, CFR.	**Dame (Dr.) Adaora Umeoji, OON**	**Durosinmi Abiodun Akanbi**
Chairman	**Group Managing Director/CEO**	**Chief Financial Officer**
FRC/2013/CIBN/00000002406	**FRC/2024/PRO/DIR/003/967545**	**FRC/2013/ICAN/00000001308**

Consolidated and Separate Statements of Changes in Equity for the Year Ended 31 December 2024

In millions of Naira	Note(s)	Share capital	Share premium	Foreign currency translation reserve	Fair value reserve	Statutory reserve	SMIEIS reserve	Credit risk reserve	Retained earnings	Total	Non-controlling interest	Total equity
Group												
1 January 2024		**15,698**	**255,047**	**187,892**	**176,909**	**409,104**	**3,729**	**93,982**	**1,179,391**	**2,321,752**	**1,628**	**2,323,380**
Profit for the year		-	-	-	-	-	-	-	1,032,711	1,032,711	184	1,032,895
Other comprehensive income:		-	-	-	-	-	-	-	-	-	-	-
Impact of adopting IAS 29 at 1 January 2024		-	-	-	-	-	-	-	108,646	108,646	556	109,202
Foreign currency translation differences		-	-	220,291	-	-	-	-	-	220,291	(3)	220,288
Fair value movements on equity instruments		-	-	-	151,011	-	-	-	-	151,011	-	151,011
Fair value movements on debt securities		-	-	-	6,046	-	-	-	-	6,046	-	6,046
Income tax effect relating to fair value movement on debt securities at FVOCI		-	-	-	(2,841)	-	-	-	-	(2,841)	-	(2,841)
Total Comprehensive Income		**-**	**-**	**220,291**	**154,216**	**-**	**-**	**-**	**1,141,357**	**1,515,864**	**737**	**1,516,601**
Issue of shares	34	4,837	339,066	-	-	-	-	-	-	343,903	-	343,903
Share issue cost	34	-	-	-	-	-	-	-	(13,329)	(13,329)	-	(13,329)
Transfer between reserves	34	-	-	-	-	140,424	-	10,200	(150,624)	-	-	-
Transactions with owners of the Parent												
Dividends	39	-	-	-	-	-	-	-	(141,284)	(141,284)	-	(141,284)
Balance at 31 December 2024		**20,535**	**594,113**	**408,183**	**331,125**	**549,528**	**3,729**	**104,182**	**2,015,513**	**4,026,908**	**2,365**	**4,029,273**
1 January 2023		**15,698**	**255,047**	**24,953**	**46,980**	**311,411**	**3,729**	**95,304**	**625,005**	**1,378,127**	**813**	**1,378,940**
Profit for the year		-	-	-	-	-	-	-	676,569	676,569	340	676,909
Other Comprehensive income:												
Impact of adopting IAS 29 at 1 January 2023		-	-	-	-	-	-	-	80,936	80,936	472	81,408
Foreign currency translation differences		-	-	162,939	-	-	-	-	-	162,939	3	162,942
Fair value movements on equity instruments		-	-	-	122,252	-	-	-	-	122,252	-	122,252
Fair value movements on debt securities		-	-	-	10,280	-	-	-	-	10,280	-	10,280
Income tax effect relating to fair value movement on debt securities at FVOCI		-	-	-	(2,603)	-	-	-	-	(2,603)	-	(2,603)
Total comprehensive income for the year		**-**	**-**	**162,939**	**129,929**	**-**	**-**	**-**	**757,505**	**1,050,373**	**815**	**1,051,188**
Transfer between reserves	35	-	-	-	-	97,693	-	(1,322)	(96,371)	-	-	-
Transactions with owners of the Parent												
Dividends	40	-	-	-	-	-	-	-	(106,748)	(106,748)	-	(106,748)
Balance at 31 December 2023		**15,698**	**255,047**	**187,892**	**176,909**	**409,104**	**3,729**	**93,982**	**1,179,391**	**2,321,752**	**1,628**	**2,323,380**

Consolidated and Separate Statements of Changes in Equity
for the year ended 31 December 2024

In Millions of Naira	Note(s)	Share capital	Share premium	Fair value reserve	Statutory reserve	SMIEIS reserve	Credit risk reserve	Retained earnings	Total equity
Bank									
Balance at 1 January 2024		**15,698**	**255,047**	**175,983**	**367,942**	**3,729**	**93,911**	**893,938**	**1,806,248**
Profit for the year		-	-	-	-	-	-	936,158	936,158
Other comprehensive income									
Fair value movements on equity instruments		-	-	151,011	-	-	-	-	151,011
Total comprehensive income for the period		**-**	**-**	**151,011**	**-**	**-**	**-**	**936,158**	**1,087,169**
Issue of shares		4,837	339,066	-	-	-	-	-	343,903
Transfer between reserves	34	-	-	-	140,424	-	10,200	(150,624)	-
Dividends	39	-	-	-	-	-	-	(141,284)	(141,284)
Balance at 31 December 2024		**20,535**	**594,113**	**326,994**	**508,366**	**3,729**	**104,111**	**1,538,190**	**3,096,038**
Balance at 1 January 2023		**15,698**	**255,047**	**53,731**	**278,602**	**3,729**	**93,911**	**494,429**	**1,195,147**
Profit for the year		-	-	-	-	-	-	595,601	595,601
Other comprehensive income:									
Fair value movements on equity instruments		-	-	122,252	-	-	-	-	122,252
Total comprehensive income for the period		**-**	**-**	**122,252**	**-**	**-**	**-**	**595,601**	**717,853**
Transfer between reserves	34	-	-	-	89,340	-	-	(89,340)	-
Dividends	39	-	-	-	-	-	-	(106,748)	(106,748)
Balance at 31 December 2023		**15,698**	**255,047**	**175,983**	**367,942**	**3,729**	**93,911**	**893,938**	**1,806,248**

The accompanying notes are an integral part of these consolidated and separate financial statements.

ZENITH BANK PLC

Consolidated and Separate Statements of Cash Flows for the Year Ended 31 December 2024

In millions of Naira	Note(s)	Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
Cash flows from operating activities					
Profit before tax for the year		1,326,851	795,962	1,133,289	667,715
Adjustments for:					
Net impairment loss on financial and non-financial instruments	8	658,805	409,616	668,913	398,412
Unrealised fair value change in trading bond, bills and derivatives	43(xii)	(261,785)	495,591	(257,165)	(493,766)
Depreciation of property and equipment	26	44,228	29,857	33,198	26,090
Amortisation of intangible assets	27	8,318	3,469	5,860	2,447
Dividend income	11	(8,645)	(5,661)	(14,645)	(19,777)
Foreign exchange revaluation (gain)/loss	44(xx)	(1,099,619)	358,103	(736,639)	308,353
Interest income	6	(2,828,801)	(1,144,674)	(2,284,763)	(926,232)
Interest expense	7	993,011	408,492	839,111	355,228
Loss /(Gain) on sale of property and equipment	43(vi)	994	(189)	1,013	(186)
(Gain)/loss on lease derecognition	43(xviii)	-	(14)	-	2
Net monetary loss arising from hyperinflationary economy	11	33,783	10,485	-	-
Recognition of utilized withholding tax		(8,866)	-	(8,866)	-
Gain/(loss) on modification of financial asset		42,518	-	-	-
		(1,099,208)	369,854	(620,694)	318,286
Changes in operating assets and liabilities:					
Net (increase) in loans and advances	43(iii)	(3,853,588)	(3,001,962)	(3,225,860)	(2,623,642)
Net decrease/ (increase) in other assets	43(viii)	141,599	(258,867)	211,213	(222,544)
Net decrease/(increase) in treasury bills (FVTPL) including bills pledged	43(iib)	(559,300)	451,645	(559,300)	451,645
Net (increase)/decrease in investment securities including bonds pledged (FVTPL and FVOCI)	43(i)	(18,462)	(9,545)	(16,669)	(6,666)
Net (increase) in restricted balances (cash reserves)	43(x)	(1,372,721)	(2,233,799)	(1,094,650)	(2,144,031)
Net (increase)/decrease in due from banks with maturity greater than three months	43(vii)	(840,238)	37,147	(1,240,144)	106,055
Net increase in derivatives	43(ix)	464,253	43,549	462,428	42,811
Net increase in customer deposits	43(iv)	6,809,014	6,195,403	5,001,368	4,713,057
Net increase in Other liabilities	43(v)	313,904	470,960	276,602	454,570
		(14,747)	2,064,385	(805,706)	1,089,541
Interest received from operating activities	43(xiiia)	1,471,304	803,644	1,319,580	711,069
Interest paid	43(xi)	(639,393)	(310,064)	(481,431)	(243,790)
Tax paid	13	(101,135)	(107,535)	(28,723)	(62,367)
Net cash flows generated from operations		**716,029**	**2,450,430**	**3,720**	**1,494,453**
Cash flows from investing activities					
Purchase of property and equipment	43(xivb)	(101,993)	(50,281)	(92,728)	(40,580)
Proceeds from Sale of property and equipment	43(vi)	3,520	1,382	1,647	1,341
Purchase of intangible assets	27	(49,371)	(24,035)	(43,444)	(22,674)
Additions to treasury bills	43(iia)	(798,943)	(4,547,984)	(705,643)	(2,824,475)
Disposal of treasury bills	43(iia)	2,092,066	3,836,384	1,730,853	2,245,622
Interest received from treasury bills and investment securities	43(xiiib)	443,331	85,081	180,678	62,434
Acquisition of Right of Use Asset	43(xiva)	(131)	(859)	(64)	(811)
Additions to other Investment securities	43(XV)	(2,011,587)	(2,378,357)	(1,087,128)	(539,842)
Disposal of other Investment securities	43(i)	414,354	980,761	376,950	82,885
Dividends received	11	8,645	5,661	14,645	19,777
Net cash (used in)/from investing activities		**(109)**	**(2,092,246)**	**375,766**	**(1,016,323)**

ZENITH BANK PLC

Consolidated and Separate Statements of Cash Flows for the Year Ended 31 December 2024

In millions of Naira	Note(s)	Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
Cash flows from financing activities					
Proceeds on share issue	33	343,903	-	343,903	-
Cash inflow from long term borrowings	31	2,860,580	1,148,702	2,771,322	1,197,352
Repayment of long term borrowings	31	(2,735,376)	(1,569,493)	(2,735,376)	(1,569,493)
Interest paid on long term borrowing	31	(192,475)	(97,895)	(160,647)	(97,569)
Cash inflow from onlending facility	30	16,860	-	16,860	-
Repayment of onlending facility	30	(31,812)	(48,080)	(31,812)	(48,080)
Interest paid on onlending facility	30	(1,357)	(5,778)	(1,357)	(5,778)
Repayment of principal for lease liability	43(v)	(4,899)	(1,543)	(1,088)	(979)
Interest paid on lease liability	43(v)	(485)	(224)	(484)	(212)
Unclaimed dividend received	43(xv)	484	352	484	352
Dividends paid to shareholders	39	(141,284)	(106,748)	(141,284)	(106,748)
Share issue cost		(13,329)	-	-	-
Net cash from/(used in) financing activities		**100,810**	**(680,707)**	**60,521**	**(631,155)**
Net increase/(decrease) in cash and cash equivalents		**816,730**	**(322,523)**	**440,007**	**(153,025)**
Analysis of changes in cash and cash equivalents:					
Cash and cash equivalent at the beginning of the year		2,304,511	1,940,758	2,018,402	1,657,186
Net increase/(decrease) in cash and cash equivalents		**816,730**	**(322,523)**	**440,007**	**(153,025)**
Effect of exchange rate movement on cash balances		1,671,032	686,276	1,017,461	514,241
Cash and cash equivalents at the end of the year	40	**4,792,273**	**2,304,511**	**3,475,870**	**2,018,402**

The accompanying notes are an integral part of these consolidated and separate financial statements.

1 General information

Zenith Bank Plc (the "Bank") was incorporated in Nigeria under the Companies and Allied Matters Act as a private limited liability company on May 30, 1990. It was granted a banking licence in June 1990, to carry on the business of commercial banking and commenced business on June 16, 1990. The Bank is domiciled in Nigeria and was converted into a Public Limited Liability Company on May 20, 2004. The Bank's shares were listed on October 21, 2004 on the Nigerian Stock Exchange. In August 2015, the Bank was admitted into the Premium Board of the Nigerian Stock Exchange.

The registered office adress of the company is Plot 84/87 Ajose Adeogun street, Victoria Island, Lagos.

The principal activity of the Bank is the provision of banking and other financial services to corporate and individual customers. Such services include granting of loans and advances, corporate finance and money market activities.

The Bank has six subsidiary companies namely; Zenith Bank (Ghana) Limited, Zenith Pensions Custodian Limited, Zenith Bank (UK) Limited, Zenith Bank (Sierra Leone) Limited, Zenith Bank (The Gambia) Limited and Zenith Nominees Limited. The Bank also has a representative office in China in addition to operating a branch of Zenith Bank (UK) Limited in the United Arab Emirates.

The consolidated and separate financial statements for the year ended 31 December 2024 comprise the Bank and its subsidiaries (together referred to as "the Group" and individually as "Group entities") and the separate financial statements comprise the Bank. The consolidated and separate financial statements for the year ended 31 December 2024 were approved and authorised for issue by the Board of Directors on 28 February 2025. The directors have the power to amend and re-issue the financial statements.

The Group does not have any unconsolidated structured entity.

2.0 (a) New and amended IFRS Accounting Standards that are effective for the current year

Except as noted below, the Group has consistently applied the accounting policies as set out in Note 2(b) to all periods presented in these consolidated and separate financial statements.

The Group has adopted the following new standards and amendments including any consequential amendments to other standards with initial date of application of January 1, 2024:

i. Classification of Liabilities as Current or Non-current - Amendments to IAS 1 Non-current Liabilities with Covenants - Amendments to IAS 1

Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting year. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date. The amendments require disclosures if an entity classifies a liability as noncurrent and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include: the carrying amount of the liability, information about the covenants, and facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants. The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note. The amendments must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

The effective date is 1 January 2024.

The impact of this amendment on the Group's financial statement is currently under assessment.

This amendment did not have a significant impact on the Group financial statements.

There are no other new standards or amendments applicable to the Group with an effective date of 1 January 2024.

(b) Standards issued but not yet effective

The following standard had been issued but was not mandatory for year ended on 31 December 2024. The Group has not early adopted the underlisted standard in preparing the financial statements as it plans to adopt it at the effective date, if applicable.

i. IFRS 18 'Presentation and Disclosure in Financial Statements'

In April 2024, the IASB issued IFRS 18 'Presentation and Disclosure in Financial Statements', effective for annual reporting periods beginning on or after 1 January 2027. The new accounting standard aims to give users of financial statements more transparent and comparable information about an entity's financial performance. It will replace IAS 1 'Presentation of Financial Statements' but carries over many requirements from that IFRS Accounting Standard unchanged. In addition, there are three sets of new requirements relating to the structure of the income statement, management-defined performance measures and the aggregation and disaggregation of financial information.

While IFRS 18 will not change recognition criteria or measurement bases, it might have a significant impact on presenting information in the financial statements, in particular the income statement. The Group is currently assessing any impacts as well as data readiness before developing a more detailed implementation plan.

ii Amendments to IAS 21 'Lack of Exchangeability'

In August 2023, the IASB published amendments to IAS 21 'Lack of Exchangeability' effective from 1 January 2025. The Group is undertaking an assessment of the potential impact, which is not expected to be significant.

iii Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures'

In May 2024, the IASB issued amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures', effective for annual reporting periods beginning on, or after, 1 January 2026. In addition to guidance as to when certain financial liabilities can be deemed settled when using an electronic payment system, the amendments also provide further clarification regarding the classification of financial assets that contain contractual terms that change the timing or amount of contractual cash flows, including those arising from ESG-related contingencies, and financial assets with certain non-recourse features. The Group is undertaking an assessment of the potential impact.

There are no other new standards or amendments issued but not yet effective that are applicable to the Group.

(c) Material accounting policies

Except as noted in Note 2.0(a), the Group has consistently applied the following accounting policies to all periods presented in these consolidated and separate financial statements, unless otherwise stated.

2.1 Basis of preparation

(a). Statement of compliance

The financial statements are prepared in accordance with the IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria (Amendment) Act 2023, the Banks and other Financial Institutions Act of Nigeria, and relevant Central Bank of Nigeria circulars. The financial statements comply with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

(b) Basis of measurement

The financial statements have been prepared under the historical cost convention with the exception of the following:

- Derivative financial instruments which are measured at fair value; and
- Non-derivative financial instruments, carried at fair value through profit or loss, or fair value through other comprehensive income which are measured at fair value.

(c) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 4.

2.2 Basis of Consolidation

(a) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity if it is exposed to, or has the rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it has control if there are changes to one or more elements of control. This includes circumstances in which protective rights held become substantive and lead to the Group having control over an investee.

The financial statements of subsidiaries are consolidated from the date the Group acquires control, up to the date that such effective control ceases.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (transactions with owners). When the proportion of the equity held by Non Controlling Interests (NCIs) changes, the carrying amounts of the controlling and NCIs are adjusted to reflect the changes in their relative interests in the Subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Group.

Inter-company transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate financial statements, investments in subsidiaries are measured at cost less accumulated impairment.

(b) Loss of Control

On loss of control, the Group derecognises the assets and liabilities of the subsidiary, any related non-controlling interests and the other components of equity relating to a subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, that retained interest is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

(c) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

2.2 Basis of Consolidation (continued)

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves are recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(d) Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

2.3 Translation of foreign currencies

Foreign currency transactions and balances

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The parent entity's functional currency (Nigerian Naira) is adopted as the presentation currency for the separate and consolidated financial statements. Except as otherwise indicated, financial information presented in Naira has been rounded to the nearest million.

(b) Group companies

Except for those subsidiaries operating in a hyper-inflationary economy (as shown in note 2.27), the results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i) assets and liabilities for statement of financial position presented are translated at the closing rate at the reporting date;

ii) income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

iii) all resulting exchange differences are recognised in other comprehensive income and presented within equity as foreign currency translation reserves.

On the disposal of a foreign operation, the Group recognises in profit or loss the cumulative amount of exchange differences relating to that foreign operation. When a subsidiary that includes a foreign operation is partially disposed of or sold, the Group re-attributes the proportionate share of the cumulative amount of the exchange differences recognised in other comprehensive income to the non-controlling interests in that foreign operation. In the case of any other partial disposal of a foreign operation, the Group reclassifies to profit or loss only the proportionate share of the cumulative amount of exchange differences recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate at the reporting date.

(c) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated to the functional currency using the exchange rate at the transaction date, and those measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined and are recognised in the profit or loss. When a gain or loss on non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss shall be recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange of that gain or loss shall be recognised in profit or loss.

Translation differences on equities measured at fair value through other comprehensive income are included in other comprehensive income and transferred to the fair value reserve in equity.

2.3 Translation of foreign currencies (continued)

Foreign currency gains and losses on intra-group loans are recognised in profit or loss unless settlement of the loan is neither planned nor likely to occur in the foreseeable future, in which case the foreign currency gains and losses are initially recognised in the foreign currency translation reserve in the consolidated financial statements. Those gains and losses are recognised in profit or loss at the earlier of settling the loan or at the time at which the foreign operation is disposed.

2.4 Cash and cash equivalents

In the statement of financial position, cash and balances with central bank comprises cash on hand and balances with central bank.

For the purposes of the statement of cash flow, cash and cash equivalents comprise balances with original maturities of three (3) months or less than three months from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. They include cash and non-restricted balances with central banks, treasury bills and other eligible bills, amounts due from other banks and short-term government securities.

2.5 Financial instruments

(a) Initial recognition and measurement

Financial instruments are recognised initially when the Group becomes a party to the contractual provisions of the instruments.

Financial instruments carried at fair value through profit or loss are initially recognised at fair value with transaction costs, which are directly attributable to the acquisition or issue of the financial instruments, being recognised immediately through profit or loss. Financial instruments that are not carried at fair value through profit or loss are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

Financial instruments are recognised or de-recognised on the date the Group settles the purchase or sale of the instruments (settlement date accounting).

(b) Subsequent measurement

Subsequent to initial measurement, financial instruments are measured either at amortised cost or fair value depending on their classification category.

(c) Classification

(i) Financial assets

Subsequent to initial recognition, all financial assets within the Group are measured at:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); or
- Fair value through profit or loss (FVTPL)

The Group's financial assets are subsequently measured at amortised cost if they meet both of the following criteria and are not designated as at FVTPL:

- 'Hold to collect' business model test - The asset is held within a business model whose objective is to hold the financial asset in other to collect contractual cash flows; and
- 'SPPI' contractual cash flow characteristics test - The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding on a specified date. Interest in this context is the consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time.

Debt instruments are measured at amortised cost by the Group if they meet both of the following criteria and are not designated as at FVTPL:

- 'Hold to collect and sell' business model test: The asset is held within a business model whose objective is achieved by both holding the financial asset in order to collect contractual cash flows and selling the financial asset; and
- 'SPPI' contractual cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets including equity investments are measured at fair value.

2.5 **Financial instruments (continued)**

A financial asset is classified and measured at fair value through profit or loss (FVTPL) by the Group if the financial asset is:

- A debt instrument that does not qualify to be measured at amortised cost or FVOCI;
- An equity investment which the Group has not irrevocably elected to classify as at FVOCI and present subsequent changes in fair value in OCI;
- A financial asset where the Group has elected to measure the asset at FVTPL under the fair value option.

(ii) Financial liabilities

Financial liabilities are either classified by the Group as:

- Financial liabilities at amortised cost; or
- Financial liabilities as at fair value through profit or loss (FVTPL).

Financial liabilities are measured at amortised cost by the Group unless either:

- The financial liability is held for trading and is therefore required to be measured at FVTPL, or
- The Group elects to measure the financial liability at FVTPL (using the fair value option).

(iii) Financial guarantees contracts and loan commitments

A financial guarantee contract is a contract that requires the Group (issuer) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitments are firm commitments to provide credit under pre-specified terms and conditions. Financial guarantees issued or commitments to provide a loan at a below-market interest rate are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with IFRS 9 (see note 3.2.18) and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

The Group has issued no loan commitments that are measured at FVTPL.

Liabilities arising from financial guarantees and loan commitments are included within provisions.

The Group conducts business involving commitments to customers. The majority of these facilities are set-off by corresponding obligations of third parties. Contingent liabilities and commitments comprise usance lines and letters of credit.

Usance and letters of credit are agreements to lend to a customer in the future subject to certain conditions. An acceptance is an undertaking by a bank to pay a bill of exchange drawn on a customer.

Letters of credit are given as security to support the performance of a customer to third parties. As the Group will only be required to meet these obligations in the event of the Customer's default, the cash requirements of these instruments are expected to be considerably higher than their nominal amounts.

Contingent liabilities and commitments are initially recognized at fair value which is also generally equal to the fees received and amortized over the life of the commitment. The carrying amount of contingent liabilities are subsequently measured at the higher of the present value of any expected payment when a payment under the contingent liability has become probable and the unamortised fee.

Business model assessment

The Group assesses the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

– how the performance of the portfolio is evaluated and reported to the Group's management;

– the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;

2.5 Financial instruments (continued)

– how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and

– the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

– contingent events that would change the amount and timing of cash flows;

– terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse loans); and features that modify consideration of the time value of money (e.g. periodical reset of Interest rate).

The Group holds a portfolio of long-term fixed-rate loans for which the Group has the option to propose to revise the interest rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision. The borrowers have an option to either accept the revised rate or redeem the loan at par without penalty. The Group has determined that the contractual cash flows of these loans are SPPI because the option varies the interest rate in a way that is consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the year after the Group changes its business model for managing financial assets.

(d) Derecognition

(i) Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire (see also (e)), or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

The Group sometimes enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending and sale-and-repurchase transactions.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to sale-and-repurchase transactions, because the Group retains all or substantially all of the risks and rewards of ownership of such assets.

2.5 Financial instruments (continued)

In transactions in which the Group neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions, the Group retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

(ii) Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(e) Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, then the Group evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized (see (d)) and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows: - fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and - other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximize recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Group plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see below for write off policy). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Group first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower (see (2.9)), then the gain or loss is presented together with impairment losses for stage 1 facilities. For stage 2 and 3, the modification gain or loss is disclosed separately. In other cases, it is presented as interest income calculated using the effective interest rate method.

Financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

(f) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

2.5 Financial instruments (continued)

(g) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(h) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e. the fair value of the consideration given or received. However, in some cases the initial estimate of fair value of a financial instrument on initial recognition may be different from its transaction price. If this estimated fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognised in profit or loss on initial recognition of the instrument. In other cases, the fair value at initial recognition is considered to be the transaction price and the difference is not recognised in profit or loss immediately but is recognised over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price. Where the Bank has positions with offsetting risks, mid market prices are used to measure the offsetting risk positions and a bid or ask price adjustment is applied only to the net open position as appropriate.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Subsequent to initial recognition, the fair value of a financial instrument is based on quoted market prices or dealer price quotation for financial instruments. If a market for a financial instrument is not active, then the Group establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs into valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument.

See note 3.5 on fair valuation methods and assumptions.

(i) Assets pledged as collateral

Financial assets transferred to external parties and which do not qualify for de-recognition are reclassified in the statement of financial position from treasury bills and investment securities to assets pledged as collateral, if the transferee has received the right to sell or re-pledge them in the event of default from agreed terms. Assets pledged as collateral are initially recognised at fair value, and are subsequently measured at amortised cost or fair value as appropriate. These transactions are performed in accordance with the usual terms of securities lending and borrowing.

(j) Assets under repurchase agreement

Assets under repurchase agreement are transactions in which the Group sells a security and simultaneously agrees to repurchase it (or an asset that is substantially the same as the one sold) at a fixed price on a future date. The Group continues to recognise the securities in their entirety in the statement of financial position because it retains substantially all of the risks and rewards of ownership. The cash consideration received is recognised as a financial asset and a financial liability is recognised for the obligation to pay the repurchase price. Because the Group sells the contractual rights to the cash flows of the securities, it does not have the ability to use the transferred assets during the term of the arrangement.

2.6 Derivative instruments

Derivatives are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The method of recognizing the resulting fair value gain or loss depends on whether the derivative is designated and qualifies as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as Hedges of the fair value of recognized assets or liabilities or firm commitments (fair value hedges).

The Group documents, at the inception of the hedge, the relationship between hedged items and hedging instruments, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

(a) Fair Value Hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit or loss, together with changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.
The Bank discontinues hedge accounting in any of the following circumstances:

- The hedging instrument is not, or has ceased to be, highly effective as a hedge
- The hedging instrument has expired, is sold, terminated, or exercised
- The hedged item matures, is sold, or repaid
- The forecast transaction is no longer deemed highly probable
- The Bank elects to discontinue hedge accounting voluntarily

Derivatives that do not qualify for Hedge Accounting
Certain derivatives do not qualify for hedge accounting. Changes in the fair value of any derivative not designated in a hedging relationship are recognized immediately in profit or loss and are included in Trading gains/(losses).

2.7 Impairment

The Group recognises loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

• Financial assets that are debt instruments;

• Lease receivables;

• Financial guarantee contracts issued; and

• Loan commitments issued.

No impairment loss is recognised on equity investments.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

• Debt investment securities that are determined to have low credit risk at the reporting date; and

• Other financial instruments on which credit risk has not increased significantly since their initial recognition.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instrument for which a 12-month ECL is recognised are referred to as 'stage 1 financial instruments'.

Life-time ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as ‘Stage 2 financial instruments’.

Financial instruments for which lifetime ECL is recognised which are credit impaired are referred to as 'Stage 3 financial instruments".

Loss allowances for other assets and lease receivables are always measured at an amount equal to lifetime ECL.

The Group considers debt investment securities to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘investment grade’.

2.7.1 Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

• Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);

• Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;

2.7 Impairment (continued)

• Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and

• Financial guarantee contracts: the expected payments to reimburse the holder less any amount that the Group expects to recover.

• There has been no change in estimation techniques from prior year. Also, significant assumptions made during the year can be seen in note 4.2.

Reversal of Impairment and Backward Transfer Criteria

When the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that criteria for recognizing the lifetime ECL is no longer met i.e. cured, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

However, the Group observes the following backward transfer criteria (probationary period) to monitor if the criteria for recognizing the lifetime ECL has decreased significantly before the backward transfer can be effected on the credit rating of the customer;

90 days probationary period to move a financial instrument from Lifetime ECL not credit-impaired (Stage 2 financial instruments) to 12 months ECL (Stage 1 financial instruments);

90 days probationary period to move a financial instrument from Lifetime ECL credit-impaired (Stage 3 financial instruments) to Lifetime ECL not impaired (Stage 2 financial instruments);

180 days probationary period to move a loan from Lifetime ECL credit-impaired (Stage 3 financial instruments) to 12 months ECL (Stage 1 financial instruments).

The Group also considers other qualitative criteria where necessary.

Impairment gains arising from backward transfers will be recognized as part of 'impairment losses on financial instruments.'

2.7.2 Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired referred to as 'Stage 3 financial instruments. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

• Significant financial difficulty of the borrower or issuer;

• A breach of contract such as a default or past due event;

• The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

• It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

• The disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered impaired.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Group considers the following factors.

• The market's assessment of creditworthiness as reflected in the bond yields.

• The rating agencies' assessments of creditworthiness.

• The country's ability to access the capital markets for new debt issuance.

• The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.

2.7 Impairment (continued)

• The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

2.7.3 Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

• Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;

• Loan commitments and financial guarantee contracts: generally, as a provision;

• Where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision and;

• Debt instruments measured at FVOCI, no loss allowance is recognised in the statement of financial position because the carrying amount of the asset is their fair value. However, the loss allowance is disclosed and recognised in the fair value reserve.

2.7.4 Write-off policy

The Group writes off a loan balance when the Group's credit department determines that the loan is uncollectable and had been declared delinquent and subsequently classified as lost. This determination is made after considering information such as the continuous deterioration in the customer's financial position, such that the customer can no longer pay the obligation, or that proceeds from the collateral will not be sufficient to pay back the entire exposure. Board approval is required for such write-off. For insider-related loan (loans by the Bank to its own officers and directors), CBN approval is required. The loan recovery department continues with its recovery efforts and any loan subsequently recovered is treated as other income.

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The outstanding contractual amounts of assets written off during the year ended 31 December 2024 was N94.9 billion (31 December 2023: N13.4 billion). The Group still seeks to recover amounts it is legally owed in full, but which have been written off due to no reasonable expectation of full recovery.

2.8 Reclassification of financial instruments

Financial assets are required to be reclassified in certain rare circumstances among the amortised cost, FVOCI and FVTPL categories. When the Group changes its business model for managing financial assets, the Group reclassifies all affected financial assets in accordance with the new model. The reclassification is applied prospectively from the reclassification date. Accordingly, any previously recognised gains, losses or interest are not reinstated. Changes in the business model for managing financial assets are expected to be very infrequent.

2.9 Restructuring of financial instruments

Financial instruments are restructured when the contractual terms are renegotiated or modified or when an existing financial instrument is replaced with a new one due to financial diffculties of the borrower. Restructured loans represent loans whose repayment periods have been extended due to changes in the business dynamics of the borrowers. For such loans, the borrowers are expected to pay the principal amounts in full within extended repayment period and all interest, including interest for the original and extended terms.

2.10 Collateral

The Group obtains collateral where appropriate, from customers to manage their credit risk exposure to the customers. The collateral normally takes the form of a lien over the customer's assets and gives the Group a claim on these assets for customers in the event that the customer defaults.

The Group may also use other credit instruments, such as derivative contracts in order to reduce their credit risk.

Collateral received in the form of securities and other non-cash assets is not recorded on the statement of financial position. Collateral received in the form of cash is recorded on the statement of financial position with a corresponding liability see note 3.2.7(a)(i)

In certain cirumstances, property may be repossessed following the foreclosure on loans that are in default. These repossessd collateral are sold as soon as practicable. Repossessed properties are measured at the lower of carrying amount of the related loan and fair value less cost to sell and reported within 'Other asset'.

2.11 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Where significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Property and equipment are depreciated on the straight line basis to their residual values over the estimated useful lives of the assets. Land is not depreciated.

Depreciation is calculated on a straight line basis to write down the cost of property and equipment to their residual values over their estimated useful lives as follows:

Item	
Land	Not depreciated
Motor vehicles	4 years
Furniture, fittings and equipment	5 years
Computer equipment	3 years
Buildings	50 years
Leasehold improvement	Over the remaining lease period
Aircraft	25 years
Right of use assets: Buildings	Lower of lease term or the useful life for the specified class of item

Depreciation is included in profit or loss.

Work in progress consists of items of property and equipment that are not yet available for use. Work in progress is carried at cost less any required impairment. Depreciation starts when assets are available for use. An impairment loss is recognised if the asset’s recoverable amount is less than cost. The asset is reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Once the items are available for use, they are transferred to relevant classes of property and equipment as appropriate.

Property and equipment are derecognized on disposal, or when no future economic benefits are expected from their use or disposal.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset is capitalized as part of the cost of the asset. Other costs relating to borrowings which the group undertakes in the normal course of business are expensed in the year which they are incurred.

2.12 Intangible assets

Computer software

Software that is not integral to the related hardware acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses.

Costs associated with maintaining computer software programmes are recognised expenses as they are incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group, are recognised as intangible assets when the following criteria are met:

i) it is technically feasible to complete the software product so that it will be available for use;
ii) management intends to complete the software product and use or sell it;

iii) there is an ability to use or sell the software product;
iv) it can be demonstrated how the software product will generate probable future economic benefits
v) adequate technical, financial and other resources to complete the development and to use/sell the software product are available
vi) the expenditure attributable to the software product during its development can be reliably measured.

Subsequent expenditure on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that the asset is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life for computer software is 5 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Intangible assets are derecognized on disposal or when no future economic benefits are expected from their use or disposal.

2.13 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

An impairment loss is recognised if the carrying amount of an asset or its Cash Generating Unit (CGU) exceeds its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. 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 or CGU. For the purposes of assessing impairment, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash flows of other assets or CGU.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

2.14 Leases

A. Group / Bank as a lessee

Leases, under which the Bank possess a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration is disclosed in the Bank's statement of financial position and recognized as a leased asset.

The major lease transaction wherein the Group/Bank is lessee relates to the lease of Bank's branches

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Bank assesses whether, throughout the period of use, it has both of the following:

(a) the right to obtain substantially all of the economic benefits from use of the identified asset, and

(b) the right to direct the use of the identified asset.

The Group has elected not to recognize right-of-use assets and lease liabilities for some leases of low value assets. The Group recognizes expenses associated with these leases as an expense on straight line basis over the lease term.

Payments associated with short term leases are recognised on a straight line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less without a purchase option.

The Group presents right-of-use assets as a separate class under 'property and equipment'. The Group presents lease liability in other liabilities in the statement of financial position.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

2.14 Leases (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

C. Group / Bank as a lessor

Lease and instalment sale contracts are primarily financing transactions in banking activities, with rentals and instalments receivable, less unearned finance charges, being included in Loans and advances to customers in the statement of financial position. Finance charges earned are computed using the effective interest method which reflects a constant periodic return on the investment in the finance lease. Initial direct costs paid are capitalized to the value of the lease amount receivable and accounted for over the lease term as an adjustment to the effective interest rate method.

The Group recognizes assets held under a finance lease in its statement of financial position and present them as a receivable at an amount equal to the net investment in the lease. Initially, the Group will recognize a finance lease receivable at the amount equal to the net investment in the lease. Subsequently, finance income will be recognized at a constant rate on the net investment. During any ‘payment free’ period, this will result in the accrued finance income increasing the finance lease receivable.

For finance leases, the lease payments included in the measurement of the net investment in a lease at commencement date includes variable lease payments that depend on an index or a rate; other variable payments (e.g. those linked to future performance or use of an underlying asset) are excluded from the measurement of the net investment and are instead recognized as income when they arise. The treatment adopted for variable lease payments under operating leases are consistent with these requirements.

2.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Group has approved a detailed formal plan, and the restructuring either has commenced or has been announced publicly. Future operating costs or losses are not provided for. A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Contingent liabilities are possible obligations that arise from past events whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events not wholly within the Group’s control. Contingent liabilities are not recognised in the financial statements but are disclosed in the notes to the financial statements.

The Group recognises liability for a levy not earlier than when the activity that triggers payment occurs. Also, the Group accrues liability on levy progressively only if the activity that triggers payment occurs over a period of time. However, for a levy that is triggered upon reaching a minimum threshold, no liability is recognised before the specified minimum threshold is reached.

2.16 Employee benefits

(a) Post-employment benefits

The Group operates a defined contribution plan.

2.16 Employee benefits (continued)

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. For defined contribution plans, the Group makes contributions on behalf of qualifying employees to a mandatory scheme under the provisions of the Pension Reform Act. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. For entities operating in Nigeria, the contribution by employees and the employing entities are 8% and 10% respectively of the employees' basic salary, housing and transport allowances. Entities operating outside Nigeria contribute in line with the relevant pension laws in their jurisdictions.

(b) Short-term benefits

Short-term benefits consist of salaries, accumulated leave allowances, profit share, bonuses and any non-monetary benefits.

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related services are provided. They are included in personnel expenses in the profit or loss.

A liability is recognised for the amount expected to be paid under short-term cash benefits such as accumulated leave and leave allowances if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be measured reliably.

(c) Termination benefits

The Group recognises termination benefits as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. The Group settles termination benefits within twelve months and are accounted for as short-term benefits.

2.17 Share capital and reserves

(a) Share issue costs

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

(b) Dividends on ordinary shares

Dividends on ordinary shares are recognised in equity in the year in which they are approved by the Bank’s shareholders. Dividends for the year that are declared after the end of the reporting year are dealt with in the subsequent events note.

(c) Share premium

Premiums from the issue of shares are reported in share premium.

(d) Statutory reserve

Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by The Banks and Other Financial Institutions Act (BOFIA) 2020, 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 share capital.

(e) SMIEIS 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 investments in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the first 5 years but banks’ contributions shall thereafter reduce to 5% of profit after tax. The small and medium scale industries equity investment scheme reserves are nondistributable. Transfer to this reserve is no longer mandatory.

(f) Statutory reserve for credit risk

The Nigerian banking regulator requires the Bank to create a reserve for the difference between impairment provision determined in line with the principles of IFRS and impairment provision determined in line with the prudential guidelines issued by the Central Bank of Nigeria (CBN). This reserve is not available for distribution to shareholders.

2.17 Share capital and reserves (continued)

(g) Retained earnings

Retained earnings comprise the undistributed profits from previous periods which have not been reclassified to any specified reserves.

(h) Fair value reserve

Comprises fair value movements on equity instruments carried at FVOCI.

(i) Foreign currency translation reserve

Comprises exchange differences resulting from the translation to Naira of the results and financial position of Group companies that have a functional currency other than Naira.

2.18 Recognition of interest income and expense

Effective interest rate

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

– the gross carrying amount of the financial asset; or

– the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit impaired financial assets, a credit adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

For information on when financial assets are credit-impaired, see Note 2.7.2.

Presentation

Interest income calculated using the effective interest method presented in the consolidated and separate statement of profit or loss includes only interest on financial assets and financial liabilities measured at amortised cost and FVTOCI.

Interest expense presented in the consolidated and separate statement of profit or loss and other comprehensive income includes only interest on financial liabilities measured at amortised cost.

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Group's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income (see Note 2.20).

2.19 Fees, commission and other income

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate (see Note 2.18).

Other fee and commission income – including account servicing fees, fees on electronic products, sales commission, foreign withdrawal charges, commission on letters of credit, foreign currency transaction fees, placement fees and syndication fees – is recognised as the related services are performed. If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

A contract with a customer that results in a recognised financial instrument in the Group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

Dividend income is recognised when the right to receive income is established. Usually, this is the ex dividend date for quoted equity securities. Dividends are presented in net trading gains, or other income based on the underlying classification of the equity investment.

Dividends on equity instruments designated as at FVOCI that clearly represent a recovery of part of the cost of the investment are presented in OCI.

Income on cash handling relates to services provided to customers in processing cash withdrawal and deposits above the regulated limit, provided by the Central Bank of Nigeria. Income is recognised as the service is provided.

Fees and commission income are recognised at point in time and over time. Fees recognised over time relate to credit related fees (concerning participation fee and invoice discounting), guarantee fees, corporate finance fees, account maintanace fees and fees on electronic products charged monthly. Fees recognised at a point in time include credit related fees other than those recognised over time, auction fees, commission on agency and collection services, fees on electronic products (recognised at point in time), foreign currency transaction fees, foreign withdrawal charges and commission on letters of credit.

2.20 Net Trading gains

Net trading gain comprises gains less losses relating to trading assets and liabilities and includes all fair value changes, interest, dividends and foreign exchange differences.

2.21 Operating expense

Expenses are decreases in economic benefits during the accounting year in the form of outflows, depletion of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.

Expenses are recognized on an accrual basis regardless of the time of spending cash. Expenses are recognized in the income statement when a decrease in future economic benefit related to a decrease in an assets or an increase of a liability has arisen that can be measured reliably. Expenses are measured at historical cost.

Only the portion of cost of a previous period that is related to the income earned during the reporting year is recognized as an expense. Expenses that are not related to the income earned during the reporting year, but expected to generate future economic benefits, are recorded in the financial statement as assets. The portion of assets which is intended for earning income in the future periods shall be recognized as an expense when the associated income is earned.

Expenses are recognized in the same reporting year when they are incurred in cases when it is not probable to directly relate them to particular income earned during the current reporting year and when they are not expected to generate any income during the coming years.

2.22 Current and deferred income tax

Income tax expense comprises current tax (company income tax, tertiary education tax national information technology development agency levy and Nigeria Police Trust Fund levy) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Bank had determined that interest and penalties relating to income taxes do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Bank measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

- Company income tax is computed on taxable profits.

- Tertiary education tax is computed on assessable profits.

- National Information Technology Development Agency levy is computed on profit before tax.

- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year).

-National Agency for Science and Engineering Infrastructure is computed on profit before tax.

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for: temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Bank is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and – taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be applied. Future taxable profits are determined based on the reversal of relevant taxable temporary differences.

If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset the current tax liabilities against the current tax assets and they relate to taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

2.23 Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. Where there are shares that could potentially affects the numbers of share issued, those shares are considered in calculating the diluted earnings per share. There are currently no shares that could potentially dilute the total issued shares.

2.24 Segment reporting

An operating segment is a component of the Group engaged in business activities from which it can earn revenues, whose operating results are regularly reviewed by the Board in order to make decisions about resources to be allocated to segments and assessing segment performance. The Group's identification of segments and the measurement of segment results are based on the Group's internal reporting line/structure to management.

2.25 Fiduciary activities

The Group acts as trustees and in other fiduciary capacities through its subsidiaries, Zenith Pensions Custodian Limited and Zenith Nominees Limited that results in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group. The fees earned on these activities are recognised as assets based fees.

2.26 Deposit for Investment in AGSMEIS

The Agri-Business/Small and Medium Enterprises Investment Scheme is an initiative of Banker's committee of Nigeria. The contributed funds is meant for supporting the Federal Government's effort at promoting agricultural businesses as well as Small and Medium Enterprises. In line with this initiative, the Bank will contribute 5% of Profit After Tax yearly to the fund.

2.27 Hyperinflationary accounting

Hyperinflationary accounting is applied to those subsidiary operations in countries where the three-year cumulative inflation rate is approaching or exceeding 100%. In 2023, this affected the Group's operations in Ghana and Sierra Leone. The Group applies IAS 29 *Financial Reporting in Hyperinflationary Economies* to the underlying financial information of relevant subsidiaries to restate their local currency results and financial position so as to be stated in terms of the measuring unit current at the end of the reporting period. Those restated results are translated into the Group's presentation currency (the Nigerian Naira) for consolidation at the closing rate at the balance sheet date. Group comparatives are not restated for the effect of hyperinflation and consequential adjustments to the opening balance sheet in relation to the hyperinflationary subsidiaries are presented in Other comprehensive income and reported in retained earnings. The hyperinflationary gain or loss in respect of the net monetary position of the relevant subsidiary is included in profit or loss and separately disclosed within other operating income.

3. Risk management

3.1 Enterprise Risk Management

The Zenith Bank Group adopts an integrated approach to risk management by bringing all risks together under a number of oversight functions. The Group addresses the challenge of risks comprehensively through the Enterprise Risk Management (ERM) Framework by applying practices that are supported by a governance structure consisting of Board- level and executive management committees.

As part of its risk management policy, the Group segregates duties between market-facing business units and risk management functions while management is governed by well-defined policies, which are clearly communicated across the Group.

Risk related issues are taken into consideration in all business decisions and the Group continually strives to maintain a conservative balance between risk and revenue consideration. Continuous education and awareness of risk management has strengthened the risk management culture across the Group.

3.1.1 Risk Management Philosophy/Strategy

The Group considers sound risk management practice to be the foundation of a long lasting financial institution.

(a) The Group adopt a holistic and integrated approach to risk management and therefore, brings all risks together under one or a limited number of oversight functions.

(b) Risk management is a shared responsibility. Therefore the Group aims to build a shared perspective on risks that is grounded in consensus.

(c) There is clear segregation of duties between market-facing business units and risk management functions.

(d) Risk Management is governed by well-defined policies which are clearly communicated across the Group.

(e) Risk related issues are taken into consideration in all business decisions.

3.1.2 Risk Appetite

The Group's risk appetite is reviewed by the Board of Directors annually, at a level that minimizes erosion of earnings or capital due to avoidable losses or from frauds and operational inefficiencies.

The Group's risk appetite describes the quantum of risk that the Group would assume in pursuit of its business objectives at any point in time. The Group uses this risk appetite definition in aligning its overall corporate strategy, its capital allocation and risks.

The Group sets tolerance limits for identified key risk indicators ("KRIs"), which served as proxies for the risk appetite for each risk area and business/support unit. Tolerance levels for KRIs are jointly defined, agreed upon by the business/support units and subject to annual reviews.

3.1.3 Risk Management Approach

The Group addresses the challenge of risks comprehensively through an enterprise-wide risk management framework and a risk governance policy by applying leading practices that are supported by a robust governance structure consisting of Board-level and executive management committees. The Board drives the risk governance and compliance process through its committees. The audit committee provides oversight on the systems of internal control, financial reporting and compliance. The Board credit committee reviews the credit policies and approves all loans above the defined limits for Executive Management. The Board Risk Management Committee sets the risk philosophy, policies and strategies as well as provides guidance on the various risk elements and their management. The Board Risk Control Functions are supported by various management committees and sub committees (Global Credit committee and Management Risk committee) that help it develop and implement various risk strategies. The Global Credit committee manages the credit approval and documentation activities. It ensures that the credit policies and procedures are aligned with the Group's business objectives and strategies. The Management Risk committee drives the management of the financial risks (Market, Liquidity and Credit Risk), operational risks as well as strategic and reputational risks.

In addition, Zenith Group manages its risks in a structured, systematic and transparent manner through a global risk policy which embeds comprehensive risk management processes into the organisational structure, risk measurement and monitoring activities. This structure ensures that the Group's overall risk exposures are within the thresholds set by the Board.

The key features of the Group's risk management policy are:

(a) The Board of Directors provides overall risk management direction and oversight;

(b) The Group's risk appetite is approved by the Board of Directors;

(c) Risk management is embedded in the Group as an intrinsic process and is a core competence of all its employees;

(d) The Group manages its credit, market, operational and liquidity risks in a coordinated manner within the organisation;

3. Risk management (continued)

(e) The Group's risk management function is independent of the business divisions; and

(f) The Group's internal audit function reports to the Board Audit Committee and provides independent validation of the business units' compliance with risk policies and procedures, and the adequacy and effectiveness of the risk management framework on an enterprise-wide basis.

The Group continuously modifies and enhances its risk management policies and systems to reflect changes in markets, products and international best practices. Training, individual responsibility and accountability, together with a disciplined and cautious culture of control, are an integral part of the Group's management of risk.

The Board of Directors ensures strict compliance with relevant laws, rules and standards issued by the industry regulators and other law enforcement agencies, market conventions, codes of practices promoted by industry associations and internal policies.

The compliance function, under the leadership of the Chief Compliance Officer of the Bank, has put in place a robust compliance framework, which includes:

(a) Comprehensive compliance manual detailing the roles and responsibilities of all stakeholders in the compliance process:

(b) Review and analysis of all relevant laws and regulations, which are adopted into policy statements to ensure business is conducted professionally;

(c) Review of the Bank's Anti-Money Laundering Policy in accordance with changes in the Money Laundering Prohibition Act 2011 and Anti-Terrorism Act 2011 as amended; and

(d) Incorporation of new guidelines in the Bank's "Know Your Customer" policy in line with the increasing global trend as outlined in the Central Bank of Nigeria's Anti-Money Laundering/Combating Finance of Terrorism Compliance Manual.

3.1.4 Methodology for Risk Rating

The risk management strategy is to develop an integrated approach to risk assessments, measurement, monitoring and control that captures all risks in all aspects of the Group's activities.

All activities in the Group have been profiled and the key risk drivers and threats in them identified. Mitigation and control techniques are then determined to tackle each of these threats. These techniques are implemented as risk policies and procedures that drive the strategic direction and risk appetite as specified by the Board. Techniques employed in meeting these objectives culminate in the following roles for the risk control functions of the Group:

(a) Develop and implement procedures and practices that translate the Board's goals, objectives, and risk tolerances into operating standards that are well understood by staff;

(b) Establish lines of authority and responsibility for managing individual risk elements in line with the Board's overall direction;

(c) Risk identification, measurement, monitoring, and control procedures;

(d) Establish effective internal controls that cover each risk management process;

(e) Ensure that the Group's risk management processes are properly documented;

(f) Create adequate awareness to make risk management a part of the corporate culture of the Group;

(g) Ensure that risk remains within the boundaries established by the Board; and

(h) Ensure that business lines comply with risk parameters and prudent limits established by the Board;

The CBN Risk Management Guidelines prescribes quantitative and qualitative criteria for the identification of significant activities and sets a threshold of contributions for determining significant activities in the Bank and its subsidiaries. This practice is essentially to drive the risk control focus of financial institutions.

Zenith Bank applies a mix of qualitative and quantitative techniques in the determination of its significant activities under prescribed broad headings. The criteria used in estimating the materiality of each activity is essentially based on the following:

(a) The strategic importance of the activity and sector;

(b) The contribution of the activity/sector to the total assets of the Bank;

3. Risk management (continued)

(c) The net income of the sector; and

(d) The risk inherent in the activity and sector.

Risk management structures and processes are continuously reviewed to ensure their adequacy and appropriateness for the Group's risk and opportunities profile as well as with changes in strategy, business environment, evolving thoughts and trends in risk management.

3.1.5 Risk management strategies under the current economic conditions

The Nigerian economy, measured by Gross Domestic Product (GDP), grew by 3.46% (year-on-year) in real terms in the third quarter of 2024. The growth in the third quarter 2024 was due to performance in the services sector while the oil & gas sector contributed to the growth with average daily crude oil production of 1.47 million barrels per day. The International Monetary Fund (IMF) maintained Nigeria growth forecast at 3.2% for 2025.

The year (2025) witnessed significant volatility in the foreign exchange of naira against the dollar, from about N977/US$ in Q4 2024 to 1,535/US$ as of 31 December 2024. The CBN narrowed the spread between the various foreign exchange segments of the market, an indication of price discovery and improved market efficiency, thus reducing opportunities for arbitrage and speculation. Nigeria's external reserves stood at US$40 billion as at end December 2024.

In March 2024, the Central Bank of Nigeria (CBN) announced an increase in the capital requirements for banks operating in Nigeria across the different license categories. The CBN has set a timeline of 24 months for banks to comply with the new requirements commencing April 1, 2024, and terminating on March 31, 2026. Consequently, zenith bank has successfully carried out a capital raise exercise through rights issue and public offer between August and September 2024. Verification and allotment of shares by SEC are being done. We hope these processes will be completed soon.

Also, the Central Bank of Nigeria (CBN) is engaging at the highest level to facilitate Nigeria's removal from the Financial Action Task Force's (FATF) "grey list," an anti-money laundering watch list by May 2025.

The Monetary Policy Committee of the CBN at its November 2024 meeting raised the MPR by 125 basis points to 27.50 per cent, up from 26.25 per cent with asymmetric corridor around the MPR of +500/-100 basis points. The Committee also retained CRR at 50% and Liquidity Ratio at 30%. The Committee noted the persistence of food inflation, which continues to undermine price stability. We anticipate that the CBN may continue to raise or maintain interest rates in the near term if inflationary pressures persist.

Headline inflation rose to 34.80% in December 2024 up from 34.19% in June 2024, the highest since April 1996. The largest drivers of inflation were food (39.12%) while core inflation stood at 28.75%. This was driven by rising cost of production due to high energy and electricity prices, persistent disruptions to power supply, continued insecurity in food producing areas and the impact of the Ukraine/Russia war on the supply of fertilizer inputs wheat and other grains.

Upside remains the recapitalization of Banks and stability in the prices of crude oi in the global commodity markets. While the downside risk to outlook remains deteriorating security conditions, civil unrest, ongoing and expected shocks from the global economy especially from supply blockages of essential products from both Russia and Ukraine, impact of declining crude oil revenue in spite of higher crude oil prices, currency depreciation, hike in electricity tariff, potential increase in fuel pump price, etc.

In spite of these challenges, Zenith Bank remains resilient and focused on maintaining its leading role in the Nigerian Banking Industry. The bank intends to realize the opportunities that exists within the headwinds as we reassess the risk environment and operating model continuously. .

3.2 Credit Risk

Credit risk is the risk of a financial loss if an obligor does not fully honour its contractual commitments to the Group. Obligors may be borrowers, issuers, counterparties or guarantors. Credit risk is the most significant risk facing the Bank in the normal course of business. The Bank is exposed to credit risk not only through its direct lending activities and transactions but also through commitments to extend credit, letters of guarantee, letters of credit, securities purchased under reverse repurchase agreements, deposits with financial institutions, brokerage activities, and transactions carrying a settlement risk for the Bank such as irrevocable fund transfers to third parties via electronic payment systems.

The Group has robust credit standards, policies and procedures to control and monitor intrinsic and concentration risks through all credit levels of selection, underwriting, administration and control. Some of the policies are:

(a) Credit is only extended to suitable and well identified customers and never where there is any doubt as to the ethical standards and record of the intending borrower;

(b) Exposures to any industry or customer will be determined by the regulatory guidelines, clearly defined internal policies, debt service capability and balance sheet management guidelines;

(c) Credit is not extended to customers where the source of repayment is unknown or speculative, and also where the destination of funds is unknown. There must be clear and verifiable purpose for the use of the funds and sources of repayment;

3. Risk management (continued)

(d) Credit is not given to a customer where the ability of the customer to meet obligations is based on the most optimistic forecast of events. Risk considerations will always have priority over business and profit considerations

(e) The primary source of repayment for all credits must be from an identifiable cash flow from the counterparty's normal business operations or other financial arrangements. The realization of security remains a fall back option;

(f) A pricing model that reflects variations in the risk profile of various credits to ensure that higher risks are compensated by higher returns is adopted;

(g) All insiders' related credits are limited to regulatory and strict internal limits and are disclosed as required;

(h) The consequences for non-compliance with the credit policy and credit indiscipline are communicated to all staff and are implemented.

3.2.1 Credit Metrics and Measurement Tools

Zenith Bank and its subsidiaries have devoted resources and harnessed their credit data to develop models that will improve the determination of economic and financial threats resulting from credit risk. Before a sound and prudent credit decision can be taken, the credit risk engendered by the borrower or counterparty must be accurately assessed. This is the first step in processing credit applications. As a result, some key factors are considered in credit risk assessment and measurement: These are:

(a) Adherence to the strict credit selection criteria, which includes defined target market, credit history, the capacity and character of customers;

(b) Credit rating of obligor;

(c) The likelihood of failure to pay over the period stipulated in the contract;

(d) The size of the facility in case default occurs; and

(e) Estimated Rate of Recovery, which is a measure of the portion of the debt that can be recovered through realisation of assets and collateral should default occur.

3.2.2 Credit Rating Tools

The principal objective of the credit risk rating system is to produce a reliable assessment of the credit risk to which the Group is exposed. As such, all loans and indirect credits such as guarantees and bonds as well as treasury investments undergo a formal credit analysis process that would ensure the proper appraisal of the facility.

(a) Loans and advances and amounts due from banks

Each individual borrower is rated based on an internally developed rating model that evaluates risk based on financial, qualitative and industry-specific inputs. The associated loss estimate norms for each grade have been developed based on the experience of the Bank and its various subsidiaries.

In order to allow for a meaningful distribution of exposures across grades with no excessive concentrations on the Group's borrower-rating and its facility-rating scale, the Group maintains the under listed rating grade, which is applicable to both new and existing customers.

Zenith Group Rating	Description of the grade
AAA	Investment Risk (Extremely Low Risk)
AA	Investment Risk (Very Low Risk)
A	Investment Risk (Low Risk)
BBB	Upper Standard Grade (Acceptable Risk)
BB	Lower Standard Grade (Moderately High Risk)
B	Non Investment Grade (High Risk)
CCC	Non Investment Grade (Very High Risk)
CC	Non Investment Grade (Extremely High Risk)
C	Non Investment Grade (High Likelihood of Default)
D	Non Investment Grade (Lost)
Unrated	Individually insignificant (unrated)

(b) Other debt instruments

With respect to other debt instruments, the Group takes the following into consideration in the management of the associated credit risk:

i) Internal and external research and market intelligence reports; and
ii) Regulatory agencies reports

3. Risk management (continued)

In addition to the above, we have put in place limits structure which is monitored from time to time in order to limit our risk exposures on these securities.

Control mechanisms for the credit risk rating system

Zenith's credit risk rating system is reviewed periodically to confirm that the rating criteria and procedures are appropriate given the current portfolio and external conditions. Hence, in accordance with the Groups model risk policy, all models that materially impact the risk rating process are reviewed.

Furthermore, the ratings accorded to customers are regularly reviewed, incorporating new financial information available and the experience in the development of the banking relationship. The regularity of the reviews increases in the case of clients who reach certain levels in the automated warning systems. The rating system is currently undergoing external review with a view to enhancing its robustness.

3.2.3 Credit Processes

Zenith operates a centralised credit approval process system. Credits are originated from the branches/business groups and subjected to reviews at various levels before they are presented along with all documents and information defined for the proper assessment and decision of Credit to the Global Credit Committee for consideration. All Credits presented for approval are required to be in conformity with the documented and communicated Risk Acceptance Criteria(RAC).

As part of credit appraisal process, the Group reviews the following:

(a) Credit assessment of the borrower's industry, and macro-economic factors;

(b) The purpose of credit and source of repayment;

(c) The track record / repayment history of borrower;

(d) Assess/evaluate the repayment capacity of the borrower;

(e) The proposed terms and conditions and covenants;

(f) Adequacy and enforceability of collaterals; and

(g) Approval from appropriate authority.

3. Risk management (continued)

3.2.4 Group Credit Risk Management

Zenith's approach to managing credit risk is a key element in achieving its strategic objective of maintaining and further enhancing its asset quality and credit portfolio risk profile. The credit standards, policies and procedures, risk methodologies and framework, solid structure and infrastructure, risk monitoring and control activities enable the Group to deal with the emerging risks and challenges with a high level of confidence and determination.

The framework for credit risk assessment at Zenith is well-defined and institutionally predicated on:

(a) Clear tolerance limits and risk appetite set at the Board level, well communicated to the business units and periodically reviewed and monitored to adjust as appropriate;

(b) Well-defined target market and risk asset acceptance criteria;

(c) Rigorous financial, credit and overall risk analysis for each customer/transaction;

(d) Regular portfolio examination in line with key performance indicators and periodic stress testing;

(e) Continuous assessment of concentrations and mitigation strategies;

(f) Continuous validation and modification of early warning system to ensure proper functioning for risk identification;

(g) Systematic and objective credit risk rating methodologies that are based on quantitative, qualitative and expert judgment;

(h) Systematic credit limits management which enables the Bank to monitor its credit exposure on daily basis at country, borrower, industry, credit risk rating and credit facility type levels;

(i) Solid documentation and collateral management process with proper coverage and top-up triggers and follow-ups; and

(j) Annual and interim individual credit reviews to ensure detection of weakness signs or warning signals and considering proper remedies.

The credit processes are supplemented by sectoral portfolio reviews, which focus on countries, regions or specific industries as well as multiple stress testing scenarios. These are intended to identify any inherent risks in the portfolios resulting from changes in market conditions and are supplemented by independent reviews from our Group Internal Audit.

3.2.5 Group Credit Risk Limits

The Group applies credit risk limits, among other techniques in managing credit risk. This is the practice of stipulating a maximum amount that the individual or counterparty can obtain as loan. Internal and regulatory limits are strictly adhered to. Through this, the Group not only protects itself, but also in a sense, protects the counterparties from borrowing more than they are capable of repaying.

The Group focuses on its concentration and intrinsic risks and further manages them to a more comfortable level. This is very important due to the serious risk implications that intrinsic and concentration risk pose to the Group. A thorough analysis of economic factors, market forecasting and prediction based on historical evidence is used to mitigate these risks.

The Group has in place various portfolio concentration limits (which are subject to periodic review). These limits are closely monitored and reported on from time to time.

The Group’s internal credit approval limits for the various authorities levels are as indicated below.

Zenith Group Rating	Approval limit (% of Shareholders' Fund)
Board Credit Committee	N5 billion and above (Not exceeding 20% of total shareholders' fund)
Management Global Credit Committee	Below N5 billion

These internal approval limits are set and approved by the Group Board and are reviewed regularly as the state of affairs of the Group and the wider financial environment demand.

3. Risk management (continued)

3.2.6 Group Credit Risk Monitoring

The Group’s exposures are continuously monitored through a system of triggers and early-warning signals aimed at detecting symptoms, which could result in deterioration of credit risk quality. The triggers and early-warning systems are supplemented by facility utilisation and collateral valuation monitoring together with a review of upcoming credit facility expiration and market intelligence to enable timely corrective action by management. The results of the monitoring process are reflected in the internal rating process through quarterly review of activities.

Credit risk is monitored on an ongoing basis with formal weekly, monthly and quarterly reporting to keep senior management aware of shifts in credit quality and portfolio performance along with changing external factors such as economic and business cycles.

The capabilities of the credit review team is continuously enhanced in order to improve the facility monitoring activity and assure good quality Risk Assets Portfolio across the Group.

A specialised and focused loan recovery and workout team handles the management and collection of problematic credit facilities.

3.2.7 (a) Credit Risk Mitigation, Collateral, and other Credit Enhancements

The Group’s approach to controlling various risks begins with optimizing the diversification of its exposures. Zenith uses a variety of techniques to manage the credit risk arising from its lending activities. These techniques are set out in the Group's internal policies and procedures. They are mainly reflected in the application of various exposure limits: credit concentration limits by counterparty and credit concentration limits by industry, country, region, and type of financial instrument.

Enforceable legal documentation establishes Zenith’s direct, irrevocable, and unconditional recourse to any collateral, security, or other credit enhancements.

(i) Collateral Security

A key mitigation step employed by the Group in its credit risk management process includes the use of collateral securities to secure its loans and advances as alternative sources of repayment during adverse conditions. All major credit facilities to our customers are to be secured and the security instruments and documentations must be perfected, and all conditions precedent must be met before drawdown or disbursement is allowed. Collateral analysis includes a good description of the collateral, its value, how the value was arrived at, and when the valuation was made. It is usually necessary to review the potential adverse changes in the value of collateral security for the foreseeable future.

Collateral securities that are pledged must be in negotiable form and usually fall under the following categories:

(a) Real estate, plant and equipment collateral (usually all asset or mortgage debenture or charge), which have to be registered and enforceable under Nigerian law;

(b) Collateral consisting of inventory, accounts receivable, machinery equipment, patents, trademarks, farm products, general intangibles, etc. These require a security agreement (usually a floating debenture) which must be registered and must be enforceable under Nigerian law;

(c) Stocks and shares of publicly quoted companies;

(d) Domiciliation of contracts proceeds;

(e) Documents of title to goods such as shipping documents consigned to the order of Zenith Bank or any of its subsidiaries;

(f) Letter of lien; and

(g) Cash collateral.

Collateral securities are usually valued and inspected prior to disbursement and on a regular basis thereafter until full repayment of the exposure. We conduct a regular review of all collateral documentation in respect of all credits in the Bank and specific gaps in the collateral documentation addressed immediately. Borrowers are required to confirm adherence to covenants including periodic confirmation of collateral values which are used by the Bank to provide early warning signals of collateral value deterioration. Periodic inspections of physical collateral are performed where appropriate and where reasonable means of doing so are available.

The type and size of collateral held as security for financial assets other than loans and advances are usually a function of the nature of the instrument. Our debt securities, treasury and other eligible bills are normally unsecured but the Group's comfort is on the issuer’s credit rating, i.e. Federal Government of Nigeria (FGN) and other sovereigns.

As part of its Credit risk management strategy, the Group emphasizes on the robustness of its credit analysis and diagonsis prior to disbursment of loans and advances to its customers.

3. Risk management (continued)

The bank closely monitors the performance of its loans and advances. Once a loan shows sign of credit deterioration, the bank works closely with the customer to salvage the situation and ensure recoverability of its loans. One major measure adopted by the bank is restructuring of credit facilities to terms more favourable to the customer and at the same time guarantee full recovery of the loans.

Fore closure of collateral is usually the last measure adopted by the bank in the realization of its funds. The Group's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Group since the prior period. The Group did not take legal repossession of any collateral in the year.

Details of collateral pledged by customers against the carrying amount of loans and advances as at 31 December 2024 are as follows:

In millions of Naira	Group		Bank	
	Total exposure	Fair value of collateral	Total exposure	Fair value of collateral
Secured against real estate	603,062	816,116	394,840	313,272
Secured by shares of quoted companies	26,744	12,051	26,744	12,051
Cash Collateral, lien over fixed and floating assets	5,129,785	3,912,017	4,549,166	3,298,165
Unsecured	5,234,225	-	4,751,910	-
Total Gross amount	**10,993,816**	**4,740,184**	**9,722,660**	**3,623,488**
ECL Allowance	(1,028,452)	-	(1,013,885)	-
Net carrying amount	**9,965,364**	**4,740,184**	**8,708,775**	**3,623,488**

Group **31 December 2024** Disclosure by Collateral	**Term loan**	**Overdrafts**	**Onlending**	**Total**
Property/Real estate	615,966	193,705	4,257	813,928
Equities	4,917	7,134	-	12,051
Cash Collateral, lien over fixed and floating assets	3,352,041	525,437	36,727	3,914,205
Grand total: Fair value of collateral	3,972,924	726,276	40,984	4,740,184
Grand total: Gross loans	8,912,221	2,003,446	78,149	10,993,816
Grand total: ECL Allowance	(798,818)	(223,113)	(6,521)	(1,028,452)
Grand total: Net amount	8,113,403	1,780,333	71,628	9,965,364
Grand total: Amount of overcollaterization/(undercollaterization)	(4,140,479)	(1,054,057)	(30,644)	(5,225,180)

3. Risk management (continued)

31 December 2024 Against 12 months ECL loans and advances	**Term loan**	**Overdrafts**	**Onlending**	**Total**
Property/Real estate	361,852	176,601	3,093	541,546
Equities	4,709	3,080	-	7,789
Cash Collateral, lien over fixed and floating assets	1,829,616	191,916	31,334	2,052,866
Fair value of collateral	2,196,177	371,597	34,427	2,602,201
Gross loans	6,005,480	1,214,301	67,065	7,286,846
ECL Allowance	(124,852)	(25,236)	(1,275)	(151,363)
Net amount	5,880,628	1,189,065	65,790	7,135,483
Grand total: Amount of overcollaterization/(undercollaterization)	(3,684,451)	(817,468)	(31,363)	(4,533,282)

31 December 2024 Against lifetime ECL not credit-impaired loans and advances	**Term loan**	**Overdrafts**	**Onlending**	**Total**
Property/Real estate	240,094	6,703	337	247,134
Equities	18	-	-	18
Cash Collateral, lien over fixed and floating assets	1,494,475	314,042	2,230	1,810,747
Fair value of collateral	1,734,587	320,745	2,567	2,057,899
Gross loans	2,715,685	643,543	3,107	3,362,335
ECL Allowance	(537,863)	(95,906)	(1,984)	(635,753)
Net amount	2,177,822	547,637	1,123	2,726,582
Grand total: Amount of overcollaterization/(undercollaterization)	(443,235)	(226,892)	1,444	(668,683)

31 December 2024 Against lifetime ECL credit-impaired loans and advances	**Term loan**	**Overdrafts**	**Onlending**	**Total**
Property/Real estate	14,019	10,401	826	25,246
Equities	190	4,055	-	4,245
Cash Collateral, lien over fixed and floating assets	27,950	19,478	3,163	50,591
Fair value of collateral	42,159	33,934	3,989	80,082
Gross loans	191,056	145,602	7,977	344,635
ECL Allowance	(136,103)	(101,971)	(3,262)	(241,336)
Net amount	54,953	43,631	4,715	103,299
Grand total: Amount of overcollaterization/(undercollaterization)	(12,794)	(9,697)	(726)	(23,217)

3. Risk management (continued)

Bank

31 December 2024 Disclosure by Collateral	Term loan	Overdrafts	Onlending	Total
Property/Real estate	266,389	42,627	4,257	313,273
Equities	4,917	7,134	-	12,051
Cash Collateral, lien over fixed and floating assets	2,788,302	473,135	36,727	3,298,164
Grand total: Fair value of collateral	3,059,608	522,896	40,984	3,623,488
Grand total: Gross loans	7,821,586	1,822,925	78,149	9,722,660
Grand total: ECL Allowance	(789,286)	(218,078)	(6,521)	(1,013,885)
Grand total: Net amount	7,032,300	1,604,847	71,628	8,708,775
Grand total: Amount of overcollaterization/(undercollaterization)	(3,972,692)	(1,081,951)	(30,644)	(5,085,287)

31 December 2024 Against 12 months ECL loans and advances	Term loan	Overdrafts	Onlending	Total
Property/Real estate	42,752	36,377	3,093	82,222
Equities	4,709	3,080	-	7,789
Cash Collateral, lien over fixed and floating assets	1,270,170	146,331	31,334	1,447,835
Fair value of collateral	1,317,631	185,788	34,427	1,537,846
Gross loans	4,927,972	1,037,700	67,065	6,032,737
ECL Allowance	(116,067)	(20,846)	(1,275)	(138,188)
Net amount	4,811,905	1,016,854	65,790	5,894,549
Grand total: Amount of overcollaterization/(undercollaterization)	(3,494,274)	(831,066)	(31,363)	(4,356,703)

31 December 2024 Against lifetime ECL not credit-impaired loans and advances	Term loan	Overdrafts	Onlending	Total
Property/Real estate	222,673	2,842	337	225,852
Equities	18	-	-	18
Cash Collateral, lien over fixed and floating assets	1,490,181	307,497	2,230	1,799,908
Fair value of collateral	1,712,872	310,339	2,567	2,025,778
Gross loans	2,705,303	643,072	3,107	3,351,482
ECL Allowance	(537,116)	(95,633)	(1,984)	(634,733)
Net amount	2,168,187	547,439	1,123	2,716,749
Grand total: Amount of overcollaterization/(undercollaterization)	(455,315)	(237,100)	1,444	(690,971)

31 December 2024 Against lifetime ECL credit-impaired loans and advances	Term loan	Overdrafts	Onlending	Total
Property/Real estate	963	3,408	826	5,197
Equities	190	4,055	-	4,245
Cash Collateral, lien over fixed and floating assets	27,950	19,307	3,163	50,420
Fair value of collateral	29,103	26,770	3,989	59,862
Gross loans	188,311	142,153	7,977	338,441
ECL Allowance	(136,103)	(101,599)	(3,262)	(240,964)
Net amount	52,208	40,554	4,715	97,477
Grand total: Amount of overcollaterization/(undercollaterization)	(23,105)	(13,784)	(726)	(37,615)

3. Risk management (continued)

Details of collateral pledged by customers against carrying amount of loans and advances as at 31 December 2023 are as follows:

In millions of Naira	Group		Bank	
	Total exposure	Fair Value of collateral	Total exposure	Value of collateral
Secured against real estate	449,911	3,214,994	319,439	126,676
Secured by shares of quoted companies	13,967	9,199	13,967	9,199
Cash collateral, lien over fixed and floating assets	2,533,205	2,270,505	2,203,420	1,928,631
Unsecured	4,058,365	-	3,876,153	-
Total Gross amount	**7,055,448**	**5,494,698**	**6,412,979**	**2,064,506**
ECL Allowance	(498,977)	-	(484,183)	-
Net carrying amount	**6,556,471**	**5,494,698**	**5,928,796**	**2,064,506**

Group 31 December 2023 Disclosure by Collateral	Term loan	Overdrafts	Onlending	Total
Property/Real estate	3,118,408	81,402	15,184	3,214,994
Equities	1,788	4,788	2,622	9,198
Cash Collateral, lien over fixed and floating assets	1,692,916	202,472	375,118	2,270,506
Grand total: Fair value of collateral	4,813,112	288,662	392,924	5,494,699
Grand total: Gross loans	5,291,535	1,098,703	665,210	7,055,449
Grand total: ECL Allowance	(336,420)	(125,258)	(37,299)	(498,977)
Grand total: Net amount	4,955,115	973,446	627,911	6,556,473
Grand total: Amount of overcollaterization/(undercollaterization)	(142,003)	(684,784)	(234,986)	(1,061,773)

31 December 2023 Against 12 months ECL loans and advances	Term loan	Overdrafts	Onlending	Total
Property/Real estate	232,635	73,121	14,286	320,042
Equities	930	1,365	794	3,089
Cash Collateral, lien over fixed and floating assets	1,202,510	99,070	195,589	1,497,169
Fair value of collateral	1,436,075	173,556	210,669	1,820,300
Gross loans	3,522,061	348,802	443,581	4,314,444
ECL Allowance	(36,667)	(4,825)	(5,855)	(47,347)
Net amount	3,485,394	343,977	437,726	4,267,097
Grand total: Amount of overcollaterization/(undercollaterization)	(2,049,318)	(170,422)	(227,057)	(2,446,797)

3. Risk management (continued)

31 December 2023 Against lifetime ECL not credit-impaired loans and advances	Term loan	Overdrafts	Onlending	Total
Property/Real estate	2,832,953	3,117	843	2,836,913
Equities	858	235	1,828	2,921
Cash Collateral, lien over fixed and floating assets	441,123	88,005	174,007	703,135
Fair value of collateral	3,274,934	91,357	176,678	3,542,969
Gross loans	1,556,619	658,239	215,799	2,430,657
ECL Allowance	(98,041)	(46,347)	(27,160)	(171,548)
Net amount	1,458,577	611,892	188,640	2,259,109
Grand total: Amount of overcollaterization/(undercollaterization)	1,816,357	(520,535)	(11,962)	1,283,860

31 December 2023 Against lifetime ECL credit-impaired loans and advances	Term loan	Overdrafts	Onlending	Total
Property/Real estate	52,820	5,164	55	58,039
Equities	-	3,189	-	3,189
Cash Collateral, lien over fixed and floating assets	48,292	16,388	5,521	70,201
Fair value of collateral	101,112	24,741	5,576	131,429
Gross loans	212,855	91,662	5,830	310,347
ECL Allowance	(201,712)	(74,086)	(4,284)	(280,082)
Net amount	11,143	17,576	1,546	30,265
Grand total: Amount of (undercollaterization)/overcollaterization	89,969	7,165	4,030	101,164

Bank 31 December 2023 Disclosure by Collateral	Term loan	Overdrafts	Onlending	Total
Property/Real estate	83,454	28,038	15,184	126,676
Equities	1,788	4,789	2,622	9,199
Cash Collateral, lien over fixed and floating assets	1,372,755	180,759	375,117	1,928,631
Grand total: Fair value of collateral	1,457,997	213,586	392,923	2,064,506
Grand total: Gross loans	4,714,937	1,032,834	665,208	6,412,979
Grand total: ECL Allowance	(326,300)	(120,584)	(37,299)	(484,183)
Grand total: Net amount	4,388,637	912,250	627,909	5,928,796
Grand total: Amount of overcollaterization/(undercollaterization)	(2,930,640)	(698,664)	(234,986)	(3,864,290)

3. **Risk management (continued)**

31 December 2023 Against 12 months ECL loans and advances	**Term loan**	**Overdrafts**	**Onlending**	**Total**
Property/Real estate	23,378	21,076	14,286	58,740
Equities	930	1,365	794	3,089
Cash Collateral, lien over fixed and floating assets	882,349	77,584	195,590	1,155,523
Fair value of collateral	906,657	100,025	210,670	1,217,352
Gross loans	2,952,899	284,365	443,582	3,680,846
ECL Allowance	(26,960)	(1,924)	(5,854)	(34,738)
Net amount	2,925,939	282,441	437,728	3,646,108
Grand total: Amount of overcollaterization/(undercollaterization)	(2,019,282)	(182,416)	(227,058)	(2,428,756)

31 December 2023 Against lifetime ECL not credit-impaired loans and advances	**Term loan**	**Overdrafts**	**Onlending**	**Total**
Property/Real estate	7,488	3,117	843	11,448
Equities	858	235	1,828	2,921
Cash Collateral, lien over fixed and floating assets	441,123	87,862	174,008	702,993
Fair value of collateral	449,469	91,214	176,679	717,362
Gross loans	1,549,326	658,189	215,799	2,423,314
ECL Allowance	(97,678)	(45,872)	(27,160)	(170,710)
Net amount	1,451,648	612,317	188,639	2,252,604
Grand total: Amount of overcollaterization/(undercollaterization)	(1,002,179)	(521,103)	(11,960)	(1,535,242)

31 December 2023 Against lifetime ECL credit-impaired loans and advances	**Term loan**	**Overdrafts**	**Onlending**	**Total**
Property/Real estate	52,588	3,845	55	56,488
Equities	-	3,189	-	3,189
Cash Collateral, lien over fixed and floating assets	48,292	16,303	5,520	70,115
Fair value of collateral	100,880	23,337	5,575	129,792
Gross loans	212,712	90,279	5,828	308,819
ECL Allowance	(201,662)	(72,789)	(4,284)	(278,735)
Net amount	11,050	17,490	1,544	30,084
Grand total: Amount of overcollaterization/(undercollaterization)	89,830	5,847	4,031	99,708

(ii) Balance Sheet Netting Arrangements

Risk reduction by way of current account set-off is recognised for exposures to highly rated and creditworthy customers. Customers are required to enter into formal agreements giving Zenith Bank Plc the right to set-off gross credit and debit balances in their nominated accounts to determine the Groups net exposure. Cross-border set-offs are not permitted.

(iii) Guarantees and Standby Letters of Credit

Guarantees and Standby Letters of Credit are perceived to have comparable level of credit risk as loans and advances. In accordance with the Group's credit policies, banks and creditworthy companies and individuals with high net worth are accepted as guarantors, subject to credit risk assessment. Furthermore, Zenith Bank Plc. only recognises unconditional irrevocable guarantees or standby letters of credit provided they are not related to the underlying obligor.

3. Risk management (continued)

3.2.7 (b) Maximum Exposure to Credit Risk Before Collateral Held or Credit Enhancements

The Group's maximum exposure to credit risk at 31 December 2024 and 31 December 2023 respectively, are represented by the net carrying amounts of the financial assets, with the exception of financial and other guarantees issued by the Group for which the maximum exposure to credit risk are represented by the maximum amount the Group would have to pay if the guarantees are called on (refer to note Contingent liabilities and commitments).

Maximum exposure to credit risk - Financial instruments not subject to impairment

The following table contains an analysis of the maximum credit risk exposure from financial assets not subject to impairment as at 31 December 2024.

In millions of Naira	Group	Bank
	Maximum exposure to credit risk	Maximum exposure to credit risk
Trading assets		
- Treasury bills	1,656,226	1,656,226
- Investment in securities	41,891	35,238
- Derivatives Asset -Hedging Instrument	251,523	251,523
- Derivatives Asset-Non Hedging Instrument	29,104	19,690
- Assets pledged as collateral	-	-

The following table contains an analysis of the maximum credit risk exposure from financial assets not subject to impairment as at 31 December 2023.

In millions of Naira	Group	Bank
	Maximum exposure to credit risk	Maximum exposure to credit risk
Trading assets		
- Treasury bills	749,606	749,606
- Investment in securities	24,293	19,433
- Derivatives Asset -Hedging Instrument	462,376	462,376
-Derivatives Asset - Non Hedging Instrument	72,363	45,566
- Assets pledged as collateral	-	-

3. Risk management (continued)

Maximum exposure to credit risk - Financial instruments subject to impairment

The following table contains an analysis of the maximum credit risk exposure from financial assets subject to impairment as at 31 December 2024

In millions of Naira	Maximum exposure to credit risk Group	Maximum exposure to credit risk Bank
Financial assets measured at amortised cost		
- Balances with central bank	5,721,839	5,153,964
- Treasury bills	1,022,703	781,238
- Investment in securities	2,739,998	1,846,205
- Assets pledged as collateral	266,865	89,061
- Loans and advances to customers	9,965,364	8,708,776
- Due from banks	4,935,710	4,442,437
- Other financial assets	237,026	114,288
Financial assets measured through other comprehensive income		
- Investment in securities	1,949,011	-
Off balance sheet exposures	4,858,039	4,741,303

The following table contains an analysis of the maximum credit risk exposure from financial assets subject to impairment as at 31 December 2023

In millions of Naira	Maximum exposure to credit risk Group	Maximum exposure to credit risk Bank
Financial assets measured at amortised cost		
- Balances with central bank	4,107,110	3,860,124
- Treasury bills	1,986,667	1,780,360
- Investment in securities	1,521,682	970,157
- Assets pledged as collateral	308,638	255,061
- Loans and advances to customers	6,556,470	5,928,796
- Due from banks	1,834,314	1,691,722
- Other financial assets	445,597	394,540
Financial assets measured through other comprehensive income		
- Investment in securities	1,528,786	-
Off balance sheet exposures	2,044,034	1,840,885

3. Risk management (continued)

3.2.8 Concentration of Risks of Financial Assets with Credit Risk Exposure

The Group monitors concentrations of credit risk by geographical location and by industry sector. An analysis of concentrations of credit risk at 31 December 2024 and 31 December 2023 respectively is set out below:

(a) Geographical sectors

The following table breaks down the Group's main credit exposure at their carrying amounts, as categorised by geographical region at 31 December 2024 and 31 December 2023 respectively. For this table, the Group has allocated exposures to regions based on the regions the counterparties are domiciled. Financial assets included in the table below represents other assets excluding prepayment.

In millions of Naira	Group			Bank		
31 December 2024	Nigeria	Rest of Africa	Outside Africa	Nigeria	Rest of Africa	Outside Africa
Balances with central bank	5,153,964	567,877	-	5,153,964	-	-
Treasury bills	2,437,464	241,465	-	2,437,464	-	-
Assets pledged as collateral	89,061	-	177,804	89,061	-	-
Due from other banks	4,447,704	124,328	363,678	4,442,437	-	-
Investment securities	1,958,127	798,147	1,974,625	1,799,941	81,502	-
Derivative Asset - Hedging Instrument	251,523	-	-	251,523	-	-
Derivative Asset-Non Hedging Instrument	19,690	7,062	2,351	19,690	-	-
Other financial assets	104,822	124,348	7,855	106,423	1,486	6,379
Total	14,462,355	1,863,227	2,526,313	14,300,503	82,988	6,379
Financial Guarantees						
Usance	2,567,161	-	-	2,801,850	-	-
Letters of credit	274,043	49,850	33,844	33,994	-	-
Performance bond and guarantees	1,549,747	112,272	10,236	1,644,573	-	-
Undrawn Overdraft Balance	260,887	-	-	260,887	-	-
Total	**4,651,838**	**162,122**	**44,080**	**4,741,304**	**-**	**-**

In millions of Naira	Group			Bank		
31 December 2023	Nigeria	Rest of Africa	Outside Africa	Nigeria	Rest of Africa	Outside Africa
Balances with central bank	3,860,124	246,986	-	3,860,124	-	-
Treasury bills	2,529,966	206,307	-	2,529,966	-	-
Assets pledged as collateral	308,638	-	-	255,061	-	-
Due from other banks	127,067	35,581	1,671,666	126,766	1,076	1,563,880
Investment securities	1,054,597	483,190	1,536,974	956,400	33,190	-
Derivative Asset - Hedging Instrument	462,376	-	-	462,376	-	1
Derivative Asset- Non Hedging instrument	45,564	-	26,799	45,565	-	-
Other financial assets	389,071	50,309	6,217	389,137	651	4,752
Total	8,777,403	1,022,373	3,241,656	8,625,395	34,917	1,568,633
Financial Guarantees						
Usance	433,926	-	-	433,926	-	-
Letters of credit	424,890	18,574	123,342	424,903	-	-
Performance bond and guarantees	718,207	101,323	12,063	770,347	-	-
Undrawn overdraft	211,708	-	-	211,709	-	-
Total	**1,788,731**	**119,897**	**135,405**	**1,840,885**	**-**	**-**

3. Risk management (continued)

Gross loans and advances to customers and the impairment allowance per geographical region as at 31 December 2024

Carrying amounts presented in the table below is determined as gross loans less impairment allowances.

31 December 2024

	Group			Bank		
	Loans and advances to customers			Loans and advances to customers		
	Gross loans	Impairment Allowance	Carrying amount	Gross loans	Impairment Allowance	Carrying amount
South South Nigeria	491,017	(23,195)	467,822	490,259	(23,163)	467,096
South West Nigeria	8,447,985	(835,920)	7,612,065	8,335,139	(833,393)	7,501,746
South East Nigeria	190,738	(36,250)	154,488	190,738	(36,250)	154,488
North Central Nigeria	505,612	(48,598)	457,014	503,531	(48,510)	455,021
North West Nigeria	59,633	(11,753)	47,880	59,409	(11,744)	47,665
North East Nigeria	143,585	(60,825)	82,760	143,584	(60,825)	82,759
Rest of Africa	778,386	(11,169)	767,217	-	-	-
Outside Africa	376,860	(742)	376,118	-	-	-
	10,993,816	**(1,028,452)**	**9,965,364**	**9,722,660**	**(1,013,885)**	**8,708,775**

31 December 2023

	Group			Bank		
	Loans and advances to customers			Loans and advances to customers		
	Gross loans	Impairment Allowance	Carrying amount	Gross loans	Impairment Allowance	Carrying amount
South South Nigeria	531,653	(14,615)	517,038	531,653	(14,615)	517,038
South West Nigeria	5,404,929	(435,348)	4,969,581	5,224,294	(433,179)	4,791,115
South East Nigeria	209,958	(12,804)	197,154	209,958	(12,804)	197,154
North Central Nigeria	210,427	(11,918)	198,509	210,427	(11,918)	198,509
North West Nigeria	68,967	(4,311)	64,656	68,967	(4,311)	64,656
North East Nigeria	167,680	(7,356)	160,324	167,680	(7,356)	160,324
Rest of Africa	309,739	(9,790)	299,949	-	-	-
Outside Africa	152,094	(2,836)	149,258	-	-	-
	7,055,447	**(498,977)**	**6,556,469**	**6,412,979**	**(484,183)**	**5,928,796**

3. Risk management (continued)
(b) Industry sectors

Gross loans and advances to customers per industry sector as at 31 December 2024

Carrying amounts presented in the table below are determined as gross loans less impairment allowances.

31 December 2024
In millions of Naira

	Group			Bank		
	Loans and advances to customers			Loans and advances to customers		
	Gross loans	Impairment allowance	Carrying amount	Gross loans	Impairment allowance	Carrying amount
Agriculture	335,680	(22,468)	**313,212**	281,225	(21,481)	**259,744**
Oil and gas	4,105,443	(560,706)	**3,544,737**	3,996,809	(558,922)	**3,437,887**
Consumer Credit	336,532	(28,553)	**307,979**	180,604	(25,637)	**154,967**
Manufacturing	2,647,825	(114,193)	**2,533,632**	2,565,081	(113,002)	**2,452,079**
Real estate and construction	150,686	(3,615)	**147,071**	46,204	(1,370)	**44,834**
Finance and insurance	440,168	(9,707)	**430,461**	270,305	(8,465)	**261,840**
Government	1,021,000	(136,269)	**884,731**	812,815	(135,080)	**677,735**
Power	217,051	(62,567)	**154,484**	214,583	(62,463)	**152,120**
Transportation	229,748	(29,661)	**200,087**	154,193	(28,998)	**125,195**
Communication	379,310	(5,054)	**374,256**	370,764	(4,793)	**365,971**
Education	31,838	(739)	**31,099**	28,899	(613)	**28,286**
General Commerce	1,098,535	(54,920)	**1,043,615**	801,178	(53,061)	**748,117**
	10,993,816	(1,028,452)	9,965,364	9,722,660	(1,013,885)	8,708,775

31 December 2023
In millions of Naira

	Group			Bank		
	Loans and advances to customers			Loans and advances to customers		
	Gross loans	Impairment allowance.	Carrying amount	Gross loans	Impairment allowance	Carrying amount
Agriculture	337,124	(6,566)	**330,558**	328,984	(6,243)	**322,741**
Oil and gas	2,111,589	(175,455)	**1,936,134**	2,109,033	(175,345)	**1,933,690**
Consumer Credit	148,642	(28,439)	**120,203**	126,491	(27,604)	**98,887**
Manufacturing	1,598,506	(157,356)	**1,441,149**	1,520,684	(154,544)	**1,366,140**
Real estate and construction	258,090	(14,077)	**244,013**	198,922	(12,173)	**186,749**
Finance and Insurance	153,750	(2,608)	**151,142**	43,032	(339)	**42,693**
Government	875,619	(30,322)	**845,297**	785,577	(29,535)	**756,042**
Power	124,580	(9,389)	**115,191**	124,580	(9,389)	**115,191**
Transportation	150,809	(18,448)	**132,361**	129,314	(17,617)	**111,697**
Communication	108,612	(461)	**108,151**	100,876	(218)	**100,658**
Education	31,547	(521)	**31,026**	26,455	(316)	**26,139**
General Commerce	1,156,582	(55,337)	**1,101,245**	919,031	(50,862)	**868,169**
	7,055,447	(498,977)	6,556,470	6,412,979	(484,183)	5,928,796

3. Risk management (continued)

Group

Financial assets excluding loans and advances per industry sector as at 31 December 2024.

31 December 2024

In millions of naira

	Balances with central bank	Treasury bills	Assets pledged as collateral	Due from other banks	Investment securities	Derivatives Hedging Instrument	Derivatives Non Hedging Instrument	Other financial assets
Government	5,721,841	2,678,967	266,877	-	3,890,005	251,523	27,123	-
Manufacturing	-	-	-	-	6,798	-	-	-
Finance and Insurance	-	-	-	4,688,870	811,594	-	1,979	288,660
Communication	-	-	-	259,425	40,713	-	-	-
Gross amount	**5,721,841**	**2,678,967**	**266,877**	**4,948,295**	**4,749,110**	**251,523**	**29,102**	**288,660**
Impairment allowance	**-**	**(38)**	**(11)**	**(12,588)**	**(18,210)**	**-**	**-**	**(51,443)**
Carrying amount	**5,721,841**	**2,678,929**	**266,866**	**4,935,707**	**4,730,900**	**251,523**	**29,102**	**237,217**

Financial assets excluding loans and advances per industry sector as at 31 December 2023

31 December 2023

In millions of naira

	Balances with central bank	Treasury bills	Assets pledged as collateral	Due from other banks	Investment securities	Derivatives Hedging Instrument	Derivatives Non Hedging Instrument	Other financial assets
Government	4,107,110	2,736,344	308,667	-	1,862,577	462,376	45,565	-
Manufacturing	-	-	-	-	156,646	-	-	-
Finance and Insurance	-	-	-	1,835,249	992,817	-	26,798	476,740
Communication	-	-	-	-	105,033	-	-	-
Gross amount	**4,107,110**	**2,736,344**	**308,667**	**1,835,249**	**3,117,073**	**462,376**	**72,363**	**476,740**
Impairment allowance	**-**	**(71)**	**(29)**	**(935)**	**(42,312)**	**-**	**-**	**(31,143)**
Carrying amount	**4,107,110**	**2,736,273**	**308,638**	**1,834,314**	**3,074,761**	**462,376**	**72,363**	**445,597**

Bank

Financial assets excluding loans and advances per industry sector as at 31 December 2024

31 December 2024

In millions of naira

	Balances with central bank	Treasury bills	Assets pledged as collateral	Due from other banks	Investment securities	Derivatives Hedging Instrument	Derivative Non Hedging Instrument	Other financial assets
Government	5,153,964	2,437,502	89,073	-	1,789,447	251,523	17,710	-
Manufacturing	-	-	-	-	4,721	-	-	-
Finance and Insurance	-	-	-	4,455,005	52,678	-	1,980	165,617
Communication	-	-	-	-	39,602	-	-	-
Gross amount	**5,153,964**	**2,437,502**	**89,073**	**4,455,005**	**1,886,448**	**251,523**	**19,690**	**165,617**
Impairment allowance	**-**	**(38)**	**(11)**	**(12,569)**	**(5,005)**	**-**	**-**	**(51,329)**
Carrying amount	**5,153,964**	**2,437,464**	**89,062**	**4,442,436**	**1,881,443**	**251,523**	**19,690**	**114,288**

3. Risk management (continued)

Financial assets excluding loans and advances per industry sector as at 31 December 2023.

31 December 2023

In millions of naira

	Balances with central bank	Treasury bills	Assets pledged as collateral	Due from other banks	Investment securities	Derivatives Hedging Instrument	Derivatives Non Hedging Instrument	Other financial assets
Government	3,860,124	2,530,037	255,090	-	660,464	462,376	45,565	-
Manufacturing	-	-	-	-	143,500	-	-	-
Finance and Insurance	-	-	-	1,692,657	86,605	-	1	425,601
Communication	-	-	-	-	104,472	-	-	-
Gross amount	**3,860,124**	**2,530,037**	**255,090**	**1,692,657**	**995,041**	**462,376**	**45,566**	**425,601**
Impairment allowance	**-**	**(71)**	**(29)**	**(935)**	**(5,451)**	**-**	**-**	**(31,061)**
Carrying amount	**3,860,124**	**2,529,966**	**255,061**	**1,691,722**	**989,590**	**462,376**	**45,566**	**394,540**

3.2.9 Credit quality analysis

Group

31 December 2024

Credit rating - 12 month ECL: All financial assets excluding loans and advances

In millions of naira

	Balances with central bank	Treasury bills	Assets pledged as collateral	Due from other banks	Investment securities	Derivative Asset - Hedging Instrument	Derivative Asset -Non Hedging Instrument	Other financial assets
AAA to A	5,172,502	2,437,502	266,877	3,641,151	3,394,551	-	2,351	71,854
BBB to BB	-	34,144	-	1,027,450	873,665	251,523	19,690	33,700
CCC to C	-	-	-	42,828	35,362	-	-	-
Unrated	549,337	207,321	-	236,869	445,500	-	7,062	183,106
Gross amount	**5,721,839**	**2,678,967**	**266,877**	**4,948,298**	**4,749,078**	**251,523**	**29,103**	**288,660**
ECL - impairment	**-**	**(38)**	**(11)**	**(12,588)**	**(18,210)**	**-**	**-**	**(51,443)**
Carrying amount	**5,721,839**	**2,678,929**	**266,866**	**4,935,710**	**4,730,868**	**251,523**	**29,103**	**237,217**

	Loans and Advances					
	Term loans	Overdraft	Onlending	Total		
12 months ECL	6,005,480	1,214,301	67,065	7,286,846		
Lifetime ECL not credit impaired	2,715,685	643,541	3,107	3,362,333		
Lifetime ECL credit impaired	191,056	145,602	7,979	344,637		
Gross loans and advances	8,912,221	2,003,444	78,151	10,993,816		
Less allowances for impairment						
12 - months ECL	124,852	25,236	1,275	151,363	-	-
Lifetime ECL not credit impaired	537,863	95,904	1,984	635,751		
Lifetime ECL credit impaired	136,103	101,971	3,264	241,338		
Total allowances for impairment	798,818	223,111	6,523	1,028,452		
Net loans and advances	**8,113,403**	**1,780,333**	**71,628**	**9,965,364**		

3. Risk management (continued)

Credit rating for loans and advances with 12 month ECL

	Loans and advances			
	Term loans	Overdraft	Onlending	Total
A	946,423	303,967	15,811	1,266,201
AA	748,027	193,383	4,271	945,681
B	17,360	7,746	-	25,106
BB	802,533	15,786	-	818,319
BBB	3,283,690	539,408	46,983	3,870,081
CC	-	-	-	-
CCC	(53)	-	-	(53)
Below C	-	-	-	-
Unrated	207,499	154,012	-	361,511
Gross amount	6,005,479	1,214,302	67,065	7,286,846
ECL-Impairment	(124,852)	(25,236)	(1,275)	(151,363)
Carrying amount	**5,880,627**	**1,189,066**	**65,790**	**7,135,483**

Bank

31 December 2024

Credit rating - 12 month ECL: All financial assets excluding loans and advances

In millions of naira

	Balances with central bank	Treasury bills	Assets pledged as collateral	Due from other banks	Investment securities	Derivative Asset - Hedging Instrument	Derivative Asset -Non Hedging Instrument	Other financial assets
AAA to A	5,153,964	2,437,502	89,073	3,008,105	1,619,327	-	-	71,854
BBB to BB	-	-	-	871,933	258,423	251,523	19,690	**33,700**
CCC to C	-	-	-	557,970	8,698	-	-	**-**
Unrated	-	-	-	16,998	-	-	-	**60,063**
Gross amount	**5,153,964**	**2,437,502**	**89,073**	**4,455,006**	**1,886,448**	**251,523**	**19,690**	**165,617**
ECL - impairment	**-**	**(38)**	**(11)**	**(12,569)**	**(5,005)**	**-**	**-**	**(51,329)**
Carrying amount	**5,153,964**	**2,437,464**	**89,062**	**4,442,437**	**1,881,443**	**251,523**	**19,690**	**114,288**

	Loans and Advances					
	Term loans	Overdraft	Onlending	Total		
12 months ECL	4,927,972	1,037,700	67,065	6,032,737		
Lifetime ECL not credit impaired	2,705,303	643,072	3,107	3,351,482		
Lifetime ECL credit impaired	188,311	142,153	7,977	338,441		
Gross loans and advances	7,821,586	1,822,925	78,149	9,722,660		
Less allowances for impairment						
12 - months ECL	(116,067)	(20,846)	(1,275)	(138,188)	-	-
Lifetime ECL not credit impaired	(537,116)	(95,633)	(1,984)	(634,733)		
Lifetime ECL credit impaired	(136,103)	(101,599)	(3,262)	(240,964)		
Total allowances for impairment	(789,286)	(218,078)	(6,521)	(1,013,885)		
Net loans and advances	**7,032,300**	**1,604,847**	**71,628**	**8,708,775**		

3. Risk management (continued)

	Loans and advances			
	Term loan	Onlending	Overdraft	Total
A	925,477	297,161	15,811	1,238,449
AA	747,887	193,383	4,271	945,541
BB	10,363	7,748	-	18,111
BBB	3,244,245	539,408	46,983	3,830,636
C	-	-	-	-
CC	-	-	-	-
CCC	-	-	-	-
Below C	-	-	-	-
UNRATED	-	-	-	-
Gross amount	4,927,972	1,037,700	67,065	6,032,737
ECL-Impairment	(116,067)	(20,846)	(1,275)	(138,188)
Carrying amount	**4,811,905**	**1,016,854**	**65,790**	**5,894,549**

Group

31 December 2023

Credit rating: All financial assets with credit exposure excluding loans and advances

In millions of naira

	Balances with central bank	Treasury bills	Assets pledged as collateral	Due from other banks	Investment securities	Derivative Asset - Hedging Instrument	Derivative Asset -Non Hedging Instrument	Other financial assets
AAA to A	3,867,620	2,562,050	308,667	1,509,797	2,055,135	-	1,733	70,821
BBB to BB	-	-	-	133,317	710,549	462,376	70,109	291,938
Below B	239,490	174,294	-	48,829	346,662	-	-	62,064
Unrated	-	-	-	143,306	4,727	-	521	51,917
Gross amount	**4,107,110**	**2,736,344**	**308,667**	**1,835,249**	**3,117,073**	**462,376**	**72,363**	**476,740**
ECL - impairment	**-**	**(71)**	**(29)**	**(935)**	**(42,312)**	**-**	**-**	**(31,143)**
Carrying amount	**4,107,110**	**2,736,273**	**308,638**	**1,834,314**	**3,074,761**	**462,376**	**72,363**	**445,597**

In millions of Naira	Loans and Advances					
	Term loan	Overdraft	Onlending	Total		
12 months ECL	3,522,061	348,802	443,581	4,314,444		
Lifetime ECL not credit impaired	1,556,619	658,239	215,799	2,430,657		
Lifetime ECL credit impaired	212,855	91,662	5,830	310,347		
Gross loans and advances	5,291,535	1,098,703	665,210	7,055,448		
Less allowances for impairment						
12 - months ECL	36,667	4,825	5,855	47,347	-	-
Lifetime ECL not credit impaired	98,041	46,347	27,160	171,548		
Lifetime ECL credit impaired	201,712	74,086	4,284	280,082		
Total allowances for impairment	336,420	125,258	37,299	498,977		
Net loans and advances	**4,955,115**	**973,445**	**627,911**	**6,556,471**		

3. Risk management (continued)

Credit rating for loans and advances with 12 month ECL

	Loans and advances			
	Term loan	Overdraft	Onlending	Total
A	945,918	117,111	181,281	1,244,310
AA	599,565	122,750	48,754	771,069
B	291,783	2,382	-	294,165
BB	124,801	829	642	126,272
BBB	1,541,093	105,663	212,904	1,859,660
C	-	-	-	-
CC	-	-	-	-
CCC	1,413	-	-	1,413
Below C	-	-	-	-
Unrated	17,489	67	-	17,556
Gross amount	3,522,061	348,802	443,581	4,314,444
ECL-Impairment	(36,667)	(4,825)	(5,855)	(47,347)
Carrying amount	**3,485,394**	**343,977**	**437,726**	**4,267,097**

Bank

31 December 2023

Credit rating - 12 month ECL: All financial assets excluding loans and advances

In millions of naira

	Balances with central bank	Treasury bills	Assets pledged as collateral	Due from other banks	Investment securities	Derivative Hedging Instruments	Derivative Non Hedging Instruments	Other financial assets
AAA to A	3,965,386	2,530,037	255,090	1,346,978	618,736	-	-	70,228
BBB to BB	-	-	-	126,350	370,491	462,376	45,566	293,308
CCC to C	-	-	-	211,466	5,814	-	-	-
Unrated	-	-	-	7,863	-	-	-	62,065
Gross amount	**3,965,386**	**2,530,037**	**255,090**	**1,692,657**	**995,041**	**462,376**	**45,566**	**425,601**
ECL - impairment	**-**	**(71)**	**(29)**	**(935)**	**(5,451)**	**-**	**-**	**(31,061)**
Carrying amount	**3,965,386**	**2,529,966**	**255,061**	**1,691,722**	**989,590**	**462,376**	**45,566**	**394,540**

In millions of Naira	Loans and Advances					
	Term loans	Overdraft	Onlending	Total		
12 months ECL	2,952,899	284,365	443,582	3,680,846		
Lifetime ECL not credit impaired	1,549,326	658,190	215,799	2,423,315		
Lifetime ECL credit impaired	212,712	90,279	5,827	308,818		
Gross loans and advances	4,714,937	1,032,834	665,208	6,412,979		
Less allowances for impairment						
12 - months ECL	(26,960)	(1,924)	(5,855)	(34,739)	-	-
Lifetime ECL not credit impaired	(97,680)	(45,871)	(27,159)	(170,710)		
Lifetime ECL credit impaired	(201,660)	(72,789)	(4,285)	(278,734)		
Total allowances for impairment	(326,300)	(120,584)	(37,299)	(484,183)		
Net loans and advances	**4,388,637**	**912,250**	**627,909**	**5,928,796**		

3. Risk management (continued)

	Loans and advances			
	Term loan	Ovrdraft	On-lending	Total
A	813,952	55,501	181,281	1,050,734
AA	597,064	122,746	48,754	768,564
B	927	669	642	2,238
BB	1,540,956	105,449	212,905	1,859,310
BBB	-	-	-	-
C	-	-	-	-
CC	-	-	-	-
CCC	-	-	-	-
Below C	-	-	-	-
Unrated	-	-	-	-
Gross amount	2,952,899	284,365	443,582	3,680,846
ECL-Impairment	(26,960)	(1,924)	(5,855)	(34,739)
Carrying amount	**2,925,939**	**282,441**	**437,727**	**3,646,107**

Credit rating for loans and advances with 12 month ECL

3.2.10 Amounts Arising from ECL

For inputs, assumptions and techniques used for estimating impairment see accounting policy in note 2.7

3.2.11 Amounts arising from ECL

Corporate exposures	Retail exposures	All exposures
– Information obtained during periodic review of customer files – e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, senior management changes – Data from credit reference agencies, press articles, changes in external credit ratings – Quoted bond and credit default swap (CDS) prices for the borrower where available – Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities	– Internally collected data on customer behaviour – e.g. utilisation of credit card facilities – Affordability metrics – External data from credit reference agencies, including industry-standard credit scores	– Payment record – this includes overdue status as well as a range of variables about payment ratios – Utilisation of the granted limit – Requests for and granting of forbearance – Existing and forecast changes in business, financial and economic conditions

The Group allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.

Each exposure is allocated to a credit risk grade at initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade.

3. Risk management (continued)

3.2.12 Internal portfolio segmentation

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Group collects performance and default information about its credit risk exposures analysed by jurisdiction or region and by type of product and borrower as well as by credit risk grading. For some portfolios, information purchased from external credit reference agencies is also used. The credit risk grades are reviewed quarterly.

The Group employs statistical models to analyse the data collected and generates estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors as well as in-depth analysis of the impact of certain other factors (e.g. forbearance experience) on the risk of default. For most exposures, key macro-economic indicators include: GDP growth, benchmark interest rates and unemployment. For exposures to specific industries and/or regions, the analysis may extend to relevant commodity and/or real estate prices.

Based on advice from the Group Risk Committee and economic experts and consideration of a variety of external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios (see discussion below on incorporation of forward-looking information). The Group then uses these forecasts to adjust its estimates of PDs.

In determining the ECL for other assets, the Group applies the simplified model to estimate ECLs, adopting a provision matrix, where the receivables are grouped based on the nature of the transactions, aging of the balances and different historical loss patterns, to determine the lifetime ECLs. Receivables relate to amounts due for the povision of services to the Banks' customers. The provision matrix estimates ECLs on the basis of historical default rates, adjusted for current and future economic conditions (expected changes in default rates) without undue cost and effort.

3.2.13 Significant increase in credit risk

Significant increase in credit risk

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The criteria for determining whether credit risk has increased significantly depends on quantitative, qualitative as well as backstop indicators. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's quantitative modelling, the credit rating is determined to have deteriorated since initial recognition by more than a predetermined range. This in turn increases the probability of default of these facilities as a lifetime ECL is now used in estimating ECL. Using its expert credit judgement and, where possible, relevant historical experience, the Group may determine that an exposure has experienced a significant increase in credit risk based on particular qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

As a backstop, the Group considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Group determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

Generally, facilities with loss allowances being measured as Life-time ECL not credit impaired (Stage 2) are monitored for a probationary period of 90 days to confirm if the credit risk has decreased sufficiently before they can be migrated from Life-time ECL not credit impaired (Stage 2) to 12-month ECL (Stage 1) while credit-impaired facilities (Stage 3) are monitored for a probationary period of 180 days before migration from Stage 3 to 12-month ECL (Stage 1).

The Group monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews (quarterly) to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (stage 1) and lifetime PD (stage 2).

3. Risk management (continued)

3.2.14 Modified financial assets

The contractual terms of a financial asset may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy set out in the accounting policy.

The Group renegotiates loans to customers in financial difficulties (referred to as ‘forbearance activities) to maximise collection opportunities and minimise the risk of default. Under the Group’s forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both retail and corporate loans are subject to the forbearance policy. The Group Audit Committee regularly reviews reports on forbearance activities.

For financial assets modified as part of the Group’s forbearance policy, the estimate of PD reflects whether the modification has improved or restored the Group’s ability to collect interest and principal and the Group’s previous experience of similar forbearance action. As part of this process,the Group evaluates the borrower’s payment performance against the modified contractual terms and considers various behavioural indicators.

Generally, forbearance is a qualitative indicator of a significant increase in credit risk and an expectation of forbearance may constitute evidence that an exposure is credit-impaired/in default. A customer needs to demonstrate consistently good payment behaviour over a period of time before the exposure is no longer considered to be credit-impaired/in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to 12-month ECL.

3. Risk management (continued)

3.2.15 Definition of default

The Group considers a financial asset to be in default when;

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

- the borrower is past due more than 90 days on any material credit obligation to the Group.Overdrafts are considered as being past due once the customer has breached an advised limit or has been advised of a limit smaller than the current amount outstanding. In assessing whether a borrower is in default, the Group considers indicators that are:

* qualitative - e.g. breaches of covenant;

* quantitative - e.g. overdue status and non-payment on another obligation of the same issuer to the Group; and

* based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

The definition of default largely aligns with that applied by the Group for regulatory purposes except where there is regulatory waiver on specifically identified loans and advances.

3.2.16 Incorporation of forward-looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on advice from the Group Risk Committee and economic experts and consideration of a variety of external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities in the countries where the Group operates, supranational organisations such as the OECD and the International Monetary Fund, and selected private-sector and academic forecasters.

The base case represents a most-likely outcome while the other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses for its financial assets and, using an analysis of historical data, has estimated relationships between macro-economic variables and sectorial historical loan performance. Some of the macroeconomic variables considered include Crude Oil price, Foreign Exchange rate, GDP growth rate, Inflation rate, Monetary policy rate and Crude production. However from the statistical analysis of the various macroeconomic variables, the result infers that the key drivers vary across the different sectors. The macro economic variables used across the different sectors are as follows:

- Oil and gas portfolio - Inflation, Crude production and crude prices

- Public sector Portfolio - Inflation, prime lending and crude production

- Manufacturing sector Portfolio - Inflation, prime lending and crude production

- Consumer Credit sector portfolio - Inflation, prime lending and crude production

- Agriculture sector portfolio- Crude production

- Others - Crude production

Predicted relationships between the historical loan performance of the Bank's portfolio and the macroeconomic variables have been developed by analysing historical data over the past five years. The result of this analysis in addition to a 5-year forecast was used to determine the scalars used in adjusting ECL.

The weightings assigned to each economic scenario as at 31 December 2024 were as follows:

	Base	Upturn	Downturn
Loans and advances and off-balance sheet exposures	37%	32%	31%
Investment securities and placements	37%	32%	31%

3. Risk management (continued)

3.2.17 Measurement of ECL

The key inputs into the measurement of ECL of financial assets (treasury bills, assets pledged as collateral, due from other banks, loans and advances and investment securities) are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD)
- exposure at default (EAD)

ECL for exposures in stage 1 (12-months ECL) is calculated by multiplying the 12-months PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

These parameters are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect forward-looking information as described above.

PD is an estimate of the likelihood of default over a given time horizon, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD for large corporate counterparties. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. The methodology of estimating PD is discussed in note 3.2.12.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. LGD estimates are recalibrated for different economic scenarios and, for lending, to reflect possible changes in the economies. They are calculated on a discounted cash flow basis using the effective interest rate as the discount.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EAD includes the amount drawn,as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Group measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Group considers a longer period. The maximum contractual period extends to the date at which the Group has the right to require repayment of an advance or terminate a loan commitment or guarantee.

For overdrafts and revolving facilities that include both a loan and an undrawn commitment component, the Group measures ECL over a period longer than the maximum contractual period if the Group's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Group's exposure to credit losses to the contractual notice period.These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Group can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Group becomes aware of an increase in credit risk at the facility level. This longer period is estimated by taking into account the credit risk management actions that the Group expects to take and that serve to mitigate ECL. These include a reduction in limits, cancellation of the facility and/or turning the outstanding balance into a loan with fixed repayment terms.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics that include:

- instrument type
- credit risk gradings
- collateral type
- Past due information
- date of initial recognition
- remaining term to maturity
- industry
- geographic location of the borrower

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

3. Risk management (continued)

3.2.18(a) Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument. Comparative amounts for 2023 represent allowance account for credit losses and reflect measurement basis under IFRS 9.

Group

In millions of naira	31 December 2024	31 December 2023
Treasury bills at amortised cost	12-month ECL	12-month ECL
Balance at 1 January	71	407
Impairment Charge/(writeback) (see note 8)	(33)	(336)
Closing balance	**38**	**71**
Gross amount	1,022,741	1,986,738

In millions of naira	31 December 2024				31 December 2023			
Off balance sheet exposure (Financial Guarantees)	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Balance at 1 January	6,991	2,990	86	10,067	5,811	65	738	6,614
Impairment/(writeback) (see note 8)	38,251	(2,611)	4,756	40,396	(640)	2,925	(651)	1,634
Effect of Hyperinflation	2,616			2,616	947			947
Foreign exchange and other movements	1,021	4	2	1,027	872	-	-	872
Closing balance	**48,879**	**383**	**4,844**	**54,106**	**6,990**	**2,990**	**87**	**10,067**
Gross amount	4,829,546	15,325	13,167	4,858,038	1,887,760	120,383	35,891	2,044,034

In millions of naira	31 December 2024	31 December 2023
Assets pledged as collateral at amortised cost	12-month ECL	12-month ECL
Balance at 1 January	29	19
Impairment Charge/(writeback) (see note 8)	(18)	10
Closing Balance	**11**	**30**
Gross amount	266,877	308,667

3. Risk management (continued)

	31 December 2024				31 December 2023			
In millions of naira	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans and advances to customers at amortised cost								
Balance at 1 January	47,347	171,548	280,083	498,978	29,501	35,370	45,390	110,261
- Transfer to 12-month ECL	7,807	(5,344)	(2,463)	-	2,542	(1,109)	(1,433)	-
- Transfer to lifetime ECL not credit-impaired	(1,140)	1,466	(326)	-	(6,495)	6,728	(233)	-
- Transfer to lifetime ECL credit-impaired	(400)	(2,912)	3,312	-	(279)	(3,338)	3,617	-
Impairment charge/(write back) (see note 8)	96,622	441,417	56,135	594,174	19,308	132,836	248,506	400,650
Derecognized assets other than write off	-	-	-	-	-	-	-	-
Write off	-	-	(96,484)	(96,484)	-	-	(13,386)	(13,386)
Effect of Hyperinflation	(5,016)	-	-	(5,016)	(1,215)	-	-	(1,215)
Foreign exchange and other movements	6,142	29,577	1,081	36,800	3,985	1,061	(2,379)	2,667
Closing balance	**151,362**	**635,752**	**241,338**	**1,028,452**	**47,347**	**171,547**	**280,081**	**498,977**
Gross amount	7,286,846	3,362,335	344,635	10,993,816	4,314,443	2,430,657	310,347	7,055,447

	31 December 2024				31 December 2023			
In millions of naira	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Investment securities at amortised cost and fair value through OCI								
Balance at 1 January	(7,557)	(1,934)	(32,610)	(42,101)	(3,323)	(9,907)	(49,008)	(62,238)
Transfer to lifetime ECL credit-impaired		-	-			9,310	(9,310)	
Impairment Charge/(writeback) (see note 8)	10,111	758	(1,432)	9,437	(1,992)	(655)	(5,256)	(7,903)
Financial assets derecognised during the year other than write-offs		-	27,409	27,409		-	-	
Modification of contractual cash flows	-	-	-			-	42,533	42,533
Foreign exchange and other movements	(4,200)	(881)	(7,842)	(12,923)	(2,426)	(683)	(11,595)	(14,704)
Closing balance	**(1,646)**	**(2,057)**	**(14,475)**	**(18,178)**	**(7,741)**	**(1,935)**	**(32,636)**	**(42,312)**
Gross amount	4,213,697	17,275	476,214	4,707,186	964,805	257,571	341,617	1,563,993

3. Risk management (continued)

In millions of naira	31 December 2024		31 December 2023	
	12-month ECL	Lifetime ECL not credit-impaired	12-month ECL	Lifetime ECL not credit-impaired
Other financial assets				
Balance at 1 January	(31,143)	-	(28,970)	-
Impairment Charge/(writeback) (see note 8)	(20,259)	-	(2,173)	-
	-			
Foreign exchange and other movements	(41)	-	-	-
Closing balance	**(51,443)**	**-**	**(31,143)**	**-**
Gross amount subject to simplified ECL	223,179	-	411,264	-

In millions of naira	31 December 2024	31 December 2023
	12-month ECL	12-month ECL
Due from other banks		
Balance at 1 January	(935)	(75)
Impairment/(writeback) (see note 8)	(11,653)	(860)
Foreign exchange and other movements	-	-
Closing balance	**(12,588)**	**(935)**
Gross amount	4,948,297	1,835,249

Bank

In millions of naira	31 December 2024	31 December 2023
	12-month ECL	12-month ECL
Treasury bills at ammortised cost		
Balance at 1 January	71	39
Impairment Charge/(writeback) (see note 8)	(33)	32
Closing balance	**38**	**71**
Gross amount	781,276	1,780,431

In millions of naira	31 December 2024				31 December 2023			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Off balance sheet exposure								
Balance at 1 January	3,499	2,990	88	6,577	4,487	65	739	5,291
Impairment/(writeback) (see note 8)	39,165	(2,611)	4,756	41,310	(988)	2,925	(651)	1,286
Closing balance	**42,664**	**379**	**4,844**	**47,887**	**3,499**	**2,990**	**88**	**6,577**
Gross amount	4,712,810	15,325	13,167	4,741,303	1,684,611	120,383	35,891	1,840,885

In millions of naira	31 December 2024	31 December 2023
	12-month ECL	12-month ECL
Assets pledged as collateral at ammortised cost		
Balance at 1 January	29	19
Impairment Charge/(writeback) (see note 8)	(18)	10
Closing balance	**11**	**29**
Gross amount	89,073	255,090

3. Risk management (continued)

In millions of naira	31 December 2024				31 December 2023			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans and advances to customers at amortised cost								
Balance at 1 January	34,738	170,709	278,736	484,183	25,269	34,341	43,519	103,129
- Transfer to 12-month ECL	7,803	(5,340)	(2,463)	-	2,542	(1,109)	(1,433)	-
- Transfer to lifetime ECL not credit-impaired	(1,140)	1,231	(91)	-	(5,909)	6,142	(233)	-
- Transfer to lifetime ECL credit-impaired	(136)	(2,908)	3,044	-	(264)	(1,500)	1,764	-
Impairment charge (see note 8)	96,923	441,338	56,136	594,397	13,100	132,835	248,505	394,440
Write-offs	-	-	(94,398)	(94,398)	-	-	(13,386)	(13,386)
New financial assets originated or purchased	-	-	-	-	-	-	-	-
Derecognised asset other than write off	-	-	-	-	-	-	-	-
Effects of changes in EAD, LGD and PD	-	-	-	-	-	-	-	-
Foreign exchange and other movements	-	29,703	-	29,703				
Closing balance	**138,188**	**634,733**	**240,964**	**1,013,885**	**34,738**	**170,709**	**278,736**	**484,183**
Gross amount	6,032,737	3,351,482	338,441	9,722,660	3,680,846	2,423,314	308,819	6,412,979

In millions of naira	31 December 2024	31 December 2023
	Lifetime ECL not credit-impaired	Lifetime ECL not credit-impaired
Other financial assets	-	-
Balance at 1 January	31,061	28,868
Impairment Charge (see note 8)	20,268	2,193
Closing balance	**51,329**	**31,061**
Gross amount subject to simplified approach ECL	98,654	358,753

3. Risk management (continued)

In millions of naira	31 December 2024	31 December 2023
	12-month ECL	12-month ECL
Due from other Banks		
Balance at 1 January	935	75
Impairment/(writeback) (see note 8)	11,634	860
Closing balance	**12,569**	**935**
Gross amount	4,455,006	1,692,657

In millions of naira	31 December 2024				31 December 2023			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Investment securities at amortised cost and fair value through OCI		-	-					
Balance at 1 January	2,178	538	2,735	5,451	1,277	-	1,307	2,584
		-	-					
		-	-					
		-	-					
Impairment Charge/(writeback)(see note 8)	(1,406)	(472)	1,432	(446)	901	538	1,428	2,867
		-	-					
		-	-					
		-	-					
		-	-					
Closing balance	**772**	**66**	**4,167**	**5,005**	**2,178**	**538**	**2,735**	**5,451**
Gross amount	1,841,160	1,353	8,698	1,851,211	720,663	249,308	5,636	975,607

3. Risk management (continued)

3.2.18 (b) Significant changes in gross carrying amount

Significant changes in the gross carrying amount of financial assets that contributed to changes in the loss allowance were as follows:

Group

In millions of naira	31 December 2024 Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit-impaired	Stage 3 Lifetime ECL credit-impaired	Total	31 December 2023 Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit-impaired	Stage 3 Lifetime ECL credit-impaired	Total
Treasury bills at amortised cost								
Gross carrying amount at 1 January	1,986,738	-	-	1,986,738	1,003,732	177	-	1,003,909
Financial assets derecognised during the year other than write-offs	(1,913,238)	-	-	(1,913,238)	(3,284,100)	(306)	-	(3,284,406)
Changes in amortised cost value	150,529	-	-	150,529	38,186	-	-	38,186
New financial assets originated or purchased	726,625	-	-	726,625	4,197,072	-	-	4,197,072
Foreign exchange and other movements	72,087	-	-	72,087	31,849	129	-	31,978
Closing gross carrying amount	**1,022,741**	**-**	**-**	**1,022,741**	**1,986,739**	**-**	**-**	**1,986,739**

In millions of naira	31 December 2024 Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit-impaired	Stage 3 Lifetime ECL credit-impaired	Total	31 December 2023 Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit-impaired	Stage 3 Lifetime ECL credit-impaired	Total
Off balance sheet exposure								
Gross carrying amount at 1 January	1,887,316	121,360	35,358	2,044,034	1,010,968	1,056	12,194	1,024,218
Transfers:								
Transfer to 12 month ECL	8,985	(7,692)	(1,293)	-	3,574	(1,788)	(1,786)	-
Transfer to lifetime ECL not credit-impaired	(184,673)	185,273	(600)	-	(44,363)	44,910	(547)	-
Transfer to lifetime ECL credit-impaired	(1,073)	(85)	1,158	-	(18,901)	-	18,901	-
Financial assets derecognised during the year	(731,602)	(89,939)	(35,985)	(857,526)	(411,890)	(5,266)	(12,330)	(429,486)
New financial assets originated or purchased	4,251,708	13,773	9,809	4,275,290	875,878	70,183	14,367	960,428
Foreign exchange and other movements	(401,115)	(207,365)	4,721	(603,759)	472,050	12,265	4,559	488,874
Closing gross carrying amount	**4,829,546**	**15,325**	**13,168**	**4,858,039**	**1,887,316**	**121,360**	**35,358**	**2,044,034**

3. Risk management (continued)

In millions of naira	31 December 2024 Stage 1 12-month ECL	31 December 2023 Stage 1 12-month ECL
Assets pledged as collateral at amortised cost		
Gross carrying amount at 1 January	308,667	228,395
Transfers:		
Financial assets derecognised during the period other than write-offs	(99,568)	(156,160)
Changes in amortised cost value	8,903	(1,001)
New financial assets originated or purchased	90,609	53,577
Transfers from investment securities	(75,352)	183,856
Foreign exchange and other movements	33,618	-
Closing gross carrying amount	**266,877**	**308,667**

	31 December 2024				31 December 2023			
In millions of naira	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit-impaired	Stage 3 Lifetime ECL credit-impaired	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit-impaired	Stage 3 Lifetime ECL credit-impaired	Total
Loans and advances to customers at amortised cost								
Gross carrying amount at 1 January	4,314,443	2,430,656	310,348	7,055,447	3,139,107	905,393	79,466	4,123,966
Transfers:								
Transfer from stage 1 to stage 2	166,236	(162,745)	(3,491)	-	(593,133)	470,115	123,018	-
Transfer from stage 1 to stage 3	(173,124)	173,563	(439)	-	-	-	-	-
Transfer from stage 2 to stage 3	(10,244)	(45,109)	55,353	-	(21,914)	(4,179)	26,093	-
Transfer from stage 3 to stage 2	-	-	-	-	-	-	-	-
Transfer from stage 2 to stage 1	-	-	-	-	-	-	-	-
Transfer from stage 3 to stage 1	-	-	-	-	133,119	(130,079)	(3,040)	-
Financial assets derecognised during the period other than write-offs	(1,941,725)	(1,387,334)	(119,760)	(3,448,819)	(918,671)	(129,405)	(24,323)	(1,072,399)
New financial assets originated or purchased	4,431,965	2,211,380	115,686	6,759,031	2,513,310	852,633	82,036	3,447,979
Write-offs	-	-	(94,398)	(94,398)	-	-	(13,386)	(13,386)
Foreign exchange and other movements	499,295	141,924	81,336	722,555	62,625	466,178	40,484	569,287
Closing gross carrying amount	**7,286,846**	**3,362,335**	**344,635**	**10,993,816**	**4,314,443**	**2,430,656**	**310,348**	**7,055,447**

3. Risk management (continued)

In millions of naira	31 December 2024 Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit-impaired	Stage 3 Lifetime ECL credit-impaired	Total	31 December 2023 Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit-impaired	Stage 3 Lifetime ECL credit-impaired	Total
Investment securities at amortised cost and fair value through OCI								
Gross carrying amount at 1 January	1,883,277	710,949	498,554	3,092,780	1,400,136	90,253	195,605	1,685,994
Transfers:								
Transfer from stage 1 to stage 2	44,339	(44,339)	-	-	(45,607)	45,607	-	-
Transfer from stage 1 to stage 3	-	-	-	-	-	-	-	-
Transfer from stage 2 to stage 3	-	-	-	-	-	(77,900)	77,900	-
Transfer to pledged	-	-	-	-	(92,337)	-	-	(92,337)
Financial assets derecognised during the period other than write-offs	(113,339)	(203,632)	2,185	(314,786)	(168,771)	(9,432)	(250,775)	(428,978)
Changes in amortised cost value	8,983	16	-	8,999	56,201	7,069	26,339	89,609
New financial assets originated or purchased	622,379	(4,124)	33,728	651,984	365,743	196,632	217,574	779,949
Modification of contractual cash flows of financial assets	-	-	(42,518)	(42,518)	-	-	-	-
Transfer to assets pledged	75,352	-	-	75,352	-	-	-	-
Foreign exchange and other movements	1,692,738	(441,594)	(15,735)	1,235,409	367,912	458,720	231,911	1,058,543
Closing gross carrying amount	**4,213,729**	**17,276**	**476,214**	**4,707,219**	**1,883,277**	**710,949**	**498,554**	**3,092,780**

3. Risk management (continued)

In millions of naira **Other financial assets**	31 December 2024 12-month ECL	31 December 2024 Lifetime ECL not credit-impaired	31 December 2023 12-month ECL	31 December 2023 Lifetime ECL not credit-impaired
Gross carrying amount at 1 January	-	411,263	168,692	-
Transfers:				
New financial assets originated or purchased	-	55,695	229,490	-
Financial assets derecognised during the period other than write offs	-	(260,197)	(448)	-
Foreign exchange and other movements	-	16,417	13,530	-
Closing gross carrying amount of assets subject to simplified approach	**-**	**223,179**	**411,264**	**-**

In millions of naira **Due from other banks**	31 December 2024 **Stage 1** 12-month ECL	31 December 2023 **Stage 1** 12-month ECL
Gross carrying amount at 1 January	1,835,249	1,302,886
Transfers:		
Financial assets derecognised during the period other than write-offs	(782,772)	(1,075,935)
New financial assets originated or purchased	2,489,304	556,381
Foreign exchange and other movements	1,406,514	1,051,917
Closing gross carrying amount	**4,948,295**	**1,835,249**

Bank

In millions of naira **Treasury bills at amortised cost**	31 December 2024 **Stage 1** 12-month ECL	31 December 2024 Total	31 December 2023 **Stage 1** 12-month ECL	31 December 2023 Total
Gross carrying amount at 1 January	1,780,431	1,780,431	963,669	963,669
Transfers:				
Financial assets derecognised during the period other than write-offs	(1,876,309)	(1,876,309)	(3,283,800)	(3,283,800)
Changes in amortised cost value	150,529	150,529	38,154	38,154
New financial assets originated or purchased	726,625	726,625	4,062,409	4,062,409
Closing gross carrying amount	**781,276**	**781,276**	**1,780,431**	**1,780,431**

3. Risk management (continued)

In millions of naira	31 December 2024 Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit-impaired	Stage 3 Lifetime ECL credit-impaired	Total	31 December 2023 Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit-impaired	Stage 3 Lifetime ECL credit-impaired	Total
Off balance sheet exposure								
Gross carrying amount at 1 January	1,684,611	120,383	35,891	1,840,885	972,357	8,263	15,143	995,763
Transfers:								
Transfer from stage 1 to stage 2	(184,673)	184,673	-	-	(44,320)	44,320	-	-
Transfer from stage 1 to stage 3	(1,073)	-	1,073	-	(18,894)	-	18,894	-
Transfer from stage 3 to stage 2	-	600	(600)	-	-	547	(547)	-
Transfer from stage 2 to stage 3	-	(85)	85	-	-	(634)	634	-
Transfer from stage 2 to stage 1	7,692	(7,692)	-	-	1,456	(1,456)	-	-
Transfer from stage 3 to stage 1	1,293	-	(1,293)	-	1,786	-	(1,786)	-
Financial assets derecognised during the period other than write-offs	(812,567)	(89,068)	(35,836)	(937,471)	(381,858)	(4,911)	(12,330)	(399,099)
New financial assets originated or purchased	4,204,304	14,406	9,265	4,227,975	891,932	70,183	14,321	976,436
Foreign exchange and other movements	(186,774)	(207,892)	4,581	(390,085)	262,152	4,071	1,562	267,785
Closing gross carrying amount	**4,712,813**	**15,325**	**13,166**	**4,741,304**	**1,684,611**	**120,383**	**35,891**	**1,840,885**

3. Risk management (continued)

In millions of naira	31 December 2024	31 December 2023
	Stage 1	Stage 1
	12-month ECL	12-month ECL
Assets pledged as collateral at amortised cost		
Gross carrying amount at 1 January	255,090	228,397
Transfers:		
Transfer (to)/from investment securities	(75,352)	-
Financial assets derecognised during the period other than write-offs	(99,568)	(156,160)
Changes in amortised cost value	8,903	(1,001)
New financial assets originated or purchased	-	183,854
Closing gross carrying amount	**89,073**	**255,090**

In millions of naira	31 December 2024				31 December 2023			
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans and advances to customers at amortised cost								
Gross carrying amount at 1 January	3,680,845	2,423,315	308,819	6,412,979	2,862,479	899,745	76,580	3,838,804
Transfers:								
Transfer from stage 1 to stage 2	(173,124)	173,124	-	-	(592,065)	592,065	-	-
Transfer from stage 1 to stage 3	(8,212)	-	8,212	-	(21,914)	-	21,914	-
Transfer from stage 2 to stage 3	-	(40,606)	40,606	-	-	(123,018)	123,018	-
Transfer from stage 3 to stage 2	-	439	(439)	-	-	1,474	(1,474)	-
Transfer from stage 2 to stage 1	157,608	(157,608)	-	-	130,079	(130,079)	-	-
Transfer from stage stage 3 to stage 1	3,491	-	(3,491)	-	3,040	-	(3,040)	-
New financial assets originated or purchased	4,289,478	2,210,585	115,686	6,615,749	2,186,176	861,614	83,529	3,131,319
Financial assets derecognised during the period other than write-offs	(1,941,725)	(1,387,334)	(110,266)	(3,439,325)	(918,615)	(129,405)	(16,605)	(1,064,625)
Write-offs	-	-	(94,398)	(94,398)	-	-	(13,386)	(13,386)
Foreign exchange and other movements	24,377	129,566	73,712	227,655	31,665	450,919	38,283	520,867
Closing gross carrying amount	**6,032,738**	**3,351,481**	**338,441**	**9,722,660**	**3,680,846**	**2,423,314**	**308,819**	**6,412,979**

3. Risk management (continued)

In millions of naira	31 December 2024 Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit-impaired	Stage 3 Lifetime ECL credit-impaired	Total	31 December 2023 Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit-impaired	Stage 3 Lifetime ECL credit-impaired	Total
Investment securities at amortised cost								
Gross carrying amount at 1 January	720,663	249,308	5,636	975,607	518,217	-	2,703	520,920
Transfers:								
Transfer from stage 1 to stage 2	44,339	(44,339)	-	-	(45,607)	45,607	-	-
Transfer from/(to) assets pledged as collateral	75,352	-	-	75,352	-	-	-	-
Transfer to pledge	-	-	-	-	(92,337)	-	-	(92,337)
Financial assets derecognised during the period other than write-offs	(94,980)	(203,632)	2,185	(296,427)	(82,885)	-	-	(82,885)
Changes in amortised cost value	8,983	16	-	8,999	56,201	7,069	57	63,327
New financial assets originated or purchased	1,086,802	-	326	1,087,128	343,210	196,632	-	539,842
Modification of contractual cash flows of financial assets	-	-	(2,986)	(2,986)	-	-	-	-
Foreign exchange and other movements	-	-	3,537	3,537	23,864	-	2,876	26,740
Closing gross carrying amount	**1,841,159**	**1,353**	**8,698**	**1,851,210**	**720,663**	**249,308**	**5,636**	**975,607**

In millions of naira	31 December 2024 Lifetime ECL	31 December 2023 Lifetime ECL
Other financial assets	-	-
Gross carrying amount at 1 January	358,753	150,690
Transfers:		
Transfer from stage 1 to stage 2	-	-
Transfer from stage 1 to stage 3	-	-
Transfer from stage 2 to stage 3	-	-
Transfer from stage 3 to stage 2	-	-
Transfer from stage 2 to stage 1	-	-
Financial assets derecognised during the period other than write-offs	(260,099)	208,063
New financial assets originated or purchased	-	-
New financial assets originated or purchased	-	-
Modification of contractual cash flows of financial assets	-	-
Changes in interest accruals	-	-
Write-offs	-	-
Closing gross carrying amount of assts subject to simplified approach	**98,654**	**358,753**

In millions of naira	31 December 2024 Stage 1 12-month ECL	31 December 2023 Stage 1 12-month ECL
Due from other banks		
Gross carrying amount at 1 January	1,692,657	1,132,870
Transfers:		
Financial assets derecognised during the period other than write-offs	(781,908)	(701,509)
New financial assets originated or purchased	2,558,035	775,049
Foreign exchange and other movements	986,222	486,247
Closing gross carrying amount	**4,455,006**	**1,692,657**

3. Risk management (continued)

Summary of loss allowance by class of financial instruments also showing ECL coverage ratio as at 31 December 2024.

Group

	Gross Carrying Amount				ECL Provision				ECL Coverage Ratio			
Financial Statement Items	Stage 1	Stage 2/Lifetime ECL	Stage 3	Total	Stage 1	Stage 2/Lifetime ECL	Stage 3	Total	Stage 1	Stage 2/Lifetime ECL	Stage 3	Total
In millions of Naira									%	%	%	%
On-balance sheet items												
Assets pledged as collateral	266,877	-	-	266,877	11	-	-	11	-	-	-	-
Treasury bills	1,022,741	-	-	1,022,741	38	-	-	38	-	-	-	-
Loans and advances to customers at amortised cost	7,286,846	3,362,335	344,635	10,993,816	151,362	635,752	241,338	1,028,452	2.08	18.91	70.03	9.35
Debt investment securities at amortised cost and FVOCI	4,213,729	17,276	476,214	4,707,219	1,645	2,057	14,475	18,177	0.04	11.91	3.04	0.39
Other financial assets measured at amortised cost	-	223,179	-	223,179	-	51,439	-	51,439	-	23.05	-	23.05
Due from other Banks	4,948,295	-	-	4,948,295	12,588	-	-	12,588	0.25	-	-	0.25
Subtotal	17,738,488	3,602,790	820,849	22,162,127	165,644	689,248	255,813	1,110,705	0.93	19.13	31.16	5.01
Off-balance sheet items												
Loans and other credit related commitments												
Letters of credit	357,738	-	-	357,738	106	-	-	106	0.03	-	-	0.03
Usance	2,549,524	10,878	6,759	2,567,161	47,237	379	3,437	51,053	1.85	3.48	50.85	1.99
Financial guarantee and similar contracts												
Financial guarantee and similar contracts	1,666,752	3,003	2,499	1,672,254	128	-	8	136	0.01	-	0.32	0.01
Undrawn overdraft balance	255,532	1,444	3,910	260,886	1,406	6	1,399	2,811	0.55	0.39	35.78	1.08
Subtotal	4,829,546	15,325	13,168	4,858,039	48,877	385	4,844	54,106	1.01	2.51	36.79	1.11
Total	**22,568,034**	**3,618,115**	**834,017**	**27,020,166**	**214,521**	**689,633**	**260,657**	**1,164,811**	**0.95**	**19.06**	**31.25**	**4.31**

* The Group adopted the simplified approach in estimating the ECL for other financial asset. Under this approach, all ECL allowance are lifetime ECL.

3. Risk management (continued)

Bank

Financial Statement Items	Gross Carrying Amount				ECL Provision				ECL Coverage Ratio			
	Stage 1	Stage 2/Lifetime ECL	Stage 3	Total	Stage 1	Stage 2/Lifetime ECL	Stage 3	Total	Stage 1	Stage 2/Lifetime ECL	Stage 3	Total
In millions of Naira									%	%	%	%
On-balance sheet items												
Assets pledged as collateral	89,073	-	-	89,073	11	-	-	11	0.01	-	-	0.01
Treasury bills	781,276	-	-	781,276	38	-	-	38	0.00	-	-	-
Loans and advances to customers at amortised cost	6,032,738	3,351,481	338,441	9,722,660	138,188	634,733	240,965	1,013,886	2.29	18.94	71.20	10.43
Debt investment securities at amortised cost	1,841,159	1,353	8,698	1,851,210	772	66	4,167	5,005	0.04	4.88	47.91	0.27
Other financial assets measured at amortised cost	-	98,654	-	98,654	-	51,329	-	51,329	-	52.03	-	52.03
Due from other banks	4,455,006	-	-	4,455,006	12,569	-	-	12,569	0.28	-	-	0.28
Subtotal	13,199,252	3,451,488	347,139	16,997,879	151,578	686,128	245,132	1,082,838	1.15	19.88	70.61	6.37
Off-balance sheet items												
Loans and other credit related commitments												
Letters of credit	33,994	-	-	33,994	106	-	-	106	0.31	-	-	0.31
Usance	2,784,213	10,878	6,759	2,801,850	41,024	374	3,436	44,834	1.47	3.44	50.84	1.60
Performance bonds and guarantees	1,639,071	3,003	2,499	1,644,573	128	-	8	136	0.01	-	0.32	0.01
Undrawn overdraft balance	255,533	1,444	3,910	260,887	1,406	6	1,399	2,811	0.55	0.42	35.78	1.08
Subtotal	4,712,811	15,325	13,168	4,741,304	42,664	380	4,843	47,887	0.91	2.48	36.78	1.01
Total	**17,912,063**	**3,466,813**	**360,307**	**21,739,183**	**194,242**	**686,508**	**249,975**	**1,130,725**	**1.08**	**19.80**	**69.38**	**5.20**

* The Group adopted the simplified approach in estimating the ECL for other financial asset. Under this approach, all ECL allowance are lifetime ECL.

3. Risk management (continued)

Summary of loss allowance by class of financial instruments also showing ECL coverage ratio as at 31 December 2023.

Group

Financial Statement Items	Gross Carrying Amount				ECL Provision				ECL Coverage Ratio			
	Stage 1	Stage 2/Lifetime ECL	Stage 3	Total	Stage 1	Stage 2/Lifetime ECL	Stage 3	Total	Stage 1	Stage 2/Lifetime ECL	Stage 3	Total
In millions of Naira									%	%	%	%
On-balance sheet items												
Assets pledged as collateral	308,667	-	-	308,667	29	-	-	29	0.01	-	-	0.01
Treasury bills	1,986,738	-	-	1,986,738	71	-	-	71	-	-	-	-
Loans and advances to customers at amortised cost	4,314,444	2,430,657	310,347	7,055,448	47,128	170,811	281,040	498,979	1.09	7.03	90.56	7.07
Debt investment securities at amortised cost	1,883,276	710,949	498,555	3,092,780	7,741	1,934	32,637	42,312	0.41	-	-	1.37
Other financial assets measured at amortised cost	411,264	-	-	411,264	31,143	-	-	31,143	-	-	-	7.57
Due from other Banks	1,835,249	-	-	1,835,249	935	-	-	935	0.05	-	-	0.05
Subtotal	10,739,638	3,141,606	808,902	14,690,146	87,047	172,745	313,677	573,469	0.81	5.50	38.78	3.90
Off-balance sheet items												
Loans and other credit related commitments												
Letters of credit	385,141	43,254	5,532	433,927	2,305	1,304	-	3,609	0.60	3.01	-	0.60
Usance	518,020	43,254	5,532	566,806	1,638	876	21	2,535	0.32	2.03	100.00	0.45
Financial guarantee and similar contracts												
Performance bonds and guarantees	787,789	13,635	30,169	831,593	2,466	632	65	3,163	0.31	4.64	0.22	0.38
Undrawn overdraft balance	175,345	36,265	98	211,708	582	178	-	760	0.33	0.49	-	0.36
Subtotal	1,866,295	136,408	41,331	2,044,034	6,991	2,990	86	10,067	0.37	2.19	0.21	0.49
Total	**12,605,933**	**3,278,014**	**850,233**	**16,734,180**	**94,038**	**175,735**	**313,763**	**583,536**	**0.75**	**5.36**	**36.90**	**3.49**

* The Group adopted the simplified approach in estimating the ECL for other financial asset. Under this approach, all ECL allowance are lifetime ECL.

3. Risk management (continued)

Bank

Financial Statement Items	Gross Carrying Amount				ECL Provision				ECL Coverage Ratio			
	Stage 1	Stage 2/Lifetime ECL	Stage 3	Total	Stage 1	Stage 2/Lifetime ECL	Stage 3	Total	Stage 1	Stage 2/Lifetime ECL	Stage 3	Total
In millions of Naira									%	%	%	%
On-balance sheet items												
Assets pledged as collateral	255,089	-	-	255,089	29	-	-	29	0.01	-	-	0.01
Treasury bills	1,780,431	-	-	1,780,431	71	-	-	71	-	-	-	-
Loans and advances to customers at amortised cost	3,680,845	2,423,315	308,819	6,412,979	34,738	170,709	278,736	484,183	0.94	7.04	90.26	7.55
Debt investment securities at amortised cost	720,663	249,308	5,637	975,608	1,278	538	3,635	5,451	0.18	0.22	48.53	0.56
Other financial assets measured at amortised cost	-	358,753	-	358,753	-	31,061	-	31,061	-	6.80	-	6.80
Due from other banks	1,692,657	-	-	1,692,657	935	-	-	935	0.06	-	-	0.06
Subtotal	8,129,685	3,031,376	314,456	11,475,517	37,051	202,308	282,371	521,730	0.46	6.67	89.80	4.55
Off-balance sheet items												
Loans and other credit related commitments												
Letters of credit	397,582	27,229	92	424,903	2,305	1,304	-	3,609	0.58	4.79	-	0.85
Usance	385,141	43,254	5,532	433,927	581	1,497	21	2,099	0.15	3.46	0.38	0.48
Performance bonds and guarantees	726,543	13,635	30,169	770,347	30	12	67	109	-	0.09	0.22	0.01
Undrawn overdraft balance	175,345	36,265	98	211,708	582	178	-	760	0.33	0.49	-	0.36
Subtotal	1,684,611	120,383	35,891	1,840,885	3,498	2,991	88	6,577	0.21	2.48	0.25	0.36
Total	**9,814,296**	**3,151,759**	**350,347**	**13,316,402**	**40,549**	**205,299**	**282,459**	**528,307**	**0.41**	**6.51**	**80.62**	**3.97**

*** The Group adopted the simplified approach in estimating the ECL for other financial asset. Under this approach, all ECL allowance are lifetime ECL.**

3. Risk management (continued)

3.2.19 Restructuring policy

Loans with renegotiated terms are loans that have been restructured because the Group has made concessions by agreeing to terms and conditions that are more favorable for the customer than these provided by the Group initially. The Group implements restructuring policy in order to maximize collections opportunities and minimize the risk of default.

The Group's credit committee may, from time to time, grant approval for restructuring of certain facilities due to the following reasons:

(a) Where the execution of the loan purpose and the repayment are no longer realistic in light of new cash flows;

(b) To avoid unintended default arising from adverse business conditions;

(c) To align loan repayment with new pattern of achievable cash flows;

(d) Where there are proven cost over runs that may significantly impair the project repayment capacity;

(e) Where there is temporary downturn in the customer's business environment;

(f) Where the customer's going concern status is NOT in doubt or threatened; and

(g) The revised terms of restructured facilities usually include extended maturity, changing timing of interest payments and amendments to the terms of the loan agreement.

3.3 Market risk

Market risk is the risk of potential losses in both on- and off-balance sheet positions arising from movements in market prices. Market risks can arise from adverse changes in interest rates, foreign exchange rates, equity prices, commodity prices and other relevant factors such as market volatilities.

The Group undertakes activities which give rise to some level of market risks exposures. The objective of market risk management activities is to continuously identify, manage and control market risk exposure within acceptable parameters, while optimizing the return on risks taken.

3.3.1 Management of market risk

The Group has an independent Market Risk Management unit which assesses, monitors, manages and reports on market risk taking activities across the Group. The Group enhances its Market Risk Management Framework on a continuous basis. The operations of the unit is guided by the mission of "inculcating enduring market risk management values and culture, with a view to reducing the risk of losses associated with market risk-taking activities, and optimizing risk-reward trade-off."

The Group's market risk objectives, policies and processes are aimed at instituting a model that objectively identifies, measures and manages market risks in the Group and ensure that:

(a) The individuals who take or manage risk clearly understand it;

(b) The Group's risk exposure is within established limits;

(c) Risk taking decisions are in line with business strategy and objectives set by the Board of Directors;

(d) The expected payoffs compensate for the risks taken; and

(e) Sufficient capital, as a buffer, is available to take risk.

The Group proactively manages its market risk exposures in both the trading and non-trading books within the acceptable levels.

The Group's market risks exposures are broadly categorised into:

(i) Trading Market Risks - These are risks that arise primarily through trading activities and market making activities. These activities include position-taking in foreign exchange and fixed income securities (Bonds and Treasury Bills).

(ii) Non Trading Market Risks -These are risks that arise from assets and liabilities that are usually on the books for a longer period of time, but where the intrinsic value is a function of the movement of financial market parameter.

3. Risk management (continued)

3.3.1 Management of market risk (continued)

'In millions of Naira
Group

	Note	At 31 December 2024 Carrying amount	Trading	Non-trading	At 31 December 2023 Carrying amount	Trading	Non-trading
Assets							
Cash and balances with central bank	15	5,888,216	-	5,888,216	4,253,374	-	4,253,374
Treasury bills	16	2,678,929	1,656,226	1,022,703	2,736,273	749,606	1,986,667
Assets pledged as collateral	17	266,865	-	266,865	308,638	-	308,638
Due from other banks	18	4,935,707	-	4,935,707	1,834,314	-	1,834,314
Derivative Asset - Hedging Instrument	19	251,523	251,523	-	462,376	462,376	-
Derivative Asset -Non Hedging Instrument	19	29,103	29,103	-	72,363	72,363	-
Loans and advances	20	9,965,364	-	9,965,364	6,556,470	-	6,556,470
Investment securities	21	5,098,043	41,891	5,056,152	3,290,895	24,293	3,266,602
Other financial assets	25	237,217	-	237,217	445,597	-	445,597
Liabilities							
Customer deposits	28	21,959,367	-	21,959,367	15,167,740	-	15,167,740
Derivative liabilities	32	9,258	9,258	-	70,486	70,486	-
Other financial liabilities	29	1,269,462	-	1,269,462	991,354	-	991,354
On-lending facilities	30	250,727	-	250,727	263,065	-	263,065
Borrowings	31	2,045,184	-	2,045,184	1,410,885	-	1,410,885

Bank

		At 31 December 2024 Carrying amount	Trading	Non-trading	At 31 December 2023 Carrying amount	Trading	Non-trading
Assets							
Cash and balances with central bank	15	5,249,789	-	5,249,789	3,965,386	-	3,965,386
Treasury bills	16	2,437,464	1,656,226	781,238	2,529,966	749,606	1,780,360
Assets pledged as collateral	17	89,061	-	89,061	255,061	-	255,061
Due from other banks	18	4,442,437	-	4,442,437	1,691,722	-	1,691,722
Derivative Asset - Hedging Instrument	19	251,523	251,523	-	462,376	462,376	-
Derivative Asset -Non Hedging Instrument	19	19,690	19,690	-	45,566	45,566	-
Loans and advances	20	8,708,775	-	8,708,775	5,928,796	-	5,928,796
Investment securities	21	2,248,587	35,238	2,213,349	1,205,724	19,433	1,186,291
Other financial assets	25	114,288	-	114,288	394,540	-	394,540
Liabilities							
Customer deposits	28	17,163,424	-	17,163,424	12,154,824	-	12,154,824
Derivative liabilities	32	4,465	4,465	-	45,514	45,514	-
Other financial liabilities	29	1,226,971	-	1,226,971	970,792	-	970,792
On-lending facilities	30	250,725	-	250,725	263,065	-	263,065
Borrowings	31	1,951,616	-	1,951,616	1,450,182	-	1,450,182

3. Risk management (continued)

3.3.2 Measurement of Market Risk

The Group adopts both VAR and Non-VAR (Value-at-risk) approach for quantitative measurement and control of market risks in both trading and non-trading books. The Non -VAR (Value at risk) measurements includes Duration; Factor Sensitivities (Pv01), Stress Testing, Aggregate Open Position etc. The measured risks are therefore monitored against the pre-set limits daily. All exceptions are investigated and reported in line with internal policies and guidelines.

Limits are sets to reflect the risk appetite that is approved by the Board of Directors. These limits are reviewed, at least, annually or at a more frequent interval. Some of the limits include

i. Net Open Position (NOP- for foreign exchange);

ii. Aggregate Control Limits (for Securities);

iii. Management Action Trigger (MAT);

iv. Duration;

v. Factor Sensitivities (Pv01);

vi. Permitted Instrument and Tenor Limits;

vii. Holding Period and Off Market Rate Tolerance limit.

Stress testing is an important risk management tool that is used by the Group as part of its enterprise-wide risk management. It is the evaluation of the Group’s financial position under severe but plausible scenarios to assist in decision-making. Stress testing provides the Group with the opportunity to spot emerging risks, uncover weak spots and take preventive action. It also alerts management to adverse unexpected outcomes related to a variety of risks and provides an indication of how much capital might be needed to absorb losses should large shocks occur. The Group adopts both single factor and multifactor stress testing approaches (sensitivity and scenario based) in conducting stress testing within the risk areas of liquidity, foreign exchange, interest rate, market, and credit risks. Stress testing is conducted both on a regular and ad-hoc basis in response to changing financial, regulatory, and economic environment/circumstances.

3.3.3 Foreign exchange risk

Fluctuations in the prevailing foreign currency exchange rates can affect the Group's financial position and cash flows - 'on' and 'off' balance sheet. The Group manages part of the foreign exchange risks through designating part of its derivatives for hedge accounting purposes and trading other basic derivative products. The risk is also managed by ensuring that all risks taken by the Group are within approved limits. In addition to adherence to regulatory limits, Zenith Group established various internal limits (such as non-VAR models, overall Overnight and Intra-day positions), dealer limits, as well as individual currency limits among others limits which are monitored by the Market Risk Department on a regular basis. These limits are set with the aim of minimizing the Group's risk exposures to exchange rates volatilities to an acceptable level. The Group's transactions are carried out majorly in four (4) foreign currencies with a significant percentage of transactions involving US Dollars.

3. Risk management (continued)
Group

The table below summarizes the Group's exposure to foreign currency exchange rate risk at 31 December 2024 and 31 December 2023. Included in the table are the Group's financial instruments at carrying amounts, categorised by currency.

In millions of Naira At 31 December 2024	Naira	Dollar	GBP	Euro	Others	Total
Assets						
Cash and balances with central banks	5,186,881	146,324	16,215	35,012	503,784	5,888,216
Treasury bills	2,437,464	-	-	-	241,465	2,678,929
Assets pledged as collaterals	89,061	177,804	-	-	-	266,865
Due from other banks	345,392	3,838,382	186,713	443,249	121,970	4,935,707
Derivative assets-hedging instruments	-	251,523	-	-	-	251,523
Derivative assets-non hedging instruments	499	21,542	-	-	7,062	29,103
Loans and advances to customers	4,186,443	5,061,929	70,031	267,420	379,541	9,965,364
Investment securities	2,053,093	2,276,000	377,766	79,766	311,419	5,098,044
Other financial assets	106,276	7,888	-	-	123,053	237,217
Liabilities						
Customer's deposits	9,996,787	9,435,325	830,890	452,463	1,243,904	21,959,369
Derivative liabilities	499	3,966	-	-	4,793	9,258
Other financial liabilities	261,558	933,884	26,708	27,044	20,268	1,269,462
On-lending facilities	250,725	-	-	-	-	250,725
Borrowings	824,246	1,119,271	405	532	100,731	2,045,185

As at 31 December 2024, the Group had outstanding SWAP transactions with various counterparties. The SWAP transactions creates for the Group both a right to receive US dollar of the notional SWAP amount at different maturities and an obligation to deliver NGN of the notional SWAP amount at different maturity. The total USD receivables at various maturity dates is USD 810 million while the Naira payable at various maturities is:

In millions of Naira At 31 December 2023	Naira	Dollar	GBP	Euro	Others	Total
Assets						
Cash and balances with central banks	3,883,601	122,586	7,820	22,873	216,494	4,253,374
Treasury bills	2,529,966	-	-	-	206,307	2,736,273
Assets pledged as collaterals	255,061	41,737	11,840	-	-	308,638
Due from other banks	116,854	1,466,031	62,338	170,697	18,394	1,834,314
Derivative assets-Hedging instrument	-	462,376	-	-	-	462,376
Derivative assets-Non Hedging instrument	45,640	24,643	2,005	20	55	72,363
Loans and advances to customers	2,950,511	3,186,826	53,878	181,007	184,248	6,556,470
Investment securities	1,176,001	1,161,572	254,903	97,346	201,073	3,290,895
Other financial assets	389,549	6,122	16	193	49,717	445,597
Liabilities						
Customer's deposits	8,364,360	5,224,605	534,189	330,768	713,818	15,167,740
Derivative liabilities	45,513	24,748	225	-	-	70,486
Other financial liabilities	927,150	39,632	8,547	2,268	13,757	991,354
On-lending facilities	263,065	-	-	-	-	263,065
Borrowings	-	1,396,823	56	376	13,630	1,410,885

The Group's exposure to foreign currency risk is largely concentrated in the US Dollar. Movement in exchange rate between the US Dollar and the Nigerian Naira affects reported earnings through revaluation gain or loss and statement of financial position size through increase or decrease in the revalued amounts of assets and liabilities denominated in US Dollars.

The table below shows the impact on the Group's profit or loss and statements of financial position size if the exchange rate between the US Dollars, and Nigerian Naira had increased or decreased by 63% (31 December 2023: 106%, with all other variables held constant.

3. Risk management (continued)

	31 December 2024	31 December 2023
US Dollar effect of 63% (31 December 2023: 106%) up movement on profit before tax and statement of financial position size (in millions of Naira)	181,302	198,027

	31 December 2024	31 December 2023
US Dollar effect of 63% (31 December 2023: 106%) up movement on OCI and statement of financial position size (in millions of Naira)	226,358	96,805

3. Risk management (continued)

Bank

The table below summarizes the Bank's exposure to foreign currency exchange rate risk at 31 December 2024 and 31 December 2023. Included in the table are the Bank's financial instruments at carrying amounts, categorised by currency.

In millions of Naira

At 31 December 2024	Naira	Dollar	GBP	Euro	Others	Total
Assets						
Cash and balances with central banks	5,186,881	33,200	13,904	15,804	-	5,249,789
Treasury bills	2,437,464	-	-	-	-	2,437,464
Assets pledged as collaterals	89,062	-	-	-	-	89,062
Due from other banks	342,868	3,628,636	84,342	379,535	7,055	4,442,436
Derivative assets-Hedging instruments	-	251,523	-	-	-	251,523
Derivative assets-non hedging instruments	499	19,191	-	-	-	19,690
Loans and advances to customers	4,186,230	4,477,234	2,147	42,982	182	8,708,775
Investment securities	2,025,918	222,669	-	-	-	2,248,587
Other financial assets	106,400	7,888	-	-	-	114,288
Liabilities						
Customer's deposit	9,998,949	6,835,603	67,782	258,229	2,861	17,163,424
Derivative liabilities	499	3,966	-	-	-	4,465
Other financial liabilities	238,963	952,219	3,172	27,254	5,363	1,226,971
On-lending facilities	250,725	-	-	-	-	250,725
Borrowings	824,246	1,126,434	405	531	-	1,951,616

As at 31 December 2024, the Group had outstanding SWAP transactions with various counterparties. The SWAP transactions creates for the Bank both a right to receive US dollar of the notional SWAP amount at different maturities and an obligation to deliver NGN of the notional SWAP amount at different maturity. The total USD receivables at various maturity dates is USD 810 million while the Naira equivalent of treasury bills will mature to the respective counter parties.

3. Risk management (continued)

In millions of Naira

At 31 December 2023	Naira	Dollar	GBP	Euro	Others	Total
Assets						
Cash and balances with central banks	3,883,601	62,423	4,986	14,376	-	3,965,386
Treasury bills	2,529,966	-	-	-	-	2,529,966
Assets pledged as collaterals	255,061	-	-	-	-	255,061
Due from other banks	126,765	1,356,978	47,768	154,409	5,802	1,691,722
Derivative Asset - Hedging Instrument	-	462,376	-	-	-	462,376
Derivative Asset -Non Hedging Instrument	45,565	-	-	1	-	45,566
Loans and advances to customers	2,950,400	2,885,201	2,743	88,369	2,083	5,928,796
Investment securities	1,140,970	34,340	-	30,414	-	1,205,724
Other financial assets	389,614	4,657	16	193	60	394,540
Liabilities						
Customer's deposits	8,379,922	3,532,122	45,438	196,377	965	12,154,824
Derivative liabilities	45,514	-	-	-	-	45,514
Other financial liabilities	927,622	39,014	1,349	2,241	566	970,792
On-lending facilities	263,065	-	-	-	-	263,065
Borrowings	-	1,449,750	56	376	-	1,450,182
Debt securities issued	-	-	-	-	-	-

The Bank's exposure to foreign currency risk is largely concentrated in US Dollar. Movement in exchange rate between the US Dollar and the Nigerian Naira affects reported earnings through revaluation gain or loss and statement of financial position size through increase or decrease in the revalued amounts of assets and liabilities denominated in US Dollars. The Group's closing and average Dollar rate as at 31 December 2024 was N1,549/USD and N1,546.85/USD respectively.

The table below shows the impact on the Bank's profit and statement of financial position size if the exchange rate between the US Dollars, and Nigerian Naira had increased or decreased by 63% (31 December 2023: 106%), with all other variables held constant.

In millions of Naira	31 December 2024	31 December 2023
US Dollar effect of 63% (31 December 2023: 106%) up movement on profit before tax and balance sheet size	(174,360)	(228,702)

	31 December 2024	31 December 2023
US Dollar effect of 63% (31 December 2023: 106%) up movement on OCI and statement of financial position size (in millions of Naira)	225,136	96,282

3. Risk management (continued)

3.3.3.1 Foreign exchange risk

A fair value hedge is used to hedge a change in the fair value of an asset or liability or an unrecognized firm commitment that is attributable to a particular risk and could affect the profit or loss or other comprehensive income.
The Bank manages the foreign currency risk on a group basis and items that are subject to the same risk are managed together. The Bank has designated its foreign currency borrowings and term deposits as hedged items in a formal hedge relationship for accounting purposes.

a) Hedged item: The Bank has hedged the NGN/USD spot exchange rate risk arising from the translation of recognized foreign currency borrowings (see note 31) and savings and term deposits (see note 28) denominated in United States Dollars (USD) to NGN. This risk is due to the sustained depreciation of the Naira against the Dollar, leading to revaluation losses.

b) Hedging instrument:The Bank has designated the spot component of its currency swaps with the Central Bank of Nigeria (CBN) as the hedging instrument in the hedge relationship for accounting purposes.

c) Hedge ratio :The Bank has defined the hedge ratio as the actual ratio between the hedged item and hedging instruments. This is the ratio that the Bank uses for risk management purposes, which is appropriate for purposes of hedge accounting. The proportion of the hedging instrument designated in the hedge relationship is in line with the defined hedge ratio of 1:1.

d) Hedge effectiveness: An economic relationship between a hedged item and hedging instrument exists where the values of the hedged item and hedging instrument will typically move in opposite directions in response to movements in the hedged risk. The Bank's assessment is that gains and losses on the derivatives attributable to the spot component will continue to move in the opposite direction to the hedged items. The currency swap derivatives transaction was to "sell USD, buy NGN" at inception and "buy USD, sell NGN" at the forward date. A foreign currrency gain is recognised if the Naira depreciates, and a loss recognised if it appreciates. For the hedged items - foreign currency liabilities, a foreign currrency gain is recognised if the Naira appreciates, and a loss recognised if it depreciates. Therefore, management has assessed that there is an economic relationship between the hedging instrument and the hedged item as they will generally move in the opposite direction.

The designated amounts and currency denomination for the hedge instruments and hedge items are also closely aligned. The Bank determines hedge effectiveness at the inception of the hedge relationship, and through quarterly prospective effectiveness assessments. Sources of ineffectiveness include; timing differences between the settlement dates of the hedged item and hedging instruments, credit risk of the Bank and its counterparty to the forward contract, and the use of existing currency swaps at the designation dates.

In millions of Naira	Bank
Total exposure to foreign exchange risk- fair value hedge	
- Interest bearing borrowings	35,238
- Saving deposits	251,523
- Term deposits	19,690

The Bank's accounting policy for its fair value hedges is set out in note **2.6** Further information about the hedging derivatives used by the Bank is provided below as at 31 December 2024 and 31 December 2023:

In millions of Naira

At 31 December 2024	Risk Category	Average Strike Price	Nominal Amount of Hedging Instrument	Carrying Amount of Hedging Instrument	Changes in fair value used for calculating Hedging ineffectiveness	Line Item in the statement of financial position where the hedging instrument is located
Hedge Type: Fair Value hedge		Number	Assets	Assets		
CBN Currency Swap	Foriegn Exchange risk	1,228	872,255	248,529	265,522	Derivative assets

3. Risk management (continued)

In millions of Naira

At 31 December 2024	Risk Category	Carrying amount of hedged item	Change in fair value for calculating hedge ineffectiveness	Line item in the statement of financial position where the hedging instrument is located
Hedge Type: Fair Value hedge		**Liabilities**		
Foreign exchange risk on savings deposits	Foreign exchange risk	1,061,065	(275,920)	Customers' deposits

In millions of Naira

At 31 December 2024			Hedge ratio	Effectiveness recognized in profit or loss	Hedge ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness
Fair Value hedge						
Foreign exchange risk	Foriegn Exchange	-	100 %	265,522	(10,398)	Other operating income

The notional contract amounts of the hedging instruments indicate the balance of designated hedging instruments at the reporting date. This balance fluctuates over the hedging period in line with the amortizing nature of the hedged items.

3. **Risk management (continued)**

The following table shows the profile of the timing of the nominal amount of the hedging instrument

In millions of Naira	At 31 December 2024			
	Up to 1 month	1-3 months	3-6 months	6-12 months
Derivative assets – Hedging				-
Gross settled				
Receivable	266,103	-	606,152	-
Payable	(266,103)	-	(606,152)	-

In millions of Naira	Bank
Total exposure to foreign exchange risk- fair value hedge	
- Interest bearing borrowings	144,701
- Term deposits	273,230
- Savings deposits	50,550

In millions of Naira

At 31 December 2023	Risk Category	Average Strike Price	Nominal Amount of Hedging Instrument	Carrying Amount of Hedging Instrument	Changes in fair value used for calculating Hedging ineffectiveness	Line Item in the statement of financial position where the hedging instrument is located
Hedge Type: Fair Value hedge		Number	Assets	Assets		
CBN Currency Swap	Foriegn Exchange risk	630	1,342,024	462,376	458,478	Derivative assets

In millions of Naira

At 31 December 2023	Risk Category	Carrying amount of hedged item	Change in fair value for calculating hedge ineffectiveness	Line item in the statement of financial position where the hedging instrument is located
Hedge Type: Fair Value hedge		Liabilities		
Foreign exchange risk on foreign currency interest bearing borrowing	Foriegn Exchange risk	283,954	(144,701)	Borrowings
Foreign exchange risk on savings deposits	Foreign Exchange risk	803,311	(273,230)	Customer's deposits
Foreign exchange risk on term deposits	Foreign Exchange risk	256,032	50,550	Customer's deposits

3. Risk management (continued)

In millions of Naira

At 31 December 2023		Hedge ratio	Effectiveness recognized in profit or loss	Hedge ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness
Fair Value hedge					
Foreign exchange risk	Foriegn Exchange	- 100%	458,478	(10,004)	Trading gains

The notional contract amounts of the hedging instruments indicate the balance of designated hedging instruments at the reporting date. This balance fluctuates over the hedging period in line with the amortizing nature of the hedged items.

3. Risk management (continued)

The following table shows the profile of the timing of the nominal amount of the hedging instrument

In millions of Naira	At 31 December 2023		
	Less than 3 months	3-6 months	6-12 months
Derivative assets – Hedging			
Gross settled			
Receivable	172,776	200,350	331,030
Payable	(172,776)	(200,350)	(331,030)

3.3.4 Interest Rate Risk

The Group is exposed to a considerable level of interest rate risk especially on the banking book (i.e. the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates).The Group has a significant portion of its liabilities in non-rate sensitive liabilities. This helps it in minimizing the impact of the exposure to interest rate risks. The Group also enjoys some form of flexibility in adjusting both lending and deposits rates to reflect market realities.

Group

The table below summarizes the Group's interest rate gap position:

At 31 December 2024

In millions of Naira	Note	Carrying amount	Rate sensitive	Non rate sensitive
Assets				
Cash and balances with central banks	15	5,888,216	-	5,888,216
Treasury and other eligible bills (Amortized cost)	16	1,022,703	-	1,022,703
Assets pledged as collateral (Amortised cost)	17	266,865	177,804	89,061
Due from other banks	18	4,935,710	756,564	4,179,146
Derivative Asset - Hedging Instrument	41	251,523	-	251,523
Derivative Asset -Non Hedging Instrument	41	29,103	7,062	22,041
Loans and advances to customers	20	9,965,364	3,577,488	6,387,876
Investment securities (Amortized cost and Fair value through OCI)	21	5,056,153	2,280,706	2,775,447
Other financial assets	25	237,217	-	237,217
		27,652,854	6,799,624	20,853,230
Liabilities				
Customer deposits	28	21,959,369	9,412,078	12,547,291
Derivative liabilities		9,258	-	9,258
Other financial liabilities	29	1,269,462	-	1,269,462
On-lending facilities	30	250,725	-	250,725
Borrowings	31	2,045,185	928,224	1,116,961
Debt securities issued		-	-	-
		25,533,999	10,340,302	15,193,697
Total interest rate gap		2,118,855	(3,540,678)	5,659,533

3. Risk management (continued)

The table shows the maturity profile of financial instruments that are rate sensitive.

At 31 December 2024	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	Over 1 year	Total rate sensitive
In millions of Naira						
Assets						
Assets pledged as collateral	-	-	15,759	54,976	107,069	177,804
Due from other banks	-	-	-	-	756,564	756,564
Loans and advances to customers	85,006	312,011	200,181	776,264	2,204,026	3,577,488
Investment securities (Amortized cost and fair value through OCI)	106,231	541,210	321,783	321,784	989,698	2,280,706
	191,237	853,221	537,723	1,153,024	4,057,357	6,792,562
Liabilities						
Customer deposits	8,294,387	350,009	200,662	320,130	246,890	9,412,078
Borrowings	187,699	740,525	-	-	-	928,224
	8,482,086	1,090,534	200,662	320,130	246,890	10,340,302
Total interest repricing gap	(8,290,849)	(237,313)	337,061	832,894	3,810,467	(3,547,740)

At 31 December 2023	Note	Carrying amount	Rate sensitive	Non rate sensitive
In millions of Naira				
Assets				
Cash and balances with central banks	15	4,253,374	-	4,253,374
Treasury and other eligible bills (Amortized cost)	16	1,986,667	-	1,986,667
Assets pledged as collateral (Amortised cost)	17	308,638	-	308,638
Due from other banks	18	1,834,314	262,728	1,571,586
Derivative assets	41	462,376	-	462,376
Derivatives Asset- Non Hedging instrument	41	72,363	-	72,363
Loans and advances to customers	20	6,556,470	2,078,232	4,478,238
Investment securities (Amortized cost and Fair value through OCI)	21	3,266,602	280,285	2,986,317
Other financial assets	25	445,597	-	445,597
		19,186,401	2,621,245	16,565,156
Liabilities				
Customer deposits	28	15,167,740	5,962,092	9,205,648
Derivative liabilties		70,486	-	70,486
Other financial liabilities	29	991,354	-	991,354
On-lending facilities	30	263,065	-	263,065
Borrowings	31	1,410,885	527,660	883,225
Debt securities issued		-	-	-
		17,903,530	6,489,752	11,413,778
Total interest rate gap		1,282,871	(3,868,507)	5,151,378

The table shows the maturity profile of financial instruments that are rate sensitive.

In millions of Naira

At 31 December 2023	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	Over 1 year	Total rate sensitive
In millions of Naira						
Assets						
Loans and advances to customers	169,958	269,198	245,866	788,772	604,438	2,078,232
	169,958	269,198	245,866	788,772	604,438	2,078,232
Liabilities						
Customer deposits	5,462,692	103,071	59,267	153,263	183,799	5,962,092
Derivative liabilities	-	430,231	97,429	-	-	527,660
	5,462,692	533,302	156,696	153,263	183,799	6,489,752
Total interest repricing gap	(5,292,734)	(264,104)	89,170	635,509	420,639	(4,411,520)

3. Risk management (continued)

Interest rate sensitivity showing fair value interest rate risk

In millions of Naira	31 December 2024	31 December 2023
Financial assets at FVPL		
Treasury bills	1,656,226	749,606
Bonds	41,891	24,293
Assets pledged as collateral	-	-
Total	1,698,117	773,899
Impact on income statement:		
Favourable change at 47% reduction in interest rate (2023: 14%)	160,841	108,346
Unfavourable change at 47% increase in interest rate (2023: 14%)	(160,841)	(108,346)
FVOCI investment securities		
Government bonds	1,949,011	1,528,786
Impact on other comprehensive income statement:		
Favourable change at 17% reduction in interest rate (2023: 14%)	13,144	214,030
Unfavourable change at 17% increase in interest rate (2023: 14%)	(13,144)	(214,030)

The management of interest risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Group's financial assets and liabilities to various scenarios. Interest rate movement affects reported income by causing an increase or decrease in net interest income and fair value changes.

Bank

The table below summarizes the Bank's interest rate gap position:

At 31 December 2024

In millions of Naira	Note	Carrying amount	Rate sensitive	Non-rate sensitive
Assets				
Cash and balances with central banks	15	5,249,789	-	5,249,789
Treasury and other eligible bills (Amortized cost)	16	781,238	-	781,238
Assets pledged as collateral	17	89,062	-	89,062
Due from other banks	18	4,442,436	756,564	3,685,872
Derivative Asset - Hedging Instrument	19	251,523	-	251,523
Derivative Asset -Non Hedging Instrument	19	19,690	-	19,690
Loans and advances to customers	20	8,708,775	2,689,259	6,019,516
Investment securities (Amortized cost and Fair value through OCI)	21	2,213,349	-	2,213,349
Other financial assets	25	114,288	-	114,288
		21,870,150	3,445,823	18,424,327
Liabilities				
Customer deposits	28	17,163,424	7,377,305	9,786,119
Derivative liabilities		4,465	-	4,465
Other financial liabilities	29	1,226,971	-	1,226,971
On-lending facilities	30	250,725	-	250,725
Borrowings	31	1,951,616	928,224	1,023,392
Debt securities issued		-	-	-
		20,597,201	8,305,529	12,291,672
Total interest rate gap		1,272,949	(4,859,706)	6,132,655

3. Risk management (continued)

The table shows the maturity profile of financial instruments that are rate sensitive.

At 31 December 2024

In millions of Naira	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	Over 1 year	Total rate sensitive
Assets						
Due from other banks	-	-	-	-	756,564	756,564
Loans and advances to customers	45,518	113,300	38,436	635,113	1,856,892	2,689,259
	45,518	113,300	38,436	635,113	2,613,456	3,445,823
Liabilities						
Customer deposits	7,377,305	-	-	-	-	7,377,305
Borrowings	187,698	740,526	-	-	-	928,224
	7,565,003	740,526	-	-	-	8,305,529
Total interest repricing gap	(7,519,485)	(627,226)	38,436	635,113	2,613,456	(4,859,706)

At 31 December 2023

In millions of Naira	Note	Carrying amount	Rate sensitive	Non rate sensitive
Assets				
Cash and balances with central banks	15	3,965,385	-	3,965,385
Treasury and other eligible bills (Amortized cost)	16	1,780,360	-	1,780,360
Assets pledged as collaterals	17	255,061	-	255,061
Due from other banks	18	1,691,722	-	1,691,722
Derivative assets	41	462,376	-	462,376
Derivatives Asset- Non Hedging instrument	41	45,566	-	45,566
Loans and advances to customers	20	5,928,796	1,407,917	4,520,879
Investment securities (Amortized cost and Fair value through OCI)	21	1,186,291	-	1,186,291
Other financial assets	25	394,540	-	394,540
		15,710,097	1,407,917	14,302,180
Liabilities				
Customer deposits	28	12,154,824	4,955,730	7,199,094
Derivative liabilities	29	45,514	-	45,514
Other financial liabilities	13	970,792	-	970,792
On-lending facilities	30	263,065	-	263,065
Borrowings	31	1,450,182	527,660	922,522
Debt securities issued		-	-	-
		14,884,377	5,483,390	9,400,988
Total interest rate gap		825,720	(4,075,473)	4,901,192

3. Risk management (continued)

The table shows the maturity profile of financial instruments that are rate sensitive.

At 31 December 2023	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	Over 1 year	Total rate sensitive
In millions of Naira						
Assets						
Loans and advances to customers	9,257	124,127	187,942	736,970	349,621	1,407,917
	9,257	124,127	187,942	736,970	349,621	1,407,917
Liabilities						
Customer deposits	4,955,730	-	-	-	-	4,955,730
Borrowings	-	430,231	97,429	-	-	527,660
	4,955,730	430,231	97,429	-	-	5,483,390
Total interest repricing gap	(4,946,473)	(306,104)	90,513	736,970	349,621	(4,075,473)

Interest rate sensitivity showing fair value interest rate risk

In millions of Naira	31 December 2024	31 December 2023
Financial assets at FVPL		
Treasury bills	1,656,226	749,606
Bonds	35,238	19,433
Assets pledged as collateral	-	-
Total	1,691,464	769,039
Impact on income statement:		
Favourable change at 47% reduction in interest rate (2023: 14%)	160,841	107,665
Unfavourable change at 47% increase in interest rate (2023: 14%)	(160,841)	(107,665)

The management of interest risk against interest rate gap limits is supplemented by the monitoring of the sensitivity of the Group's financial assets and liabilities to various scenarios. Interest rate movement affects reported income by causing an increase or decrease in net interest income and fair value changes.

The effect of 750 basis points movement on profit is considered moderate and we do not expect all the rates to move at the same time and in the same direction. This risk can largely be handled by the flexibility in the changing/adjusting rates on loans and deposits.

3.3.5 Equity and commodity price risk

The group is exposed to equity price risk as a result of holding non-quoted equity investments. Unquoted equity securities held by the group is composed mainly of the following:

(i) 6.444% equity holding in African Finance Corporation (AFC) valued at N358.28 billion and cost N40 billion.

(ii) 3.6% equity holding in Nigerian Interbank Settlement Scheme (NIBBS) valued at N2.64 billion and cost N50 million.

(iii) 2.31% equity holding in FMDQ holdings plc valued at N4.99 billion.

(iv) 0.79% equity holding in Unified Payment Services (UPS) valued at N639.2 million.

(v) 0.024% equity holdings in AFREXIM valued N521.33 million.

(vi) 5.88% equity holding in Shared Agent Network expansion facility Limited (SANEF) valued at N50 million.

The AFC is a private sector-led investment bank and development finance institution which has the Central Bank of Nigeria (CBN) as the single major shareholder (39.9%) with other African financial institutions and investors holding the remaining shares. The AFC operates a US Dollar-denominated statement of financial position and provides financing in this currency.

3. Risk management (continued)

NIBSS was incorporated in 1993 and is owned by all licensed banks including the Central Bank of Nigeria (CBN). The Company is responsible for handling inter-bank payments, funds transfer and settlement, and it also operates the Nigerian Automated Clearing System (NACS).

The Group does not deal in commodities and is therefore not exposed to any commodity price risk. The sensitivity analysis of unquoted equity is stated in section 3.5 (c).

3.4 Liquidity risk

Liquidity risk is the potential loss arising from the Group’s inability to meet its obligations as they fall due or its inability to fund increases in assets without incurring unacceptable costs or losses. Liquidity risk is not viewed in isolation, because financial risks are not mutually exclusive and liquidity risk is often triggered by consequences of other bank risks such as credit, market, and operational risks.

3.4.1 Liquidity risk management process

The Group has a comprehensive liquidity risk management framework that ensures that adequate liquidity, including a cushion of unencumbered and high-quality liquid assets is maintained at all times, to enable the Group withstand a range of stress events, including those that might involve loss or impairment of funding sources.

The Group’s liquidity risk exposure is monitored and managed by the Asset and Liability Management Committee (ALCO) on a regular basis. This process includes:

(a) Projecting cash flows and considering the level of liquid assets necessary in relation thereto.

(b) Monitoring balance sheet liquidity ratios against internal and regulatory requirements.

(c) Maintaining a diverse range of funding sources with adequate back-up facilities.

(d) Managing the concentration and profile of debt maturities.

(e) Monitoring deposit concentration in order to avoid undue reliance on large individual depositors and ensure a satisfactory overall funding mix.

(f) Maintaining up-to-date liquidity and funding contingency plans. These plans identify early indicators of stress conditions and describe actions to be taken in the event of difficulties arising from systemic or other crises while minimizing any adverse long-term implications for the business.

(g) Regular conduct of stress testing, coupled with testing of contingency funding plans from time to time.

The Maximum Cumulative Outflow has remained positive all through the short tenor maturity buckets. Assessments are carried out on contractual basis. These reveal the very sound and robust liquidity position of the Group.

The Group maintains liquid assets and marketable securities adequate, within regulatory limits, to manage liquidity stress situation.

3.4.2 Stress testing and contingency funding

Stress testing

The Group considers different liquidity risk mitigation tools, including a system of limits and liquidity buffers to be able to withstand a range of different stress events and adequately diversify funding structure and access to funding sources. Those events are regularly reviewed and monitored by the Asset and Liability Committee (ALCO). Alternative scenarios on liquidity positions and on risk mitigants are considered. In line with standard risk management practice and global best practice, the Group:

(a). Conducts on a regular basis appropriate stress tests to:

i) Identify sources of potential liquidity strain; and

ii) Ensure that current liquidity exposures continue to conform to the liquidity risk tolerance established by the board.

(b). Analyses the separate and combined impact of possible future liquidity stresses on:

i) Cash flows;

ii) Liquidity position; and

iii) Profitability.

3. Risk management (continued)

The Board and the Asset and Liability Committee (ALCO) regularly review the stresses and scenarios tested to ensure that their nature and severity remain appropriate and relevant to the Bank. These reviews take into the account the following:

(a) Changes in market conditions;

(b) Changes in the nature, scale or complexity of the Bank's business model and activities; and

(c) The Group's practical experience in periods of stress.

The Group considers the potential impact of idiosyncratic Institution-Specific, market-wide and combined alternative scenarios while carrying out the test to ensure that all areas are appropriately covered. In addition, the Group also considers the impact of severe stress scenarios.

Contingency Funding Plan

The Group maintains a contingency funding plan which sets out strategies for addressing liquidity. The Plan:

(a) outlines strategies, policies and plans to manage a range of stresses.

(b) establishes a clear allocation of roles and clear lines of management responsibility.

(c) is formally documented.

(d) includes clear invocation and escalation procedures.

(e) is regularly tested and the result shared with the ALCO and Board.

(f) outlines that Group's operational arrangements for managing a huge funding run.

(g) is sufficiently robust to withstand simultaneous disruptions in a range of payment and settlement.

(h) outlines how the Group will manage both internal communications and those with its external stakeholders; and

As part of the contingency funding plan process, the Group maintains committed credit lines that can be drawn in case of liquidity crises. These lines are renewed as at when due.

3.4.3 Funding approach

Our sources of liquidity are regularly reviewed by both ALCO and the Treasury Group in order to avoid undue reliance on large individual depositors and to ensure that a satisfactory overall funding mix is maintained at all times. The funding strategy is geared toward ensuring effective diversification in the sources and tenor of funding. The Group, however places greater emphasis on demand and savings deposits as against purchased funds in order to minimize the cost of funding.

As part of the management of liquidity risk arising from financial liabilities, the Group holds liquid assets comprising cash and cash equivalents, and debt securities issued by sovereigns, which can be readily sold to meet liquidity requirements. In addition, the Group maintains agreed lines of credit with other banks.

(a) Exposure to liquidity risk

The key measure used by the Group for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose, ‘net liquid assets’ includes cash and cash equivalents and investment-grade debt securities for which there is an active and liquid market less any balances with foreign banks and regulatory restricted cash. Customers' deposit excludes deposit denominated in foreign currencies. Details of the reported Group ratio of net liquid assets to deposits from customers at the reporting date and during the reporting period were as follows.

3. Risk management (continued)

	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
At period/year end	83.00%	71.00%	48.00%	45.00%
Average for the period/year	71.00%	64.00%	46.00%	48.00%
Maximum for the period/year	83.00%	72.00%	48.00%	50.00%
Minimum for the period/year	73.00%	55.00%	45.00%	45.00%

(b) Liquidity reserve

The table sets out the component of the Group's liquidity reserve. These are liquid instruments the Group uses to settle short term or current obligations.

Group	31 December 2024	31 December 2023
In millions of naira	**Gross value**	**Gross value**
Cash and balances with central banks	532,088	269,967
Treasury bills	2,678,967	2,736,344
Balances with other banks	345,392	116,854
Investment securities	4,749,077	2,775,456
Total	**8,305,524**	**5,898,621**

Bank		
In millions of naira	**Gross value**	**Gross value**
Cash and balances with central banks	95,825	126,449
Treasury bills	2,437,502	2,503,037
Balances with other banks	342,868	126,765
Investment securities	1,886,448	989,405
Total	**4,762,643**	**3,772,656**

3. Risk management (continued)

(c) Financial assets available to support funding

The table below sets out the availability of the Group's financial assets to support future funding

Group

'In millions of Naira

		At 31 December 2024			At 31 December 2023		
	Note	Encumbered	Unencumbered	Total	Encumbered	Unencumbered	Total
Cash and balances with central banks	15	5,356,128	532,088	5,888,216	3,983,407	269,967	4,253,374
Treasury bills	16	-	2,678,929	2,678,929	-	2,736,273	2,736,273
Assets pledged as collateral	17	266,866	-	266,866	308,638	-	308,638
Due from other banks	18	134,535	4,801,172	4,935,707	354,150	1,480,164	1,834,314
Derivative Assets	18	-	280,626	280,626	-	534,739	534,739
Loans and advances	20	-	9,965,364	9,965,364	-	6,556,470	6,556,470
Investment securities	21	-	5,098,044	5,098,044	-	3,290,895	3,290,895
Other financial assets	25	-	237,217	237,217	1,100	444,497	445,597

Bank

'In millions of Naira

		At 31 December 2024			At 31 December 2023		
	Note	Encumbered	Unencumbered	Total	Encumbered	Unencumbered	Total
Cash and balances with central banks	15	4,933,588	316,202	5,249,789	3,838,937	126,449	3,965,386
Treasury bills	16	-	2,437,464	2,437,464	-	2,529,966	2,529,966
Assets pledged as collateral	17	89,062	-	89,062	255,061	-	255,061
Due from other banks	18	537,606	3,904,830	4,442,436	354,150	1,337,572	1,691,722
Derivative assets	20	-	271,213	271,213	-	507,942	507,942
Loans and advances	20	-	8,708,775	8,708,775	-	5,928,796	5,928,796
Investment securities	21	-	2,248,587	2,248,587	-	1,205,724	1,205,724
Other financial assets	25	-	114,288	114,288	1,100	393,440	394,540

(d) Financial assets pledged as collateral

The total financial assets recognized in the statement of financial position that have been pledged as collateral for liabilities as at 31 December 2024 and 31 December 2023 are shown above. Financial assets are pledged as collateral as part of sales and repurchases, borrowing transaction and collection agency transactions under terms that are usual for such activities.

The Group does not hold any financial assets accepted as collateral that the Group is permitted to sell or repledge in the absence of default.

3.4.4 Liquidity gap analysis

The table below presents the cash flows of the Group's financial assets and liabilities and other liabilities by their remaining contractual maturities at the statement of financial position date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Group manages the inherent liquidity risk based on expected undiscounted cash flows.

The Group's loan disbursement processes are centralized and controlled by Credit Risk Management Group (CRMG) of each banking subsidiary. All loan commitments advised to customers in offer letters are contingent on the satisfaction of conditions precedent to draw down and availability of funds. Additionally, the Group retains control of drawings on approved loan facilities, through a referral method, where any such drawings must be sanctioned before it is processed. This ensures that the Group's commitments on any loan are to the extent of the drawn amount at any point in time.

The liquidity analysis of lease liability is disclosed in note 29c.

3. Risk management (continued)

Group

At 31 December 2024 In millions of Naira	Note	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	Over 1 year	Gross nominal inflow/ (outflow)	Carrying amount
Assets								
Non-derivative assets								
Cash and balances with central banks	15	347,241	-	-	-	5,540,975	5,888,216	5,888,216
Treasury bills	16	693,937	306,605	1,210,599	697,103	-	2,908,244	2,678,929
Assets pledged as collateral	17	5,819	-	-	5,819	378,334	389,972	266,866
Due from other banks	18	3,467,191	503,411	392,970	508,792	182,550	5,054,914	4,935,707
Loans and advances to customers	20	755,313	1,808,389	1,644,495	3,571,851	6,669,480	14,449,528	9,965,364
Investment securities	21	127,557	706,460	368,974	508,030	4,814,170	6,525,191	5,098,044
Other financial assets	25	215,734	7,330	43	72	65,481	288,660	237,217
		5,612,793	**3,332,194**	**3,617,081**	**5,291,667**	**17,650,990**	**35,504,725**	**29,070,344**
Liabilities								
Non-derivative liabilities								
Customer's deposits	28	19,087,730	1,214,660	621,924	878,854	250,414	22,053,582	21,959,369
Other financial liabilities	29	690,565	537,163	2,173	1,465	44,908	1,276,275	1,269,462
On-lending facilities	30	199,313	37,435	2,637	9,296	2,850	251,530	250,725
Borrowings	31	29,767	759,043	734,555	232,115	447,541	2,203,021	2,045,185
		20,007,376	**2,548,300**	**1,361,289**	**1,121,730**	**745,715**	**25,784,409**	**25,524,742**
Derivative Asset - Hedging Instrument	19							
Gross settled:		-	-	-	-	-	-	-
Receivable		161,697	-	606,152	-	-	767,849	251,523
Payable		161,697	-	606,152	-	-	767,849	251,523
Derivative Asset -Non Hedging Instrument								
Gross settled:								
Receivable		238,996	168	1,111	172,464	2	412,741	28,604
Payable		245,474	-	-	171,978	-	417,452	28,604
Net settled		-	499	-	-	-	499	499
Derivative liabilities -Hedging Instrument	32							
Gross settled:								
Receivable		81,307	-	-	-	-	81,307	2,994
Payable		81,307	-	-	-	-	81,307	2,994
Derivative liabilities -Non Hedging Instrument								
Gross settled:		-	-	-	-	-	-	-
Receivable		64,766	252	-	1,451	235	66,704	5,765
Payable		61,911	-	-	-	-	61,911	5,765
Net settled		-	499	-	-	-	499	499

3. Risk management (continued)

At 31 December 2023 In millions of Naira	Note	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	Over 1 year	Gross nominal inflow/ (outflow)	Carrying amount
Assets								
Non-derivative assets								
Cash and balances with central banks	15	414,436	-	-	-	3,838,939	4,253,375	4,253,374
Treasury bills	16	727,947	360,019	590,643	1,197,269	-	2,875,878	2,736,273
Assets pledged as collateral	17	6,785	1,015	17,269	105,741	401,200	532,010	308,638
Due from other banks	18	1,694,780	123,941	13,353	5,891	-	1,837,965	1,834,314
Loans and advances to customers	20	1,190,084	808,188	1,400,530	1,016,031	3,964,754	8,379,587	6,556,470
Investment securities	21	163,318	479,801	431,711	213,007	3,018,662	4,306,499	3,290,895
Other financial assets	25	409,077	1,311	19	1,480	65,489	477,376	445,597
		4,606,427	**1,774,275**	**2,453,525**	**2,539,419**	**11,289,074**	**22,662,719**	**19,425,562**

	Note	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	Over 1 year	Gross nominal inflow/ (outflow)	Carrying amount
Liabilities								
Non-derivative liabilities								
Customer's deposits	28	13,124,934	830,978	671,685	374,588	192,136	15,194,321	15,167,740
Other financial Liabilities	29	618,211	354,262	170	8,555	18,387	999,585	991,354
On-lending facilities	30	3,056	21,165	22,107	20,692	222,819	289,839	263,065
Borrowings	31	83,846	498,553	313,032	94,290	503,441	1,493,162	1,410,885
Debt securities issued		-	-	-	-	-	-	-
		13,830,047	**1,704,958**	**1,006,994**	**498,126**	**936,783**	**17,976,908**	**17,976,908**
Derivative assets- Hedging instruments	19							
Gross settled:		-	-	-	-	-	-	-
Receivable		115,750	-	215,280	556,863	-	887,893	462,376
Payable		115,750	-	215,280	556,863	-	887,893	462,376
Net settled		-	-	-	-	-	-	-
Derivative assets-Non Hedging Instrument	32							
Gross settled:								
Receivable		33,618	193,523	654	-	-	227,794	72,363
Payable			193,523	-	-	-	193,523	72,363
Net settled		265,118	386,048	431,214	1,113,725	-	2,196,104	1,069,478
Derivative liabilities	32							
Gross settled:		-	-	-	-	-	-	-
Receivable		318	200	-	-	-	518	70,486
Payable		27,936	-	-	-	-	27,936	70,486
Net settled		28,254	200	-	-	-	28,454	37,911

3. Risk management (continued)

Bank

At 31 December 2024 In millions of Naira	Note	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	Over 1 year	Gross nominal inflow/ (outflow)	Carrying amount
Assets								
Non-derivative assets								
Cash and balances with central banks	15	316,202	-	-	-	4,933,588	5,249,789	5,249,789
Treasury bills	16	643,282	133,413	1,205,610	677,461	-	2,659,766	2,437,464
Assets pledged as collateral	17	5,819	-	-	5,819	200,530	212,168	89,062
Due from other banks	18	3,273,170	226,524	382,373	499,015	179,545	4,560,626	4,442,436
Loans and advances to customers	20	521,153	1,537,237	1,468,394	3,412,344	6,246,768	13,185,896	8,708,775
Investment securities	21	19,593	160,709	29,899	164,047	3,287,979	3,662,228	2,248,587
Other financial assets	25	92,681	6,739	-	-	66,196	165,616	114,288
		4,871,899	2,064,623	3,086,276	4,758,686	14,914,606	29,696,089	23,290,401
Liabilities								
Non-derivative liabilities								
Customer's deposits	28	15,597,528	737,263	360,065	525,011	-	17,219,867	17,163,424
Other financial liabilities	29	677,992	537,634	94	736	18,674	1,235,130	1,226,971
On-lending facilities	30	199,313	37,435	2,637	9,296	2,852	251,533	250,725
Borrowings	31	4,589	704,630	733,744	232,115	447,540	2,122,618	1,951,616
Debt securities issued		-	-	-	-	-	-	-
		16,479,422	2,016,962	1,096,540	767,157	469,067	20,829,148	20,592,736
Derivative Asset - Hedging Instrument	19							
Gross settled:		-	-	-	-	-	-	-
Receivable		161,697	-	606,152	-	-	767,849	251,523
Payable		(161,697)	-	606,152	-	-	444,455	251,523
Derivative Asset - Non Hedging Instrument								
Gross settled:								
Receivable		150,221	-	-	171,978	-	322,199	19,191
Payable		150,221	-	-	171,978	-	322,199	19,191
Net settled		-	499	-	-	-	499	499
Derivative liabilities - Hedging Instrument	32							
Gross settled:								
Receivable		81,307	-	-	-	-	81,307	2,994
Payable		81,307	-	-	-	-	81,307	2,994
Derivative liabilities- Non Hedging Instrument								
Gross settled:								
Receivable		61,911	-	-	-	-	61,911	972
Payable		61,911	-	-	-	-	61,911	972
Net settled		-	499	-	-	-	499	499

3. Risk management (continued)

At 31 December 2023 In millions of Naira	Note	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	Over 1 year	Gross nominal inflow/ (outflow)	Carrying amount
Assets								
Non-derivative assets								
Cash and balances with central banks	15	126,449	-	-	-	3,838,937	3,965,385	3,965,385
Treasury bills	16	591,229	308,931	578,665	1,186,105	-	2,664,930	2,529,966
Assets pledged as collateral	17	6,785	1,015	17,269	96,036	357,327	478,432	255,061
Due from other banks	18	1,627,792	57,914	9,636	-	-	1,695,342	1,691,722
Loans and advances to customers	20	1,029,508	708,219	1,338,411	961,477	3,634,750	7,672,365	5,928,796
Investment securities	21	12,596	38,915	26,789	63,549	1,759,521	1,901,370	1,205,724
Other financial assets	25	359,405	-	-	-	66,196	425,601	394,540
		3,753,764	**1,114,994**	**1,970,770**	**2,307,167**	**9,656,730**	**18,803,426**	**15,971,195**

At 31 December 2023 In millions of Naira	Note	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	Over 1 year	Gross nominal inflow/ (outflow)	Carrying amount
Liabilities								
Non-derivative liabilities								
Customer's deposits	30	10,996,341	551,419	556,190	74,331	30	12,178,311	12,154,824
Other financial liabilities	29	606,172	354,204	56	576	18,899	979,907	970,792
On-lending facilities	30	3,056	21,165	22,107	20,692	222,819	289,839	263,065
Borrowings	31	71,617	550,067	313,032	94,290	503,441	1,532,447	1,410,885
Debt securities issued		-	-	-	-	-	-	-
		11,677,186	**1,476,855**	**891,385**	**189,889**	**745,189**	**14,980,504**	**14,799,566**
Derivative assets-Hedging instruments	19							
Gross settled:		-	-	-	-	-	-	-
Receivable		115,750	-	215,280	556,863	-	887,893	462,376
Payable		115,750	-	215,280	556,863	-	887,893	462,376
Net settled		-	-	-	-	-	-	-
Derivative assets-Non Hedging Instrument								
Gross settled:								
Receivable			192,525				192,525	45,566
Payable			192,525				192,525	45,566
Net settled			223	45,141	200		45,564	45,564
Derivative liabilities	32							
Gross settled:		-	-	-	-	-	-	-
Receivable		14	-	-	-	-	14	-
Payable		14	-	-	-	-	14	-
Net settled		-	233	45,091	200	-	45,514	45,514

3. Risk management (continued)

Liquidity gap analysis (continued)

The amounts in the tables above and below have been compiled as follows.

Type of financial instrument	Basis on which amounts compiled
Non-derivative financial liabilities and financial assets	Undiscounted cash flows, which include estimated interest payments.
Issued financial guarantee contracts	Earliest possible contractual maturity. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.
Derivative financial liabilities and financial assets	Contractual undiscounted cash flows. The amounts shown are the gross nominal inflows and outflows for derivatives that have simultaneous gross settlement (e.g., forward exchange contracts and currency swaps) and the net amounts for derivatives that are net settled.

The Group's expected cash flows on some financial assets and financial liabilities vary significantly from the contractual cash flows. The principal difference is on demand deposits from customers which are expected to remain stable or increase.

As part of the management of liquidity risk arising from financial liabilities, the Group holds liquid assets comprising cash and cash equivalents, and debt securities issued by sovereigns, which can be readily sold to meet liquidity requirements. In addition, the Group maintains agreed lines of credit with other banks and holds unencumbered assets that are eligible for use as collateral with central banks (these amounts are referred to as the 'Group's liquidity reserves').

Group

At 31 December 2024	Carrying amount	Less than 3 months	3 - 6 months	6 - 12 months	1 to 5 Years	More than 5 years
In millions of Naira						
Financial guarantees						
Usance	2,567,161	298,646	130,186	2,369,115	3,903	-
Letters of Credit	357,738	145,217	146,319	49,853	16,348	-
Performance bonds and Guarantees	1,672,254	87,974	215,190	521,426	547,146	300,519
Undrawn overdraft	260,887	33,512	62,621	115,745	47,076	1,932
Total	4,858,040	565,349	554,316	3,056,139	614,473	302,451

At 31 December 2023	Carrying amount	Less than 3 months	3 - 6 months	6 - 12 months	1 to 5 Years	More than 5 years
In millions of Naira						
Financial guarantees						
Usance	433,926	2,916	374,675	56,335	-	-
Letters of Credit	566,807	48,735	423,055	94,891	125	-
Performance bonds and Guarantees	831,593	160,356	213,880	228,236	217,133	11,988
Undrawn overdraft	211,709	17,883	155,255	38,325	245	-
Total	2,044,035	229,890	1,166,865	417,788	217,504	11,988

3. Risk management (continued)

Bank

At 31 December 2024 In millions of Naira Financial guarantees	Carrying amount	Less than 3 months	3 - 6 months	6 - 12 months	1 to 5 Years	More than 5 years
Usance	2,801,850	298,646	130,186	2,369,115	3,903	-
Letters of Credit	33,994	33,994	-	-	-	-
Performance bonds and Guarantees	1,644,573	60,292	215,190	521,426	547,146	300,519
Undrawn overdraft	260,887	33,512	62,621	115,745	47,076	1,932
Total	4,741,304	426,444	407,997	3,006,286	598,125	302,451

At 31 December 2023 In millions of Naira Financial guarantees	Carrying amount	Less than 3 months	3 - 6 months	6 - 12 months	1 to 5 Years	More than 5 years
Usance	433,926	2,916	374,675	56,335	-	-
Letters of Credit	770,347	180,996	197,641	179,427	200,296	11,988
Performance bonds and Guarantees	424,903	497	412,952	11,455	-	-
Undrawn overdraft	211,709	17,883	155,255	38,325	245	-
Total	1,840,885	202,292	1,140,522	285,542	200,541	11,988

3.5 Fair value of financial assets and liabilities

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy.

i) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

ii) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

iii) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

3. Risk management (continued)

3.5.a Classification of financial assets and liabilities and fair value hierarchy

Group

The table below sets out the Group's classification of each class of its financial assets and liabilities and fair value heirachy.

31 December 2024		Fair value hierarchy				
In millions of Naira	Note	Carrying value	Total Fair value	Level 1	Level 2	Level 3
Assets						
Carried at FVTPL:						
Treasury bills	16	1,656,226	1,656,222	684,366	971,856	-
Investment securities (Fixed income)	21	41,891	41,891	41,891	-	-
Derivative Asset - Hedging Instrument	19	251,523	251,523	-	251,523	-
Derivative Asset -Non Hedging Instrument	19	29,104	29,104	7,063	22,041	-
Asset pledged as collateral	17	-	-		-	-
Carried at FVOCI:						
Equity securities (Unquoted)	21	367,144	367,144		358,283	8,860
Debt securities	21	1,949,011	1,949,011	1,949,011	-	-
Carried at amortized cost:						
Treasury bills	16	1,022,703	1,016,226	942,295	73,931	-
Assets pledged as collateral	17	266,865	253,638	253,638	-	-
Investment securities	21	2,739,998	2,629,572	2,016,215	613,357	-
Liabilities						
Carried at FVTPL						
Derivative liabilities	32	9,258	9,258		9,258	-

The carrying values of the following assets and liabilities (which are measured at amortized cost) are assumed to be their fair values:

- Cash and balances with central banks
- Due from other banks
- Other financial assets
- Loans and advances to customers
- Customers deposits
- Other financial liabilities
- Onlending
- Borrowings

See additional disclosures on valuation methods in Note 3.5d

3. Risk management (continued)

31 December 2023			Fair value hierarchy			
In millions of Naira	Note	Carrying value	Total Fair value	Level 1	Level 2	Level 3
Assets						
Carried at FVTPL:						
Treasury bills	16	749,606	749,606	189,849	559,757	-
Investment securities (Fixed income)	21	24,293	24,293	23,231	1,062	-
Derivative Asset Hedging Instrument	19	462,376	462,376	-	462,376	-
Derivative Asset -Non Hedging Instrument	19	72,364	72,364	36	72,328	-
Carried at FVOCI:						
Equity securities (Unquoted)	21	216,134	216,134	-	209,394	6,741
Debt securities	21	1,528,786	1,528,786	1,528,786	-	-
Carried at amortized cost:						
Treasury bills	16	1,986,667	1,940,525	884,461	881,770	174,294
Assets pledged as collateral	17	308,638	295,253	267,246	28,007	-
Investment securities	21	1,521,681	1,481,904	1,051,596	136,819	293,275
Liabilities						
Carried at FVTPL						
Derivative liabilities	32	70,486	70,486	-	70,486	-

3. Risk management (continued)

Bank

The table below sets out the Bank's classification of each class of its financial assets and liabilities.

31 December 2024		Fair value hierarchy				
In millions of Naira	Note	Carrying value	Total Fair value	Level 1	Level 2	Level 3
Assets						
Carried at FVTPL:						
Treasury bills	16	1,656,226	1,656,222	684,366	971,856	-
Investment securities (Fixed income)	21	35,238	35,238	35,238	-	-
Derivative Asset - Hedging Instrument	19	251,523	251,523	-	251,523	-
Derivative Asset -Non Hedging Instrument	19	19,690	19,690	-	19,690	-
Carried at FVOCI:						
Equity securities (Unquoted)	21	367,114	367,144	-	358,283	8,860
Carried at amortized cost:						
Treasury bills	16	781,238	774,761	700,830	73,931	-
Assets pledged as collateral	17	89,061	75,834	75,834	-	-
Investment securities	21	1,846,205	1,739,883	1,572,025	167,858	-
Liabilities						
Carried at FVTPL						
Derivative liabilities	32	4,465	4,465	-	4,465	-

The carrying values of the following assets and liabilities are assumed to be their fair values:

- Cash and balances with central banks
- Due from other banks
- Other financial assets
- Loans and advances to customers
- Customers deposits
- Other financial liabilities
- Onlending
- Borrowings

See additional disclosures on valuation methods in Note 3.5d

3. Risk management (continued)

31 December 2023 In millions of Naira	Note	Carrying value	Total Fair value	Fair value hierarchy Level 1	Level 2	Level 3
Assets						
Carried at FVTPL:						
Treasury bills	16	749,606	749,606	189,849	559,757	-
Investment securities (Fixed income)	21	19,433	19,433	18,371	1,062	-
Derivative assets	19	462,376	462,376	-	462,376	-
Derivative Asset -Non Hedging Instrument	19	45,566	45,565	-	45,565	-
Carried at FVOCI:						
Equity securities (Unquoted)	21	216,134	216,134	-	209,394	6,741
Treasury bills	16	1,780,360	1,766,231	884,461	881,770	-
Assets pledged as collateral	17	255,061	245,452	217,445	28,007	-
Investment securities	21	970,157	934,586	797,767	136,819	-
Liabilities						
Carried at FVTPL						
Derivative liabilities	32	45,514	45,514	-	45,514	-
Carried at amortized cost:						
Debt securities issued						

3.5.b Financial instruments measured at fair value- Reconciliation of level 3.

Group and Bank

In millions of Naira		
At 1 January 2023		93,883
Transfer due to non-availability of observable data	21	(89,359)
Gain recognised through other comprehensive income of equity investments		2,217
At 31 December 2023		**6,741**
Reconciliation of Level 3 items		
At 1 January 2024		6,741
Addition		93
Transfer out due to availability of data		-
Gain recognised through other comprehensive income of equity investments		2,026
At 31 December 2024		**8,860**

There was a transfer between fair value hierarchy during the year from level 2 to level 3. In prior year, the Bank's investment in AFC was valued as a level 2 hierarchy because of the availability of observable market data arising from issue of AFC shares during that year. However, as there were no additional issue during 2024 financial year, hence the absence of observable market data, the Bank valued its investment in AFC as a level 3 hierarchy.

3.5.c Level 3 fair value measurements

(i) Unobservable inputs used in measuring fair value

The table below sets out information about significant unobservable inputs used at 31 December 2024 and 31 December 2023 in measuring financial instruments categorized as level 3 in the fair value hierarchy.

Type of financial instrument	Fair values at 31 December 2024	Valuation technique	Significant unobservable input
Unquoted equity investment	N8.86 billion	Equity DCF model.	-Cost of equity. -Terminal growth rate.

Risk premium is determined by adding country risk premium to the product of market premium and equity beta.

3. Risk management (continued)

(ii) The effect of unobservable inputs on fair value measurements

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurement in Level 3, changing one or more of the assumptions would have the following effects.

In millions of Naira	At 31 December 2024 The lowest and highest values if the cost of equity and terminal growth rate decrease or increase by 1% and 0.25% respectively		
	Lowest value	Highest value	Actual value
FMDQ	5,062	4,931	4,996
NIBSS	2,706	2,593	2,649
UPSL	646	633	639
AFREXIM	511	531	521

The table below shows the effect of changes in cost of equity and terminal growth rate on other comprehensive income

In millions of Naira	31 December 2024	31 December 2023
Effect of 1% decrease in cost of equity and 0.25% increase in terminal growth rate	120	595
Effect of 1% increase in cost of equity and 0.25% decrease in terminal growth rate	(117)	(246)

3.5.d Fair valuation methods and assumptions

(i) Cash and balances with central banks

Cash and balances with Central banks represent cash held with Central banks of the various jurisdictions in which the Group operates. The fair value of these balances is their carrying amounts.

(ii) Due from other banks

Due from other banks represents balances with local and correspondence banks, inter-bank placements and items in the course of collection. The fair value of the current account balances, floating placements and overnight deposits are their carrying amounts.

(iii) Treasury bills, assets pledged as collateral and investment securities

Treasury bills represent short term instruments issued by the Central banks of the jurisdiction where the Group has operations. The fair value of treasury bills and bonds are determined with reference to quoted prices (unadjusted) in active markets for identical assets.

The fair values of quoted equity securities are determined by reference to quoted prices (unadjusted) in active markets for identical instruments. The fair value of the unquoted equity is determined on the basis of the discounted cashflow methodology which takes into account the discounted stream of estimated future income and free cashflows of the investment. Subsequently, the percentage holding of the Bank is then applied on the derived company value. Where available the fair value of unquoted equity is determined using recent market observable data.

(iv) Loans and advances to customers

Loans and advances are carried at amortized cost net of provision for impairment. The estimated fair value of loans and advances represents the discounted amount of amortised cost balance net of provision for impairment. The balance is discounted at current market rates to determine the fair value.

(v) Other financial assets/financial liabilities

Other financial assets/financial liabilities represent monetary assets, which usually have a short recycle period and as such, whose fair values approximate their carrying amount.

(vi) Customer deposits, on-lending and borrowings

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand.

3. Risk management (continued)

(vii) Derivatives

The Group uses widely recognised valuation models for determining the fair value of common and simple financial instruments, such as interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives, and simple OTC derivatives such as interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and reduces the uncertainty associated with determining fair values. Availability of observable markets prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

3.6 Capital management

The strategy for assessing and managing the impact of our business plans on present and future regulatory capital forms an integral part of the Group’s strategic plan. Specifically, the Group considers how the present and future capital requirements will be managed and met against projected capital requirements. This is based on the Group's assessment and against the supervisory/regulatory capital requirements taking account of the Group business strategy and value creation to all its stakeholders.

The Group prides itself in maintaining a very healthy Capital Adequacy Ratio in all its areas of operations. Capital levels are determined either based on internal assessments or regulatory requirements. The Group maintained capital levels above the regulatory minimum prescribed in all its operating jurisdictions.

The Group's Capital Adequacy is reviewed regularly to meet regulatory requirements and standard of international best practices. The Group adopts and implements the decisions necessary to maintain the capital at a level that ensures the realisation of the business plan with a certain safety margin.

The Group undertakes a regular monitoring of capital adequacy and the application of regulatory capital by deploying internal systems based on the guidelines provided by the Central Bank of Nigeria (CBN) and the regulatory authorities of the subsidiaries for supervisory purposes.

The Group has consistently met and surpassed the minimum capital adequacy requirements applicable in all areas of operations.

Most of the Group's capital is Tier 1 (Core Capital) which consists of essentially share capital and reserves created by appropriations of retained earnings.

Banking subsidiaries in the Group, which are not incorporated in Nigeria, are directly regulated and supervised by their local banking regulators and are required to meet the capital requirement directive of the local regulatory jurisdiction. Parental support and guidance are given at the Group level at which the risk level in relation to capital level and adequacy is closely monitored. The Group meets all capital requests from these regulatory jurisdictions and determines the adequacy based on its expansion strategies and internal capital assessments.

The Group’s capital plan is linked to its business expansion strategy, which anticipates the need for growth and expansion in its branch network and IT infrastructure. The capital plan sufficiently meets regulatory requirements and provides adequate cover for the Group’s risk profile. The Group's capital adequacy remains strong and the capacity to generate and retain reserves continues to grow.

The Group will only seek additional capital where it finds compelling business need for it and with the expectation that the returns would adequately match the efforts and risks undertaken.

The following sources of funds are available to the Group to meet its capital growth requirements:

(a) Profit from Operations: The Group has consistently reported good profit, which can easily be retained to support the capital base.

(b) Issue of Shares: The Group has successfully assessed the capital market to raise equity and debt. With such experiences, the Group is confident that it can access the capital market when the need arises.

(c) Bank Loans (long term/short term): In 2014 financial year, Zenith Bank commenced capital computations in accordance with Basel II standard under the guidelines issued by the Central Bank of Nigeria. The guidelines require capital adequacy computations based on the Standardized Approach for Credit Risk and Market Risk while Basic Indicator Measurement Approach was advised for Operational Risk. The capital requirement for the Bank has been set at 15% and an addition of 1% as a Systemically Important Bank (SIB) in accordance with the guidelines.

3. Risk management (continued)

The table below shows the computation of the Group's capital adequacy ratio for the year ended 31 December 2024 as well 31 December 2023. During those two periods, the individual entities within the Group complied with all of the externally imposed capital requirements.

The Group and Bank's capital adequacy ratio are above the minimum statutory requirement.

	Group		Bank	
In millions of Naira	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Tier 1 capital	Basel II	Basel II	Basel II	Basel II
Share capital	20,535	15,698	20,535	15,698
Share premium	594,113	255,047	594,113	255,047
Statutory reserves	549,528	409,104	508,366	367,942
SMEIES reserve	3,729	3,729	3,729	3,729
Retained earnings	2,015,513	1,179,390	1,538,189	893,938
Non-controlling interest	2,365	1,628	-	-
Total qualifying Tier 1 capital	3,185,783	1,864,596	2,664,932	1,536,354
Deferred tax assets	(21,542)	(17,251)	(1,756)	-
Intangible assets	(88,196)	(47,018)	(80,203)	(44,185)
Investment in capital of financial subsidiaries	-	-	(17,313)	(17,313)
Unsecured lending to subsidiaries within the same group	-	-	(77,450)	-
Adjusted Total qualifying Tier 1 capital	3,076,045	1,800,327	2,488,210	1,474,856
Tier 2 capital				
Other comprehensive income (OCI)	739,308	364,801	326,994	175,983
Total qualifying Tier 2 capital	739,308	364,801	326,994	175,983
Investment in capital and financial subsidiaries	-	-	(17,313)	(17,313)
Net Tier 2 Capital	739,308	364,801	309,681	158,670
Total regulatory capital	3,815,353	2,165,128	2,797,891	1,633,526
Risk-weighted assets				
Credit risk	11,351,782	7,882,270	8,270,027	6,672,311
Market risk	206,990	214,752	104,027	153,007
Operational risk	3,342,575	1,894,809	2,837,480	1,667,274
Total risk-weighted assets	14,901,347	9,991,831	11,211,534	8,492,592
Risk-weighted Capital Adequacy Ratio (CAR)	**26 %**	**22 %**	**25 %**	**19 %**

3.7 Operational risk

Operational Risk is the risk of loss resulting from inadequate and /or failed internal processes, people, and systems or from external events, including legal risk and any other risks. Operational risk exists in all products, processes and business activities.

The Group has a broad Operational Risk management framework which defines the set of activities designed to proactively identify, assess, and manage all operational risk components by aligning the people, technology and processes with best risk management practices towards enhancing stake holders' value and sustaining industry leadership.

Operational risk objectives include the following:

(a) To provide clear and consistent direction in all operations of the Group.

(b) To provide a standardised framework and appropriate guidelines for creating and managing all operational risk exposures; and

(c) To enable the Group identify and analyse events (both internal and external) that impact on its business.

The Operational Risk unit constantly conducts reviews to identify and assess the operational risk inherent in all material products, activities, processes, and systems. It also ensures that all business units within the Group monitor their operational risks using set standards and indicators. Significant issues and exceptions are reported to Risk Management and are also identified by the independent risk function for discussion at the Risk Management Committee.

3. Risk management (continued)

Disaster recovery procedures, business continuity planning, self-compliance assurance and internal audit also form an integral part of our operational risk management process.

The Bank uses the following tools and methodologies in the implementation of its Operational risk Management.

Risk and Control Self-Assessment (RCSA) - This is the process whereby risks that are inherent in Business Units strategies, objectives and activities are identified and the effectiveness of the controls over those risks evaluated and monitored bank wide. The Risk and Control Self-Assessment processes address risks and controls comprehensively. It incorporates the process for evaluating and managing all aspects of risk that is inherent in how and where the business is done.

Key Risk Indicators (KRI) - Key Risk Indicator is a measure which indicate the risk profile of the bank and any change thereof. KRIs act as early warning indicators and are used to monitor and predict potential operational loss events. KRIs are used in conjunction with system of thresholds. When the threshold or tolerance level for any KRI is breached, it triggers review, escalation, or management action. Risk indicators help keep the operational risk management dynamic and risk profile current.

Loss Incident Reporting – Loss incidents are reported by all business units using the Loss incident reporting template. The discipline of collecting loss data is not only needed to understand the dimensions of risk the Bank faces but also used to motivate staff to consider and more actively control key elements of risk. The Bank-wide data collection promotes a dialogue within the Bank about determining the major operational risk exposures and reinforces more qualitative efforts to manage operational risk within each of the business lines.

Operational Risk Capital Computation – The bank, based on Central Bank of Nigeria guideline, adopted basic indicator approach (BIA) in the calculation of its Operational Risk Capital adequacy. The estimated operational Risk Capital Charge is reported to the Board and management for capital planning and decision making.

Business Continuity Management (BCM)

In line with ISO 22301 Standards, the bank has a robust documented Business Continuity Plan. The primary objective of this plan is to protect the bank in the event of an undesired event in the form of fire outbreak, flood, theft or robbery, thunderstorm, unexpected breakdown of systems, networks, equipment, etc or any other form of disaster. This plan ensures that the bank recovers from disasters resulting in the partial or total loss of IT infrastructure and applications to normal business operations, in a timely, effective and efficient manner. The business continuity test is conducted at least once a year. The process is driven at a committee level but ably championed by the Risk Management Group.

Operational Risk Reporting

Periodic Operational Risk report highlighting key Operational risk identified are rendered to the Board, Management and other relevant stakeholders for awareness and prompt implementation of mitigation plans.

3. Risk management (continued)

3.8 Strategic risk

Strategic risk is a possible source of loss that might arise from the pursuit of an unsuccessful business plan. Strategic risk examines the impact of design and implementation of business models and decisions on earnings and capital as well as the organisation's responsiveness to industry changes. Processes and procedures have been established to ensure that the right models are employed and appropriately communicated to all decision makers in the Group on issues relating to strategic risk management. This has essentially driven the Group's sound banking culture and performance record to date.

3.9 Legal risk

Legal risk is defined as the risk of loss due to defective contractual arrangements, legal liability (both criminal and civil) incurred during operations by the inability of the organisation to enforce its rights, or by failure to address identified concerns to the appropriate authorities where changes in the law are proposed.

The Group manages this risk by monitoring new legislation, creating awareness of legislation among employees, identifying significant legal risks as well as assessing the potential impact of these.

Legal risks management in the Group is also being enhanced by appropriate product risk review and management of contractual obligations via well documented Service Level Agreements and other contractual documents.

3.10 Reputational risk

Reputational risk is defined as the risk of indirect losses arising from a decline in the bank's reputation among one or multiple bank stakeholders. The risk can expose the Group to litigation, financial loss or damage to its reputation. The Group's reputation risk management philosophy involves anticipating, acknowledging, and responding to changing values and behaviours on the part of a range of stakeholders. Accordingly, the following are the roles and responsibilities:

(a) Board and senior management oversee the proper set-up and effective functioning of the reputational risk management framework.

(b) Enterprise Risk Management Policy/Strategy (ERSP) is responsible for supporting the Board and senior management in overseeing the implementation of reputational risk management framework; and

(c) Corporate Communications is responsible for managing both the internal and external communications that may impact the reputation of the Bank.

The process of reputation risk management within the Bank encompasses the following steps:

i. Identification: Recognizing potential reputational risk as a primary and consequential risk.

ii. Assessment: Conducting qualitative assessment of reputational risk based on the potential events that have been identified as reputational risk.

iii. Monitoring: Undertaking frequent monitoring of the reputational risk drivers.

iv. Mitigation and Control: Establishing preventive measures and controls for management of reputational risk and tracking mitigation actions.

v. Independent review: Subjecting the reputational risk measures and mitigation techniques to regular independent review by internal auditors and/or external auditors; and

vi. Reporting: Generating regular, action-oriented reports for management review.

3.11 Taxation risk

Taxation risk refers to the risk that new taxation laws will adversely affect the Group and/or the loss as a result of non-compliance with tax laws.

The taxation risk is managed by monitoring applicable tax laws, maintaining operational policies that enable the Group to comply with taxation laws and, where required, seeking the advice of tax specialists.

3.12 Regulatory risk

The Group manages the regulatory risk to which it is potentially exposed by monitoring new regulatory rules and applicable laws and identifying significant regulatory risks. The Group strives to maintain appropriate procedures, processes and policies that enable it to comply with applicable regulations.

The Group maintains zero tolerance posture for any regulatory breach in all its areas of operations.

4 Critical accounting estimate and judgements

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Modification of debt securities issued by the Government of Ghana and Ghana Cocoa Board

In assessing the modification gain for investments that are within the scope of the Government of Ghana's Domestic Debt Exchange Programme and Cocoa Bill Exchange Programme, modification gain/loss is calculated as the difference between the carrying value of the old investments and the fair value of new investments calculated as the present value of future cash flows using an appropriate discount rate.

Management applied a range of valuation assumptions to arrive at the appropriate discount rate due to the current complexities in Ghana's bond market.

Detailed information about the judgements and estimates made by the Group in the above area is set out in note 3.2.18 and note 21.

4.2 Impairment losses on loans and advances

Measurement of the expected credit loss allowance for financial assets.

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 3.2.10 to 3.2.17.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Input assumptions applied in estimating probability of default, loss given default and exposure at default.
- Incorporation of forward-looking information;

Detailed information about the judgements and estimates made by the Group in the above areas is set out in note 3.2.10 to 3.2.17.

The table below shows the impact on expected credit losses on loans and advances of changes in macroeconomic risk drivers and how credit losses respond to 10% decrease and increase in macro-variables.

31 December 2024			
In millions of Naira	**10% increase**	**No change**	**10% decrease**
Gross loans balance	9,722,660	9,722,660	9,722,660
Loss allowance	**990,706**	**1,013,886**	**1,033,074**

4.3 Determining fair value of equity instruments

All financial instruments are initially recognised at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of a financial instrument on initial recognition is generally its transaction price (that is, the fair value of the consideration given or received). The majority of valuation techniques employ only observable market data. However, equity instruments are classified on the basis of valuation techniques that features one or more significant market inputs that are unobservable ('Level 3" assets and liabilities), and for them, the measurement of fair value is more judgemental. The degree of judgement depends on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific financial instrument.

Details on the Group's Level 3 financial instruments and the sensitivity of their valuation to the effect of applying reasonably possible alternative assumptions in determining their fair value are set out in Note 3.5c.

4.4 Deferred tax assets and liabilities

The deferred tax assets and liabilities recognized by the Group are dependent on the availability of taxable profit in the foreseeable future to utilize the deferred tax. The Group reviews the carrying amount of the deferred tax at the end of each reporting period and recognizes an amount such that it is probable that sufficient taxable profit will be available which the Group can use the benefit therefrom.

In determining the deferred tax assets recognized in the financial statements, the Group has applied judgement in estimating the deferred tax recoverable in the foreseeable future. This involves the estimation of future income and expenses, and the consideration of non-taxable income and disallowable expenses in order to arrive at the future taxable profit / loss.

4.5 Uncertain Tax Position regarding the tax treatment of unrealised exchange gains on foreign currency assets.

At each reporting date, the Bank translates its foreign currency deominated assets into the presentation currency (Naira). This leads to the recognition of unrealised exchange differences in the income statement. Based on the tax laws, the unrealised exchange differences are disallowed for tax purposes and results in differences between the tax base and the carrying amount of the assets. The tax treatment of the unrealised exchange differences is considered uncertain in terms of if this creates a temporary or permanent difference for deferred tax purposes. Also, uncertainty arise as to the tax rate that will be applied on the unrealised gain if it eventually becomes realised.

The Directors have consulted widely on this uncertain tax position and have reflected the effect of the uncertainty by measuring the estimated tax liability using the expected value method. The Directors have considered the range of possible outcomes and estimated the deferred tax liability as the sum of the probability-weighted amounts within that range of the possible outcomes. The expected deferred tax liability has been appropriately factored in our deferred tax computation.

It is anticipated that the reasonable possible outcome of the deferred tax liability sits within a range of 0% and 35% of the unrealized exchange difference.

4.6 Hyperinflation accounting

The results of the Group’s operations with a functional currency of the Ghana cedis have been prepared in accordance with IAS 29 ‘Financial Reporting in Hyperinflationary Economies’ as if the economy had always been hyperinflationary. The results of those operations for the year 31 December 2024 are stated in the current purchasing power using the Consumer Price Index as at 31 December 2024 In accordance with IAS 21 ‘The Effects of Changes in Foreign Exchange Rates’, the results have been translated and presented in Nigerian Naira at the prevailing rate of exchange on 31 December 2024.

Sierra Leone

The effects of hyperinflation accounting in Sierra Leone have not been deemed significant for group reporting purposes, therefore the Group's operations with a functional currency of Sierra Leonean Leone have not been adjusted for the impacts of hyperinflation.

Impact of Hyperinflation

The application of the hyperinflation accounting procedures to the Group's operations in Ghana resulted in a N30 billion decrease in the Group profit before tax for the year ended 31 December 2024. Included in this is a net monetary loss of N33.78 billion.

Other effects on the Group consolidated financial statements as at 31 December 2024 are:

- Total assets increased by N72.08 billion driven by non-monetary assets;

- Opening retained profit increased by N108.64 billion reflecting the impact of adjusting the historical cost of non-monetary assets and liabilities from the date of their initial recognition to 1 January 2024 for the effect of inflation;

- Net Revenue increased by NGN 11.8 billion;

The CPI for Ghana was 248.30 (2023: 200.5) with an increase in the year of 47.8 (2023: 37.7).

5. Segment Analysis

The Group's strategic divisions offer different products and services, and are managed seperately based on the Group's management and internal reporting structure.

The Group's operations are primarily organised on the basis of its products and service offerings in Nigeria, while the banking operations outside Nigeria are reported seperately for Africa and Europe. The following summary describes each of the Group's reportable segments:

(a) Corporate, Public, Retail Banking, Pension Custodial services and Nominee - Nigeria

This segment provides a broad range of banking and pension custodial services to a diverse group of corporations, financial institutions, investment funds, governments and individuals.

(b) Outside Nigeria Banking - Africa and Europe

This segment provide a broad range of banking services to a diverse group of corporations, financial institutions, investment funds, governments and individuals outside Nigeria. The reportable segment covers banking operations in other parts of Africa (Ghana, Sierra Leone and The Gambia) and in Europe (the United Kingdom) respectively.

Segment profit before tax, as included in internal management reports reviewed by the Board of Directors, is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate within the same industries.

No single external cutomer accounts for 10% or more of the Group's revenue. The measurement policies the Group uses for segment reporting are the same as those used in its financial statements. There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of Directors assess the financial performance and position of the group and makes strategic decisions. The board of Directors is the chief operating decision maker.

5. Segment Analysis (continued)

Information regarding each reportable segment is included in the tables below. The tables also show the reconciliation of the amounts in the statement of profit or loss and statement of financial position for the reportable segments to the amounts in the Group's statement of profit or loss and statement of financial position.

	Nigeria Corporate retail and pensions custodian services	Outside Nigeria		Total (Outside Nigeria)	Total reportable segments	Eliminations	Consolidation
		Africa	Europe				
In millions of Naira							
31 December 2024							
Interest and similar income	2,288,747	233,477	232,766	466,243	2,754,990	(33,613)	2,721,377
Total Income on fee and commission	306,796	43,089	14,637	57,726	364,522	(8,178)	356,344
Other operating income	(146,392)	(47,259)	(13,113)	(60,372)	(206,764)	-	(206,764)
Trading gains	1,053,127	46,104	771	46,875	1,100,002	-	1,100,002
Total revenue	3,502,278	275,411	235,061	510,472	4,012,750	(41,791)	3,970,959
Revenue:							
Derived from external customers	3,460,488	275,411	235,060	510,471	3,970,959	-	3,970,959
Derived from other business segments	41,790	-	-	-	41,791	(41,791)	-
Total revenue	**3,502,278**	**275,411**	**235,060**	**510,471**	**4,012,750**	**(41,791)**	**3,970,959**
Interest expense	(839,113)	(78,393)	(108,490)	(186,883)	(1,025,996)	33,522	(992,474)
Impairment loss on financial assets	(668,922)	(2,607)	12,723	10,116	(658,806)	-	(658,806)
Depreciation charge	(33,540)	(8,856)	(1,832)	(10,688)	(44,228)	-	(44,228)
Amortisation charge	(5,923)	(1,622)	(773)	(2,395)	(8,318)	-	(8,318)
Fees and commission expense	(143,026)	(6,450)	-	(6,450)	(149,476)	-	(149,476)
Admin and operating expenses	(665,619)	(77,154)	(57,941)	(135,095)	(800,714)	9,908	(790,806)
Profit / (loss) before tax	1,146,135	100,329	78,748	179,077	1,325,212	1,639	1,326,851
Tax expense	(200,635)	(71,967)	(21,355)	(93,322)	(293,957)	-	(293,956)
Profit / (loss) after tax	945,500	28,362	57,393	85,755	1,031,255	1,639	1,032,895

5. Segment Analysis (continued)

In millions of Naira 31 December 2024	Nigeria Corporate retail and pensions custodian services	Outside Nigeria Africa	 Europe	Total (Outside Nigeria)	Total reportable segments	Eliminations	Consolidation
Expenditure on non-current assets	137,762	10,996	11,466	22,462	160,224	-	160,224

In millions of Naira 31 December 2024	Nigeria Corporate retail and pensions custodian services	Outside Nigeria Africa	 Europe	Total (Outside Nigeria)	Total reportable segments	Eliminations	Consolidation
Total assets	24,075,319	2,338,659	4,102,198	6,440,857	30,516,176	(558,651)	29,957,525
Other measures of assets							
Loans and advances to customers	8,708,989	401,913	861,626	1,263,539	9,972,528	(7,164)	9,965,364
Treasury bills	2,437,464	241,465	-	241,465	2,678,929	-	2,678,929
Investment securities	2,276,099	535,510	2,286,432	2,821,942	5,098,041	-	5,098,044
Total liabilities	20,945,853	1,991,457	3,512,820	5,504,277	26,450,130	(521,878)	25,928,252
Other measures of liabilities							
Customer deposits	17,163,424	1,831,958	3,479,128	5,311,086	22,474,510	(515,141)	21,959,369
Borrowings	1,951,616	100,732	-	100,732	2,052,348	(7,163)	2,045,185

5. Segment Analysis (continued)

	Nigeria Corporate retail and pensions custodian services		Outside Nigeria		Total outside Nigeria	Total outside Nigeria	Eliminations	Consolidation
			Africa	Europe				
In millions of Naira								
31 December 2023								
Interest and similar income	928,913	-	130,331	99,866	230,197	1,159,110	(14,436)	1,144,674
Total Income on fee and commission	152,508	-	23,568	5,902	29,470	181,978	(4,463)	177,515
Other operating income	264,192	-	(6,339)	(854)	(7,193)	256,999	(14,411)	242,588
Trading gains	538,286	-	27,007	1,680	28,687	566,973	-	566,973
Total revenue	1,883,899	-	174,567	106,594	281,161	2,165,060	(33,310)	2,131,750
Revenue:								
Derived from external customers	1,850,589	-	174,567	106,594	281,161	2,131,750	-	2,131,750
Derived from other business segments	33,310	-	-	-	-	33,310	(33,310)	-
Total revenue	**1,883,899**	**-**	**174,567**	**106,594**	**281,161**	**2,165,060**	**(33,310)**	**2,131,750**
Interest expense	(355,230)	-	(32,828)	(34,941)	(67,769)	(422,999)	14,507	(408,492)
Impairment loss on financial assets	(398,476)	-	(10,341)	(520)	(10,861)	(409,337)	(279)	(409,616)
Depreciation charge	(26,231)	-	(2,901)	(725)	(3,626)	(29,857)	-	(29,857)
Amortisation charge	(2,510)	-	(588)	(371)	(959)	(3,469)	-	(3,469)
Fees and commission expense	(70,092)	-	(2,575)	-	(2,575)	(72,667)	4,459	(68,208)
Admin and operating expenses	(353,478)	-	(42,949)	(20,936)	(63,885)	(417,363)	1,217	(416,146)
Profit before tax	677,882	-	82,385	49,101	131,486	809,368	(13,406)	795,962
Tax expense	(75,021)	-	(31,205)	(12,116)	(43,321)	(118,342)	(711)	(119,053)
Profit after tax	602,861	-	(51,180)	36,985	(14,195)	691,026	(14,117)	676,909

5. Segment Analysis (continued)

In millions of Naira 31 December 2023	Nigeria Corporate retail and pensions custodian services		Outside Nigeria Africa	Europe		Total reportable segments		Eliminations	Consolidation
Expenditure on non-current assets	65,409	-	10,773	262	-	76,444	-	-	76,444

In millions of Naira 31 December 2023	Nigeria Corporate retail and pensions custodian services		Outside Nigeria Africa	Europe	Total outside Nigeria	Total outside Nigeria		Eliminations	Consolidation
Total assets	16,843,187	-	1,279,688	2,531,841	3,811,529	20,654,716	-	(286,261)	20,368,455
Other measures of assets									
Loans and advances to customers	5,928,907	-	197,615	482,875	680,490	6,609,397	-	(6,609,397)	-
Treasury bills	2,529,966	-	206,307	-	206,307	2,736,273	-	(2,736,273)	-
Investment securities	1,234,116	-	334,831	1,721,948	2,056,779	3,290,895	-	(3,290,895)	-
Total liabilities	15,009,095	-	1,075,664	2,212,021	3,287,685	18,296,780	-	(251,705)	18,045,075
Other measures of liabilities									
Customer deposits	12,154,824	-	1,028,018	2,203,674	3,231,692	15,386,516	-	(15,386,516)	-
Borrowings	1,450,182	-	13,631	-	13,631	1,463,813	-	(1,463,813)	-

* Revenues are allocated based on the location of the operations.

** Capital expenditure consists of expenditure on intangible assets and property and equipment during the year.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2024

	Group		Bank	
In millions of Naira	31 December 2024	31 December 2023	31 December 2024	31 December 2023

6. Interest and similar income

Loans and advances to customers	1,517,917	671,920	1,394,672	635,806
Placement with banks and discount houses	165,319	81,822	130,068	39,796
Treasury bills	579,918	178,967	488,716	145,646
Promissoy notes	5,734	3,205	5,734	3,204
Commercial papers	12,023	21,406	11,853	21,090
Government and other bonds	440,466	187,354	253,720	80,690
	2,721,377	**1,144,674**	**2,284,763**	**926,232**

Interest and similar income represents interest income on financial assets measured at amortised cost and fair value through other comprehensive income. The interest is calculated using the effective interest method.

Interest income accrued on impaired financial assets amount to N18,246 million and N18,246 million (31 December 2023: N29,093 million and N5,484 million) for Group and Bank respectively.

7. Interest and similar expense

Current accounts	237,412	96,807	218,708	85,898
Savings accounts	156,427	85,593	155,235	84,995
Time deposits	228,169	124,348	114,720	79,858
Borrowed funds	367,404	99,166	349,287	103,443
Leases	3,062	2,578	1,161	1,034
	992,474	**408,492**	**839,111**	**355,228**

Total interest expense are calculated using the effective interest rate method reported above and does not include interest expense on financial liabilities carried at fair value through profit or loss.

8. Impairment charge on financial and non-financial instruments

ECL on financial instruments:				
Loans and advances(see note 3.2.18)	594,176	400,650	594,395	394,440
Investment securities (see note 3.2.18)	(9,430)	7,903	(445)	2,867
Treasury Bills (see note 3.2.18)	(33)	(337)	(33)	32
Other financial assets (see note 3.2.18)	20,259	2,173	20,268	2,193
Due from other banks (see note 3.2.18)	11,653	860	11,634	860
Asset pledged as collateral (see note 3.2.18)	(18)	10	(18)	10
	-	-	-	-
Total ECL on financial instruments	616,607	411,259	625,801	400,402
Impairment (credit)/charge on non-financial instruments:				
Off balance sheet (see note 3.2.18)	40,396	1,633	41,310	1,286
Other non-financial assets (see note 25)	1,802	(3,276)	1,802	(3,276)
	658,805	**409,616**	**668,913**	**398,412**

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2024

	Group		Bank	
In millions of Naira	31 December 2024	31 December 2023	31 December 2024	31 December 2023

9. Net income on fee and commission

Credit related fees	17,478	3,980	6,383	3,045
Commission on turnover	3,500	2,054	-	-
Account maintenance fee	72,925	47,201	69,315	44,969
Income from financial guarantee contracts issued	31,301	16,247	13,712	8,157
Fees on electronic products	80,051	51,818	71,267	46,294
Foreign currency transaction fees and commission	13,480	4,190	13,378	3,072
Asset based management fees	15,649	10,956	-	-
Auction fees income	3,002	695	3,002	695
Corporate finance fees	438	128	438	128
Foreign withdrawal charges	78,525	19,718	78,525	19,718
Commission on letters of credit	27,918	12,068	26,760	7,596
Commission on agency and collection services	12,077	8,460	10,094	7,498
Total fee and commission income	356,344	177,515	292,874	141,172
Fees and commission expense	(149,477)	(68,208)	(143,013)	(70,092)
	206,867	**109,307**	**149,861**	**71,080**

The fees and commission income reported above excludes amount included in determining effective interest rates on financial assets that are not carried at fair value through profit or loss.

Total fee and commission income recognised at a point in time amount to N254,731 million and N208,588 million for Group and Bank (31 December 2023: N110,083 million and N84,361 million) respectively while an amount of N101,613 million and N84,287 million (31 December 2023: N71,025 million and N56,811 million) was recognised over the service period.

10. Trading gains

Gain on other trading books	1,116,343	463,371	1,078,708	438,360
(Loss)/Gain on treasury bills FVTPL	(29,841)	98,912	(31,749)	98,135
Gain/(loss) on bonds at FVTPL	9,528	1,100	2,196	(1,799)
Interest income on trading bonds	3,972	3,590	3,972	3,590
	1,100,002	**566,973**	**1,053,127**	**538,286**

Included in gain on other trading books is N2.2 billion gains on derivatives for Group and Bank respectively (31 December 2023: Group N4.05 billion and Bank N4.05 billion). Also included in Gains/loss on other trading books is N15.4 billion related to foreign currency trading gains for both bank and Group (2023: N6 billion).

In millions of Naira

Hedge ineffectiveness recognized comprises:
Fair value hedging

FV gains on the derivatives designated as hedging instruments - (spot component only)	265,522	458,478	265,522	458,478
- Losses on the hedged items attributable to the hedged risk	(275,920)	(468,482)	(275,920)	(468,482)
-Fair value hedge ineffectiveness	**(10,398)**	**(10,004)**	**(10,398)**	**(10,004)**

The effective portion of the fair value gains on the derivatives designated in the fair value hedge of the foreign currency risk has been transferred to other income to net off the recognised losses on the hedged item attributable to the hedged risk.

	Group		Bank	
In millions of Naira	31 December 2024	31 December 2023	31 December 2024	31 December 2023

11. Other operating income/(loss)

Dividend Income from equity instruments (See note a below)	8,645	5,661	14,645	19,777
Gain on disposal of property and equipment (see note 44(vi)	(995)	189	(1,013)	186
Income on cash handling	84	27	-	-
Loan and other recoveries (see note c below)	39,822	24,079	22,938	15,290
Foreign currency revaluation (loss)/gain(see note b below)	(178,019)	223,334	(183,235)	228,810
Net monetary loss arising from hyperinflationary economy (see note d below)	(33,783)	(13,225)	-	-
Derecognition loss on investment securities (see note e below)	(42,518)	2,523	-	-
	(206,764)	**242,588**	**(146,665)**	**264,063**

a) Dividend income from equity investments represent dividend received from subsidiaries of N6 billion and N8.6 billion received from other equity instruments held for strategic purposes and for which the Group has elected to present the fair value and loss in other comprehensive income.

b) Foreign currency revaluation (loss)/ gain represents net (loss)/ gain on the revaluation of foreign currency-denominated assets and liabilities. This also includes the effective portion of the gains on the derivatives designated in the fair value hedge of the foreign currency risk (note 3.3.3).

c) Included in this balance is Loan recoveries. This represents amount recovered for previously written-off facilities. The amount is recognised on a cash basis only.

d) Net monetary loss arising from hyperinflationary economy relates to the remeasurement of monetary items in Ghana following its designation as a hyperinflationary economy.

e) During the year, the Government of Ghana restructured its existing Eurobonds, presenting investors with two new bond options with varying terms. Zenith Bank selected the Disco bond option, which indicated substantially different terms compared to the original bonds. Consequently, this triggered the derecognition of the existing bonds and recognition of the new bonds, culminating in a loss on derecognition.

	Group		Bank	
In millions of Naira	31 December 2024	31 December 2023	31 December 2024	31 December 2023

12. Operating expenses

Directors' emoluments (see note 36 (b))	10,854	5,440	10,131	4,759
Auditors' remuneration	3,191	1,337	800	700
Deposit insurance premium	55,655	28,048	52,405	26,234
Professional fees	13,261	9,387	17,200	8,173
Training and development	4,719	3,857	3,997	3,299
Information Technology	67,301	33,596	59,872	28,678
Lease expense	695	3,495	16	2,496
Advertisement	31,451	11,450	30,887	11,205
Outsourcing services	30,730	24,876	30,649	24,845
Bank charges	16,809	5,807	12,696	4,055
Fuel and maintenance	100,900	41,171	90,834	36,009
Insurance	4,621	3,220	3,059	2,485
Licenses, registrations and subscriptions	41,194	10,139	33,656	6,594
Travel and hotel expenses	12,627	5,155	8,998	4,289
Printing and stationery	10,550	5,049	6,417	2,925
Security and cash handling	12,085	7,246	11,005	5,321
Fines & Penalties (see note 42)	15,428	21	15,428	21
Donations	4,925	5,765	4,750	5,673
AMCON levy	92,201	57,383	92,201	57,383
Telephone,postages and communication charges	11,784	9,262	10,969	8,843
Corporate promotions	22,704	15,890	22,263	15,723
General running expenses	22,951	4,137	13,838	1,976
	586,636	**291,731**	**532,071**	**261,686**

Lease expense for the year ended 31 December 2024 amounting to N695 million and N16million, (31 December 2023: N3,495 million and N2,496 million) respectively were recognised. They represent the amount of straight line amortisation on short term lease in which the Group/Bank has applied the recognition exception.

The Bank paid the external auditors’ professional fees for the provision of non audit services.

The total amount of non-audit services provided by the external auditors during the year was N136 million. These non-audit services were for the following: review of the bank's Risk assesment N65.4m, Corporate Governance N48m, Training N10m, Sustainability assessment N7.5m and Zenith bank capital raise Scrutineer service N5m.

The Group auditors did not engage in any non-audit service for any of the Bank's subsidiaries.

Included in training and development is a total N657 million which the bank paid as contribution to the industrial training fund.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2024

	Group		Bank	
In millions of Naira	31 December 2024	31 December 2023	31 December 2024	31 December 2023

13. Taxation

(a) Major components of the tax expense

Income tax expense				
Corporate tax	201,617	35,465	153,740	16,824
Information technology tax	11,354	6,775	11,244	6,677
Tertiary Education tax	17,960	3,127	17,740	2,876
Police trust fund levy	56	33	56	33
National agency for science and engineering infrastructure levy (NASENI)	2,811	1,670	2,810	1,670
National Fiscal Stabilization Levy & Financial Sector Recovery	11,220	8,177	-	-
Effect of hyperinflation	2,609	1,622	-	-
Prior period underprovision	33,452	712	9,224	712
Windfall Tax Levy	63,306	-	63,306	-
Current income tax	344,385	57,581	258,120	28,792
Deferred tax expense				
Origination of temporary differences	(50,429)	61,472	(60,989)	43,322
Income tax expense	293,956	119,053	197,131	72,114
Total tax expense	293,956	119,053	197,131	72,114

(b) Reconciliation of the tax expense

Profit before income tax	1,326,851	795,962	1,133,289	667,715
Tax calculated at the weighted average Group rate of 30% (2023: 30%)	398,055	238,789	339,987	200,315
Tax effect of adjustments on taxable income				
Effect of difference of rate across different tax jurisdictions	(9,338)	(6,450)	-	-
Non-deductable expenses	163,706	32,003	185,830	56,730
Tax exempt income	(354,454)	(228,282)	(348,416)	(228,282)
Balancing charge	31,602	13,052	241	112
Origination of Temporary differences	(50,429)	61,472	(60,989)	43,322
Information technology levy	11,354	6,776	11,244	6,676
Capital allowance utilised	(25,368)	(12,050)	(23,904)	(12,050)
Tertiary education tax	17,960	3,126	17,740	2,876
Windfall tax	63,307	-	63,307	-
Prior period underprovision	33,452	737	9,224	712
National Fiscal Stabilization Levy & Financial Sector Recovery Levy	11,220	8,177	-	-
Police trust fund levy	78	33	56	33
NASENI	2,811	1,670	2,811	1,670
Total tax expense	**293,956**	**119,053**	**197,131**	**72,114**

	Group		Bank	
In millions of Naira	31 December 2024	31 December 2023	31 December 2024	31 December 2023
(c) The movement in the current income tax payable balance is as follows:				
At start of the year	33,877	64,856	28,080	61,655
Tax paid	(55,669)	(65,187)	(28,723)	(62,367)
Current income tax charge (see note 13a)	286,826	34,208	258,122	28,792
WHT Utilized	(8,866)	-	(8,866)	-
At end of the year	**256,168**	**33,877**	**248,613**	**28,080**
(d) The movement in the current income tax receivable balance is as follows:				
At start of the year	(18,975)	-	-	-
Tax paid	(45,466)	(42,348)	-	-
Current income tax charge (see note 13a)	57,572	23,373	-	-
At end of the year	**(6,869)**	**(18,975)**	**-**	**-**

	Group		Bank	
In millions of Naira	31 December 2024	31 December 2023	31 December 2024	31 December 2023

14. Earnings per share (EPS)

Basic earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

Profit attributable to shareholders of the Bank (N'million)	1,032,711	676,569	936,158	595,601
Number of issued shares at the end of the year (millions)	41,070	31,396	41,070	31,396
Weighted average number of ordinary shares in issue (millions)	31,423	31,396	31,423	31,396
Basic and diluted earnings per share (Naira)	32.87	21.55	29.79	18.97

Basic and diluted earnings per share are the same, as the Bank has no potentially dilutive ordinary shares.

	Group		Bank	
In millions of Naira	31 December 2024	31 December 2023	31 December 2024	31 December 2023

15. Cash and balances with central banks

Cash	166,374	146,264	95,825	105,262
Operating accounts and deposits with central banks	365,714	123,703	220,377	21,187
Mandatory reserve deposits with central bank (cash reserve)	5,329,200	3,902,718	4,906,659	3,758,248
Special cash reserve requirement	26,928	80,689	26,928	80,689
	5,888,216	**4,253,374**	**5,249,789**	**3,965,386**
Current	532,088	269,967	316,202	126,449
Non-current	5,356,128	3,983,407	4,933,587	3,838,937
	5,888,216	**4,253,374**	**5,249,789**	**3,965,386**

16. Treasury bills

Treasury bills (FVTPL)	1,656,226	749,606	1,656,226	749,606
Treasury bills (Amortized cost)	1,022,741	1,986,738	781,276	1,780,431
ECL Allowance on treasury bills (Amortized cost) (see note 3.2.18)	(38)	(71)	(38)	(71)
	2,678,929	**2,736,273**	**2,437,464**	**2,529,966**
Classified as:				
Current	2,678,929	2,736,273	2,437,464	2,529,966
	2,678,929	**2,736,273**	**2,437,464**	**2,529,966**
The following treasury bills have maturities less than three months and are classified as cash and cash equivalents for purposes of the statements of cash flows (Note 40)	218,724	209,246	11,403	209,246
	218,724	**209,246**	**11,403**	**209,246**

17. Assets pledged as collateral

Bonds pledged as collateral	136,492	217,446	89,073	163,869
Treasury bills/Bonds under repurchase agreement	130,385	91,221	-	91,221
ECL Allowance on assets pledged and under repo	(11)	(29)	(11)	(29)
	266,866	**308,638**	**89,062**	**255,061**

Included in assets pledged as collateral for Group/Bank are bonds at amortised cost of N N184.6billion (Bank N89.06 billion) (31 December 2023: treasury bills N91.22 billion and bonds N217.45 billion, Bank N163.87 billion). All other assets pledged as collateral for Group/Bank are treasury bills at fair value.

The assets pledged as collateral were given to the counter parties without transferring the ownership to them. These are held by the counterparty for the term of the transaction being collateralized. These assets were pledged as collateral to Nigeria Interbank Settlement System (NIBBS) N4 billion (31 December 2023: N4 billion), being collateralized, Financial Market dealers Quotation (FMDQ) N5.58 billion (31 December 2023: 11.19 billion), E-Transact N15.05 billion (31 December 2023: N50 million), V-pay: N50 million (31 December 2023: N50 million), Interswitch: N2.4 billion (31 December 2023: N2.4 billion), System specs / Remitta N2.5 billion (31 December 2023: N2.5 billion), CBN Settlement clearing N16 billion (31 December 2023: N15 billion), CBN Real Sector Support Fund: N23 billion (31 December 2023: N23 billion), Federal Inland Revenue Service: N9 billion (31 December 2023: N9 billion), Bank of Industries (BOING) N34.05 billion (31 December 2023: N34 billion), Africa Finance Corporation N15.8 billion (31 December 2023: Nil) and EIB N31.7 billion (31 December 2023: Nil).

18. Due From Other Banks

Current balances with banks within Nigeria	616	-	-	-
Current balances with banks outside Nigeria	1,643,344	837,559	1,951,531	922,922
Placement with banks	3,304,335	997,690	2,503,474	769,735
ECL allowance	(12,588)	(935)	(12,569)	(935)
	4,935,707	**1,834,314**	**4,442,436**	**1,691,722**

Classified as:

Current	4,179,144	1,834,314	3,685,873	1,691,722
Non-current	756,563	-	756,563	-
	4,935,707	**1,834,314**	**4,442,436**	**1,691,722**

Included in balances with banks outside Nigeria are the amount of N134.5 billion and N537.61 billion for the Group and Bank respectively (31 December 2023: N254.47 billion and N363.72 billion) which represent the Naira value of foreign currency balances held on behalf of customers in respect of letters of credit. The corresponding liabilities are included in other liabilities (See Note 29).

Some of the balances are restricted (see note 3.4.3c).

Due from banks with maturity greater than 3 months and restricted balances:	894,246	272,851	1,294,171	363,715

19. Derivative assets

Instrument types(fair value)				
Forward and Swap Contracts	280,127	489,167	270,714	462,376
Futures contracts	499	45,572	499	45,566
	280,626	**534,739**	**271,213**	**507,942**

Instrument types (Notional amount):				
Forward and Swap contracts	1,449,884	1,190,997	1,090,047	889,583
Futures contracts	775	310,807	775	190,834
Total	**1,450,659**	**1,501,804**	**1,090,822**	**1,080,417**

a) Hedging derivative assets

The Group estimates the fair value of the hedge derivative instrument transacted with the counterparties (CBN) using the discounted mark-to-market technique. The Group has designated part of its swap contracts with the CBN as hedging instruments in order to manage the foreign exchange volatility in its Profit or Loss. As at 31 December 2024, the mark-to-market value of these hedged asset is N251 billion (31 December 2023: N462 bn).

b) Non-hedging derivative assets and liabilities

The Group enters into currency forward contracts with counterparties. On initial recognition, the Group estimates the fair value of derivatives transacted with the counterparties using the discounted mark-to-market technique. In many cases, all significant inputs into the valuation techniques are wholly observable e.g with reference to similar transactions in the wholesale dealer market. See note 3.3.4 for the mark to market value of these non-hedged assets.

During the year, various derivative contracts entered into by the Group generated a net gain which was recognized in the statement of profit or loss and other comprehensive income.

All derivative assets are current.

In millions of Naira	Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023

20. Loans and advances

Overdraft	2,003,445	1,098,703	1,822,924	1,032,834
Term Loans	8,912,221	5,291,536	7,821,586	4,714,937
On Lending Facilities	78,150	665,208	78,150	665,208
Gross loans and advances to customers	10,993,816	7,055,447	9,722,660	6,412,979
Less: ECL Allowance (see note 3.2.18)	(1,028,452)	(498,977)	(1,013,885)	(484,183)
	9,965,364	**6,556,470**	**8,708,775**	**5,928,796**

Net Loans classified as:

Current	4,768,544	2,855,923	4,588,021	2,790,053
Non-current	5,196,820	3,700,547	4,120,754	3,138,743
	9,965,364	**6,556,470**	**8,708,775**	**5,928,796**

Movement in ECL Allowance as at 31 December 2024 is presented in Note 3.2.18.

21. Investment Securities

Debt securities				
At amortised cost	2,758,208	1,563,994	1,851,210	975,608
At FVTOCI	1,949,011	1,528,786	-	-
ECL allowance	(18,210)	(42,312)	(5,005)	(5,451)
Net debt securities measured at amortised cost and FVTOCI	4,689,009	3,050,468	1,846,205	970,157
Debt securities (measured at fair value through profit or loss)	41,891	24,293	35,238	19,433
Net debt securities	4,730,900	3,074,761	1,881,443	989,590
Equity securities				
At fair value through other comprehensive income	367,144	216,134	367,144	216,134
	5,098,044	**3,290,895**	**2,248,587**	**1,205,724**

Modification of financial assets

The following table provides summary information on investment securities issued by the Government of Ghana with lifetime ECL whose cash flows were modified during the period and their respectve effect on the Group's financial performance:

Carrying amount before modification	135,351	250,775	-	-
Net derecognition loss	(42,518)	(2,523)	-	-

Movement in gross carrying amount and impairment allowance on investment securities are presented in Note 3.2.18

Classified as:				
Current	76,437	314,392	65,153	309,532
Non-current	5,021,607	2,976,503	2,183,434	896,192
	5,098,044	**3,290,895**	**2,248,587**	**1,205,724**

Sovereign (Federal)	2,416,954	1,061,763	1,723,895	580,306
Sub-sovereign (State)	39,756	34,765	38,568	34,765
Corporate bonds	277,831	196,509	66,192	89,580
Promissory note	22,555	43,539	22,555	43,539
Commercial papers	1,112	227,418	-	227,418
	2,758,208	**1,563,994**	**1,851,210**	**975,608**

22. Investment in subsidiaries

(a). The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

Bank

Name of company	Jurisdiction of Incorporation	Principal place of business	31 December 2024 Ownership interest %	31 December 2024
Zenith Bank (Ghana) Limited	Ghana	Ghana	99.42%	7,066
Zenith Bank (UK) Limited	United Kingdom	United Kingdom	100.00%	21,482
Zenith Bank (Sierra Leone) Limited	Sierra Leone	Sierra Leone	99.99%	2,059
Zenith Bank (Gambia) Limited	Gambia	Gambia	99.96%	1,038
Zenith Pensions Custodian Limited	Nigeria	Nigeria	99.00%	1,980
Zenith Nominees Limited	Nigeria	Nigeria	99.00%	1,000
				34,625

Name of company	Jurisdiction of Incorporation	Principal place of business	31 December 2023 Ownership interest %	31 December 2023
Zenith Bank (Ghana) Limited	Ghana	Ghana	99.42%	7,066
Zenith Bank (UK) Limited	United Kingdom	United Kingdom	100.00%	21,482
Zenith Bank (Sierra Leone) Limited	Sierra Leone	Sierra Leone	99.99%	2,059
Zenith Bank (Gambia) Limited	Gambia	Gambia	99.96%	1,038
Zenith Pensions Custodian Limited	Nigeria	Nigeria	99.00%	1,980
Zenith Nominees Limited	Nigeria	Nigeria	99.00%	1,000
				34,625

(b) Condensed results of consolidated entities

31 December 2024	Zenith Group	Intra-group transactions and balances	Zenith Bank Plc	Zenith Bank Ghana	Zenith Bank UK	Zenith Bank Sierra Leone	Zenith Bank Gambia	Zenith Pension Custodian	Zenith Nominee Limited
Condensed statement of profit or loss									
Operating income	3,970,959	(47,782)	3,484,099	247,040	240,409	30,198	11,113	16,932	1,230
Expenses	(1,985,303)	41,783	(1,681,897)	(150,293)	(169,036)	(12,906)	(7,645)	(5,203)	(108)
(Impairment charge)/writeback for financial and non-financial assets	(658,805)	-	(668,913)	(14,545)	12,724	(313)	(28)	(15)	6
Profit before tax	1,326,851	(5,999)	1,133,289	82,202	84,097	16,979	3,440	11,714	1,128
Taxation	(293,956)	-	(197,131)	(67,009)	(21,355)	(4,278)	(679)	(3,296)	(208)
Profit for the year	**1,032,895**	**(5,999)**	**936,158**	**15,193**	**62,742**	**12,701**	**2,761**	**8,418**	**920**
Condensed statement of financial position									
Assets									
Cash and cash equivalents	5,888,216	-	5,249,789	607,374	49	20,264	10,736	-	-
Treasury bills	2,678,929	-	2,437,464	207,321	-	-	34,144	-	-
Assets pledged as collateral	266,866	-	89,062	-	177,804	-	-	-	-
Due From Other Banks	4,935,707	(515,142)	4,442,436	219,869	743,832	29,959	9,596	3,449	1,708
Derivative asset held for risk management	280,626	-	271,213	7,062	2,351	-	-	-	-
Loans and advances	9,965,364	(7,162)	8,708,775	360,977	861,626	26,602	14,333	213	-
Investment securities	5,098,044	-	2,248,587	445,499	2,286,432	75,153	14,858	25,364	2,151
Investment in subsidiaries	-	(34,625)	34,625	-	-	-	-	-	-
Current tax receivable	6,869	-	-	6,869	-	-	-	-	-
Deferred tax asset	21,542	-	1,756	18,175	1,205	321	85	-	-
Other assets	326,725	(1,728)	184,136	127,008	11,383	1,567	1,498	2,698	163
Property and equipment	400,441	-	290,273	90,838	13,728	1,141	3,375	1,081	5
Intangible assets	88,196	-	80,203	3,420	3,789	539	76	162	7
	29,957,525	**(558,657)**	**24,038,319**	**2,094,412**	**4,102,199**	**155,546**	**88,701**	**32,967**	**4,034**

31 December 2024	Zenith Group	Elimination entries	Zenith Bank Plc	Zenith Bank Ghana	Zenith Bank UK	Zenith Bank Sierra Leone	Zenith Bank Gambia	Zenith Pension Custodian	Zenith Nominee Limited
Liabilities & Equity									
Customer deposits	21,959,369	(515,143)	17,163,424	1,665,245	3,479,129	110,092	56,622	-	-
Derivative liabilities	9,258	-	4,465	-	4,793	-	-	-	-
Current income tax	256,168	-	248,613	-	1,670	1,935	428	3,301	221
Deferred income tax liabilities	5,502	38	-	5,383	-	-	-	81	38
Other liabilities	1,402,045	(1,740)	1,323,440	41,640	27,228	5,610	3,778	1,510	579
On-lending facilities	250,725	-	250,725	-	-	-	-	-	-
Borrowings	2,045,185	(7,163)	1,951,616	100,732	-	-	-	-	-
Equity and reserves	4,029,273	(34,626)	3,096,036	281,416	589,379	37,927	27,870	28,074	3,197
	29,957,525	**(558,634)**	**24,038,319**	**2,094,416**	**4,102,199**	**155,564**	**88,698**	**32,966**	**4,035**
Condensed statement of cash flow									
Net cash (used in)/from operating activities	716,029	375,282	3,720	8,982	321,204	15,733	(15,691)	6,274	525
Net cash (used in)/from financing activities	100,810	(49,086)	60,521	96,416	(1,041)	-	-	(6,000)	-
Net cash (used in)/from investing activities	(109)	(1,011,078)	375,766	584,006	851	8,847	37,789	2,638	1,072
Increase / (decrease) in cash and cash equivalents	**816,730**	**(684,882)**	**440,007**	**689,404**	**321,014**	**24,580**	**22,098**	**2,912**	**1,597**

31 December 2023	Zenith Group	Intra-group transactions and balances	Zenith Bank Plc	Zenith Bank Ghana	Zenith Bank UK	Zenith Bank Sierra Leone	Zenith Bank Gambia	Zenith Pension Custodian	Zenith Nominee Limited
Condensed statement of profit or loss									
Operating income	2,131,750	(33,310)	1,869,753	160,233	106,594	8,799	5,535	13,587	559
Expenses	(926,172)	20,183	(803,626)	(75,059)	(56,973)	(3,921)	(2,861)	(3,779)	(136)
Impairment charge for financial and non-financial assets	(409,616)	(279)	(398,412)	(9,968)	(520)	(200)	(173)	29	(93)
Profit/(loss) before tax	795,962	(13,406)	667,715	75,206	49,101	4,678	2,501	9,837	330
Taxation	(119,053)	(711)	(72,114)	(29,318)	(12,116)	(1,171)	(716)	(2,823)	(84)
Profit for the year	**676,909**	**(14,117)**	**595,601**	**45,888**	**36,985**	**3,507**	**1,785**	**7,014**	**246**
Condensed statement of financial position									
Assets									
Cash and balances with central banks	4,253,374	-	3,965,386	275,667	32	5,709	6,580	-	-
Treasury bills	2,736,273	-	2,529,966	174,294	-	-	32,013	-	-
Assets pledged as collateral	308,638	-	255,061	-	53,577	-	-	-	-
Due From Other Banks	1,834,314	(218,774)	1,691,722	78,567	262,727	12,415	6,979	557	121
Derivative asset held for risk management	534,739	(35)	507,942	24,538	2,294	-	-	-	-
Loans and advances	6,556,470	(52,927)	5,928,796	179,719	482,875	9,084	8,812	111	-
Investment securities	3,290,895	-	1,205,724	293,276	1,721,948	34,381	7,174	26,003	2,389
Investment in subsidiaries	-	(34,625)	34,625	-	-	-	-	-	-
Current tax receivable	18,975	-	-	18,433	542	-	-	-	-
Deferred tax asset	17,251	(3,110)	-	17,338	2,816	173	29	-	5
Other assets	474,976	(1,371)	417,419	52,350	2,799	677	892	2,146	64
Property and equipment	295,532	-	230,267	60,057	1,496	804	2,367	540	1
Intangible assets	47,018	-	44,185	1,369	735	409	86	216	18
	20,368,455	**(310,842)**	**16,811,093**	**1,175,608**	**2,531,841**	**63,652**	**64,932**	**29,573**	**2,598**

31 December 2023	Zenith Group	Intra-group transactions and balances	Zenith Bank Plc	Zenith Bank Ghana	Zenith Bank UK	Zenith Bank Sierra Leone	Zenith Bank Gambia	Zenith Pension Custodian	Zenith Nominee Limited
Liabilities & Equity									
Customer deposits	15,167,740	(218,776)	12,154,824	937,694	2,203,674	44,608	45,716	-	-
Derivative liabilities	70,486	24,468	45,514	-	504	-	-	-	-
Current income tax	33,877	-	28,080	-	-	2,096	820	2,798	83
Deferred income tax liabilities	59,310	(3,110)	59,233	3,110	-	-	-	77	-
Other liabilities	1,039,712	(1,365)	1,003,947	24,849	7,843	1,567	1,567	1,057	238
On-lending facilities	263,065	-	263,065	-	-	-	-	-	-
Borrowings	1,410,885	(52,928)	1,450,182	13,631	-	-	-	-	-
Equity and reserves	2,323,380	(34,628)	1,806,248	171,821	319,821	15,382	16,820	25,640	2,276
	20,368,455	**(286,339)**	**16,811,093**	**1,151,105**	**2,531,842**	**63,653**	**64,923**	**29,572**	**2,597**
Condensed statement of cash flow									
Net cash (used in)/from operating activities	2,450,430	1,158,673	1,494,453	183,276	(389,240)	(2,365)	(5,552)	11,078	107
Net cash (used in)/from financing activities	(680,707)	(44,581)	(631,155)	18,557	(17,528)	-	-	(6,000)	-
Net cash (used in)/from investing activities	(2,092,246)	(1,074,823)	(1,016,323)	(75,017)	70,223	990	2,167	539	15
Increase / (decrease) in cash and cash equivalents	**(322,523)**	**39,269**	**(153,025)**	**126,816**	**(336,545)**	**(1,375)**	**(3,385)**	**5,617**	**122**

Apart from Zenith Bank Pensions Custodian Limited and Zenith Nominees Limited, which are incorporated in Nigeria, the remaining subsidiaries are incorporated in their respective countries.

Zenith Bank (Ghana) Limited provides Corporate and Retail Banking services. It was incorporated on April 15, 2005 and commenced operations on September 16, 2005.

Zenith Pensions Custodian Limited provides pension funds custodial services to Licensed Pension Fund Administrators (PFAs) and Closed Pension Funds Administrators under the Pension (Reform) Act, 2004. It was incorporated in Nigeria on March 1, 2005. The name was changed from "Zenith Pensions Limited" to "Zenith Pensions Custodian Limited" on September 20, 2005. It was licensed by the National Pension Commission as a custodian of pension funds and assets on December 7, 2005 and commenced operations in December 2005.

Zenith Bank (UK) Limited provides wholesale and investment banking services in the United Kingdom. It was incorporated on February 17, 2006 and commenced operations on March 30, 2007.

Zenith Bank (Sierra Leone) Limited provides corporate and retail banking services. It was incorporated in Sierra Leone on September 17, 2007 and granted an operating license by the Bank of Sierra Leone on September 10, 2008. It commenced banking operations on September 15, 2008.

Zenith Bank (Gambia) Limited provides corporate and retail banking services. It was incorporated in The Gambia on October 24, 2008 and granted an operating licence by the Central Bank of Gambia on December 30, 2009. It commenced banking operations on January 18, 2010.

Zenith Nominees Limited which is incorporated in Nigeria provides nominees, trustees, administrators and executorship services for non-pension assets. It was incorporated in Nigeria on April 6, 2006.

There are no significant restrictions on the ability of subsidiaries to transfer funds to the Group in the form of cash dividends or repayment of loans and advances.

23. Investments in associates

The Group's investments under the Small and Medium Enterprises Equity Investment Scheme ("SMEEIS") is in compliance with the Policy Guidelines for 2001 Fiscal Year (Monetary Policy Circular No. 35). The Group generally holds 20 percent or more of the voting power of the investee and is therefore presumed to have significant influence over the investee. In instances where the Group holds less than 20 percent of the voting power of the investee, the Group concluded that it has significant influence due to the Group's representation on the Board of the relevant investee, with such Board generally limited to a small number of Board members.

There were no published price quotations for any associates of the Group. Furthermore, there are no significant restrictions on the ability of associates to transfer funds to the Group in the form of cash dividends or repayment of loans and advances. The investment in associates have been fully impaired. Hence the carrying amount of the investment in associates is Nil as at 31 December 2024 (31 December 2023: Nil).

	31 December 2024	31 December 2023
Carrying amount of Investment in associates	92	92
Less: Impairment	(92)	(92)
	-	-

	Group		Bank	
In millions of Naira	31 December 2024	31 December 2023	31 December 2024	31 December 2023

24. Deferred tax balances

Deferred tax assets

(i) Deferred tax asset

Unutilised capital allowances	219	(5)	-	-
ECL allowance on not-credit impaired financial instruments	197,122	50,412	180,570	50,331
Other liabilities	2,000	-	2,000	-
Other assets	1,230	18,381	-	-
Lease liability	1,464	3,402	-	3,402
Foreign exchange difference	42	-	-	-
Fair value reserve	1,132	1,904	-	-
Total deferred tax asset	**203,209**	**74,094**	**182,570**	**53,733**
Set-off of deferred tax asset pursuant to set-off provisions (see (ii) below)	(181,667)	(56,843)	(180,814)	(53,733)
Net deferred tax asset	**21,542**	**17,251**	**1,756**	**-**

(ii) Deferred tax liability

Property and equipment	31,004	26,850	25,540	23,663
Unutilized capital allowances	853	-	-	-
Right of use asset	-	3,402	-	3,402
Foreign exchange differences	155,312	85,901	155,274	85,901
Total deferred tax liability	**187,169**	**116,153**	**180,814**	**112,966**
Set-off of deferred tax liabilities pursuant to set-off provisions (see (i) above)	**(181,667)**	**(56,843)**	**(180,814)**	**(53,733)**
Net deferred tax liability	**5,502**	**59,310**	**-**	**59,233**

Group

31 December 2024

Movements in temporary differences during the period	**1 January 2024**	**Recognised in profit or loss**	**Impact of hyperinflation and other FX**	**Recognised in OCI**	**31 December 2024**
Asset					
Other assets	18,381	(24,093)	6,941	-	1,229
Unutilized capital allowances	(5)	223	-	-	219
ECL Allowance on not-credit impaired financial instruments	50,412	146,711	-	-	197,122
Other liabilities	-	2,000	-	-	2,000
Fair value reserve	1,904	2,070	-	(2,841)	1,133
Lease liability	3,402	(1,938)	-	-	1,464
Foreign exchange differences	-	42	-	-	42
	74,094	125,015	6,941	(2,841)	203,209

24. Deferred tax balances (continued)

31 December 2024

Movements in temporary differences during the year	1 January 2024	Recognised in profit or loss	Impact of hyperinflation and other FX	Recognised in OCI	31 December 2024
Liabilities					
Property and equipment	26,850	4,154	-	-	31,004
Right of use asset	3,402	(3,402)	-	-	-
Unutilized capital allowances	-	853	-	-	853
Foreign exchange differences	85,901	72,981	(3,570)	-	155,312
	116,153	**74,586**	**(3,570)**	-	187,169

Bank

31 December 2024

Movements in temporary differences during the year	1 January 2024	Recognised in profit or loss	31 December 2024
Asset			
ECL Allowance on not-credit impaired financial instruments	50,331	130,239	180,570
Other liabilities	-	2,000	2,000
Lease liability	3,402	(3,402)	-
	53,733	**128,837**	**182,570**

31 December 2024

Movements in temporary differences during the year	1 January 2024	Recognised in profit or loss	31 December 2024
Liability			
Property and equipment	23,663	1,877	25,540
Right of use asset	3,402	(3,402)	-
Foreign exchange differences	85,901	69,373	155,274
	112,966	**67,848**	**180,814**

Zenith Bank plc (the parent) and Zenith Bank Ghana have deferred tax assets and deferred tax liabilities which have been presented on a net basis in the financial statements. Each entity has the legal right to settle current tax amounts on a net basis and the deferred tax amounts are levied by the same tax authority.

The Group's deferred tax asset is largely attributable to Zenith bank Ghana. The Group has recognised all of its deferred tax asset as at 31 December 2024. The Group, therefore, has no unrecognised deferred tax asset. The Group will continue to assess the recoverability of its deferred tax asset and ensure that only amounts considered recoverable are recognised in the books and presented in the statement of financial position.

25. Other assets

Non-financial assets				
Prepayments	71,842	18,862	59,476	12,985
Other non-financial assets*	19,553	10,602	12,259	9,979
Gross other non-financial assetss	91,395	29,464	71,735	22,964
Less impairment (see note (i) below)	(1,887)	(85)	(1,887)	(85)
Net other non-financial assets	89,508	29,379	69,848	22,879
Other financial assets				
E-card and settlement receivables	100,285	348,566	96,366	345,486
Intercompany receivables	-	-	767	651
Deposits for investment in AGSMEIS	65,476	65,476	65,476	65,476
Other receivables**	122,899	62,698	2,288	13,268
Deposits for shares	-	-	720	720
Gross other financial assets	288,660	476,740	165,617	425,601
Less: ECL allowance(see note 25(ii))	(51,443)	(31,143)	(51,329)	(31,061)
Net other financial assets	237,217	445,597	114,288	394,540
Total other assets (Net)	**326,725**	**474,976**	**184,136**	**417,419**

Deposit for investment in AGSMEIS represents funds deposited with the CBN for future equity investments in agricultural, small and medium enterprises in line with the CBN directives.

	Group		Bank	
In millions of Naira	31 December 2024	31 December 2023	31 December 2024	31 December 2023

25. Other assets (continued)

*Other non-financial assets comprise withholding tax receivables and stock in trade relating to telecommunication products.

**Other receivables comprises of mobile electronic funds receivable from customer.

Classified as:

Current	261,249	409,500	117,940	351,223
Non-current	65,476	65,476	66,196	66,196
	326,725	**474,976**	**184,136**	**417,419**

See note 3.2.18 for movement in impairment allowance for other financial assets as at 31 December .

(i) Movement in impairment allowance for non-financial assets

At start of the year	85	3,361	85	3,361
Charge for the year (see note 8)	1,802	(3,276)	1,802	(3,276)
At end of the year	**1,887**	**85**	**1,887**	**85**

26. Property and equipment

(a) Property and equipment movement

Group

31 December 2024

	Land	Buildings	Leasehold improvements	Furniture, fittings and equipment	Computer equipment	Aircraft	Motor vehicles	Right-of-use assets - Buildings	Work in progress	Total
Cost										
At 1 January 2024	41,996	99,691	30,699	123,123	63,457	25,704	44,973	51,109	50,260	531,012
Additions	1,106	2,824	1,117	17,512	15,890	5,324	19,058	14,089	39,162	116,082
Reclassifications from WIP	61	2,886	1,739	3,059	1,022	-	843	-	(9,610)	-
Modifications	-	-	-	-	-	-	-	497	-	497
Impact of Hyperinflation	-	20,017	801	2,069	2,476	-	2,168	11,974	3,465	42,970
Disposals/Write off	-	(66)	(228)	(2,482)	(809)	-	(3,300)	-	(1,714)	(8,599)
Exchange difference	-	886	1,863	1,515	423	-	496	3,393	112	8,688
At 31 December 2024	**43,163**	**126,238**	**35,991**	**144,796**	**82,459**	**31,028**	**64,238**	**81,062**	**81,675**	**690,650**

	Land	Buildings	Leasehold improvements	Furniture, fittings and equipment	Computer equipment	Aircraft	Motor vehicles	Right-of-use assets Buildings	Work in progress	Total
Accumulated Depreciation										
At 1 January 2024	-	16,463	26,199	100,206	46,816	1,457	28,779	15,560	-	235,480
Charge for the year	-	2,694	2,682	11,271	12,222	1,135	9,065	5,159	-	44,228
Reclassifications/transfer from WIP	-	112	(100)	(72)	(30)	-	(568)	-	-	(658)
Disposals	-	(53)	(265)	(2,269)	(798)	-	(2,266)	-	-	(5,651)
Impact of Hyperinflation	-	2,656	1,025	2,298	1,139	-	1,832	1,746	-	10,696
Exchange difference	-	146	1,487	1,408	370	-	241	2,462	-	6,114
At 31 December 2024	**-**	**22,018**	**31,028**	**112,842**	**59,719**	**2,592**	**37,083**	**24,927**	**-**	**290,209**
Net book amount										
At 31 December 2024	**43,163**	**104,220**	**4,963**	**31,954**	**22,740**	**28,436**	**27,155**	**56,135**	**81,675**	**400,441**

Expenses relating to short term lease and low value lease assets can be seen in note 12 as lease expense

There were no impairment losses on any class of property and equipment during the year (31 December 2023: Nil).

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (31 December 2023: Nil).

All property and equipment are non-current. None of the Bank's assets were financed from borrowings, consequently no borrowing cost has been capitalized as part of asset cost.

26. Property and equipment (continued)

For accounting policy and judgements on right of use see note 2.14. The Group has no ROU in respect of leases that are yet to commence.

There are no restrictions on the title of the properties and none of them are pledged as securities for liabilities.

26. Property and equipment (continued)

Group
31 December 2023

	Land	Buildings	Leasehold improvements	Furniture, fittings and equipment	Computer equipment	Aircraft	Motor vehicles	Right-of-use assets Buildings	Work in progress	Total
Cost										
At 1 January 2023	38,847	66,062	26,453	110,885	47,878	25,704	34,395	28,729	43,419	422,372
Additions	2,709	3,693	1,067	7,286	12,511	-	8,328	2,128	14,687	52,409
Reclassifications from WIP	440	3,812	149	2,258	1,650	-	269	-	(9,224)	(646)
Modifications	-	-	-	-	-	-	-	755	-	755
Impact of Hyperinflation	-	25,355	1,698	3,400	1,338	-	3,623	16,889	2,149	54,452
Disposals	-	(67)	(169)	(1,771)	(258)	-	(2,030)	(111)	(904)	(5,310)
Exchange difference	-	836	1,501	1,065	338	-	388	2,719	133	6,980
At 31 December 2023	**41,996**	**99,691**	**30,699**	**123,123**	**63,457**	**25,704**	**44,973**	**51,109**	**50,260**	**531,012**

	Land	Buildings	Leasehold improvements	Furniture, fittings and equipment	Computer equipment	Aircraft	Motor vehicles	Right-of-use assets Buildings	Work in progress	Total
Accumulated Depreciation										
At 1 January 2023	-	11,338	21,915	88,352	38,916	357	22,719	7,932	-	191,529
Charge for the year	-	1,570	2,141	9,979	6,760	1,100	5,377	2,930	-	29,857
Reclassifications/Transfers from WIP	-	47	(76)	45	(16)	-	-	-	-	-
Disposals	-	(64)	(169)	(1,727)	(257)	-	(1,789)	(45)	-	(4,051)
Impact of Hyperinflation	-	3,407	1,218	2,763	1,125	-	2,193	2,920	-	13,626
Exchange difference	-	165	1,170	794	288	-	279	1,823	-	4,519
At 31 December 2023	**-**	**16,463**	**26,199**	**100,206**	**46,816**	**1,457**	**28,779**	**15,560**	**-**	**235,480**
Net book amount										
At 31 December 2023	**41,996**	**83,228**	**4,500**	**22,917**	**16,641**	**24,247**	**16,194**	**35,549**	**50,260**	**295,532**

26. Property and equipment (continued)

Bank

31 December 2024

	Land	Buildings	Leasehold improvements	Furniture, fittings and equipment	Computer equipment	Aircraft	Motor vehicles	Right-of-use assets - Buildings	Work in progress	Total
Cost										
At 1 January 2024	41,996	65,979	25,208	115,381	57,379	25,704	37,684	23,188	42,674	435,193
Additions	1,107	2,771	754	15,086	13,923	5,324	15,414	1,075	38,349	93,803
Reclassifications /transfer from WIP	-	3,083	297	2,105	389	-	243	-	(6,117)	-
Disposals	-	(66)	(227)	(2,413)	(426)	-	(2,779)	-	(376)	(6,287)
Foreign exchange movements	-	-	-	-	-	-	-	497	-	497
At 31 December 2024	**43,103**	**71,767**	**26,032**	**130,159**	**71,265**	**31,028**	**50,562**	**24,760**	**74,530**	**523,206**

	Land	Buildings	Leasehold improvements	Furniture, fittings and equipment	Computer equipment	Aircraft	Motor vehicles	Right-of-use assets - Buildings	Work in progress	Total
Accumulated Depreciation										
At 1 January 2024	-	11,667	21,974	94,365	43,557	1,457	24,435	7,472	-	204,927
Charge for the year	-	1,350	1,693	10,106	9,888	1,135	6,787	2,239	-	33,198
Reclassifications/transfer from WIP	-	112	(100)	3	(17)	-	2	-	-	-
Disposals	-	(53)	(265)	(2,238)	(426)	-	(2,210)	-	-	(5,192)
At 31 December 2024	**-**	**13,076**	**23,302**	**102,236**	**53,002**	**2,592**	**29,014**	**9,711**	**-**	**232,933**
Net book amount										
At 31 December 2024	**43,103**	**58,691**	**2,730**	**27,923**	**18,263**	**28,436**	**21,548**	**15,049**	**74,530**	**290,273**

Expenses relating to short term lease and low value lease assets can be seen in note 12 as lease expense.

There were no impairment losses on any class of property and equipment during the year (31 December 2023: Nil).

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (31 December 2023: Nil).

All property and equipment are non-current. None of the Bank's assets were financed from borrowings, consequently no borrowing cost has been capitalized as part of asset cost.

For accounting policy and judgements on right of use, see note 2.14 and the bank has NIL ROU in respect of leases that are yet to commence.

26. Property and equipment (continued)

There are no restrictions on the title of the properties and none of them are pledged as securities for liabilities.

26. Property and equipment (continued)
Bank
31 December 2023

	Land	Buildings	Leasehold improvements	Furniture, fittings and equipment	Computer equipment	Aircraft	Motor vehicles	Right-of-use assets - Buildings	Work in progress	Total
Cost										
At 1 January 2023	38,847	58,555	24,261	108,297	46,334	25,704	32,073	20,829	42,408	397,308
Additions	2,709	3,679	969	6,556	9,763	-	7,304	1,685	9,600	42,265
Reclassifications from WIP	440	3,812	147	2,258	1,522	-	251	-	(8,429)	-
Disposals	-	(67)	(169)	(1,730)	(240)	-	(1,944)	(81)	(904)	(5,135)
Modifications	-	-	-	-	-	-	-	755	-	755
At 31 December 2023	**41,996**	**65,979**	**25,208**	**115,381**	**57,379**	**25,704**	**37,684**	**23,188**	**42,675**	**435,193**

	Land	Buildings	Leasehold improvements	Furniture, fittings and equipment	Computer equipment	Aircraft	Motor vehicles	Right-of-use assets - Buildings	Work in progress	Total
Accumulated Depreciation										
At 1 January 2023	-	10,479	20,428	86,525	37,768	357	21,583	5,595	-	182,734
Charge for the year	-	1,205	1,791	9,496	6,045	1,100	4,576	1,877	-	26,090
Reclassifications/transfer from WIP	-	47	(76)	45	(16)	-	-	-	-	-
Disposals	-	(64)	(169)	(1,701)	(240)	-	(1,724)	-	-	(3,898)
At 31 December 2023	**-**	**11,667**	**21,974**	**94,365**	**43,557**	**1,457**	**24,435**	**7,472**	**-**	**204,926**
Net book amount										
At 31 December 2023	**41,996**	**54,312**	**3,234**	**21,016**	**13,822**	**24,247**	**13,249**	**15,716**	**42,675**	**230,267**

26. Property and equipment (continued)

(b) Right of use amounts and lease liability amounts recognised in the statement of financial position

In millions of Naira	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Right-of-use assets				
Buildings (see note 26)	56,135	35,549	15,049	15,716
	56,135	35,549	15,049	15,716

Additions to the right-of-use asset for during the year ended 31 December 2024 was N790 million and N1,075 million (31 December 2023: N1,207 million and N1,685 million respectively).

(c) Amounts recognised in the income statement

In millions of Naira	31 December 2024	31 December 2023	31 December 2024	30 December 2023
Depreciation charge of right-of-use asset				
Buildings (see note 26)	5,159	2,930	2,239	1,877
	5,159	2,930	2,239	1,877
Interest expense (included in finance cost)	3,599	2,578	1,161	1,034
Lease expense	695	3,495	16	2,496

The total cash outflow of leases as at 31 December 2024 was N1,674 million and N1,572 million respectively (31 December 2023: 1,601 million and N1,191 million respectively).

	Group		Bank	
In millions of Naira	31 December 2024	31 December 2023	31 December 2024	31 December 2023

27. Intangible assets

Computer Software

Cost				
At start of the year	78,046	49,274	67,789	45,115
Additions	49,371	24,035	43,444	22,674
Disposal	(5,218)	-	(5,218)	-
Impact of hyperinflation	(178)	2,449	-	-
Exchange difference	2,991	2,288	-	-
At the end of the year	**125,012**	**78,046**	**106,015**	**67,789**
Accumulated amortization				
At start of the year	31,028	24,024	23,604	21,157
Charge for the year	8,318	3,469	5,860	2,447
Disposal	(3,652)	-	(3,652)	-
Impact of hyperinflation	(1,071)	1,839	-	-
Exchange difference	2,193	1,696	-	-
At the end of the year	**36,816**	**31,028**	**25,812**	**23,604**
Carrying amount at the end of the year	88,196	47,018	80,203	44,185

All intangible assets are non-current. All intangible assets of the Group have finite useful life and are amortised over 5 years.

The Group does not have internally generated intangible assets.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2024

In millions of Naira	Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
28. Customers' deposits				
Demand	9,268,444	6,875,307	6,669,514	5,290,857
Savings	7,585,026	5,047,056	7,377,305	4,955,730
Term	5,105,899	3,245,377	3,116,605	1,908,237
	21,959,369	**15,167,740**	**17,163,424**	**12,154,824**
Classified as:				
Current	21,959,369	15,167,740	17,163,424	12,154,824
	21,959,369	**15,167,740**	**17,163,424**	**12,154,824**
29. Other liabilities				
Other financial liabilities				
Customer deposits for letters of credit	538,817	354,178	537,607	354,150
Managers' Cheques	25,738	22,052	25,312	21,330
Collections accounts	443,193	353,851	443,193	353,797
Unclaimed dividend	30,600	30,116	30,600	30,116
Lease liability (see note (c) below)	37,066	20,900	11,405	10,308
Electronic card and settlement payables	160,138	198,756	160,074	197,002
Customers' foreign transactions payables	18,780	4,089	18,780	4,089
Account payables	15,130	7,412	-	-
Total other financial liabilities	1,269,462	991,354	1,226,971	970,792
Non-financial liabilities				
Tax collections	17,378	10,143	16,614	9,573
Deferred income on financial guarantee contracts	7,172	2,864	3,859	1,796
Other payables	53,926	25,284	28,109	15,209
Off Balance Sheet exposures impairment allowance	54,107	10,067	47,887	6,577
Total other non-financial liabilities	132,583	48,358	96,469	33,155
Total other liabilities	**1,402,045**	**1,039,712**	**1,323,440**	**1,003,947**
Classified as:				
Current	1,368,564	1,029,704	1,311,159	993,939
Non-current	33,482	10,008	12,281	10,008
	1,402,046	**1,039,712**	**1,323,440**	**1,003,947**
(a) ECL allowance for off balance sheet exposure				
Bonds and guarantee contracts	19,479	1,597	17,239	109
Undrawn portion of loan commitments	34,087	3,105	30,169	2,858
Letters of credit	541	5,365	479	3,610
	54,107	**10,067**	**47,887**	**6,577**

	Group		Bank	
In millions of Naira	31 December 2024	31 December 2023	31 December 2024	31 December 2023

29. Other liabilities (continued)

(c) Lease liability

This relates to lease rental for properties used by the Group. The net carrying amount of leased assets, included within property and equipment is N56.13 billion and N15.04 billion as at 31 December 2024. (31 December 2023: N35.55 billion and N15.72 billion) for both Group and Bank respectively.

The undiscounted cash flow payments on the lease liabilities extend over a number of years. This is analysed as follows:

Not more than one year	5,209	3,697	890	524
Over one year but less than five years	25,408	11,063	4,065	3,679
More than five years	14,609	15,220	14,609	15,220
At end of the year	**45,226**	**29,980**	**19,564**	**19,423**

The table below shows the movement in lease liability during the year:

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As at 1 January	20,900	14,990	10,308	8,916
Additions	13,958	1,269	1,011	874
Lease Termination	-	(80)	-	(80)
Principal repayment	(4,899)	(1,543)	(1,088)	(979)
Modification	497	755	497	755
Interest expense	3,599	2,578	1,161	1,034
Interest paid	(485)	(224)	(484)	(212)
Foreign exchange difference	3,496	3,155	-	-
At end of the year	**37,066**	**20,900**	**11,405**	**10,308**

In millions of Naira	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Lease liabilities				
Current	4,785	3,515	466	300
Non-current	32,281	17,385	10,939	10,008
	37,066	20,900	11,405	10,308

30. On lending facilities

(a) This comprises:

Central Bank of Nigeria (CBN) Commercial Agriculture Credit Scheme Loan (i)	2,062	12,653	2,062	12,653
Bank of Industry (BOI) Intervention Loan (ii)	17,816	25,024	17,816	25,024
Nigerian Export-Import Bank (NEXIM) rediscounting & refinancing facility (iii)	16,860	-	16,860	-
Central Bank of Nigeria (CBN) / Bank of Industry(BOI) - Power & Aviation intervention Funds (iv)	-	1,585	-	1,585
CBN MSMEDF Deposit (v)	297	544	297	544
FGN SSB Intervention Fund (vi)	124,915	122,418	124,915	122,418
Excess Crude Loan Facilty Deposit (vii)	69,412	68,031	69,412	68,031
Real Sector Support Facility (viii)	16,480	13,417	16,480	13,417
Non-Oil Export Stimulation Facility (ix)	2,883	5,258	2,883	5,258
National Food Security Programme (x)	-	11,657	-	11,657
Accelerated Agricultural Development Scheme (xi)	-	2,478	-	2,478
	250,725	**263,065**	**250,725**	**263,065**

30. On lending facilities (continued)

Classified as:				
Current	29,659	64,212	29,659	64,212
Non-current	221,066	198,853	221,066	198,853
	250,725	**263,065**	**250,725**	**263,065**
Movement				
At beginning of the year	263,065	311,192	263,065	311,192
Principal addition during the year	16,860	-	16,860	-
Principal repayment during the year	(31,812)	(48,080)	(31,812)	(48,080)
Interest expense during the year	3,969	5,731	3,969	5,731
Interest paid during the year	(1,357)	(5,778)	(1,357)	(5,778)
At end of the year	**250,725**	**263,065**	**250,725**	**263,065**

30. On lending facilities (continued)

(i) The fund received under the Central Bank of Nigeria (CBN) Commercial Agriculture Credit Scheme represents a credit line granted to the Bank for the purpose of providing concessionary funding to the agricultural sector. The facility has a tenor of 16 years with effect from 2009 and will expire in September 2025. The facility attracts an interest rate of 2% per annum and the Bank is under obligation to on-lend to customers at an all-in interest rate of not more than 9% per annum. Based on the structure of the facility, the Bank assumes the default risk of all amounts lent to the Bank's customers. This facility is not secured.

(ii) The Central Bank of Nigeria (CBN) / Bank of Industry (B0I) - SME / Manufacturing Intervention Fund represents an intervention credit granted to the Bank for the purpose of refinancing / restructuring existing loans to Small and Medium Scale Enterprises (SMEs) and Manufacturing Companies. The total facility is secured by Nigerian Government Securities. The maximum tenor for term loans under the programme is 15 years while the tenor for working capital is one year, renewable annually subject to a maximum tenor of five years. A management fee of 1% per annum is deductible at source in the first year, and quarterly in arrears thereafter, is paid by the Bank under the Intervention programme and the Bank is under obligation to on-lend to customers at an all-In interest rate of 7% per annum. The Bank is the primary obligor to CBN / BOI and assumes the risk of default.

(iii) These facilities are loans totaling N16.86 billion to eligible clients to support the working capital for export manufacturing related activities. This is a rediscounting and refinancing facilitiy at a discount rate of 9% payable to Nexim and a maximum of 3% interest/discount rate allowable to Zenith Bank.

(iv) The purpose of granting new loans and refinancing / restructuring existing loans to companies in the power and aviation industries is to support Federal Government's focus on the sectors. The facility is secured by Irrevocable Standing Payment Order (ISPO). The maximum tenor for term loans under the programme is 15 years while the tenor for working capital is one year, with option to renew the facility annually subject to a maximum tenor of five years. The facility attracts an interest rate of 2% per annum payable quarterly in arrears and the Bank is under obligation to on-lend to customers at an all-in interest rate of 9% per annum. This facility is not secured.

(v) The Micro Small & Medium Scale Enterprises Development Fund (MSMEDF) is an intervention fund established to support the channeling of low interest funds to the MSME sub-sector of the Nigerian economy. The facility attracts an interest rate of 2% per annum and the Bank is obligated to on-lend to SMEs at 9% per annum. The maximum tenor is 5 years while the tenor for working capital is 1 year. This facility is not secured.

(vi) The Real Sector Support Facility (RSSF): The Central Bank of Nigeria, as part of the efforts to unlock the potential of the real sector to engender output growth, productivity and job creation has established a N300 billion Real Sector Support Facility (RSSF). The facility is disbursed to large enterprises and startups with financing needs of N500 million up to a maximum of N10.0 billion. The activities targeted by the Facility are manufacturing, agricultural value chain and selected service subsectors. The funds are received from the CBN at 2%, and disbursed at 9% to the beneficiary.

(vii) Non-oil Export Stimulation Facility (NESF): This Facility was established by the Central Bank of Nigeria to diversify the economy away from the oil sector, after the fall in crude prices. The Central Bank invested N500billion debenture, issued by Nigerian Export-Import Bank (NEXIM). The facility disbursed per customer shall not exceed 70% of total cost of project, or subject to a maximum of N5billion. Funds disbursed to the Bank from CBN are at a cost of 2% which are then disbursed to qualifying customers at the rate of 9% per annum.

(viii) The Salary Bailout Scheme was approved by the Federal Government to assist State Governments in the settlement of outstanding salaries owed their workers. Funds are disbursed to Banks nominated by beneficiary States at 2% for onlending to the beneficiary states at 9%. The loans have a tenor of 20 years. Repayments are deducted at source, by the Accountant General of the Federation, as a first line charge against each beneficiary state’s monthly statutory allocation. This facility is not secured.

(ix) Excess Crude Account (ECA) facilities are loans of N10 billion to each State with a tenor of 10-years priced at 9% per annum interest rate to the beneficiaries. Repayments are deducted at source, by the Accountant General of the Federation, as a first line charge against each beneficiary state’s monthly statutory allocation. This facility is not secured. The fund is disbursed to the bank at 2% interest rate.

(x) The National Food Security Program (NFSP) was launched in 2001. The main objective of this program was to improve food security by promoting sustainable agricultural practices, providing credit facilities to farmers, and distributing agricultural input. The fund is disbursed to the bank at 5% interest rate.

(xi) Accelerated Agricultural Development Scheme (AADS) was established by the Central Bank of Nigeria to help states develop at least 2 crops/agricultural commodities in which they have comparative advantage. The fund is disbursed to the Bank at 2% per annum. Each state is allowed a facility of N1.5billion at 9% per annum and repayments are made via ISPO deductions.

	Group		Bank	
In millions of Naira	31 December 2024	31 December 2023	31 December 2024	31 December 2023

31. Borrowings

Long term borowings comprise:

Due to AFREXIM (i)	346,214	283,954	346,214	283,954
Due to IFC (ii)	394,311	243,705	394,311	243,705
Due to ABSA bank (iii)	-	249,786	-	249,786
Due to Mashreq (iv)	187,698	98,508	187,698	98,508
Interbank takings (v)	-	13,000	-	13,000
Due to banks for clean letters of credit (vi)	101,960	52,847	8,391	62,468
Due to BUNGESA (vii)	-	50,065	-	50,065
Due to CAIXA (viii)	84,266	186,372	84,266	186,372
Due to ADM (ix)	38,316	18,369	38,316	18,369
Due to AREDIN (x)	-	17,784	-	17,784
Due to CBN (xi)	824,246	-	824,246	-
Due to Africa Trade (xii)	-	48,921	-	48,921
Due to CARGILL (xiii)	68,174	-	68,174	-
Due to AXENDO (ix)	-	46,122	-	46,122
Due to Standard Chartered Bank UK	-	-	-	-
Due to CBN	-	-	-	-
Due to WILBENTRAD	-	23,338	-	23,338
Due to CITILON	-	28,898	-	28,898
Due to SUMITOMOBN	-	49,216	-	49,216
Due to ZENUK	-	-	-	29,676
	2,045,185	**1,410,885**	**1,951,616**	**1,450,182**

The Group has not had any defaults of principal, interest,or other breaches with respect to the debt securities during the year (31 December 2023: nil). The assets exchanged under repurchase agreements with counterparties are disclosed in note 17.

Classified as:				
Current	1,762,442	1,001,635	1,668,873	1,040,932
Non-current	282,743	409,250	282,743	409,250
	2,045,185	**1,410,885**	**1,951,616**	**1,450,182**

Movement in borrowings				
At the beginning of the year	1,410,885	963,450	1,450,182	999,580
Addition during the year	2,860,580	1,148,702	2,771,322	1,197,352
Interest expense	363,439	93,435	345,318	97,712
Interest paid	(192,475)	(97,895)	(160,647)	(97,569)
Repayments (principal)	(2,735,376)	(1,569,493)	(2,735,376)	(1,569,493)
Foreign exchange difference	338,132	872,686	280,817	822,600
At the end of the year	**2,045,185**	**1,410,885**	**1,951,616**	**1,450,182**

31. Borrowings (continued)

Details of Borrowings

i. Due to AFREXIM (African Export-Import Bank)

The outstanding balance of N346.214 billion (US $223.51 million) due to AFREXIM represents the amount payable by the Bank from 3year term loan received in 2023, with a one-year moratorium. The $300m facility received in January 2023 is priced at 3months Term SOFR+5% and will mature in December 2027. Interest on the facility is payable quarterly.

ii. Due to IFC (International Finance Corporation)

The amount of N394.311 billion (US $254.5 million) represents the amount payable by the bank on a 3-year term loan granted by IFC in two tranches of $150m & $100m in July 2022 and September 2022 respectively. Interest is payable semi-annually at 6 months Term SOFR+2.87% and the facility will mature in June 2025.

iii Due to ABSA (Amalgamated Banks of South Africa)

No outstanding balance due to ABSA at the year end

iv Due to MASHREQ

The outstanding balance of N187.69 billion (US $121.17 million) due to MASHREQ represents the amount payable by the Bank from 1 year term loan receied in 2024. The $120m facility recieved in February 2024 is priced at 3months SOFR+3% and will mature in January 2025. Interest on the facility is payable quarterly.

v Interbank takings

No outstanding balance as at the year end..

vi Due to banks for clean letters of credit

The amount represents a clean line from various international banks for letter of credit.

vii Due to BUNGE S.A

No outstanding balance due to Bunge S.A as at the year end.

viii Due to CAIXA

The outstanding balance of N 84.266 billion (US $ 24.74million) due to CAIXA represents the amount payable by the Bank.

ix Due to ADM

The outstanding balance of N 38.316billion (US $23.63 million) due to ADM represents the amount payable by the Bank.

x Due to AREDIN

There is no outstanding balance due to Aredin as at the year end.

xi Due to CBN

The outstanding balance of N824.246 billion due to CBN represents the amount payable by the BanK as at the year end.

xii Due to Africa trade finance

There is no outstanding balance due to Africa Trade Finance as at the year end.

xiii Due to CARGILL

The outstanding balance of N 68.174 billion (US $ 44.01 million) due to Cargill represents the amount payable by the Bank.

ix Due to Axendo

There is no outstanding balance due to Axendo as at the year end

31. Borrowings (continued)

32. Derivative liabilities

Instrument types (Fair value):				
Forward and swap contracts	8,759	504	3,966	-
Futures contracts	499	69,982	499	45,514
	9,258	**70,486**	**4,465**	**45,514**
Instrument types (Notional Amount)				
Forward and swap contracts	148,011	518	143,218	14
Futures contracts	775	96,131	775	96,131
	148,786	**96,649**	**143,993**	**96,145**
Classified as:				
Current	9,258	70,486	4,465	45,514

33. Share capital

Issued and fully paid				
41,069,830,000 ordinary shares of 50k each (December 2023: 31,396,493,787)	20,535	15,698	20,535	15,698

The bank issued additional 9,673,336,214 shares through a combination of right issue and public offer, with a nominal value was N0.5k.

Issued				
Ordinary	20,535	15,698	20,535	15,698

	Group		Bank	
In millions of Naira	31 December 2024	31 December 2023	31 December 2024	31 December 2023

34. Share premium, retained earnings and other reserves

(a) There was movement in the Share premium account during the current year ,as a result of the issuance of 9,673,336,214 shares through a combination of right issue and public offer. The shares were issued at a premium.

Share premium	594,113	255,047	594,113	255,047

The nature and purpose of the reserves in equity are as follows:

(b) Share premium: Premiums from the issue of shares are reported in share premium

(c) Retained earnings: Retained earnings represent undistributed profits, net of statutory appropriations attributable to the ordinary shareholders.

(d) Statutory reserve: This represents the cumulative amount set aside from general reserves/retained earnings by the Bank and its subsidiaries. This amount is non-distributable. The Bank's appropriation is in line with BOFIA 2020 which stipulates that an appropriation of 30% of profit after tax be 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 share capital. In the current year, a total of N140.42 billion (2023: N89.34 billion) representing 15% of Zenith Bank's profit after tax was appropriated.

Other Non-Nigerian subsidiaries also make appropriation which is based on their profit and in line with the requirement of their Central Bank.

(e) SMIEIS reserve: This reserve represents the aggregate amount of appropriations from profit after tax to finance equity investments in compliance with the directives issued by the Central Bank of Nigeria (CBN) through its circulars dated July 11, 2006 (amended).

The SMIEIS reserve was maintained in compliance with the Central Bank of Nigeria's requirement that all licensed banks set aside a portion of the profit after tax in a fund to be used to finance equity investments in qualifying small and medium scale enterprises. Under the terms of the guideline issued in July 2006, the contributions were 10% of profit after tax and were expected to continue after the first 5 years after which banks’ contributions were to reduce to 5% of profit after tax.

The small and medium scale industries equity investment scheme reserves are non-distributable.

(f) Fair value reserve: Comprises fair value movements on equity and debt instruments that are carried at fair value through Other Comprehensive Income.

(g) Foreign currency translation reserve: Comprises exchange differences resulting from the translation to Naira of the results and financial position of Group companies that have a functional currency other than Naira.

(h) Credit risk reserve: This reserve represents the cumulative difference between the loan loss provision determined per the Prudential Guidelines of the Central Bank of Nigeria and the Central Bank of other subsidiaries vis-a-viz the allowance/reserve for loan losses as determined in line with the principles of IFRS 9.

As at 31 December 2024, the Bank has made a cumulative credit risk reserve of N104.11 billion, while the cumulative amount made by the Group is N104.18 billion (31 December 2023: Group N93.98 billion and Bank N93.91 billion).

(i) Non-controlling interest: This is the component of shareholders' equity as reported on the consolidated statement of financial position which represents the ownership interest of shareholders other than the parent of the subsidiary. See note below for the changes in non-controlling interest during the year.

(j) Issue share cost: This relates to cost incured by the Bank's subsidiary for additional share capital issued during the year. These costs were associated with regulatory processes required to increase the subsidiary's share capital base which were accounted for as a direct deduction from equity.

Movement in Non-controlling interest

	31 December 2024	**31 December 2023**
At start of the year	1,628	813
Impact of adopting IAS 29 on 1 January	556	472
Profit for the period/year	184	340
Foreign currency translation differences	(3)	3
At end of the period/year	**2,365**	**1,628**

	Group		Bank	
In millions of Naira	31 December 2024	31 December 2023	31 December 2024	31 December 2023

35. Pension contribution

In accordance with the provisions of the Pensions Reform Act 2014, the Bank and its subsidiaries commenced a contributory pension scheme in January 2005. For entities operating in Nigeria, the contribution by employees and the employing entities are 8% and 10% respectively of the employees' basic salary, housing and transport allowances. Entities operating outside Nigeria contribute in line with the relevant pension laws in their respective jurisdictions. The contribution by the Group and the Bank during the year were N11.15billion and N3.22 billion respectively (31 December 2023: N6.01 billion and N2.79 billion).

36. Personnel expenses

Compensation for the staff are as follows:

Salaries and wages	137,689	92,637	87,526	71,627
Other staff costs*	55,331	25,766	37,895	13,670
Pension contribution	11,150	6,012	3,223	2,786
	204,170	**124,415**	**128,644**	**88,083**

*Other staff costs comprise benefits to staff other than salaries and pension. These benefits include productivity expenses, medical expenses and staff professional subscriptions.

(a) The average number of persons employed during the year by category:

	Number	Number	Number	Number
Executive directors	6	6	6	6
Management	571	572	514	519
Non-management	8,694	7,587	7,184	6,154
	9,271	**8,165**	**7,704**	**6,679**

The table below shows the number of employees, whose earnings during the year, fell within the ranges shown below:

	Number	Number	Number	Number
N300,001 - N2,000,000	109	183	-	-
N2,000,001 - N2,800,000	31	91	-	-
N2,800,001 - N4,000,000	3,127	1,795	2,972	1,719
N4,000,001 - N6,000,000	150	172	-	31
N6,000,001 - N8,000,000	1,338	1,462	1,280	1,406
N8,000,001 - N9,000,000	456	42	400	-
N9,000,001 - and above	4,060	4,420	3,052	3,523
	9,271	**8,165**	**7,704**	**6,679**

(b) **Directors' emoluments**

Directors' renumeration excluding certain benefits are as follows:

Executive compensation	3,238	2,575	3,238	2,575
Fees and sitting allowances	1,243	1,039	519	358
Retirement Benefit costs	6,373	1,826	6,373	1,826
	10,854	**5,440**	**10,130**	**4,759**

Fees and other emoluments disclosed above include amounts paid to:

The Chairman	64	46
The highest paid director	874	2,168

The number of directors who received fees and other emoluments (excluding pension contributions and reimbursable expenses) in the following ranges was:

	Number	Number	Number	Number
N5,500,001 and above	15	14	15	14

37. Group subsidiaries and related party transactions

Parent:

The Group is controlled by Zenith Bank Plc (incorporated in Nigeria) which is the parent company and whose shares are widely held.

37. Group subsidiaries and related party transactions (continued)

Subsidiaries:

The amount of N8,889billion 31 December 2023: N7,649 billion) represents the total pension assets under custody held by the Bank's subsidiary, Zenith Pensions Custodian Limited under the custodial business and guaranteed by the bank as required by the National Pensions Commission of Nigeria . Included in the amount above is N254 billion which represents the amount of the Group's cash held by the subsidiary under custody. Aside from the Guarantee on the asset held by our subsidiary, Zenith Pension Custodian Limited, the Group does not have any contingent liabilities in respect of related parties.

Transactions between Zenith Bank Plc and its subsidiaries, are eliminated on consolidation and are not separately disclosed in the consolidated financial statements. The Group's effective interests and investments in subsidiaries as at 31 December 2024 are shown below.

Entity	Effective Holding %	Nominal share capital held
Zenith Bank (Ghana) Limited	99.42	7,066
Zenith Bank (UK) Limited	100.00	21,482
Zenith Bank (Sierra Leone) Limited	99.99	2,059
Zenith Bank (The Gambia) Limited	99.96	1,038
Zenith Pension Custodians Limited	99.00	1,980
Zenith Nominees Limited	99.00	1,000

31 December 2024

Transactions and balances with subsidiaries **In millions of naira**	**Receivable from**	**Payable to**	**Income received from**	**Expense paid to**
Zenith Bank (UK) Limited	757,549	284,087	22,077	16,618
Zenith Bank (Ghana) Limited	3	-	-	-
Zenith Bank (Sierra Leone) Limited	84	-	-	-
Zenith Bank (Gambia) Limited	1,405	-	-	-
Zenith Pensions Custodian Limited	-	482	6,000	-
Zenith Nominees Limited	-	1,681	-	-

31 December 2023

Transactions and balances with subsidiaries **In millions of naira**	**Receivable from**	**Payable to**	**Income received from**	**Expense paid to**
Zenith Bank (UK) Limited	198,112	29,676	16,411	4,866
Zenith Bank (Ghana) Limited	16	3,225	-	-
Zenith Bank (Sierra Leone) Limited	565	-	-	-
Zenith Bank (Gambia) Limited	71	4,503	-	-
Zenith Pensions Custodian Limited	-	-	6,000	-

Amounts payable to subsidiairies relate to short term borrowings mostly from Zenith bank UK. The balances with related parties relate to deposits with Zenith Bank UK and salaries of seconded staff of Zenith Bank PLC receivable from the subsidiaries. Transactions during the year relate to dividends received from subsidiaries and interest expense on borrowings with Zenith Bank UK.

Significant restrictions

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory frameworks within which banking subsidiaries operate. The supervisory frameworks require banking subsidiaries to keep certain levels of regulatory capital and liquid assets, limit their exposure to other parts of the Group and comply with other ratios. See notes 3.4 and 3.6 for disclosures on liquidity and capital adequacy requirements respectively. The carrying amounts of banking subsidiaries' assets and liabilities are N6,441 bn and N5,505 bn respectively (31 December 2023: N3,751 billion and N3,266 billion respectively).

Non-controlling interest in subsidiaries

The Group does not have any subsidiary that has material non-controlling interest.

37. Group subsidiaries and related party transactions (continued)

Key management personnel

Key management personnel is defined as the Group's executive and non-executive directors, including their close family members and any entity over which they exercise control. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Group.

In millions of Naira	Group		Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Key management compensation				
Salaries and other short-term benefits	3,238	2,575	3,238	2,575
Retirement benefit cost	6,373	1,826	6,373	1,826
Allowances	1,243	1,039	519	358
At the end of the year	**10,854**	**5,440**	**10,130**	**4,759**
Loans and advances to key management personnel				
At start of the year	2,850	3,245	1,297	1,692
Granted during the year	32	272	32	272
Repayment during the year	(2,304)	(667)	(751)	(667)
At end of the year	**578**	**2,850**	**578**	**1,297**
Interest earned	23	50	23	50

Loans to key management personnel include mortgage loans and other personal loans. The loans are repayable from various repayment cycles, ranging from monthly to annually over the tenor and have an average interest rate of 4%. Loans granted to key management personnel are performing.

Insider related transactions:

These have been disclosed in accordance with CBN circular BSD/1/2004.

31 December 2024 **Name of company**	**Relationship/Name**	**Loans**	**Deposits**	**Interest received**	**Interest paid**
Directors		2,184	3,762	30	28
Quantum Fund Management	Common significant shareholder/JimOvia	37	3	-	-
Zenith General Insurance Company Limited	Common directorship/JimOvia	-	762	-	-
Sirius Lumina Limited	Common significant shareholder/JimOvia	1	1	-	-
Cyberspace Network	Common significant shareholder/JimOvia	-	2,609	-	-
Quantum Zenith Trustees & Inv. Ltd	Common significant shareholder	-	28	-	-
		-	-	-	-
		2,222	**7,165**	**30**	**28**

31 December 2023 **Name of company**	**Relationship/Name**	**Loans**	**Deposits**	**Interest received**	**Interest paid**
Directors		679	3,134	50	31
Quantum Fund Management	Common significant shareholder/JimOvia	48	3	-	-
Zenith General Insurance Company Limited	Common directorship/JimOvia	-	957	-	-
Cyberspace Network	Common significant shareholder/JimOvia	-	466	-	-
Zenith Trustees Ltd	Common significant shareholder/JimOvia	-	11	-	-
Oviation Limited	Common directorship/Jim Ovia	-	-	-	-
Sirius Lumina Ltd	Director/Prof. Sam Enwemeka	-	1	-	-
At end of the year		**727**	**4,572**	**50**	**31**

Loans granted to related parties are secured over real estate and other assets of the respective borrowers. Loans granted to related parties are performing. No life time impairment has been recognised in respect of loans granted to related parties (31 December 2023: Nil).

During the year, Zenith Bank Plc paid N1.38 billion as insurance premium to Zenith General Insurance Limited (31 December 2023: N1.65 billion) and N1.23 billion to prudential Zenith (31 December 2023: N886 million). These expenses were reported as operating expenses.

The Bank paid N15.83 billion (31 December 2023:N3.99 billion) to Cyberspace Network for various Information technology services rendered during the year.

38. Contingent liabilities and commitments

a) Legal proceedings

The Group is presently involved in several litigation suits in the ordinary course of business. The total amount claimed in the cases against the Group is estimated at N1.30 trillion (31 December 2023: N1 trillion). The actions are being contested and the Directors are of the opinion that none of the aforementioned cases is likely to have a material adverse effect on the Group and are not aware of any other pending or threatened claims and litigations.

In arriving at this conclusion, the Group has relied on evidence and recommendations from its internal litigation group and its team of external solicitors.

b) Capital commitments

At the reporting date, the Group had capital commitments amounting to N1,244 million (31 December 2023: N489 million) in respect of authorized and contracted capital projects.

	Group	
Break down of capital commitments	**31 December 2024**	**31 December 2023**
Property and equipment:		
Motor vehicles, Furniture and equipment	-	55
Property	673	434
Intangible assets:		
Information technology	571	-
	1,244	**489**

c) Confirmed credits and other obligations on behalf of customers

In the normal course of business the group is a party to financial instruments with off-balance sheet risk. These instruments are issued to meet the credit and other financial requirements of customers. The contractual amounts of the off-balance sheet financial instruments are:

	Group		Bank	
In millions of Naira	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Performance bonds and guarantees	1,672,254	740,714	1,644,573	770,347
Usance (see note ii below)	2,567,161	433,926	2,801,850	433,926
Letters of credit (see note ii below)	357,738	555,368	33,994	424,903
	4,597,153	**1,730,008**	**4,480,417**	**1,629,176**
Pension Funds (See Note iii below)	8,758,164	7,648,625	8,758,164	7,648,625

i. The transaction related performance bonds and guarantees are, generally, short-term commitments to third parties which are not directly dependent on the customer's creditworthiness. As at 31 December 2024, performance bonds and guarantees worth N11.8 billion (31 December 2023: N12.19 billion) are secured by cash while others are otherwise secured.

ii. Usance and letters of credit are agreements to lend to a customer in the future, subject to certain conditions. Such commitments are either made for a fixed period, or have no specific maturity dates, but are cancellable by the Group (as lender) subject to notice requirements. These Letters of credit are provided at market-related interest rates. Usance and letters of credit are secured by different types of collaterals similar to those accepted for actual credit facilities.

iii. The amount of N8,889 billion (31 December 2023: N7,649 billion) represents the total pension assets under custody held by the Bank's subsidiary, Zenith Pensions Custodian Limited under the latter's custodial business. Included in the amount above is N254 billion (31 December 2023: N130.2 billion) which represents the amount of the Group's guarantee for the assets held by the subsidiary as required by the National Pensions Commission of Nigeria. Other than the Guarantee on the pension assets held by our subsidiary, Zenith Pension Custodian Limited, the Group does not have any contingent liabilities in respect of related parties. The Group and Bank has undrawn loan commitments of N260.88 billion (31 December 2023: N211.71 billion).

38. Contingent liabilities and commitments (continued)

39. Dividend paid

Nominal value of shares	20,535	15,698	20,535	15,698
Number of share in issue and ranking for dividend	31,396	31,396	31,396	31,396
Proposed dividend per share (Naira)	1.00	0.50	1.00	0.50
Interim dividend per share paid (Naira)	1.00	0.50	1.00	0.50
Final dividend per share proposed	-	3.50	-	3.50
Final Dividend paid during the year	109,888	91,050	109,888	91,050
Interim Dividend paid during the year	31,396	15,698	31,396	15,698
Total dividend paid during the year	**141,284**	**106,748**	**141,284**	**106,748**

The Board of Directors, pursuant to the powers vested in it by the provisions of section 426 of the Companies and Allied Matters Act (CAMA 2020) of Nigeria, proposed a final dividend of final dividend of N4.00 per share which in addition to the N1.00 per share as interim dividend amounts to N5.00 per share (2023: Interim dividend of N0.50 per share, final dividend of N3.50 and a total dividend per share of N4.00) from the retained earnings accounts as at 31 December 2024. This will be presented for ratification by the shareholders at the next Annual General Meeting.

The number of shares in issue and ranking for dividend represents the outstanding number of shares as at 31 December 2024 and 31 December 2023 respectively.

Dividends are paid to shareholders' net of withholding tax at the rate of 10% in compliance with extant tax laws.

40. Cash and cash equivalents

Cash and balances with central banks (less mandatory reserve deposits) (see note 15)	532,088	269,967	316,202	126,449
Treasury bills (3 months tenor) (see note 16)	218,724	209,246	11,403	209,246
Due from other banks(see note 18)	4,041,461	1,825,298	3,148,265	1,682,707
	4,792,273	**2,304,511**	**3,475,870**	**2,018,402**

41. Compliance with Banking Regulations

During the year, the bank paid the following penalties to Central Bank of Nigeria.

S/N	Description	Amount paid in Naira
1	Late resolution of customer's complaint	2,000,000
2	Non-compliance with CBN directive on reconciliation of customer charges	14,000,000
3	Penalty on Anti-money laundering findings	61,000,000
4	Non-compliance with CBN directives	20,000,000
5	Penalty as a result of infraction related to risk assessment examination	4,000,000
6	Penalty for cyber security breaches	4,000,000
7	Checks on customers onboarding documentation	322,000,000
8	Penalty for extant regulation violation	250,000,000
9	Penalty as a result of anti-money laundery reviews	103,250,000
10	Infractions from the foreign exchange examination	14,647,419,153
	Total	**15,427,669,153**

42. Prudential Adjustments

Provisions under prudential guidelines are determined using the time-based provisioning specified by the revised Prudential Guidelines issued by the Central Bank of Nigeria. This is at variance with the expected credit loss (ECL) model required under IFRS 9. As a result of the differences in the methodology/provision, there will be variances in the impairments provisions required under the two methodologies.

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

(a) Expenses for loan losses recognised in the profit and loss account should be determined based on the relevant IFRS. However, the provisions for loan losses determined under the IFRS should be compared with the loan loss provisions determined under the Prudential Guidelines. The differences between both provisions should be treated as follows:

(i) Where Prudential Provisions is greater than IFRS provisions, the resulting difference should be transferred from the general reserve account to a non-distributable regulatory credit risk reserve.

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

(b) The non-distributable reserve is classified under Tier 1 as part of the core capital for the purpose of determining capital adequacy.

In the guidelines to IFRS implementation, the Central Bank of Nigeria (CBN) directed banks to maintain a regulatory credit risk reserve in the event that the impairment on loans determined using the CBN prudential guideline is higher than the impairment determined using IFRS principles. As at 31 December 2024, the Bank holds a total of N93,911 million in its credit risk reserves.

Provision for loan losses per prudential guidelines

In millions of Naira	Bank	
	31 December 2024	31 December 2023
Loans and advances:		
-Lost	151,916	61,483
-Doubtful	151,498	90,107
Sub-standard	706	5,002
-Watchlist	487,010	276,808
-Performing	138,499	102,402
-Other known losses	10,952	6,805
(a)	940,581	542,607
Impairment assessment under IFRS		
Loans and advances		
12 months ECL credit	138,188	34,739
Life time ECL not impaired	634,733	170,708
Life time ECL credit impaired	240,964	278,736
(b)	1,013,885	484,183
Due from Banks - 12 months ECL (c)	12,569	935
Treasury bills - 12 months ECL (d)	38	71
Asset pledged as collateral- 12 months ECL (e)	11	29
Investment securities- 12 months ECL (f)	5,005	5,451
Other financial assets- ECL allowance (g)	51,329	31,061
Other non-financial assets (h)	1,887	85
Off Balance Sheet Exposures- 12 months ECL (i)	47,887	6,577
(m)=(b)+(c)+(d)+(e)+(f)+(g)+(h)+(i)	1,132,611	528,392
Transfer to credit risk reserve (n)=(a)-(m)	-	**14,215**

As at 31 December 2024, the Bank holds a total of N104,111 million in its credit risk reserves.

43. Statement of cash flow workings

(i) Investment securities (see note 17 & 21)	Group		Bank	
31 December 2024	**Investment securities (including pledged instruments) at amortised cost**	**Investment securities (including pledged instruments) at FVTPL and FVOCI**	**Investment securities (including pledged instruments) at amortised cost**	**Investment securities (including pledged instruments) at FVTPL and FVOCI**
At 1 January 2024	1,739,098	1,769,213	1,133,997	235,567
Change in ECL allowance	9,448	-	463	-
Additions to Investment securities	1,640,256	371,331	1,087,128	-
Disposal of Investment securities	(414,354)	-	(376,950)	-
Unrealised gain from changes in fair value recognised in profit or loss	-	(864)	-	(864)
Fair value gain/loss OCI	-	157,057	-	151,011
Interest income	453,687	107,424	271,307	-
Interest received	(390,262)	(53,069)	(180,678)	-
Derecognition loss	(31,010)	(11,508)	-	-
Balance as at 31 December 2024	**(3,006,863)**	**(2,358,046)**	**(1,935,267)**	**(402,382)**
Recognised in cash flow statement	-	(18,462)	-	(16,668)

	Group		Bank	
31 December 2023	**Investment securities (including pledged instruments) at amortised cost**	**Investment securities (including pledged instruments) at FVTPL and FVOCI**	**Investment securities (including pledged instruments) at amortised cost**	**Investment securities (including pledged instruments) at FVTPL and FVOCI**
At 01 January 2023	907,188	940,273	637,367	104,443
Change in ECL allowance	(7,736)	-	(2,877)	-
Additions to Investment securities	820,166	1,558,191	539,842	-
Disposal to Investment Securities	(122,846)	(857,915)	(82,885)	-
Unrealised gain from changes in fair value recognised in profit or loss	-	2,206	-	2,206
Fair value gain/loss OCI	-	132,532	-	122,252
Interest income	165,255	46,709	104,984	-
Interest received	(22,929)	(62,328)	(62,434)	-
Balance as at 31 December 2023	**(1,739,098)**	**(1,769,213)**	**(1,133,997)**	**(233,567)**
Recognised in cash flow statement	-	(9,545)	-	(6,666)

	Group		Bank	
In millions of Naira	31 December 2024	31 December 2023	31 December 2024	31 December 2023
(iia) Treasury bills (Amortised cost) (see note 16 & 17)				
31 December 2024				
Treasury bills (including pledged instrumets) at armotised cost as 1 January	(1,868,642)	(989,891)	(1,662,335)	(950,021)
Change in ECL allowance	(33)	(337)	(33)	32
Interest income	(239,830)	(166,813)	(144,080)	(133,492)
Additions	(798,943)	(4,547,984)	(705,643)	(2,824,475)
Redemptions	2,092,066	3,836,384	1,730,853	2,245,622
Balance as at 31 December 2024	**(815,382)**	**(1,868,641)**	**(781,238)**	**(1,662,334)**
	-	-	-	-

	Group		Bank	
In millions of Naira	31 December 2024	31 December 2023	31 December 2024	31 December 2023

43. Statement of cash flow workings (continued)

(iib) Treasury bills (FVTPL) (see note 16)				
31 December 2024				
Treasury bills fair value through profit or loss (including pledged instruments) as at 1 January	749,606	1,159,965	749,606	1,159,965
Unrealised fair value gain	(8,719)	29,132	(8,719)	29,132
Interest income	344,636	12,154	344,636	12,154
Balance as at end of year	(1,644,823)	(749,606)	(1,644,823)	(749,606)
Recognised in Cashflow	**(559,300)**	**451,645**	**(559,300)**	**451,645**

(iii) Loans and advances (see note 20)				
31 December 2024				
Loans and advances at 1 January	6,556,470	4,013,705	5,928,796	3,735,676
Changes in ECL allowance	(594,176)	(400,650)	(594,395)	(394,440)
Interest Income	1,517,917	671,919	1,394,672	635,806
Interest received	(1,362,644)	(722,437)	(1,246,158)	(671,888)
Impact of hyperinflation	(5,791)	(8,029)	-	-
Balance as at end of year	(9,965,364)	(6,556,470)	(8,708,775)	(5,928,796)
Recognised in Cash flow	**(3,853,588)**	**(3,001,962)**	**(3,225,860)**	**(2,623,642)**

(iv) Customer deposits				
31 December 2024				
As at 1 January	(15,167,740)	(8,975,653)	(12,154,824)	(7,434,806)
Interest expense	(622,008)	(306,748)	(488,663)	(250,751)
Interest paid	639,393	310,064	481,431	243,790
Balance as at end of year	21,959,369	15,167,740	17,163,424	12,154,824
Recognised in Cash flow	**6,809,014**	**6,195,403**	**5,001,368**	**4,713,057**

(v) Other liabilities (see note 29)				
31 December 2024				
As at 1 January	(1,039,712)	(568,559)	(1,003,947)	(546,347)
Changes in ECL allowance	(40,396)	(1,633)	(41,310)	(1,286)
Lease modification	(497)	(755)	(497)	(755)
Lease liability additions	(13,958)	(1,269)	(1,011)	(874)
Interest expense on lease liability	(3,599)	(2,578)	(1,161)	(1,034)
Lease interest paid	485	224	484	212
Principal repayment on lease liability	4,899	1,543	1,088	979
Unclaimed dividend received	(484)	(352)	(484)	(352)
Impact of hyperinflation	5,120	4,547	-	-
Lease terminations	-	80	-	80
Balance as at end of year	1,402,046	1,039,712	1,323,440	1,003,947
Net cash movement in operating activties	**313,904**	**470,960**	**276,602**	**454,570**

(vi) (Loss)/Gain on disposal of property and equipment and Intangible assets				
31 December 2024				
Cost (see note 26 & 27)	(13,818)	(5,244)	(11,505)	(5,055)
Accumulated depreciation (see note 26 & 27)	9,304	4,051	8,845	3,900
Net book value	(4,514)	(1,193)	(2,660)	(1,155)
Sales proceed	3,520	1,382	1,647	1,341
Profit on Disposal (see note 10)	**(994)**	**189**	**(1,013)**	**186**

	Group		Bank	
In millions of Naira	31 December 2024	31 December 2023	31 December 2024	31 December 2023
43. Statement of cash flow workings (continued)				
(vii) Due from Banks (greater than 90 days)				
31 December 2024				
As at 1 January	9,015	46,407	9,015	115,315
Changes in ECL allowance	(11,653)	(860)	(11,634)	(860)
Interest income	165,306	81,822	130,068	39,796
Interest received	(108,660)	(81,207)	(73,422)	(39,181)
Balance as at end of year	(894,246)	(9,015)	(1,294,171)	(9,015)
Recognised in cash flow statement	**(840,238)**	**37,147**	**(1,240,144)**	**106,055**
(viii) Other assets				
31 December 2024				
As at 1 January	474,976	213,523	417,419	193,792
Changes in ECL allowance	(22,061)	1,103	(22,070)	1,083
Reclassification	(658)	646	-	-
Impact of hyperinflation	16,067	837	-	-
Balance as at end of year	(326,725)	(474,976)	(184,136)	(417,419)
Net cash movement in operating activities	**141,599**	**(258,867)**	**211,213**	**(222,544)**
(ix) Net movement in Derivatives				
Derivative assets				
31 December 2024				
As at 1 January	(534,739)	(49,874)	(507,942)	(48,851)
Unrealised fair value gain	(280,626)	(534,739)	(271,213)	(507,942)
Balance as at end of year	280,626	534,739	271,213	507,942
	(534,739)	**(49,874)**	**(507,942)**	**(48,851)**
Derivative liabilities				
31 December 2024				
As at 1 January	70,486	(6,325)	45,514	(6,040)
Unrealised fair value changes	9,258	(70,486)	4,465	(45,514)
Balance as at end of year	(9,258)	70,486	(4,465)	45,514
Recognised in cash flow	70,486	(6,325)	45,514	(6,040)
Net movement in derivatives	**(464,253)**	**(43,549)**	**(462,428)**	**(42,811)**
(x) Restricted balances (Cash Reserve)				
31 December 2024				
Opening Balance	3,983,407	1,749,608	3,838,937	1,694,906
Mandatory Reserve deposit with Central Bank	5,329,200	3,902,718	4,906,659	3,758,248
Special Cash Reserve	26,928	80,689	26,928	80,689
Recognised in cashflow	**(1,372,721)**	**(2,233,797)**	**(1,094,650)**	**(2,144,031)**
(xia) Interest paid on operating activities				
31 December 2024				
Customer deposit (see note 43(iv))	(639,393)	(310,064)	(481,431)	(243,790)
	(639,393)	**(310,064)**	**(481,431)**	**(243,790)**
(xib) Interest paid on financing activities				
Onlending facilities (see note 30b)	(1,357)	(5,778)	(1,357)	(5,778)
Lease liabilities (see 43(v))	(485)	(224)	(484)	(212)
Borrowings (see note 31)	(192,475)	(97,895)	(160,647)	(97,569)
	(194,317)	**(103,897)**	**(162,488)**	**(103,559)**

	Group		Bank	
In millions of Naira	31 December 2024	31 December 2023	31 December 2024	31 December 2023

43. Statement of cash flow workings (continued)

(xii) Unrealised fair value change				
31 December 2024				
Investment securities (see note 43(i))	864	(2,206)	864	(2,206)
Treasury bills (see note 43(ii))	8,719	(29,132)	8,719	(29,132)
Derivatives (see note 43(ix))	(271,368)	(464,253)	(266,748)	(462,428)
	(261,785)	**(495,591)**	**(257,165)**	**(493,766)**
(xiiia) Interest received from operating activities				
31 December 2024				
Due from other banks (see note 41(vii))	108,660	81,207	73,422	39,181
Loans and advances (see note 41(iii))	1,362,644	722,437	1,246,158	671,888
	1,471,304	**803,644**	**1,319,580**	**711,069**
(xiiib) Interest received from investment securities				
31 December 2024				
Investment securities (see note 41(i))	443,331	85,081	180,678	62,434
	443,331	**85,081**	**180,678**	**62,434**
(xiva) Acquisition of Right of use asset				
31 December 2024				
Addition to right of use (see note 26)	(14,089)	(2,128)	(1,075)	(1,685)
Lease liability addition (see note 43(v))	13,958	1,269	1,011	874
	(131)	**(859)**	**(64)**	**(811)**
(xivb) Additions to property,plant and equipment other than right of use				
31 December 2024				
Addition to property, plant and equipment (see note 26)	(116,082)	(52,409)	(93,803)	(42,265)
Addition to right of use asset (see note 26)	14,089	2,128	1,075	1,685
	(101,993)	**(50,281)**	**(92,728)**	**(40,580)**
(xv)Addition to investment securities				
31 December 2024				
Investment securities at amortized cost	(1,640,256)	(820,166)	(1,087,128)	(539,842)
Investment securities at FVOCI	(371,331)	(1,558,191)	-	-
	(2,011,587)	**(2,378,357)**	**(1,087,128)**	**(539,842)**
(xvi)Lease Modification				
31 December 2024				
Right of use	497	755	497	755
Lease Liability	(497)	(755)	(497)	(755)
	-	-	-	-

In millions of Naira	Group 31 December 2024	Group 31 December 2023	Bank 31 December 2024	Bank 31 December 2023
(xvii)Unclaimed dividend received				
31 December 2024				
As at 1 January	(30,116)	(29,764)	(30,116)	(29,764)
Balance as at 31 Dec 2024	30,600	30,116	30,600	30,116
	484	**352**	**484**	**352**
(xviii)Lease derecognition				
31 December 2024				
Right of use- cost	-	66	-	81
lease liability	-	(80)	-	(79)
	-	**(14)**	**-**	**2**
(xix)Dividend received				
31 December 2024				
Dividend Income	8,645	5,661	14,645	19,777
	8,645	**5,661**	**14,645**	**19,777**
(xx) Foreign exchange revaluation loss				
31 December 2024				
Cash and bank balances	(31,234)	(28,194)	(31,234)	(28,002)
Due to other banks	(1,406,517)	(486,389)	(986,222)	(486,246)
Borrowings	338,132	872,686	280,817	822,600
	(1,099,619)	**358,103**	**(736,639)**	**308,352**

44. Comparatives

Certain disclosures and some prior year figures have been re-presented to conform with current year presentation.

45. Events after the reporting period

On January 23, 2025, the Bank received approval for the allotment of its newly issued shares. The total number of additional shares raised by the bank through the capital raise exercise is 9,673,336,214. This brings the total number of issued shares of the bank from a previous 31,396,493,787 units to a current 41,069,830,001 units.

See below analysis of the newly allotted shares:

Share range	No. of Shareholders (Right)	No of shares (Right)	No. of Applicants	No. of Shares (Public offer)	Total no of shareholders	Total no of issued shares
1 - 50,000	38,169	410,937,059	116,643	815,302,250	154,812	1,226,239,309
50,001 - 100,000	637	85,569,449	5,700	465,710,250	6,337	551,279,699
100,001 - 500,000	660	410,622,233	3,834	877,405,500	4,494	1,288,027,733
500,001 - 1,000,000	121	97,269,348	756	649,132,500	877	746,401,848
1,000,001 - 5,000,000	115	353,919,902	411	915,262,500	526	1,269,182,402
5,000,001 - 10,000,000	19	177,806,321	30	214,104,000	49	391,910,321
10,000,001 - 50,000,000	23	633,280,993	21	391,340,750	44	1,024,621,743
50,000,001 and above	14	3,063,343,659	2	112,329,500	16	3,175,673,159
	39,758	**5,232,748,964**	**127,397**	**4,440,587,250**	**167,155**	**9,673,336,214**

OTHER NATIONAL DISCLOSURES

ZENITH BANK PLC

Value Added Statement

In millions of Naira	31 December 2024	31 December 2024 %	31 December 2023	31 December 2023 %
Group				
Value Added				
Gross income	3,970,959		2,131,750	
Interest and fee expense				
-Local	(732,819)		(302,912)	
-Foreign	(409,134)		(173,788)	
	2,829,006		1,655,050	
Impairment loss on financial and non-financial instruments	(658,805)		(409,616)	
	2,170,201		1,245,434	
Bought - in materials and services				
-Local	(525,039)		(262,775)	
-Foreign	(61,595)		(28,956)	
Value added	**1,583,567**	**100**	**953,703**	**100**
Distribution				
Employees				
Salaries and benefits	**204,170**	**13**	**124,415**	**16**
Government				
Income tax	**293,956**	**19**	**119,053**	**15**
Retained in the Group				
Replacement of property and equipment / intangible assets	52,546	3	33,326	3
Profit for the year (including statutory reserves, small scale industry, and non-controling interest)	1,032,895	65	676,909	71
Total Value Added	**1,583,567**	**100**	**953,703**	**100**

Value added represents the additional wealth which the group has been able to create by its own and employees efforts.

Value Added Statement

In millions of Naira	31 December 2024	31 December 2024 %	31 December 2023	31 December 2023 %
Bank				
Gross Income	3,484,099		1,869,753	
Interest and fee expense				
-Local	(732,817)		(321,877)	
-Foreign	(249,307)		(103,443)	
	2,501,975		1,444,433	
Impairment loss on financial and non-financial instruments	(668,914)		(398,412)	
	1,833,061		1,046,021	
Bought-in material and services				
-Local	(532,071)		(261,686)	
-Foreign	-		-	
Value added	**1,300,990**	**100**	**784,335**	**100**
Distribution				
Employees				
Salaries and benefits	**128,643**	**10**	**88,083**	**11**
Government				
Income tax	**197,131**	**15**	**72,114**	**9**
Retained in the Bank				
Replacement of property and equipment/intagible assets	39,058	3	28,537	4
Profit for the year (including staturory reserves and small scale industry)	936,158	72	595,601	76
Total Value Added	**1,300,990**	**100**	**784,335**	**100**

Value added represents the additional wealth which the Bank has been able to create by its own and employees efforts.

ZENITH BANK PLC

Five-Year Financial Summary

In millions of Naira	31 December 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Group					
Statement of Financial Position					
Assets					
Cash and balances with central banks	5,888,216	4,253,374	2,201,744	1,488,363	1,591,768
Treasury bills	2,678,929	2,736,273	2,246,538	1,764,946	1,577,875
Assets pledged as collateral	266,866	308,638	254,663	392,594	298,530
Due From Other Banks	4,935,707	1,834,314	1,302,811	691,244	810,494
Derivative assets	280,626	534,739	49,874	56,187	44,496
Loans and advances	9,965,364	6,556,470	4,013,705	3,355,728	2,779,027
Investment securities	5,098,044	3,290,895	1,728,334	1,303,725	996,916
Current tax receivable	6,869	18,975	-	-	-
Deferred tax	21,542	17,251	18,343	1,837	5,786
Other assets	326,725	474,976	213,523	168,210	169,967
Property and equipment	400,441	295,532	230,843	200,008	190,170
Intangible assets	88,196	47,018	25,251	25,001	16,243
Total assets	**29,957,525**	**20,368,455**	**12,285,629**	**9,447,843**	**8,481,272**
Liabilities					
Customer deposits	21,959,369	15,167,740	8,975,653	6,472,054	5,339,911
Derivative liabilities	9,258	70,486	6,325	14,674	11,076
Current tax payable	256,168	33,877	64,856	16,909	11,690
Deferred tax liabilities	5,502	59,310	16,654	11,603	-
Other liabilities	1,402,045	1,039,712	568,559	487,432	703,292
On-lending facilities	250,725	263,065	311,192	369,241	384,573
Borrowings	2,045,185	1,410,885	963,450	750,469	870,080
Debt Securities issued	-	-	-	45,799	43,177
Total liabilities	**25,928,252**	**18,045,075**	**10,906,689**	**8,168,181**	**7,363,799**
Net assets	4,029,273	2,323,380	1,378,940	1,279,662	1,117,473
Equity					
Share capital	20,535	15,698	15,698	15,698	15,698
Share premium	594,113	255,047	255,047	255,047	255,047
Retained earnings	2,015,513	1,179,390	625,005	607,203	521,293
Other Reserves	1,396,747	871,617	482,377	400,570	324,461
Attributable to equity holders of the parent	**4,026,908**	**2,321,752**	**1,378,127**	**1,278,518**	**1,116,499**
Non-controlling interest	2,365	1,628	813	1,144	974
Total shareholders' equity	**4,029,273**	**2,323,380**	**1,378,940**	**1,279,662**	**1,117,473**
Financed by:					

Five Year Financial Summary

In millions of Naira	31 December 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Statements of Profit or Loss and Other Comprehensive Income					
Gross earnings	3,970,959	2,131,750	945,554	765,558	696,450
Share of profit/(loss) of associate	-	-	-	-	-
Interest expense	(992,474)	(408,492)	(173,539)	(106,794)	(121,131)
Operating and direct expenses	(992,829)	(517,680)	(364,113)	(318,458)	(279,924)
Impairment charge for financial and non-financial assets	(658,805)	(409,616)	(123,252)	(59,932)	(39,534)
Profit before taxation	**1,326,851**	**795,962**	**284,650**	**280,374**	**255,861**
Taxation	(293,956)	(119,053)	(60,739)	(35,816)	(25,296)
Profit after tax	**1,032,895**	**676,909**	**223,911**	**244,558**	**230,565**
Foreign currency translation differences	220,288	162,942	(28,768)	8,485	-
Impact of applying IAS 29 on 1 January 2023	109,202	81,408	-	-	-
Fair value movement on equity instruments	151,011	122,252	8,109	5,599	16,295
Fair value movements on debt securities at FVOCI	6,046	10,280	(6,602)	(2,227)	1,981
Income tax effect relating to fair value movement on debt securities at FVOCI	(2,841)	(2,603)	-	-	(355)
Total Comprehensive income	**1,516,601**	**1,051,188**	**196,650**	**256,415**	**248,486**
Earnings per share					
Basic and diluted (kobo)	3,287	2,155	714	778	734

ZENITH BANK PLC

Five Year Financial Summary

In millions of Naira	31 December 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Bank					
Statement of Financial Position					
Assets					
Cash and balances with central banks	5,249,789	3,965,386	2,102,394	1,397,666	1,503,245
Treasury bills	2,437,464	2,529,966	2,206,668	1,577,647	1,393,421
Assets pledged as collateral	89,062	255,061	254,565	357,000	298,530
Due From Other Banks	4,442,436	1,691,722	1,132,796	518,053	532,377
Derivatives	271,213	507,942	48,851	57,476	41,729
Loans and advances	8,708,775	5,928,796	3,735,676	3,099,452	2,639,797
Investment securities	2,248,587	1,205,724	622,781	477,004	333,126
Investment in subsidiaries	34,625	34,625	34,625	34,625	34,625
Investment in associates	-	-	-	-	-
Deferred tax	1,756	-	-	-	4,733
Other assets	184,136	417,419	193,792	152,326	159,625
Property and equipment	290,273	230,267	214,572	177,501	169,080
Intangible assets	80,203	44,185	23,958	23,542	14,699
Total assets	**24,038,319**	**16,811,093**	**10,570,678**	**7,872,292**	**7,124,987**
Liabilities					
Customer deposits	17,163,424	12,154,824	7,434,806	5,169,199	4,298,258
Derivative liabilities	4,465	45,514	6,040	15,170	11,076
Current tax payable	248,613	28,080	61,655	14,241	9,117
Deferred income tax liabilities	-	59,233	15,911	11,596	-
Other liabilities	1,323,440	1,003,947	546,347	427,876	599,464
On Lending Facilities	250,725	263,065	311,192	369,241	384,573
Borrowings	1,951,616	1,450,182	999,580	769,395	874,090
Debt Securities issued	-	-	-	45,799	43,177
Total liabilities	**20,942,283**	**15,004,845**	**9,375,531**	**6,822,517**	**6,219,755**
Net assets	3,096,036	1,806,248	1,195,147	1,049,775	905,232
Equity					
Share capital	20,535	15,698	15,698	15,698	15,698
Share premium	594,113	255,047	255,047	255,047	255,047
Retained earnings	1,538,189	893,938	494,429	466,250	382,292
Reserves	943,199	641,565	429,973	312,781	252,195
Attributable to equity holders of the parent	**3,096,036**	**1,806,248**	**1,195,147**	**1,049,776**	**905,232**
Total shareholder's equity	**3,096,036**	**1,806,248**	**1,195,147**	**1,049,776**	**905,232**

Five Year Financial Summary

In millions of Naira	31 December 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Statements of Profit or Loss and Other Comprehensive Income					
Gross earnings	3,484,099	1,869,753	833,087	677,283	595,921
Interest expense	(839,111)	(355,228)	(153,019)	(82,718)	(102,111)
Other operating expenses	(842,786)	(448,398)	(324,122)	(281,223)	(246,566)
Impairments	(668,913)	(398,412)	(61,896)	(56,175)	(37,237)
Profit before tax	**1,133,289**	**667,715**	**294,050**	**257,167**	**210,007**
Taxation	(197,131)	(72,114)	(59,457)	(24,034)	(12,155)
Profit after taxation	**936,158**	**595,601**	**234,593**	**233,133**	**197,852**
Other comprehensive income					
Fair value movements on equity instruments	151,011	122,252	8,109	5,599	16,295
	151,011	122,252	8,109	5,599	16,295
Total Comprehensive income	**1,087,169**	**717,853**	**242,702**	**238,732**	**214,147**
Earning per share					
Basic and diluted (kobo)	2,979	1,897	747	743	630