ZENITH

2023 GROUP ANNUAL REPORT & FINANCIAL STATEMENTS

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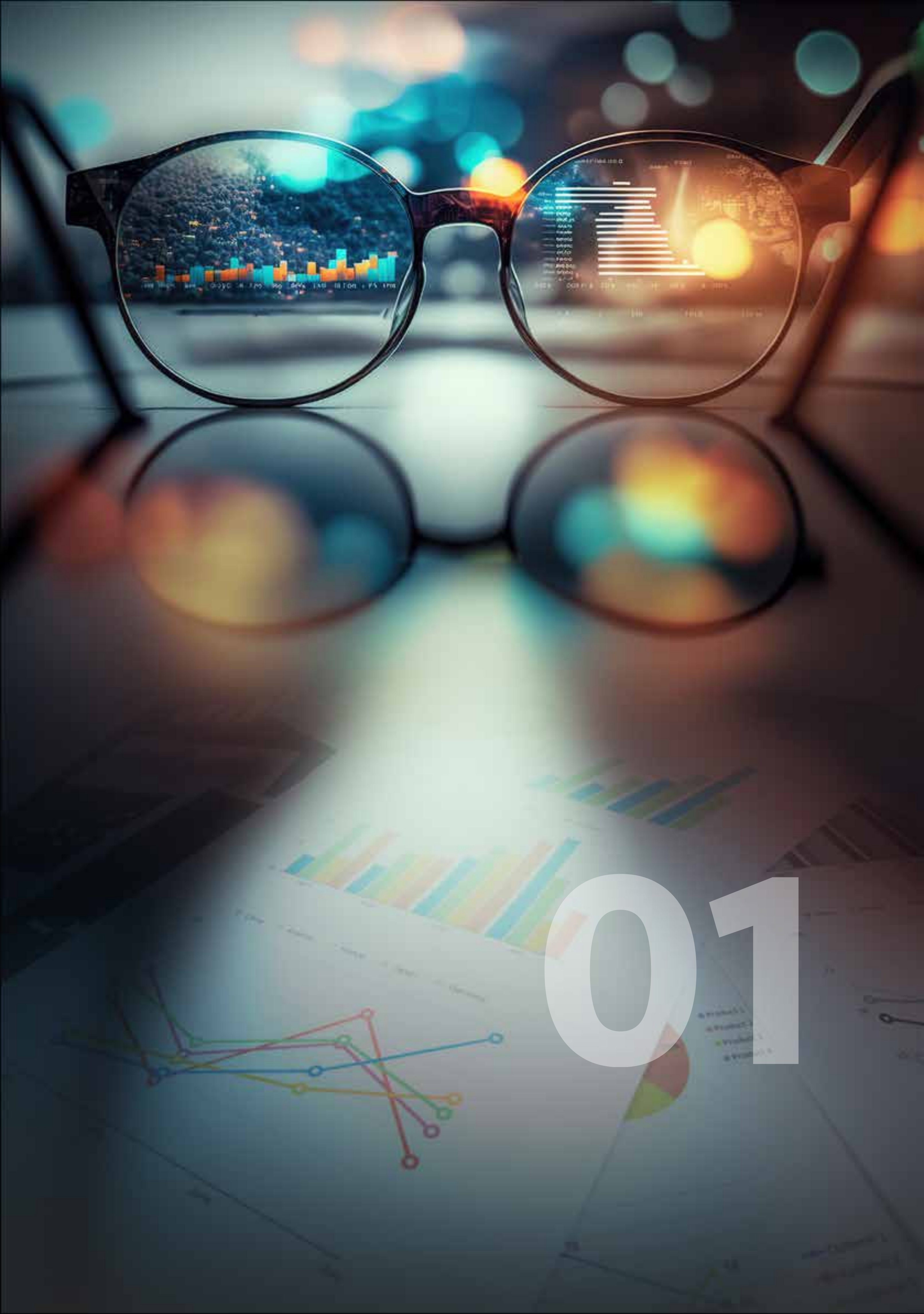

01

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
Dr. Ebenezer Onyeagwu	Group Managing Director/CEO
Dr. Adaora Umeoji, OON*	Deputy Managing Director
Dr. Temitope Fasoranti***	Executive Director
Mr. Henry Oroh	Executive Director
Mrs Adobi Nwapa	Executive Director
Mr. Akindele Ogunranti	Executive Director

*Dr. Adaora Umeoji, OON exited from the Board effective 24 February, 2023. She was also re-appointed to the Board on 2 August 2023 following approval by the CBN.
**Dr. Juliet Ehimuan was appointed to the Board effective 29 August, 2023.
***Dr. Temitope Fasoranti retired from the Board effective 29 December, 2023.

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.

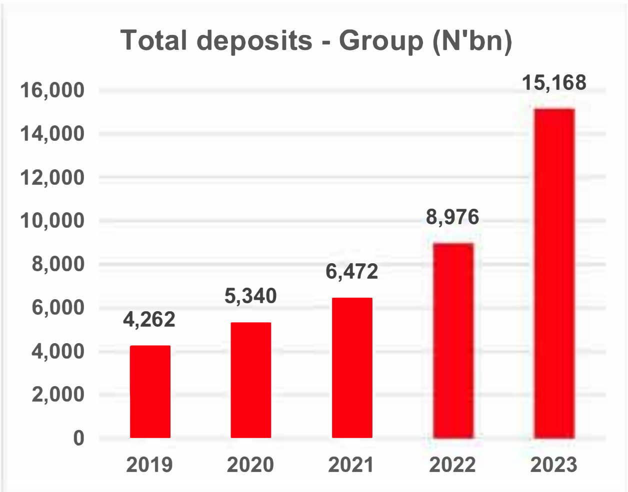
Results at a Glance/ Key Performance Indices

Financial Highlights

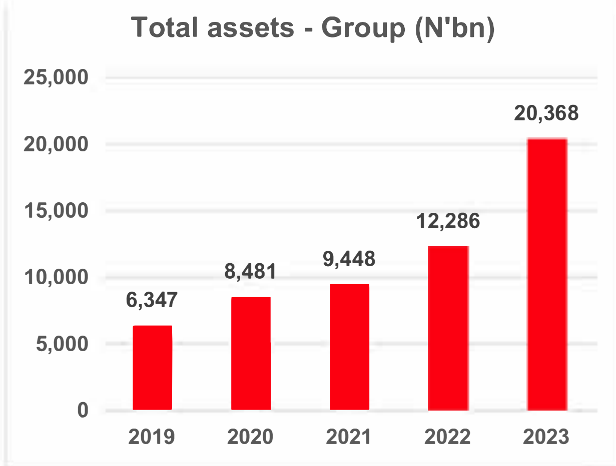
In millions of Naira	31-Dec-23	31-Dec-22	% Change
Income statement Highlights			
Interest and similar income	1,144,674	540,166	112%
Net interest income	736,182	366,627	101%
Impairment charge	(409,616)	(123,252)	232%
Operating Income	1,245,434	624,342	99%
Operating expenses	(449,472)	(339,692)	32%
Profit before tax	**795,962**	**284,650**	**180%**
Profit after tax	**676,909**	**223,911**	**202%**
Earnings Per Share (N)	21.55	7.14	202%
Balance sheet Highlights			
Gross loans and advances	7,055,447	4,123,966	71%
Customers' deposits	15,167,740	8,975,653	69%
Total assets	20,368,455	12,285,629	66%
Shareholders' fund	2,323,380	1,378,940	68%
Key ratios			
Return on average equity (ROAE)	36.6%	16.8%	118%
Return on average assets (ROAA)	4.1%	2.1%	95%
Net Interest Margin (NIM)	7.3%	7.3%	0%
Cost of funds	3.0%	1.9%	58%
Cost of risk	7.3%	3.2%	128%
Cost-to-income	36.1%	54.4%	-34%
Liquidity ratio	71.0%	75.0%	-5%
Loan to deposit ratio	46.5%	45.9%	1%
Capital adequacy ratio (CAR)	21.7%	19.8%	10%
Non-performing loans	4.82%	4.30%	2%

Group Financial Highlights

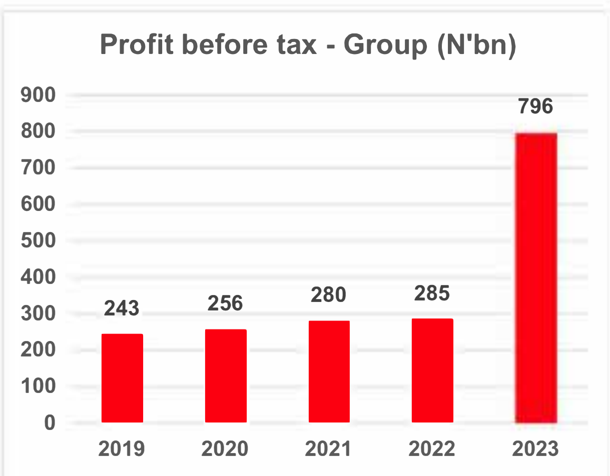
Total deposits grew by 69% (N6,192bn) reflecting public confidence in the Zenith brand. The funding mix was also rebalanced towards more stable retail.



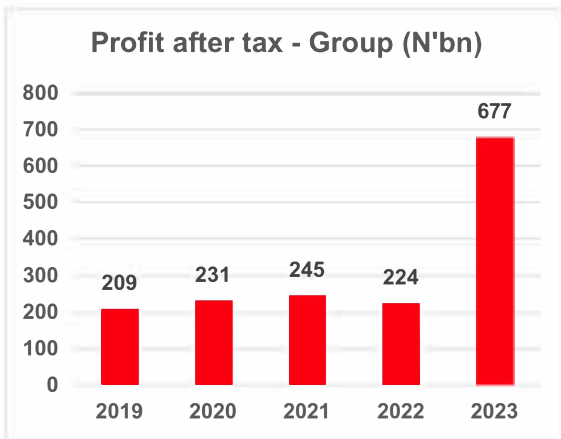
Total assets grew by 66% (N8,083bn) to close at N20,368trn enhancing the Group's revenue generating capacity.



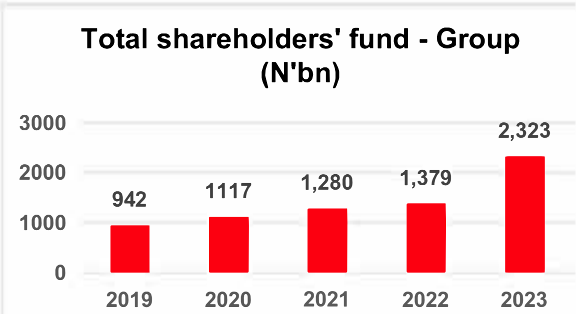
Growth of 180% in PBT attributable to significant growth in interest and non-interest income.



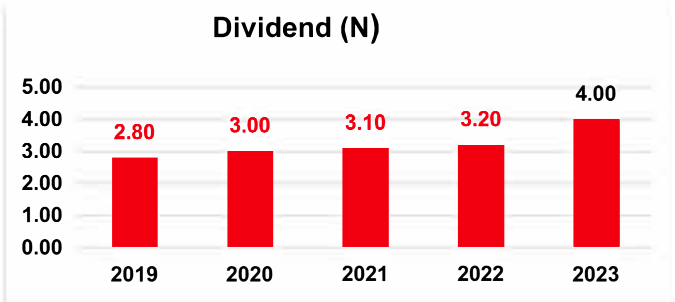
Profit after tax increased by 202% due to increase in PBT resulting from major income lines.



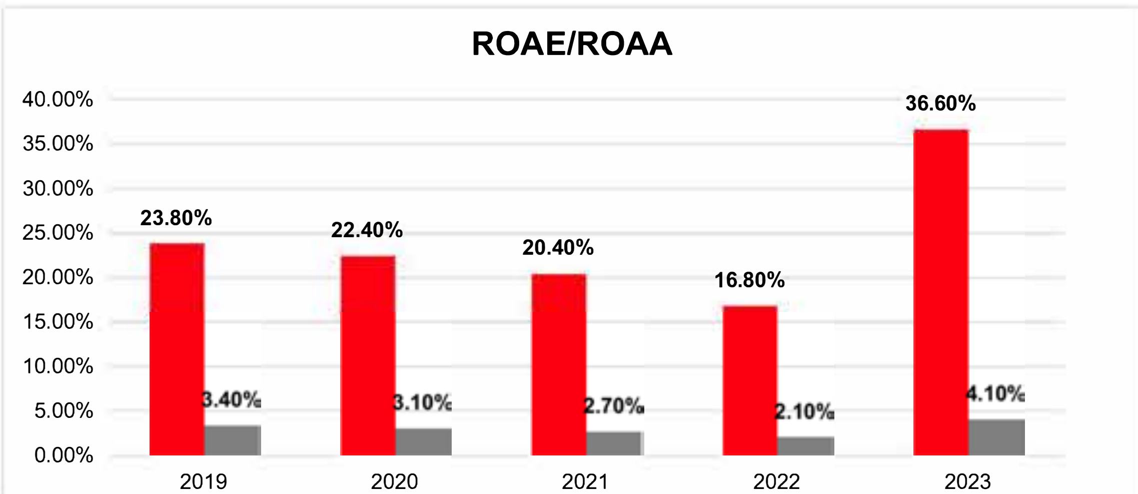
Shareholders' fund grew year-on-year by 68% to N2,323bn providing adequate buffer for business expansion.



Consistent growth in dividend per share reflecting the Group's ability to deliver superior returns to shareholders.



Return on Average Equity (RoAE) and Return on Average Asset (RoAA) increased year-on-year on the back of growth in profit after tax (PAT).



Group Financial Highlights

	FYE 2023	FYE 2022	GROWTH
Number of Customers	33,069,875	28,987,074	14%
Number of Cards Issued	25,653,330	21,832,175	18%
Number of active POS Terminals	414,192	233,024	78%
Agents	105,810	93,271	13%
Number of ATM Terminals	2,102	2,108	0%
Number of Branches	447	446	0%

ON-BOARDING CHANNELS

- ZiVA
- USSD (*966*0*#)
- Zenith Mobile App
- www.zenithbank.com
- Zenith Bank ATMs
- Zenith Bank Branches
- Zenith Bank Agents

SHARE HOLDINGS

Number of Shareholders

645,637

PRODUCT INNOVATIONS

- QR Solutions
- Virtual Debit Card
- ZiVA on WhatsApp (07040004422)
- Emergency USSD Code (***966*911#**)
- Biometric ATM operations
- API Banking Service
- ZiVA Stores

SOCIAL MEDIA FOLLOWING

Facebook	6,613,599
Instagram	608,324
X	1,602,239
LinkedIn	242,898
YouTube	37,703,688 *(views)*

The Bank and its Subsidiaries

Zenith Bank Plc. (Parent)
Established: 1990
Branches: 397
2023 FYE PBT: ₦667.7Bn
Total deposits: ₦12,155Bn
Total assets: ₦16,811Bn
ROE: 40%
Staff strength: 6,679

Zenith Pension
Established: 2005
Branches: 2
Zenith ownership: 99%
2023 FYE PBT: ₦9.8Bn
Custody assets: ₦7,649Bn
Total assets: ₦30Bn
ROE: 28%
Staff strength: 131

Zenith Nominee
Established: 2018
Branches: 1
Zenith ownership: 99%
2023 FYE PBT: ₦330M
Custody assets: ₦734Bn
Total assets: ₦2.6Bn
ROE: 11%
Staff strength: 8

Gambia
Established: 2009
Zenith ownership: 80%
Branches: 7
2023 FYE PBT: ₦2.5Bn
Total deposits: ₦46Bn
Total assets: ₦65Bn
ROE: 15%
Staff strength: 143

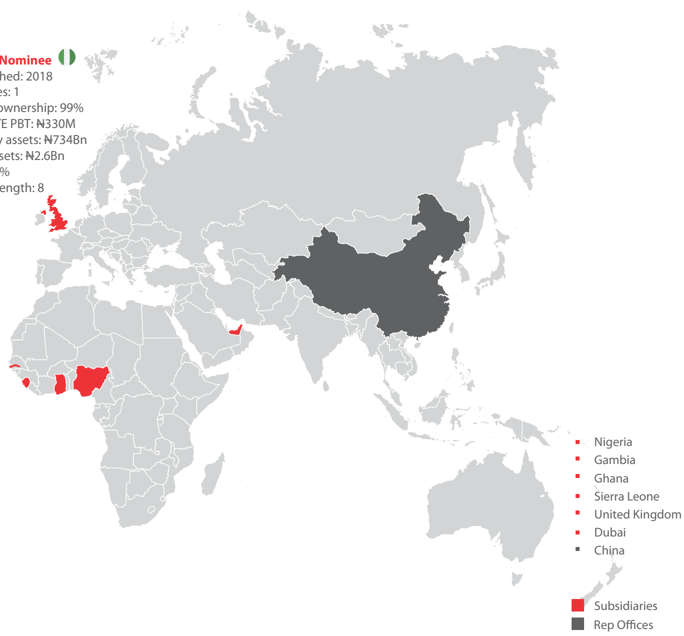
Ghana
Established: 2005
Zenith ownership: 99.42%
Branches: 30
2023 FYE PBT: ₦75.2Bn
Total deposits: ₦938Bn
Total assets: ₦1,176Bn
ROE: 42%
Staff strength: 778

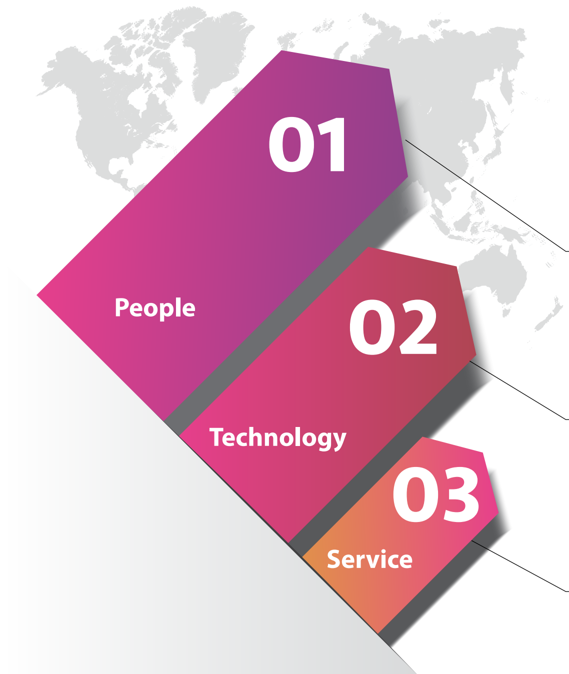
Sierra Leone
Established: 2008
Zenith ownership: 99.99%
Branches: 7
2023 FYE PBT: ₦4.7Bn
Total deposits: ₦45Bn
Total assets: ₦64Bn
ROE: 32%
Staff strength: 168

United Kingdom
Established 2007
Zenith ownership: 100%
Branches: 2
2023 FYE PBT: ₦49.1Bn
Total deposits: ₦2,204Bn
Total assets: ₦2,532Bn
ROE: 16%
Staff strength: 134

UAE
Branch of Zenith UK
Established 2016
1 branch

China
Representative Office
Established 2011





At Zenith Bank , Our people are our most valuable asset. we attract, motivate and retain a highly talented pool of people from diverse backgrounds.

Technology is the core of the business strategy of Zenith Bank. We depoly global best innovative technology infrastructure.

For us at Zenith Bank, the customer is the reason we are in business, and this is not a mere mantra. Exceptional service delivery is at the centre of our operations.

Introduction

Zenith Bank Plc retained its ranking as the number one Bank in Nigeria by Tier-1 capital in the 2023 top 1000 World Banks' Rankings published by the Banker Magazine. The Bank has held this position for the fourteenth year in a row, emerging as the 467th Bank globally with a Tier-1 Capital of $2.54 billion in 2023.

Zenith Bank is an international bank with operations in the United Kingdom, United Arab Emirates and three other West African countries apart from Nigeria, namely, Ghana, Sierra Leone, and The Gambia. In Nigeria, we have a strong franchise and reputation anchored on three pillars: people, technology, and service. The Bank is an industry leader in different key performance measures.

In the last thirty-three years of operations, Zenith Bank has demonstrated a high adversity quotient in the face of economic headwinds and witnessed growth in virtually all areas. Its growth is anchored on strategic business focus and a conservative business model. The combined intellectual capital and dedication of the staff, management and board have shaped Zenith Bank into the world-class financial institution that it is today.

Over the years, the Zenith Bank brand has become synonymous with leadership in the use of Information and Communication Technology (ICT) in banking and general innovation in the Nigerian banking industry.

The Bank has efficiently deployed its competitive edge of excellent customer services, size, brand name, branch network and customer reach, stable management as well as motivated workforce, strong capital and liquidity base to effectively compete in the Nigerian banking landscape. Today, Zenith Bank is easily associated with the following attributes in the Nigerian banking industry:

Corporate Profile & Strategy

Innovation
Good financial performance
Stable and dedicated management team
Highly skilled personel
Leadership in the use of information and communication technology
Strategic distribution channels
Good asset quality

Our Vision

"To build the Zenith brand into a reputable international financial institution recognized for innovation, superior customer service and performance while creating premium value for all stakeholders".

Our Mission

"establish a presence in all major economic and financial centres in Nigeria, Africa and indeed all over the world; creating premium value for all stakeholders"

Our Value

. Integrity .Professionalism . Excellence . Ethics . Commitment · Transparency · Service

Zenith Bank Group is a customer centric, innovative and technology-enabled financial services organisation that is geared towards surpassing its customers' expectations. It focuses and channels its resources only on its core business segments, international subsidiary businesses, its pension/custodian services and nominees business only.

a) Core Business Segments

The Bank's core business segments provide a broad range of banking products and services to both corporate and retail customers.

These business activities are conducted through the following business units:

- Institutional and Investment Banking
- Corporate Banking
- Commercial/SMEs
- Retail Banking
- Public Sector Banking

Institutional and Investment Banking

The Institutional and Investment Banking Unit (the "IIBU") manages the Group's business relationship with other banks, financial institutions, multilateral agencies, securities houses, insurance companies, asset management companies and other non-bank finance companies, private equity and venture funds.

The unit through its Treasury sub unit provides ancillary services such as market-marking, derivatives trading, fixed income instruments, foreign exchange, commodities and equity securities and manages the group's correspondent banking relationships. The Treasury sub-group works closely with branches and various business focus groups as well as corporate customers and pension funds to deliver currency and fixed income solutions tailored specifically for their needs. The Treasury sub-group focuses on creating wealth while mitigating interest rate and foreign exchange risks for the Zenith Group and its customers. It offers the Group's customers a broad array of money market and foreign exchange services that enable them to carry out their business operations locally and internationally. The Treasury sub-group's activities are carried out tthrough four units: the Liability and Deposit Management Unit, Bonds Trading Unit, Foreign Currency Trading Unit and the Correspondent Banking Unit.

Corporate Banking

The Group's Corporate Banking business unit offers a wide variety of services to multinationals, large local conglomerates and corporate clients. The unit is focused on providing superior banking services and customized banking products to the top tier of the market. It is primarily focused on attracting, building and sustaining strong enduring relationships with its target market through the provision of innovative solutions together

Corporate Profile & Strategy

with excellent customer services to meet clients' banking needs.

It also looks at promoting the businesses of these corporate clients through the provision of services to the various stakeholders within the value chain of these corporate clients. This is aimed at building long-term relationships and partnership with our clients.

Within Corporate Banking, industry specific desks or sub-units exist to facilitate the efficient and effective management of the relationships with the unit's corporate customers. These sub-units include;

a) Transport and Aviation,

b) Conglomerates

c) Breweries & Beverages

d) Oil and Gas

e) Power, Infrastructure and Construction

f) Telecommunications and Fintechs

Commercial/SMEs

The Commercial/SME unit focuses on all small, medium and micro enterprises (MSMEs), and other commercial businesses which also includes all unincorporated entities (such as societies, clubs, churches, mosques etc).

It offers loans and advances in the form of overdrafts, import finance lines, term loans and leases to the customers especially those involved in the sales and distribution of fast-moving consumer good items and key distributors to major manufacturing companies. Credit facilities offered by the unit are priced higher than those extended to corporate or institutional banking customers to compensate for the relatively higher risk.

The Group offers a wide range of generic banking services and products to meet the needs of the customers in this sub-sector. These include various lending and deposit products such as working capital lines (overdraft, invoice discounting, invoice/contract financing, stock financing, etc), lease finance lines, Bonds and Guarantee lines, current account, domiciliary accounts, and fixed deposit accounts. Ancillary services rendered to this sub-sector include; local drafts issuance, local inter/intra bank funds transfers payroll services, bill payments, safe custody, duty/tax payments and remittances and so on. The group aims to build a value chain synergy between this sub-sector and the corporate banking clients thereby promoting businesses across the various business units.

SME Grow My Business

Small Medium Enterprises (SME) is the growth engine of every economy and Nigeria is no exception. Our SME Grow My Business (SME-GMB) is a platform through which the bank connects the SME segment. During the year in May 2023 precisely, the bank introduced the Zenith Bank SME Learning Series, a monthly learning webinar where industry experts in various fields connect with our SME customers and non-customers to help them make sense of burning topics to drive efficiency, productivity, and profitability in managing their businesses.

The Group's Micro Small Medium Enterprises (MSME) business has continued to grow on the upward trajectory.

MSMEs remain the growth engine of any developing economy especially, contributing significantly to the Nigerian GDP. MSMEs therefore provide a huge base to deliver value innovation and offer compelling propositions and engagements for business growth and contribute more to National Development.

On the back of this development, the bank revamped SME Grow My Business (SME-GMB) for MSMEs to better manage their business, become more competitive and get more visibility in the market across the web and digital platforms, drive efficiency and improve revenue.

To achieve these and thereby fulfill this renewed commitment to support smaller businesses, the bank is collaborating with service providers, digital and technology companies in partnerships that focus on addressing the major challenges of this sector - providing digital skills and sector-based trainings, offering business solutions and tools that help businesses find customers and build loyalty, access to business loans in a swifter manner as well as earn savings from discounted business expenses.

These in addition to the adoption of our **customized SME card,** enrollment on our electronic channels of **Zenith Mobile App, Corporate Internet Banking and e-collection solutions** gradually sets the tone for small businesses to commence own digital transformation, at their pace.

In 2023, we conducted six (6) episodes of the SME Learning Series, which were held every last Thursday of the month. Over 15,000 participants registered. Topics covered areas such as tax laws, compliance, and payment; digital marketing and SME growth, the A to Z of non-oil export, importance of structure in managing your business etc. Additionally, the bank held a dedicated session for women entrepreneurs for two (2) days in the month of April to empower women in financial and business management.

Retail Banking

The Group's strategic objective is to become the leading retail bank in Nigeria. To this end, our key strategic drivers are customer engagement and value innovation. The Group provides retail banking products and services through its extensive branch network and ever widening array of digital channels driven by cutting edge technology. The Group's retail strategy is segmented into two categories namely; PRESTIGE (rich and affluent) and WAVE (retail affluent, core middle, and mass). Retail customers are classified into these segments based on their annual earnings.

These two broad segments drive the Group's design of retail deposits products and services which range from standard to specialized savings, current, domiciliary and investment accounts.

Zenith Bank stands tall as the vanguard of innovation, reshaping the contours of banking with ground breaking initiatives that redefine the very essence of financial services. A handful of these innovations include:

A. Agency Banking 2.0

Our Agency Banking Business was launched to cater for the financially excluded segment of the Nigerian populace and support government efforts in the reduction of the poverty level in country through financial education and inclusion. In just four years of the launch of the platform, the bank has onboarded over 100,000 agents, over 5 million accounts have been opened through the agents' channel, a value of N2.65 trillion have been consummated through the agents in 165 million transactions, and the bank has paid over N10billion in commissions to our agents. We also engage the agents in regular training on various government policies, customer service and various business growth strategies.

To ensure that we continue to serve our customers very well through the agents. The agency banking platform was revamped during the year via the launch of Agency Banking 2.0, which now separates the functionality of the Agency Business from our Core Banking platform. The revamped platform gives more capability and agility and provides the following innovations which has helped us to compete with modern fintech companies which includes: 99% System Up-time, Instant Settlement, Auto Reversal of Failed Transactions, Zero Charge-back and Improved Complaint Management Module.

Agency Banking 2.0 has further increased successful daily transaction counts, merchant onboarding on the agency payment collection platform and enhanced market acceptance.

B. Youth Banking

Our Youth Banking segment is a fusion of two (2) youth products of the bank: Zenith Children's Account (ZECA) for children 0 - 15 years and Aspire for young adults, 16 - 25 years. The key value proposition is to inculcate in the children the act of saving from an early age. New variants of ZECA and Aspire were launched in the year, ZECA Save and Aspire Lite. ZECA Save and Aspire Lite are designed specifically for the financially excluded thus requiring minimum KYC documentation. New developments in the youth segment include:

Corporate Profile & Strategy

The Zenith Quarterly Financial Literacy Training in secondary schools was launched to drive awareness and growth of ZECA and Aspire customer base. 222 schools were visited with 120,000 students trained nationwide. 222 students were rewarded with scholarship funds of N50,000 each as overall best in academic performance.

ZECA on Radio was introduced in the year to promote awareness of our children's products. ZECA on radio is a 15-minute edutainment program sponsored by Zenith Bank in which children, 9 to 15 years, supported by their parents, family, or teacher attempt to answer quizzes in varying areas in bid to win a gift pack. Additionally, winners from the program have their ZECA account opened and activated with N5,000.

It is currently aired on Inspiration FM stations in Lagos, Ibadan and Uyo and City FM in Lagos.

The Primary Health Care Centre (PHCC) initiative was introduced also to drive awareness and growth of our ZECA offerings. We successfully engaged over 3,000 nursing mothers and their children in about 20 PHCCs in Lagos, Rivers and Bayelsa states. This was targeted at sensitizing them on the need to save for their children's future. In the course of this field engagement, the bank also donated hospital equipment, bedsheets, facemasks, medical gloves, hand sanitizers and support the rehabilitation efforts of some of the PHCCs.

Other specialized products include the Zenith Children Accounts (ZECA), Save 4 me (savings support for future goals), Individual Current and Savings Accounts, Easysave Classic and Premium Accounts (financial inclusion customers), Aspire Savings Accounts (tertiary institution students), Timeless Accounts (senior citizens) and Platinum and Gold Current Accounts (high net worth individuals) etc.

Also, the Group offers a wide range of digital products and services such as internet banking, mobile banking services (mobile app), *966 EazyBanking, Zenith Scan to Pay, EazyMoney etc. Furthermore, the Group offers other channels such as ATMs, cards and POS terminals which have been designed to meet the ever-changing needs of the retail segment of the banking industry.

In addition, the Group offers credit products including personal loans, advances, mortgages, asset finance, and credit cards through our traditional channels.

The Group recognizes that attracting, winning and retaining this segment of customers is through the development of customer value propositions (CVPs) unique to each customer sub-segment. To ensure effective delivery of these CVPs through branches as well as through digital channels, the Group employs advanced analytics to identify micro segments and customer spending patterns. Also, in order to maximize customer acquisition, customer growth and customer retention, the Group constantly carries out environmental scanning and closely monitors key trends in the retail industry.

The Bank is deepening and revamping its agency banking services and networks across every location in the country. The Bank has on-boarded about 105,882 agents as at 31st December 2023. This is to service mostly customers who might not be able to visit a bank branch because of distance. These agents provide access to basic financial services such as account opening, cash-in, cash-out, bills payments and electronic transfers.

Also, the Group collaborates with selected FinTechs and Micro Finance Banks to make the Group's innovative products and services available to their customers and vice versa.

The Group regularly reviews its retail strategies to ensure efficient execution with a view to tracking key retail performance metrics on the journey to becoming the leader in the retail space in an ever-changing banking landscape.

The Group will continue to leverage on cutting edge technology to deliver best in class retail products and services that will be adapted to the digital demands of retail customers. The Group will also continue to enable market leading capabilities, developing best-in-class digital products and solutions as well as increasing speed to market supported by agility of innovation.

Public Sector Banking

The Public Sector Group (PSG) provides services to meet the banking needs of all tiers of government (federal, state and local governments), ministries, departments and agencies, The focus of the PSG business is all institutions operating under the auspices of Government, including those within the executive, legislative and judiciary branches, and at the Federal, State and/

or Local Government levels. Some of the products and services offered to the public sector include revenue collection schemes, cash management, deposit and investment, electronic payroll systems, offshore remittances and foreign exchange and project finance.

b) Overseas Subsidiaries

The Group's overseas subsidiaries carry out banking operations, providing traditional banking products and services tailored to meet the needs of those customers who are either located in countries where the subsidiaries are based or who have a business presence in such locations. Each of the Group's overseas subsidiaries act as intermediary between the financially surplus and deficit units in their locations, offering a wide range of products and services to attract deposits and extend loans and advances. The Group's overseas subsidiaries include the following:

Zenith Bank UK Limited

Zenith Bank UK Limited ("Zenith UK") leverages on trade and investment flows between Nigeria and Europe to intermediary banking services which include post shipment finance, back-to-back letters of credit, standby letters of credit and contract guarantees. Zenith UK also provides facilities for working capital and capital expenditure directly to Nigerian borrowers through participation in syndicated loans. The subsidiary acts as the contact point for correspondent banking relationships with Nigerian and other West African banks by providing facilities for letter of credit confirmation and treasury products.

The operational mandate of Zenith UK also enables it to source deposits from institutions such as parastatals, corporate and institutional counterparties to support its funding needs. Through effective treasury management, Zenith UK trades in fixed income instruments which include government and institutional bonds and certificates of deposit. Zenith UK also has a wealth management unit which is dedicated to offering long-term investment advisory and wealth management solutions to its customers.

Zenith Bank West African Subsidiaries

Zenith Bank (Ghana) Limited, Zenith Bank (Sierra Leone) Limited and Zenith Bank (The Gambia) Limited make up our West African subsidiaries. They provide comprehensive trade services to major global corporations and medium sized enterprises operating in the region. With the support of the parent company and Zenith UK which operate an account with Citigroup, the West African subsidiaries have both a global reach and local market knowledge which allows them to provide high quality importing and exporting intermediary services to to their respective customers. Solutions are customized to each subsidiary's customers' needs, integrating letters of credit and other trade finance alternatives or products for an end-to-end trade proposition.

The West African subsidiaries source deposits from retail, corporate and institutional customers to support their respective funding needs. Each subsidiary also lends to customers in different sectors of their respective economies, through term loans, short term overdrafts, trade finance facilities and bonds and guarantees. Investment in fixed income instruments such as treasury bills, government and corporate bonds also form part

Corporate Profile & Strategy

of the banking activities carried out by each of the West African subsidiaries.

c) Pension and Custodial Services

The Group's Pension Custodian services business is conducted through Zenith Pension Custodians Limited ("Zenith Pensions") which offers pension management and custodian services to pension funds administrators (PFAs). As at 31 December 2023, total funds under its custody amounted to approximately N7.65 trillion. Zenith Pensions has 135 funds under its custody. The main service offerings provided by Zenith Pensions include; collecting pension contributions, paying beneficiaries from their respective retirement saving accounts, safe keeping of assets, managing real estate assets of the funds under its custody and the settlement of transactions in financial investments such as equities, bonds, and treasury bills. Zenith Pensions also provides administrative and record-keeping services to the funds under its custody on a day-today basis.

d) Zenith Nominees Limited

Zenith Nominees Limited provides nominees, trustees, administrators, and executorship services for non-pension assets. It started operations in 2018. As at 31 December 2023, total funds under its custody amounted to approximately N724 billion.

Strategic Objectives

The strategic objectives of Zenith Bank remains the continuous improvement of its capacity to meet the customers' changing and increasing banking needs as well as sustain high quality growth in a volatile business environment through:

- Increasing investment in technology infrastructure that brings banking services to all nooks and crannies of the nation with the use of agents ensuring our banking services can reach the last mile.
- Continuous investment and deployment of state of the art technology and ICT platform
- Continue to seek, employ and retain the best personnel available
- Continuous investment in training and re- training of our personnel
- Maintain and reinforce our core customer service delivery charter
- Sustain strong profitability and ensure adequate Return on Equity (ROE)
- Remain conservative but innovative
- Sustain strong balance sheet size with adequate liquidity and capital base
- Sustain our brand and premium customer services
- Cautious and synergistic global expansion
- Remain customer service focused
- Continuous emphasis on use of technology as a competitive tool
- Maintain strong risk management and corporate governance practices

Locally, branches will continue to be located at commercial business districts in all the states of the federation, taking into consideration the existence of the following:

- Commercial activities, enough to ensure that the branch breaks even within a year.

  Strategic positioning and location of branches and business offices (i.e. ensuring that the branches are located in areas having similar business lines to facilitate needed synergy).
- Densely populated locations with little infrastructures to drive financial inclusion through our agency banking network.

Our international outlook will focus on consolidating our presence in our selected African and European markets while we continue to evaluate opportunities in other markets as well.

The key strategies that will be used to drive our vision and mission are as follows:

1. Continue to deliver superior and tailor-made service experience to all our customers at all times
2. Continue to develop deeper and broader relationship with all clients and strive to understand their individual and industry peculiarities with a view to developing specific solutions for each segment of our customer base
3. Continue to expand our operations by adding new distribution channels especially in the digital space
4. Consolidate our leadership as a banking service provider

in Nigeria by continuing to build on long standing relationships, capabilities and the strength of our brand and reputation to drive our international business network expansion

5. Continually enhance our processing and systems platforms to deliver new capabilities and improve operational efficiencies and achieve economies of scale.

6. Maintain strong risk management and corporate governance culture

7. Ensure proper pricing of our products and services

8. Increase our market share of retail banking customers and deploy our E-business tools and enhanced customer service

9. Develop compelling customer value proposition (CVP) for our various customer segments that ensures we can optimize our average revenue per customer.

10. Continuous investment in technology infrastructure that is essential to support our growing retail customer base and further strengthen our existing payment platforms to increase digital banking and respond appropriately to the cashless policy necessitated by the naira redesign

11. Increasing corporate finance activities to boost fee income

12. Leveraging on our existing branch network to drive our product delivery and deposit liability growth

13. Leveraging on our understanding of specific trade and correspondent banking requirements to drive business relationships with banks and financial institutions in the West African sub region to encourage them to use our foreign subsidiaries for businesses they are currently transacting with other banks

14. Generating more foreign exchange to support our trade business by focusing on non-oil export customers' business. During the year the Bank held an International Trade Seminar (Non-Oil Export) with the theme: "The Nigerian Non-Oil Industry. The Present, The Future. The seminar was held on the 8th August 2023.

15. Continue its leadership of the corporate banking business in its chosen territories, ensuring our customers receive best-in-class services and maximize returns of all stakeholders

16. Our foreign subsidiaries will target companies that currently have trade partners in Nigeria and other locations where we have presence across the globe and process their trade transactions through the Zenith Bank network. This approach is aimed at encouraging cross border marketing and the routing of a portion of their international trade transactions through the Group. The idea is to demonstrate to the local companies that their relationship with Zenith Bank in their country and dealing with Zenith Bank in another country will be mutually beneficial.

    "Our Strategic Plan is part of a process of our development, and attempts to engender a commitment to continuous improvement, by focusing and harnessing the energies of everyone in the group. We believe that the concepts of strategic readiness, life-long learning and community engagement encourage and support quality in all aspects of the Bank's performance."

17. Investment in core banking infrastructure and other banking systems infrastructure to position the bank for the future as it expands and grows its business across the commercial and retail segments.

18. The lending businesses in all our subsidiaries will focus primarily on international and export trade transactions. It will involve discounting international trade bills for companies and also providing short-term credits to financial institutions that use the bank as their correspondent bank.

During the year the Bank hosted its third edition of the Zenith Bank Tech fair on the 22nd and 23rd November 2023, with the theme, "Future Forward 3.0". The major objective of the tech fair is to provide global and local technology brands the platform to showcase their leading and disruptive technologies. The Technology fair comprised of 3 major events namely,

Corporate Profile & Strategy

presentations and discussions by participants, tech exhibitions, and hackathon (christened "Zecathon").

MARKET AND BUSINESS STRATEGY

The strategic objectives of the Group in the next five years include:

- to be amongst and remain one of the top tier banks in Africa in terms of profitability, balance sheet size, risk assets quality, financial stability, and operational efficiency.

- Exploring viable market entry/expansions into European and Sub-Saharan African markets to further provide a bridge/platform for consummating our existing customers' transactions across Africa and Europe while also acquiring new customers in the new geographical regions. The Bank has signed a Memorandum of Understanding with the French Government to seek and secure the requisite approvals from the French Banking regulator to establish a strategic presence in France.

- The Group has obtained an approval in principle from the Central Bank of Nigeria (CBN) to have a financial holding company ("HoldCo") that will allow it to continue providing commercial banking and other services permitted and regulated by the CBN and to explore other strategic non-banking services that are regulated by other financial regulators. The HoldCo structure and arrangements would be concluded and announced in the future.

- Creating a digital one-stop payment ecosystem that that can service the payments and collection needs of our teaming MSMEs in the Sub-Saharan African markets.

- The Group will look to strengthen its retail banking business by consolidating on its retail banking transformation exercise which has significantly grown its retail banking revenue, deposit liabilities and risk assets and continue to obtain a significant share of the retail banking industry in Nigeria.

- Improving its capacity to meet its customers' changing and increasing banking needs as well as sustain high quality growth despite the volatile business environment.

Enhancing the Group's internal operating systems to reduce costs

The Group expects to continue its drive to deploy the latest innovations in banking technology in order to maintain its position at the forefront of the changing banking landscape in Nigeria. In addition, the Group will aim to enhance its systems and internal procedures, to be able to improve its levels of customer service by delivering improved operational capabilities and efficiencies, whilst at the same time achieving economies of scale.

The Group's increased deployment of digital channels and agency banking means more customers can carry out banking transactions without visiting its branches, thereby reducing operating costs. From an internal operating perspective, the Group has automated most of the operational activities, such as cheque confirmation and clearing processes, account opening processes, credit administration process and internal audit processes. These automated processes have started yielding results in the form of reduced turnaround times in all operational activities as well as a reduction in operating costs.

In addition to the above, other strategies that have been adopted to streamline our cost include:

Business Locations

As at 31 December 2023, the geographical spread of the Group's business locations is as follows:

Geographical Locations	Branches	Cash Centres	Non-Banking Operations
Federal Republic of Nigeria	397	155	3
Republic of Ghana	30	10	-
United Kingdom	2	-	-
Sierra Leone	7	1	-
The Gambia	7	-	-
China Representative Office	1	-	-
Total	**444**	**166**	**3**

As shown above, the Group also has 166 off- site locations, strategically located in various commercial centres around Nigeria and the African countries in addition to its network of branches. These off-site locations comprise small business offices such as kiosks/cash offices and are located in the airports, university campuses, large shopping malls or the premises of core customers of the Group. These off-site locations only offer deposit taking services and would eventually diminish in number as the CBN makes mores progress on cashless policy. However, we expect an increase in e-centres and kiosks where various electronic transactions can be consummated as well as agents for its financial inclusion customers.

ATM network

The Group has a total of 2,102 ATM branches and strategic machines with 2,019 in Nigeria, 65 in Ghana, 13 in Sierra Leone and 12 in The Gambia. The ATM Machines located in locations such as airports, university campuses, large shopping malls and premises of large manufacturing firms employing large numbers of workers. Due to collaboration and shared services arrangements which the Bank has with other banks, ATM cards issued by the Bank are accepted by the ATM machines of other institutions.

Collaborating with training companies to redesign our training needs into an electronic format that allows it to be deployed electronically to all our staff (by so doing de-emphasizing classroom and physical trainings) and thereby improving efficiency and lowering training costs, power and energy costs.

The Bank also collaborates with other card issuing agencies to offer internationally recognised cards, such as MasterCard, Visa and Verve, in different currencies to their customers.

In addition, the Bank has enrolled in the pilot scheme of the new national domestic card called "Afrigo". The card is a domestic card that will be available over all channels and will perform local transactions only. The card will be launched fully in 2024.

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Distribution Channels

Other distribution channels which the Group uses include electronic and digital channels which offers products and services, including electronic fund transfers at points of sale (POS), telephone banking, internet banking, visa telebanking, mobile banking, agency banking and the Group's call centres.

Furthermore, in addition to being able to use its branches, ATMs, and the network of third-party ATMs available throughout Nigeria under arrangements between the Banks and third-party vendors, the Group's customers are currently entitled to use the Bank's card products to pay for goods and services at trade service outlets throughout Nigeria and also online shopping.

The Group has invested significantly in software which enables electronic product platforms to interface with core banking applications, hardware to enable data storage and to improve processing speed and in training of its IT staff. [The Group has also developed electronic delivery systems in to implement multiple delivery channels to its customers, including its ATM networks, on mobile devices and over the internet.] The Group's range of internet and mobile banking products and services offer customers services such as collections and remittances of bills (including utility bills), real time internet banking, purchase of mobile phone airtime, funds transfers, cheque requisitions and confirmations, balance enquiries, transfer of/ receipt of funds between Visa Credit Cards and Prepaid Cards, and statement services.

Specific electronic products offered by the Group include:

- **Zenith Scan to Pay** – this is a quick response (QR) code solution which involves customers scanning merchants QR displayed in their stores or on their websites using a smart device;

- ***966*911#** – this is a distress code to be dialed by Zenith customers to automatically block their accounts where customers' smart phones has been stolen or privacy details have been compromised.

- ***966*60#** –this allows you to perform other self-service. These include retrieve card PIN, Block Cards, manage card less withdrawal, select preferred USSD account to debit, perform transaction above N100k via USSD subject to signing an indemnity, activate agent banking activities i.e cash in and cash out and perform USSD on POS.

- **USSD on POS** – This allows customers to make payments at merchant stores using *966eazybanking even without their payment cards (debit, credit, prepaid);

- **Corporate i-Bank** - a secure online solution that allows corporate customers to carry- out banking transactions on the internet;

- **Zenith Payroll (Branch i-Bank)** – automates the [end-to-end] payroll process of the Group's customers which eliminates the manual processes involved in the generation of monthly payroll while also remitting funds electronically to staff accounts. The platform provides, database backup, payroll reports, customization option, secure payment authorization and salary payments.

- **Xpath (Customised Branch Collections)** allows customers to collect or receive remittance from their key distributors and customers through any branch of the Group. The platform also enables customers to capture specific information relating to their account. Other features of the product include the provision of electronic receipts, PIN Vending and direct integration;

- **Internet Banking** - a real-time solution that provides customers with access to their account 24 hours a day, 7 days a week via the internet;

- **EaZymoney,** Zenith Bank's mobile money platform is a wallet payment solution that allows customers make withdrawals (cash- out), make deposits (cash-in), transfer funds, pay bills (DSTV, Electricity etc.) make purchases and top up airtime using their mobile phones.

- **EaZymoney** is a virtual account (also called an Eazymoney wallet) created for the subscriber. With this solution, the subscriber's mobile number will be the account number. Payment for goods and services, cash withdrawals and deposits can be done from this mobile number through different channels.

- **Global Pay** - a convenient, flexible and secure platform for receiving payments through the internet. This platform accepts multi-currency transactions and also provides online transaction monitoring capabilities; and Electronic Multicard – this product enables merchants to receive payments from customers when they use a bank card issued either by the Group or another institution recognised by Group on this platform. The platform provides additional benefits to customers as it enables merchant to accept payment after banking hours, provides online transaction monitoring, can be customised to capture specific data and provides an alternative mode of payment.

- **The Zenith Bank Virtual Card** - The Zenith Bank Virtual Card is specifically designed for web transactions and can be used to shop online (accepted locally and internationally), pay bills and subscriptions etc. The Zenith Bank virtual card can be used over Internet Banking and the USSD platform (*966#).

- **Visa Telebanking** – this innovative offering on the bank's website allows customers to transfer/receive funds between Visa Credit and Prepaid Cards. It provides real time option for funds transfer between different parties and allows you to use your Visa Card account online.

- ***966 EazyBanking** - is a convenient, fast, secure, and affordable way to access your bank account 24 hours a day, 7 days a week through your mobile phone without internet data and is available to all individual account holders with any phone that runs on the GSM platform and runs with debit cards.

- **Aspire Lite** is a new product specifically designed for customers who are between 16–25 years and are willing to open an Aspire account but unable to provide the necessary documents (valid ID/Admission letter/school ID).

- **Wallet on CEVA** is an additional service to agency banking platform. The services available are; withdrawal on wallet, and deposit on wallet at agent locations.

- **The Zenith Intelligent Virtual Assistant (ZiVA)** enables banking services to be offered on WhatsApp, and subsequently across other social media platforms. It leverages artificial intelligence to provide transactional and support services to customers of the bank such as bills payment, funds transfer, account opening, balance check, dispute log and other value-added services. ZiVA is designed for existing and prospective individual account holders, who today have adopted the WhatsApp platform as preferred destination for online banking services. It is a reliable, convenient, and more "personal" medium of performing basic banking transactions, on their mobile devices. The launch is a response by the bank to banking on social media.

- **The Zenith Mobile App** was more recently upgraded to include features that make banking more interactive, intuitive, seamless, exciting, and productive. Life really has become mobile. The market keeps experiencing a significant movement in terms of volume of transactions on the mobile applications. The mobile have become an everyday necessity, and banks are constantly raising the bars. Most of the mobile banking applications have become full-fledged and service mobile banking powerhouses. They provide many of the same banking services as a brick and mortar bank without the long queues and long waits.

- **Pay with Transfer on POS'** terminal is an industry first, pioneered by the Bank in 2021. This leverages the advantage in the market today where customers have adopted transfers as a faster means of making payments for goods and services, person to person and person to business. The POS typically today allows for only card payments on the terminals.

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Corporate Profile & Strategy

SME Arena is a one stop shop for business owners to enjoy product and services, discounted offerings from selected partners from SME Arena

- **SME Business Card** is a debit card that help SMEs distinguish personal expenses from business expenses. It also offers discounted prices at select merchant locations.

- **Net Pos 2-in-1** is a portable dual function android device that acts as a mobile phone and means of card payment collections for SMEs. However, this service enables transfers to the POS and a receipt is generated afterwards as proof of payment, thus eliminating dispute situations of non-receipt or confirmation of payment for goods and services at merchant's locations. This service is cardless and contactless payment, keeping with the realities of our time which the COVID 19 pandemic has thrown at the market.

At Zenith Bank, we continue to push the boundaries in digital banking. During the year, we launched T**abul by Zenith**, a cutting-edge solution designed to transform customer experience at restaurants by simplifying the ordering and payment process for diners. With this solution, customers are able to scan the Quick Response (QR) codes displayed on the table, place orders from the restaurants' menu and make payments within that experience using payment Cards, Transfers, USSD banking or QR payment. This secure ordering and payment option enhances the dining experience, increases operational efficiency, and boosts revenue for restaurants.

In addition, the Bank launched the **ZMandate solution**. This is a Direct Debit Mandate Management service that enables a customer to initiate a direct debit mandate/ instruction through a merchant to offset an obligation on a due date (weekly, monthly or yearly). This service enables merchants receive payments directly from the Bank account of their customers, for goods/ services rendered. It is based upon a mandate signed by a customer, authorizing the merchant to debit its account for services enjoyed. With this solution loan repayment, pension payment, cable subscription and other such periodic payments are automated for repayment by the user/subscriber.

Bills Payments through digital platforms also took centre stage during the year. With more people requiring ease of payment for utilities and services, the Bank deployed electricity vending services for some major distribution companies on the Mobile and USSD banking platforms. Other categories of billers deployed on the Mobile Banking platform include Embassy Fees, Fast Moving Consumer Goods (FMCGs), Cable Television and Betting Companies. Similarly, considering the growing interest in the Nigerian export industry, the Bank was intentional in increasing the number of shipping companies whose services can be accessed through the Bank's Corporate

Internet Banking platform. This guarantees both speed of payment and efficiency of processes.

Beyond deploying bespoke customer centric solutions, the Bank has been working to develop the digital ecosystem of the country. The Bank currently collaborates with the biggest Financial Technology Companies (Fintechs) to offer solutions that are helping to deepen financial inclusion such as Managed virtual accounts, payment gateway services and card co-branding. Furthermore, through her annual Technology Fair, (Zenith Tech Fair) the Bank has been investing in startups, providing mentorship, access to market and funding (in the form of rewards). Zenith Bank is deliberate about its drive for digital innovation through collaboration and co-creation.

Notice of Annual General Meeting

Notice is hereby given that the Thirty-third Annual General Meeting of Zenith Bank Plc will hold on Wednesday May 8, 2024 at the Civic Centre, Ozumba Mbadiwe Street, Victoria Island, Lagos at 9.00am for the purpose of conducting the following business.

ORDINARY BUSINESS

1. To present to members the Bank's Audited Financial Statements for the financial year ended December 31, 2023, the report of the Directors, Auditors, and Audit Committee thereon.

2. To declare a final dividend.

3. To elect Dr. Juliet Ehimuan as a Non-Executive Director.

4. To re-elect the following Directors who retire by rotation.

   (i) Dr. Al-Mujtaba Abubakar
   ii) Dr. Omobola Ibidapo-Obe Ogunfowora
   iii) Mr. Henry Oroh

5. To authorize the Directors to fix the remuneration of the Auditors.

6. To disclose the remuneration of the managers of the bank in line with the provisions of the Companies and Allied Matter Act, 2020.

7. To elect members of the Audit Committee.

SPECIAL BUSINESS

8. That Engineer Mustafa Bello who has attained the age of 70 years since the last general meeting be re-elected as a Non-Executive Director of the bank.

9. To consider and if thought fit to pass the following as Ordinary resolutions That the remuneration of the directors of the Bank for the year ending December 31, 2024 be and is hereby fixed at N40 Million Only for each Director.

10. That the issued Share Capital of the Company be and is hereby increased from N15,698,246,893.50 (Fifteen Billion, Six Hundred and Ninety Eight Million, Two Hundred and Forty Six Thousand, Eight Hundred and Ninety Three Naira, Fifty Kobo Only) divided into 31,396,493,787 (Thirty One Billion, Three Hundred and Ninety Six Million, Four Hundred and Ninety Three Thousand, Seven Hundred and Eighty Seven Naira) Ordinary shares of N0.50 Kobo each to N31,396,493,787 (Thirty One Billion, Three Hundred and Ninety Six Million, Four Hundred and Ninety Three Thousand, Seven Hundred and Eighty Seven Naira) by the creation of 31,396,493,787 (Thirty One Billion, Three Hundred and Ninety Six Million, Four Hundred and Ninety Three Thousand, Seven Hundred and Eighty Seven) ordinary shares of N0.50 Kobo each ranking pari-passu with the existing ordinary shares of the Company.

11. That the Board of Directors of the Company be and is hereby authorized to establish a capital raising programme in the Nigerian or International capital market of up to the authorised capital of the company, through the Issuance of ordinary shares, or preference shares, whether by way of a public offering, private placement, rights issue or both, or any Other method or combination of methods, in such tranches, series or proportions and at such dates, and conditions as may be determined by the Board subject to obtaining the requisite regulatory approvals.

12. That in the event of a Rights Issue, any shares not taken up by existing shareholders within the period stipulated under the Rights issue may be offered for sale to Other interested shareholders of the Bank on such terms and conditions as may be determined by the Directors subject to the approvals of the relevant regulatory authorities.

13. That Clause 6 of the Company's Memorandum of Association and Clause 9 of the Company's Articles of Association be and are hereby amended to reflect the new share capital of N31,396,493,787 (Thirty One Billion, Three Hundred and Ninety Six Million, Four Hundred and Ninety Three Thousand, Seven Hundred and Eighty Seven Naira) by the creation of the addition of up to 31,396,493,787 (Thirty One Billion, Three Hundred and Ninety Six Million, Four Hundred and Ninety Three Thousand, Seven Hundred and Eighty Seven) ordinary shares of N0.50 Kobo each ranking pari-passu with the existing ordinary shares of the Company bringing the total issued shares of the Company to 62,792,987,574 (Six Two Billion, Seven Hundred and Ninety Two Million, Nine Hundred and Eighty Seven Thousand, Five Hundred and seventy Four) ordinary shares of N0.50 Kobo each.

14. That at the conclusion of the Capital raising programme, the Directors be and hereby authorised to cancel any outstanding shares not required for the programme.

15. That the Directors be and are hereby authorised to appoint such professional parties and advisers, work with any

company or group and perform all such other acts and do all such other things as may be necessary to give effect to the above resolutions, including without limitation, complying with the directives of any relevant regulatory authority.

Dated this 8th day of April, 2024.

NOTES:

1. **PROXY:**
A member of the company entitled to attend and vote at the general meeting is entitled to appoint a proxy in his stead. All instruments of proxy should be completed, stamped and deposited at the office of the Company's Registrars, Veritas Registrars Limited, 89A, Ajose Adeogun Street, Victoria Island, Lagos State not later than 24 hours before the time of holding the meeting. Additionally, Shareholders may nominate any of the Directors as proxy.

Note however that a proxy need not be a member of the company.

2. **Live Streaming Link**
The Annual General Meeting which will be live-streamed at www.zenithbank.com/33AGM, will also be available on the Company's website at www.zenithbank.com and other social media platforms for the benefit of Shareholders.

3. **Closure of Register of Members**
The Register of Members and Transfer Books of the Company will be closed on April 26th, 2024, to enable the Registrar prepare for the payment of dividend.

4. **Dividend Warrants**
If approved, dividend warrants for the sum of N3.50K for every share of 50K (bringing the total dividend for the financial year ended December 31, 2023 to N4.00K) will be paid via e-mandate on May 8th, 2024, to shareholders whose names are registered in the register of members at the close of business on April 25th, 2024. Shareholders are advised to forward particulars of their account details to the Registrar to enable direct credit of their dividend on same day. Note however, that holders of the Company's Global Depository Receipts listed on the London Stock Exchange will receive their dividend payments after the local payment date.

5. **Audit Committee**
In accordance with Section 404(6) of the Companies and Allied Matters Act, 2020, any shareholder may nominate another shareholder for appointment to the Audit Committee. Such nomination should be in writing and should reach the Company Secretary at least 21 days before the Annual General Meeting.

6. **Rights of Shareholders/Securities' Holders to ask Questions**
Shareholders/Securities' Holders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such questions must be submitted to the Company on or before May 8th, 2024

7. **Unclaimed Dividend Warrants and Share Certificates**
Shareholders are hereby informed that a number of share certificates and dividend warrants have been returned to the Registrars as "unclaimed". A list of all unclaimed dividend will be circulated with the Annual Report and Financial Statements. Any member affected by this notice is advised to write to or call at the office of the Bank's Registrars, Veritas Registrars Limited, Plot 89A, Ajose Adeogun Street, Victoria Island, Lagos during normal working hours.

8. **E-Dividend**
Notice is hereby given to all shareholders to open bank accounts for the purpose of dividend payment in line with the Securities and Exchange Commission (SEC) directives. Detachable application forms for e-dividend and e-bonus are attached to the Annual Report to enable all shareholders furnish the particulars of their bank accounts/CCS details to the Registrars as soon as possible.

9. **Profile of Directors**
The profile of all Directors are contained in the Annual Report and also available for viewing on the bank's website, www.zenithbank.com.

By Order of the Board

MICHAEL OSILAMA OTU, ESQ.
Company Secretary
Plot 87, Ajose Adeogun Street
Victoria Island, Lagos

Awards

BEST COMMERCIAL BANK, NIGERIA

- ***World Finance***

BEST CORPORATE GOVERNANCE, NIGERIA

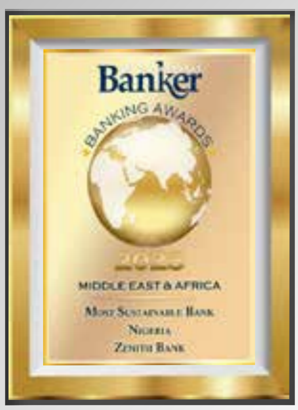
- ***World Finance***

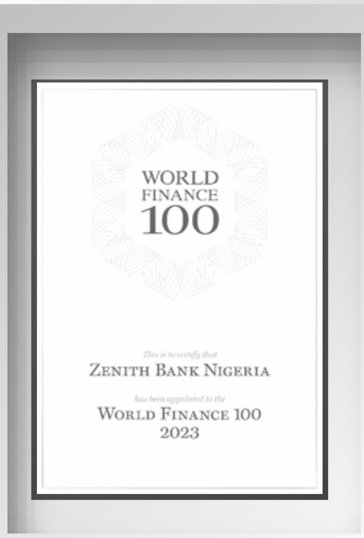
To all our esteemed **Customers and Shareholders**, your continuous support, patronage and loyalty to the Zenith Brand made the achievement of these awards possible in 2023.

thank you!

BEST CORPORATE
GOVERNANCE
FINANCIAL SERVICES
IN AFRICA

- ***The Ethical Boardroom***





WORLD
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(The only Nigerian Company Listed)

Founder and Chairman's Statement

JIM **OVIA**, *CFR*
Founder and Chairman

Dear Esteemed Shareholders, Guests, Ladies, and Gentlemen,

It is with great pleasure that I welcome you to the 33rd Annual General Meeting of our Bank, where we shall review the Annual Report and Financial Statements for the year ended 31 December 2023.

I am immensely grateful for your unwavering loyalty and commitment, which have been instrumental in our Bank's outstanding performance from its inception.

The year 2023 presented numerous challenges, with significant global and domestic economic developments influencing our operations. Despite this, Zenith Bank adeptly realigned its strategies, seizing opportunities and delivering value to our stakeholders. In this context, let us examine the economic and financial milieu in which our Bank operated during the past fiscal year.

MACROECONOMIC REVIEW

The Nigerian economy sustained its growth trajectory in 2023, albeit at a subdued pace compared to the previous year. According to the National Bureau of Statistics (NBS), Gross Domestic Product (GDP) grew by 2.74 per cent in 2023, lower than the 3.10 per cent recorded in 2022. Specifically, GDP grew by 2.31 per cent in Q1, 2.51 per cent in Q2, 2.54 per cent in Q3 and 3.46 per cent in Q4, 2023. The slower pace of growth is attributable to the challenging economic conditions that have impeded productive activities.

Data from the NBS indicate that the growth was predominantly propelled by the non-oil sectors, including Telecommunications, Financial Institutions, and Agriculture, which collectively grew by 3.04 per cent, albeit less than in 2022. These sectors constituted 94.60 per cent of the nation's GDP, a marginal increase from the 94.33 per cent recorded in the previous year. Contrastingly, the oil sector growth stood at -2.22 per cent, indicating an increase of 17 percentage points relative to the -19.22 per cent recorded in 2022, with average oil output at 1.55 million barrels per day (mbpd), above the previous year's average. Consequently, the oil sector's GDP contribution was 5.40 per cent, a fall from 2022. Aggregate GDP stood at NGN229.91 trillion in nominal terms in 2023, higher than the NGN199.34 trillion recorded in 2022.

Notwithstanding the sustained economic growth, persistent inflation was a hallmark of 2023, with the headline Consumer Price Index rising to 28.92 per cent by December, up significantly from 21.34 per cent the previous December, leading to an average annual inflation rate of 24.66 per cent. In response to inflationary pressures, the Central Bank of Nigeria's (CBN) Monetary Policy Committee (MPC) increased the Monetary Policy Rate (MPR) four times in succession, reaching 18.75 per cent by year-end. The MPC also adjusted the asymmetric corridor to +100/-300 basis points around the MPR from the previous +100/-700. Other monetary policy measures, including the Cash Reserve Ratio (CRR) at 32.5 per cent and the Liquidity Ratio (LR) at 30 per cent, remained unchanged.

Oil prices fluctuated in 2023, reversing the upward trend seen in 2021 and 2022. Oil prices slipped more than 10 per cent in 2023 to close out the year at their lowest year-end levels since 2020, driven mainly by geopolitical turmoil and concerns about the oil output levels of major producers around the world. Also, worries about inflation, high interest rates and a slower-than-predicted economic recovery in China depressed prices at the beginning of the year. Oil prices were broadly constrained between \$70-\$90 per barrel. U.S. West Texas Intermediate (WTI) and Brent crude oil averaged \$77.60 and \$82.17 per barrel, respectively.

The Nigerian Naira depreciated significantly in the Nigerian Autonomous Foreign Exchange Market (NAFEM) due to huge dollar demand and dwindling forex inflows from foreign investments, remittances, and oil revenues. By the end of the first quarter in 2023, the exchange rate had risen to NGN461.15/\$1, and by the second quarter, it had depreciated to NGN756.24/\$1, reflecting the outcome of the Foreign Exchange (FX) unification policy of the government. The depreciation continued, reaching NGN776.79/\$1 in the third quarter and NGN951.79/\$1 to close the year. In an attempt to stabilise the Naira, the CBN continued to defend the national currency in the NAFEM. Furthermore, in 2023, Nigeria experienced a significant depletion of its foreign exchange reserves, according to the Central Bank of Nigeria (CBN). The country's foreign reserves closed at \$32.912 billion, having lost \$4.08 billion during the year. This decrease, amounting to an 11 per cent decline from the \$36.996 billion recorded in January 2023, was largely due to the CBN's frequent interventions in the official foreign exchange market to support the local currency. Additionally, a downturn in oil revenue, constrained oil production, and a decline in foreign remittances and investments contributed to the decrease. During the year under review, the Federation Account Allocation Committee (FAAC) disbursed NGN16.03 trillion to the three tiers of government, marking a 37.47 per cent increase from the NGN11.66 trillion allocated in the previous year. This increase was attributed to enhanced government non-oil revenue receipts and exchange rate differentials.

Despite facing economic challenges such as high inflation, a weakening exchange rate, and security issues, the Nigerian Exchange (NGX) exhibited remarkable resilience in 2023. The NGX's All Share Index (ASI) surged by 45.90 per cent, its best performance since the 50.03 per cent increase in 2020. Specifically, the All-Share Index (ASI) appreciated by 45.90 per cent, rising from 51,251.06 index points at the start of the year to 74,773.77 index points by year-end. Market capitalisation also recorded a 46.58 per cent appreciation to close at NGN40.918 trillion, from NGN27.915 trillion at the start of the year.

Founder and Chairman's Statement

FINANCIAL RESULTS

In 2023, despite a complex array of challenges both globally and domestically, Zenith Bank successfully harnessed available business opportunities, demonstrating our brand's remarkable resilience. This year's performance vividly reflects the Bank's and Group's strong financial condition.

The Group's gross earnings saw a remarkable triple-digit growth of 125 per cent from NGN 945.55 billion in 2022 to NGN2.132 trillion in 2023. Profit-Before-Tax (PBT) rose by 180 per cent, from NGN284.65 billion in 2022 to NGN795.96 billion in 2023 while Profit-After-Tax (PAT) rose by 202 per cent, from NGN223.91 billion in 2022 to NGN676.91 billion in 2023. Total deposits were NGN15.17 trillion for the year ended 31 December 2023, representing a 69 per cent increase over the previous year's figure of NGN8.97 trillion. During the same period, the Bank's total assets grew by 66 per cent from NGN12.28 trillion to NGN20.37 trillion, while shareholders' fund rose by 68 per cent, from NGN1.38 trillion to NGN2.32 trillion.

DIVIDEND

Consistent with our commitment to delivering superior returns to our highly esteemed shareholders, we declared and paid an interim dividend of 50 kobo per share in the course of the 2023 financial year. We hereby propose a final dividend of NGN 3.50 per share. If approved, the cumulative dividend for the year ended 31 December 2023 will total NGN 4 per share.

THE BOARD OF DIRECTORS

The Board welcomed Dr Juliet Ehimuan as a Non-Executive Director in 2023, with approval from the Central Bank of Nigeria, effective 29 August 2023. Dr. Temitope Fasoranti, an Executive Director, retired on 29 December 2023 following the conclusion of his tenure.

INVESTMENT IN TECHNOLOGY

Zenith Bank is at the forefront of financial technology, having made substantial investments in new technologies and digital solutions to provide innovative, value-creating products and services for our customers.

BEST-PRACTICE COMPLIANCE STANDARDS

The Board has further strengthened its oversight of the Bank's Anti-Money Laundering, Combating the Financing of Terrorism, and Countering Proliferation Financing (AML/CFT/CPF) policies, fostering a culture of compliance that underpins high ethical standards at all levels and establishing robust compliance risk management principles, policies and governance practices that ensure the efficient and proactive prevention of compliance risk events and violations.

CORPORATE SOCIAL RESPONSIBILITY

Zenith Bank's steadfast commitment to Corporate Social Responsibility (CSR) remains unwavering. In alignment with global standards, we have conscientiously incorporated sustainability principles into our business operations and investments. In 2023, our progress in advancing the United Nations' Sustainable Development Goals (SDGs) was notable.

Our CSR endeavours, focusing on health, education, empowerment of women and youth, sports development, and enhancement of public infrastructure, received an investment of NGN5.67 billion this year. We believe that institutions' social investments, contributions to inclusive economic growth and development, and improvements in the physical environment all constitute the balanced scorecard. Our efforts were recognised with "Most Sustainable Bank, Nigeria" awards from the International Banker and "Most Sustainable Bank of the Year" from the New Telegraph Newspaper.

MACROECONOMIC OUTLOOK

The outlook for both the domestic and international economy remains uncertain amid the lagged and ongoing effects of tight monetary policy, restrictive financial conditions, and feeble global trade and investment. Despite these challenges, the Nigerian economy is expected to grow in 2024, albeit at a modest rate. The World Bank projects a 3.3 per cent growth, while the Federal Government of Nigeria (FGN) estimates a growth of 3.88 per cent. Headwinds to growth remain persistent, with high inflation and high energy prices resulting from the removal of fuel subsidies, the rising cost of debt servicing, and deteriorating fiscal balances, among others. The Federal Government of Nigeria (FGN) 2024 budget has an aggregate expenditure estimate of NGN28.7 trillion, representing a 15.63 per cent increase compared to the NGN24.82 trillion budget for the 2023 fiscal year. The budget is predicated on crude oil production estimate of 1.78 million barrels per day, an exchange rate of NGN800/$1, real GDP growth of 3.88 per cent, and an inflation rate of 21.4 per cent. The budget deficit is estimated at NGN9.18 trillion and will be financed mainly by new borrowings totalling NGN7.83 trillion, NGN298.49 billion from Privatization Proceeds, and NGN1.05 trillion drawdowns on loans secured for specific development projects.

Globally, the short to medium-term economic outlooks are tempered by uncertainties associated with lingering headwinds from the Russia-Ukraine conflict, an escalation of the recent conflict in the Middle East and associated commodity market disruptions, financial stress amid elevated debt and high borrowing costs, persistent inflation, weaker-than-expected activity in China, trade fragmentation, and climate-related disasters. Nevertheless, the outlook for 2024 is cautiously optimistic.

APPRECIATION

2023 has been a year marked by challenges and triumphs. The Bank's success is a reflection of our collective commitment, and I extend heartfelt thanks to our customers, staff, management, and Board. As we enter the 2024 financial year, I am confident of sustained excellence from our Bank. I would like to offer my profound gratitude to our outgoing Group Managing Director/Chief Executive Officer, Dr. Ebenezer Onyeagwu, for his visionary leadership and commitment during his tenure, which has greatly contributed to Zenith Bank's success. As he hands over to Dame (Dr.) Adaora Umeoji, OON, I am confident that our great Bank will continue to excel in the years ahead.

Thank you.

JIM OVIA, CFR
Founder and Chairman

GMD/CEO's Review

DR. EBENEZER **ONYEAGWU**
Group Managing Director/Chief Executive Officer

I am delighted to welcome our highly esteemed shareholders to the 2023 Annual General Meeting.

Over the past year, the global economy has grappled with significant challenges on the path to a much-needed recovery. These challenges have been multifaceted, including escalating geopolitical tensions – notably the ongoing Ukraine-Russia conflict and the resurgence of violence in the Middle East between Israel and Hamas. Concurrently, we have observed a surge in climate-related disasters and a shift towards deglobalisation and trade protectionism.

The year 2023 brought considerable disruption to the global financial landscape. The Federal Reserve's announcement of multiple aggressive interest rate hikes reverberated throughout the global banking industry. In the United States, the financial sector faced unprecedented challenges with the collapse of Silicon Valley Bank, Signature Bank, and First Republic Bank. These events intensified financial contagion risks, further destabilising a fragile global economy.

Despite these turmoil and disruptions, including those in the energy and food markets and the unprecedented tightening of global monetary conditions to combat decades-high inflation, the resilience of global growth has been remarkable. Rather than stalling, the global economy has merely slowed. According to the International Monetary Fund (IMF), it grew by an estimated 3.1 per cent in 2023, marking a slight deceleration from the 3.5 per cent growth rate observed in 2022.

On the domestic front, the Nigerian economy has continued its positive trajectory through 2023, maintaining its upward trend since emerging from recession in 2020, albeit at a reduced pace. The National Bureau of Statistics (NBS) reports that the Gross Domestic Product (GDP) grew by 2.74 per cent in 2023, a decrease from the 3.1 per cent growth recorded in 2022. This performance was primarily affected by limited oil production, which curtailed gains from oil exports, and was further compounded by the adverse impacts of exchange rate depreciation, high energy costs, and insecurity. These factors collectively constrained productive activities and increased production costs across the country.

In 2023, the Central Bank of Nigeria (CBN) faced a crucial macroeconomic challenge of managing the steep rise in inflation, which soared to 28.92 per cent by December. This rise in inflation was primarily attributed to the cessation of energy subsidies, culminating in a significant increase in energy costs. This, in turn, escalated the production costs for a wide range of goods and services. Additionally, the increase in importation costs due to the depreciation of the national currency added upward pressure on the inflation rate. In response, the Monetary Policy Committee (MPC) of the apex bank increased the Monetary Policy Rate (MPR) on four occasions, raising it from 16.5 per cent in 2022 to 18.75 per cent in 2023. Concurrently, it adjusted the asymmetric corridor around the MPR to +100/-300 basis points, down from +100/-700.

Supplementary measures by the CBN included the consolidation of exchange markets into a single Nigerian Autonomous Foreign Exchange Market, bolstering transparency, raising the contactless payment threshold to encourage cashless transactions, and mandating the registration of Bank Verification Number (BVN) and National Identification Number (NIN) for all individual banking accounts to enhance customer identification protocols. Amidst these regulatory changes, our team has consistently ensured compliance and maintained superior customer service.

Despite the economic headwinds encountered over the past year, our commitment to creating exceptional value through our innovative products and services has not wavered. Our dedication has empowered us to provide critical support to clients across various sectors, enabling them to weather the uncertain business climate and realise their growth potential. Additionally, our interventions have facilitated business connections and access to emerging opportunities. A highlight of our initiatives was the signing of a Memorandum of Understanding with the African Continental Free Trade Area (AfCFTA) during our 8th International Trade Seminar. This agreement aims to develop an intelligent trade portal for the continent. Furthermore, the Zenith Bank Tech Fair 2023, themed "Future Forward 3.0," was a resounding success, featuring insightful presentations, panel discussions, the Zecathon, and exhibitions. Our commitment to nurturing and mentoring entrepreneurs through our digital entrepreneurship initiatives continues to be a cornerstone of our strategy, ensuring the sustained growth and success of their enterprises.

Zenith Bank's steadfast commitment to sound corporate practices is exemplified by our adherence to robust Anti-Money Laundering, Combating the Financing of Terrorism, and Countering Proliferation Financing (AML/CFT/CPF) strategies. These are integral to our business development objectives. In line with the most recent Central Bank of Nigeria (CBN) Customer Due Diligence Regulations, 2023, we have adopted and meticulously applied these standards. Across all branches and subsidiaries, we nurture a culture of compliance, emphasising ethical conduct and establishing comprehensive compliance risk management frameworks to pre-empt and prevent any regulatory breaches.

We have a highly skilled team that is committed to exploring innovative solutions to create value for our customers. Our commitment remains to continue delivering excellent services, a hallmark of Zenith Bank. We regard technology as a crucial business enabler for both ourselves and our clients. Thus, we are advancing with significant investments in our technology infrastructure to ensure its future readiness. The imminent full integration of our enterprise software architecture marks a key milestone in our digital transformation initiative, underscoring our commitment to maintaining leadership in digital financial services. Through these technology investments, we aim to enhance our innovation capability and deepen our digital payments suite, creating comprehensive digital service delivery channels.

The global economic outlook, including that of Nigeria, appears cautiously optimistic despite the softening global economic activity amid tight monetary policies, restrictive financial conditions, and sluggish global trade growth. The ongoing turmoil in the Middle East adds to the geopolitical uncertainties, which could impede global economic growth. These developments unfold as the global economy navigates the cumulative effects of the past four years' shocks – the COVID-19 pandemic, the Russia-Ukraine conflict, and rising inflation. The IMF forecasts a 3.1 per cent global growth rate for 2024 while projecting a modest improvement for Nigeria to 3.0 per cent, reflecting a 0.2 percentage point increase from the previous year, thanks to reformative policy measures, particularly in the hydrocarbon industry. Nonetheless, vigilance is crucial due to risks like rising public debt, persistent inflation, and a challenging business environment.

GMD/CEO's Review

Esteemed shareholders, this is my final Annual General Meeting as the Group Managing Director/Chief Executive Officer of Zenith Bank Plc. As I address you today, on the cusp of handing over the reins to new leadership, I am filled with profound gratitude and a sense of achievement. Reflecting on the past five years, I am immensely proud of what we have achieved together. In June 2023, Zenith Bank affirmed its leadership in the financial service sector by joining the exclusive league of companies with stocks valued at over one trillion naira on the Nigeria Exchange (NGX), a milestone that saw the bank market capitalisation exceed the NGN1 trillion threshold. Furthermore, it is heartening to note that our share price appreciated by over 108 per cent from NGN18.60 in 2019 to NGN38.65 in 2023. Our total assets grew by 221 per cent from NGN6.346 trillion in 2019 to NGN20.368 trillion in 2023. Shareholders' Funds rose by 147 per cent, from NGN941.886 billion in 2019 to NGN2.323 trillion in 2023. Total deposits were NGN15.167 trillion for the year ended December 31, 2023, representing a 256 per cent increase from NGN4.262 trillion in 2019.

Beyond financial metrics, our commitment to corporate social responsibility (CSR) has made a substantial impact on communities across Nigeria, affirming our role in fostering education, empowering societies, and driving sustainable development. Notably, Zenith Bank's CSR activities have focused on sectors critical for communal well-being and sustainable growth. These include bolstering security measures, advancing healthcare services, nurturing sports development, and elevating information and communications technology skills to boost human capital.

During the period of my stewardship, Zenith Bank was one of the honoured banks in Africa, garnering fifty-one prestigious domestic and international awards, including the Bank of the Year, Nigeria (BusinessDay Newspaper 2019 and 2023); Bank of the Year, Nigeria (The Banker 2020, and 2022); Bank of the Year, Nigeria (Independent Newspaper 2020); Bank of the Year, Nigeria (Champion Newspaper 2021); Bank of the Year, Nigeria (New Telegraph Newspaper 2022); Bank of the Decade (People's Choice) (Thisday Newspaper, 2020); Retail Bank of the Year (BusinessDay Newspaper 2019, 2020, 2021, and 2022); Best Bank in Nigeria (Global Finance 2020, 2021, 2022, and 2024); the Biggest Bank in Nigeria by Tier-1 Capital (The Banker 2019, 2020, 2021, 2022 and 2023); Most Valuable Banking Brand in Nigeria (The Banker 2019, 2020, and 2021); Best Commercial Bank, Nigeria (World Finance 2019, 2021, 2022 and 2023); Best Corporate Governance, Nigeria (World Finance 2022 and 2023); Best Digital Bank in Nigeria (Augusto & Co 2019); Best Bank for Digital Solutions, Nigeria (Euromoney 2023); Most Innovative Bank of the Year (Tribune Newspaper 2019); Best Corporate Governance Financial Services Africa (Ethical Boardroom 2020, 2021, 2022 and 2023); Most Sustainable Bank, Nigeria (International Banker 2023); Most Sustainable Bank of the Year (New Telegraph Newspaper, 2023); Most Responsible Organization in Africa (SERAS Awards 2021);Best Company in Infrastructure Development (SERAS Awards 2021);Best Company in Reporting and Transparency (SERAS Awards 2021);Best Company in Technology for Development (SERAS Awards 2022); Best Company in Work Place Practice (SERAS Awards 2022); Best Innovation in Retail Banking, Nigeria (International Banker 2022); Best Company in Promotion of Gender Equality and Women Empowerment (SERAS Awards 2020 and 2021); and Best Company in Promotion of Good Health and Well-Being (SERAS Awards 2019 and 2020).

We are on the cusp of finalising the transition to a holding company structure, which promises to leverage emerging opportunities in the Fintech space while enhancing our digital and retail banking operations. As I prepare to pass the baton to Dame (Dr) Adaora Umeoji, OON, I am confident in the bank's trajectory under her leadership. I would like to express my profound gratitude to our Founder and Chairman, Dr Jim Ovia, CFR, and to the board, shareholders, customers, and staff for their steadfast support throughout my tenure. I earnestly request that you extend the same level of support to my successor. It has been a remarkable journey, and I am immensely proud of what we have accomplished together. As I commence the mandatory regulatory cooling-off period, I am filled with optimism for Zenith Bank's future, assured that we are on the path to even greater success.

Thank you.

DR. EBENEZER ONYEAGWU
Group Managing Director / CEO

Board of Directors

JIM **OVIA**, *CFR*
Founder and Chairman

Jim Ovia is the founder and chairman of Zenith Bank Plc, one of Africa's largest banks with over $21.4 billion in assets and shareholders' funds of over US$2.4 billion as at December 2023. Zenith Bank is a global brand listed on the London Stock Exchange and the Nigerian Stock Exchange. In addition to major operations in Nigeria and other West African countries, the Bank has sizeable operations in London and Dubai.

Jim Ovia is the founder and chancellor of James Hope University, Lekki, Lagos which was recently approved by the National Universities Commission (NUC) to offer postgraduate degrees in business courses. James Hope University commenced activities in September 2023.

Through his philanthropy – the Jim Ovia Foundation – he has shown the importance he accords good education. In support of the Nigerian youth, Jim Ovia Foundation offers scholarships to indigent students through the Mankind United to Support Total Education (MUSTE) initiative. Most of the beneficiaries of Jim Ovia Foundation scholarship are now accountants, business administrators, lawyers, engineers, doctors etc.

He is the author of "Africa Rise And Shine", published by ForbesBooks. The book which encapsulates Zenith Bank's meteoric rise, details the secrets of success in doing business in Africa.

He is an alumnus of the Harvard Business School (OPM), University of Louisiana (MBA), and Southern University, Louisiana, (B.Sc. Business Administration).

Jim Ovia is a member of the World Economic Forum (WEF) Community of Chairpersons, and a champion of the Forum's EDISON Alliance.

In recognition of Jim Ovia's contributions to the economic development of Nigeria, in 2022, the Federal Government of Nigeria honoured him with Commander of the Federal Republic, CFR. Also, in May 2022, Jim Ovia was conferred with the National Productivity Order of Merit (NPOM) Award by the Federal Government of Nigeria. Earlier, he has been conferred with the national awards of Member of the Order of the Federal Republic, MFR, and Commander of the Order of the Niger, CON, in 2000 and 2011, respectively, as a testament to his visionary leadership and contributions to Nigeria's financial services sector.

DR. EBENEZER **ONYEAGWU**

Group Managing Director/Chief Executive Officer

Dr. Ebenezer Onyeagwu was appointed Group Managing Director/CEO of Zenith Bank Plc on the 1st of June 2019. He is a seasoned banker and an astute financial strategist with over three decades of banking experience. He is an alumnus of Auchi Polytechnic, Delta State University Nigeria, the University of Oxford, England and Salford Business School, University of Salford, Manchester, United Kingdom. At the University of Oxford, he obtained a Postgraduate Diploma in Financial Strategy and a certificate in Macroeconomics while he received a Masters Degree in Financial Services Management from the University of Salford. He also holds an MBA from Delta State University, Abraka. He undertook extensive executive-level education in Wharton Business School of the University of Pennsylvania, Columbia Business School of Columbia University, and the Harvard Business School of Harvard University in the United States.

On March 25, 2023, he was conferred with a Doctorate Degree in Business Administration by the University of Nigeria, Nsukka, Nigeria's first indigenous University, in recognition of his immense achievements as Group Managing Director/CEO of Zenith Bank as well as his contributions to the growth of the financial services sector in Nigeria and across the African continent. The award was given during the 50th convocation ceremony of the University.

Before joining Zenith Bank Plc, he worked at Citizens International Bank Limited between 1991 and 2002. He joined Zenith Bank Plc in 2002 as a Senior Manager in the Internal Control and Audit Group of the bank. His professionalism, competence, integrity and commitment to the objectives of the bank saw him rise swiftly between 2003 and 2005, first, as Assistant General Manager, then Deputy General Manager, and eventually, General Manager of the bank. In these capacities, he handled strategies for new business and branch development, management of risk assets portfolios, treasury functions, strategic top-level corporate, multinationals and public institutional relationships, among others. He was appointed Executive Director of the bank in 2013, responsible for Lagos and South-South Zones as well as strategic groups/business units of the bank, including Financial Control & Strategic Planning, Treasury & Correspondent Groups, Human Resources Group, Oil & Gas Group, and Credit Risk Management Group.

Dr. Onyeagwu was named Deputy Managing Director of the bank in 2016. In that capacity, he deputised for the Group Managing Director and Chief Executive Officer with direct oversight of the bank's Financial Control and Strategic Planning, Risk Management, Retail Banking, Institutional and Corporate Banking Portfolios, Information Technology Group, Credit Administration, and Treasury & Foreign Exchange Trading. Mr. Onyeagwu is the Chairman of Zenith Pensions Custodian Limited and Zenith Nominees Limited. He is also on the Board of Zenith Bank (UK) Limited, FMDQ Holdings Plc and Lagos State Security Trust Fund (LSSTF). Mr. Onyeagwu is a member of the International Monetary Conference (IMC), Wall Street Journal CEO Council, and member of the African Trade Gateway Advisory Council of the Africa Export-Import Bank (Afreximbank). He also served on the board of Zenith Bank Ghana Limited, Zenith General Insurance, Zenith Securities Limited, Zenith Assets Management Company, Zenith Medicare Limited, and Africa Finance Corporation (AFC).

Dr. Onyeagwu is a Fellow (FCA) of the Institute of Chartered Accountants of Nigeria (ICAN), a Fellow of Nigerian Institute of Management (NIM), The Chartered Institute of Bankers of Nigeria (CIBN), Institute of Credit Administrators (ICA) and Risk Management Institute of Nigeria (RIMAN).

DAME (DR.) ADAORA **UMEOJI,** *OON*

Deputy Managing Director

With nearly three decades of cognate banking experience and over 20 years of extensive executive management expertise in Zenith Bank, Dame (Dr.) Adaora Umeoji, OON has established herself as one of the leading figures within the banking sector. She is the Chairperson of Zenith Nominees Limited and She sits on the board of Zenith Bank (Ghana) Plc as a non-executive director.

Dame (Dr.) Adaora Umeoji is an alumna of the prestigious Harvard Business School, where she completed the Advanced Management Program (AMP) and Columbia Business School with a Certificate in the Global Banking Program. She holds a Bachelor's Degree in Sociology from the University of Jos, a Bachelor's Degree in Accounting, and a First-Class honors in Law from Baze University, Abuja. Additionally, she obtained a Master of Laws from the University of Salford, United Kingdom, and a Master of Business Administration (MBA) from the University of Calabar. Her academic and professional pursuits culminated in a Doctorate in Business Administration from Apollos University, USA, with research focused on inspirational leadership which has been recognized for its significant contribution to leadership and people management.

Her commitment to continuous learning and professional excellence is demonstrated by her participation in executive management programs at esteemed institutions worldwide, including the MIT Sloan School of Management, USA, where she acquired a certificate in Economics for Business, Harvard Business School, USA with certificates in Leading Global businesses and the executive program in Strategic Management, and Wharton Business School with a Certificate in the Strategic Thinking and Management for competitive advantage program. Dame (Dr.) Adaora Umeoji is a Certificated Professional Banker of the Chartered Banker Institute, and a distinguished fellow of numerous professional bodies, including the Chartered Bankers Institute of London, the Chartered Institute of Bankers of Nigeria, the Institute of Credit Administration, the Institute of Certified Public Accountants of Nigeria, the Institute of Chartered Meditators & Conciliators, and the Institute of Chartered Secretaries & Administrators of Nigeria among others.

Throughout her career, Dame (Dr.) Adaora Umeoji has delivered keynote speeches and lead papers at prestigious academic conferences and symposia, influencing discussions on financial growth drivers and inspirational leadership. She has actively contributed to high-level bankers' meetings, driving impactful strategies for the advancement of the banking industry and national economic growth. Passionate about mentoring and youth empowerment, she has delivered motivational speeches aimed at nurturing future banking professionals and leaders.

Beyond her corporate responsibilities, Dame (Dr.) Adaora Umeoji is deeply committed to philanthropy and service to humanity. She founded the Pink Breath Cancer Care Foundation which educates, supports cancer patients, and promotes healthcare programs across Nigeria, and established the Adorable Foundation with a focus on educating and providing for indigent children, particularly the Girl-Child. Her humanitarian efforts have garnered recognition from esteemed organizations, including the Nigerian Red Cross and the Sun Newspaper which recently honored her with the Humanitarian Service Icon Award for 2023.

Dame (Dr.) Adaora Umeoji's commitment to ethical banking led her to institute the Catholic Bankers Association of Nigeria (CBAN). She is also recognized as a Peace Advocate of the United Nations (UNPOLAC) and a Lady of the Order of Knights of St. John International (KSJI). Her advocacy efforts were further acknowledged by His Holiness Pope Francis, who conferred on her the Papal Knight of the Order of St. Sylvester.

In 2022, the Federal Government of Nigeria honored Dr. Umeoji with Officer of the Order of the Niger, as a recognition of her contributions to nation building which highlights her dedication to the sustainable development of the country.

GABRIEL **UKPEH**

Independent Non-Executive Director

Mr. Ukpeh is an internationally acclaimed consultant in business strategy, risk management, process re-engineering and financial services, who was, until recently, a Senior Partner and Risk Quality Leader for Africa at PricewaterhouseCoopers (PwC).

He is a fellow of the Institute of Chartered Accountants of Nigeria with over thirty five (35) years experience in Financial Audit and Reporting, as well as a member of the Institute of Taxation of Nigeria.

A graduate of accounting, he holds Graduate Diploma in Business Administration from the University of Warwick, Coventry, United Kingdom. He obtained a Master of Science (M.Sc) Degree in Contemporary Accounting from the Leeds Metropolitan University, UK in 2009.

He worked with PwC, an International Business auditing and consulting firm for over thirty five (35) years, and as a Partner for over 20 years led, directed, planned and managed the audit, accounting, and consulting assignments for numerous financial institutions, multinationals and local companies, including most major banks in Nigeria.

ENGR. MUSTAFA **BELLO**

Non-Executive Director

Engr. Mustafa Bello graduated with B.Engr. (Civil Engineering), from the Ahmadu Bello University (ABU), Zaria in 1978 with Second Class Upper Division and won the Shell prize for best project and thesis for Faculty of Engineering in 1978.

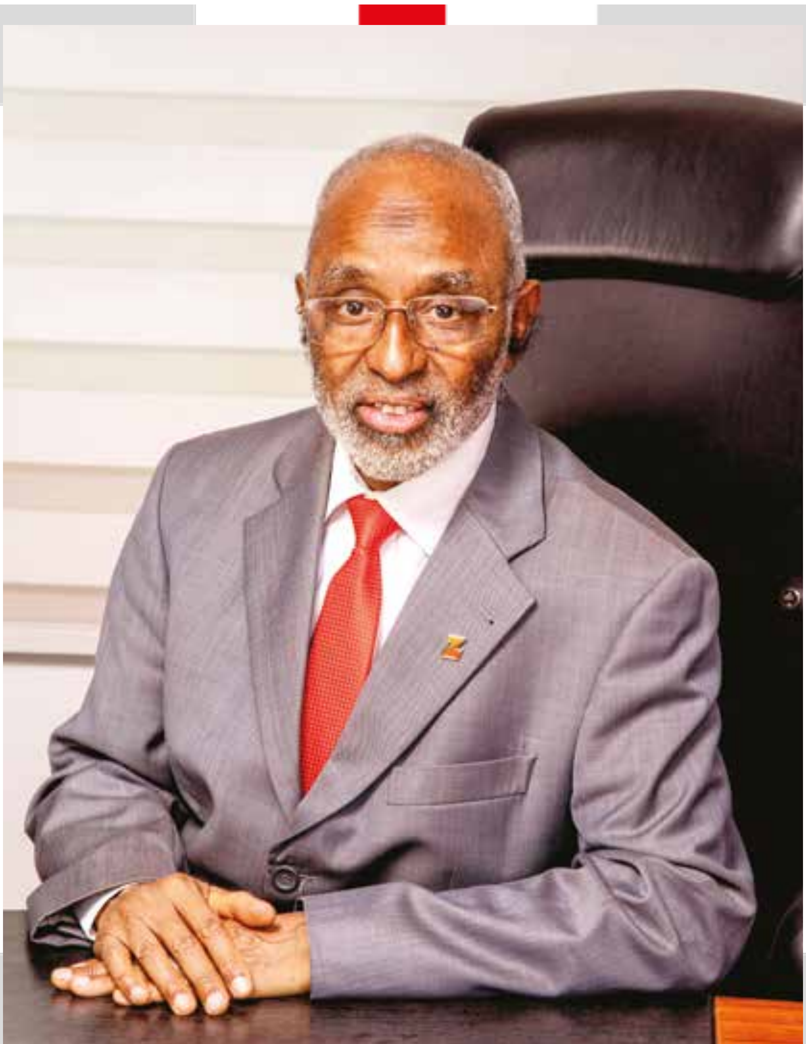
He served in the Directorate of Quartering and Engineering Service (Nigerian Army) between 1978 / 1979 and later joined the Niger State Housing Corporation between 1980 and 1983 as a Senior Civil Engineer.

He served as a cabinet Minister of the Federal Republic of Nigeria as the Federal Minister of Commerce between 1999 and 2002. He was subsequently appointed Executive Secretary/ Chief Executive Officer of the Nigerian Investments Promotion Commission (NIPC) between November 2003 and February 2014.

He is currently the Chairman of Invest-in-Northern Nigeria Limited, a special purpose vehicle for the economic and social transformation of the Northern Nigerian Economy.

He has been involved in several projects in Nigeria including CAC on-line project in 2002, developed WTO consistent Trade Policy for the Federal Republic of Nigeria etc.

He has attended several conferences, missions and meetings and represented the Federal Government of Nigeria.



DR. AL-MUJTABA ABUBAKAR, *MFR*

Independent Non-Executive Director

Dr. Al-Mujtaba Abubakar is currently the Managing Director of Apt Pensions Funds Managers Limited. He is a graduate of the Leeds Polytechnic, UK. He is a renowned Chartered Accountant and a Fellow of the Institute of Chartered Accountants of Nigeria.

Dr. Abubakar has extensive and tremendous experience in the financial services industry, audit and consulting. He worked with the firm of Akintola Williams Deloitte between January 2000 and November 2008, and rose to become the Partner and Board Member of West Africa sub-region. Prior to this, he had served on the Board of several financial institutions in Nigeria.

He has attended several management and leadership training programmes and conferences both within and outside the country. He brings to the Board of the bank tremendous track record in Risk Management, Credit & Marketing, Auditing and very outstanding leadership skills.

In 2022, the Federal Government of Nigeria honoured him with Member of the Federal Republic.

Dr. OMOBOLA IBIDAPO-OBE OGUNFOWORA
Independent Non-Executive Director

Dr. Omobola Ibidapo-Obe Ogunfowora, a Legal Practitioner and Corporate Governance Practitioner, graduated LLB (Hons) from the Cardiff Law School, United Kingdom and obtained LLM from the same University.

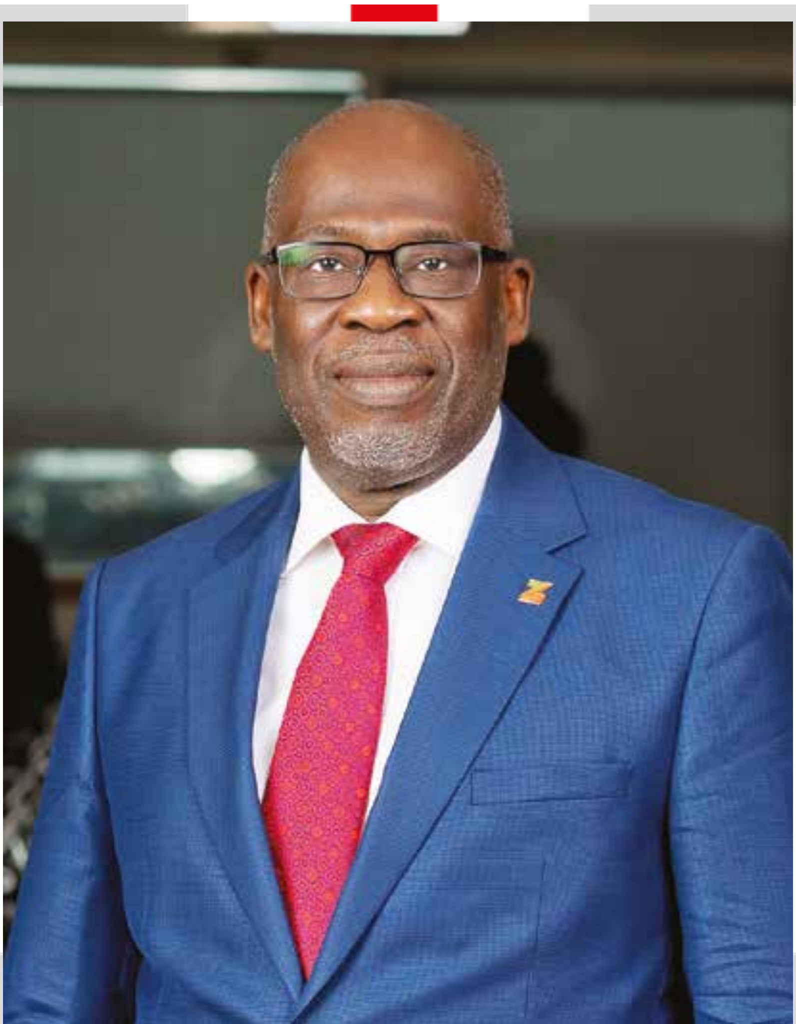
She obtained a Master's degree (MRes) from the Queen Mary University of London, United Kingdom in 2010 and subsequently advanced to the Middlesex University, London, United Kingdom for her Doctorate degree and graduated with PhD in Competition Law.

Dr. Ibidapo-Obe Ogunfowora was a Law Lecturer at the University of Lagos, Nigeria where she lectured at the Department of Commercial and Industrial Law.

She has been a Legal Counsel with Olusola Ibidapo-Obe & Co., Legal Practitioners for almost two decades and also a Dispute Resolution Compliance Specialist with Ombudsman Services, United Kingdom.

She had previously worked as a Research Assistant with the Lagos State Judiciary between February 2003 and August 2004.

She is a Non-Executive Director with Barton Schools, Lagos, Nigeria, where she is responsible for overseeing the long term development of the schools and provide strategic advisory services to ensure sustainability of the schools. Dr. Ogunfowora is a Corporate Governance Practitioner.



DR. PETER OLATUNDE **BAMKOLE**
Independent Non-Executive Director

Dr. Peter Olatunde Bamkole graduated with B.Sc (Hons) Mechanical Engineering from the University of Greenwich, London, United Kingdom in 1984, holds an Executive MBA from IESE Spain/Lagos Business, Lagos (1999) and a PhD in Entrepreneurship and Innovation from International School of Management, Paris in 2022.

Dr. Bamkole joins the Board of Zenith Bank Plc with robust experience spanning several sectors including oil and gas, public utilities, and executive education.

He worked in African Petroleum Plc between 1985 and 1986 as a Technical Sales and Services Engineer, north and with Elf Oil Nigeria now Total Nigeria Plc between October 1986 and April 1996.

He also served as an Assistant General Manager with Lagos State Water Corporation between 1996 and 2002. Dr. Bamkole has been with the Pan-Atlantic University since January 2003 where he served as the pioneer Director of the Enterprise Development Centre of the University. He was appointed the Chief Operating Officer of Pan-Atlantic University in January, 2023.

He is currently serving in the following capacities:

- Advisory Board Chair of International Breweries Foundation.
- Board Chair of Nigeria Climate Innovation Center.
- BOT Chair, Global Entrepreneurship Network, Nigeria.
- Board member of AIFA Reading Society.
- Member, Lagos State Science, Research and Innovation Council (LASRIC).
- Board Member, Novare Real Estate Companies in Nigeria

CHUKS EMMA **OKOH**

Non-Executive Director

Mr. Okoh graduated from the University of Nigeria, Nsukka, (BSc) in 1987 with several academic laurels to his credit including the overall best graduating student in Accounting.

He is a Fellow of the Institute of Chartered Accountants of Nigeria (FCA) with over thirty (30) years cognate experience in the Banking industry & Telecommunications sector.

Mr. Okoh has varied experience spanning the areas of Finance, Internal Audit, Risk Management, Compliance, Operations & Strategic Management. He comes with deep insight and has distinguished himself in various leadership roles and is a recipient of several Service Excellence & Exceptional Performance awards from the financial services sector and the telecommunication sector.

Mr. Okoh has attended various management development programmes at renowned educational Institutions including Cranfield University School of Management, UK and INSEAD, France.

He is an Alumnus of the prestigious Wharton Business School, University of Pennsylvania, USA and Lagos Business School.

Dr. JULIET **EHIMUAN**

Non-Executive Director

Dr Juliet Ehimuan is the Founder and CEO of Beyond Limits and the immediate past Director of Google West Africa. She was named by Forbes as one of the top 20 power women in Africa, by the London Business School as one of 30 people changing the world, and as one of the Most Influential People of African Descent (MIPAD). She was also featured in the BBC Africa Power Women series, and on CNN Innovate Africa.

With over 25 years experience primarily in Technology, Oil & Gas, and New Media industries across Europe, the Middle East, and Africa; Juliet is a leading voice on Innovation, Transformation, and Leadership.

During her remarkable 12-year tenure at Google, Juliet played a pivotal role in expanding the company's presence in Nigeria and the wider West Africa region. She championed initiatives to increase digital access, local content development, skills acquisition, entrepreneurial growth, innovation, and fostered strategic partnerships with leading private sector and government institutions.

Dr Juliet has made significant contributions to the tech ecosystem in Nigeria and Africa at large. She served on committees that developed the national broadband plan and ICT incubation strategy in Nigeria, and has been involved in national strategic advisory groups focused on economic growth. These engagements demonstrate her commitment to shaping the future of tech in Africa. She has received numerous awards for outstanding contributions to the digital landscape in Africa.

She holds board positions across multiple industries including Finance, FMCG, Oil & Gas, Education, and social enterprises. Her education includes a Doctoral degree in Business from Walden University in Minneapolis, an Executive MBA from the London Business School, a Postgraduate degree in Computer Science from the University of Cambridge; and a BSc in Computer Engineering (1st class honours) from the Obafemi Awolowo University, Ile-Ife. She is a recipient of the London Business School Global Women's Scholarship, and at Cambridge University was awarded Selwyn College Scholar and Malaysian Commonwealth Scholar. She is a Fellow of the Cambridge Commonwealth Society.

She was awarded IT Personality of the Year in 2012 by the Nigeria Computer Society, Digital Personality of the Year 2016 by Marketing World; and received a 2015 Titans of Technology award from Technology Africa. She is a published Author, Executive Coach, and a member of the Forbes Coaches' Council.

DR. TEMITOPE **FASORANTI**

Executive Director

Dr. Temitope Fasoranti is a seasoned banker with over three decades of experience in the Nigerian financial services industry. He is an alumnus of the Obafemi Awolowo University (OAU) Ile-Ife, where he received a Bachelor's Degree in Economics (1988), a Master's Degree in Economics (1991) and a Doctor of Philosophy Degree (PhD) in Economics.

He worked in FBN Merchant Bankers from 1991 to 1997 before joining Zenith Bank in 1997. Prior to his appointment as Executive Director in December 2017, he was a General Manager/Group Zonal Head overseeing several branches and zones in Lagos State including Ikeja Zone, Apapa Zone, Ilupeju Zone, and South-West region. He also served as the Group Head of strategic business units in the head office including Oil & Gas, Conglomerate Group, and Agriculture Desk.

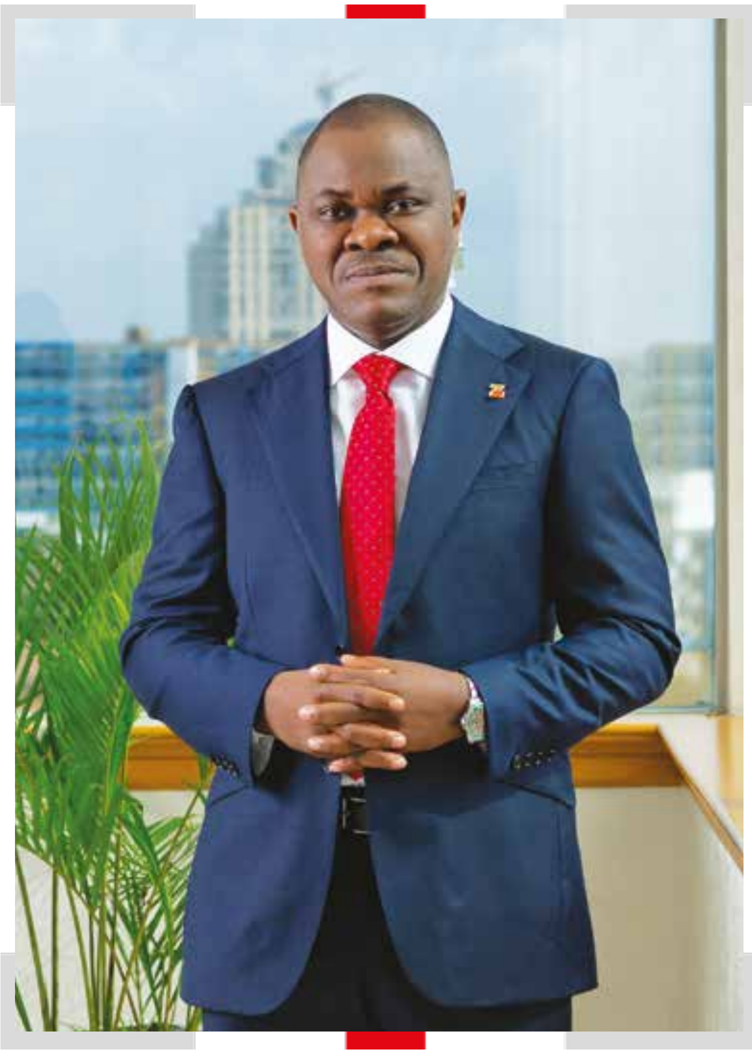
Dr. Fasoranti's experience spans Treasury Management, Corporate Finance, Corporate Banking, Risk Management and Retail Banking. He is also vastly experienced in managing Fintech relationships, with competences in cards, electronic banking and payment systems.

As Executive Director, he was in charge of Retail Marketing, Trade Services, Credit Risk and Management Group, Research, Card Services, Contact Centre, Digital Marketing, Diaspora Banking, ESettlement and a host of core marketing groups in the bank. He was also responsible for driving the bank's Retail and Fintech strategy.

He received executive-level education and attended several international courses and programmes including Changing The Game: Negotiation and Competitive Decision Making (Harvard Business School), Creating and Leading High-Performance Teams (The Wharton School, Pennsylvania, USA), and Developing Strategy for Value Creation (London Business School).

Dr. Fasoranti is a member of the Nigerian Economic Society (NES), Nigerian Institute of Management (NIM), the Institute of Credit Administration, and an honorary member of the Chartered Institute of Bankers of Nigeria (CIBN).

He was on the board of Zenith Pensions Custodian Limited, and was recently appointed a member of the MasterCard Africa Leadership Council. He retired from the Board on December 29th, 2023.



HENRY **OROH**
Executive Director

Henry Oroh holds a Bachelor's Degree in Accounting from the University of Benin, Nigeria, an MBA from Lagos State University, and an LLB Degree from the University of London. He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and an honorary member of the Chartered Institute of Bankers (CIBN), Nigeria. He also holds an Honorary Doctorate Degree Award, PhD in Business Administration from Prowess University, Delaware USA. He was appointed Executive Director of Zenith Bank Plc in September 2019. He directly supervises Oil & Gas, Commercial Banking and other Business Focus Groups. He also oversees Information Technology, Treasury, Correspondent Banking, Property, Admin Groups. He is the bank's Executive Compliance Officer.

His wealth of experience in banking operations and business development, spanning over two decades, began in 1992 at Citibank, where he devoted seven years before joining Zenith Bank in February 1999. Prior to his appointment as Executive Director of Zenith Bank Plc, he was seconded to Zenith Bank Ghana Limited as an Executive Director in 2012 before being appointed as Managing Director/Chief Executive in February 2016. During his tenure, he significantly grew the Zenith Brand within Ghana and across the West African sub-region.

A serial award winner, Henry Oroh led Zenith Bank Ghana to great heights, receiving several awards. He was named Best Banking CEO Ghana 2017 and 2019 by the International Finance Magazine; Banking CEO of the Year 2019 by the International Business Magazine Awards; Best Banking CEO of the Year 2018 by The European Magazine; CEO of the Year 2019 Ghana by CEO Monthly; CEO of the Year 2018 (Banking) at the Global Excellence Awards organised by Acquisition International and Finance Personality of the Year 2018 at Ghana Accountancy and Finance Awards, amongst other recognitions.

His exceptional leadership led Zenith Bank Ghana to attain new heights and feats in financial performance, receiving a plethora of national and international awards, including Best Banking Group, Ghana, for four consecutive years, from 2016 to 2019 by World Finance Magazine; Best Corporate Bank Ghana for three consecutive years, from 2016 to 2018 by Global Banking and Finance Magazine; Best Customer Service Bank, for three consecutive years, from 2016 to 2018 by Global Banking and Finance Magazine; Best e-Commerce Bank for three consecutive years from 2016 to 2018 by Global Banking and Finance Magazine; and Best Trade Finance Bank Ghana 2017 by Global Finance Magazine, among other honours.

Mr Oroh served on the board of the African Finance Corporation from 2020 to 2023 and currently sits on the board of the Nigeria Inter-Bank Settlement System Plc (NIBSS). His professional development includes participation in various leadership programmes and executive management courses at globally renowned institutions such as Harvard Business School, Columbia Business School, University of Chicago, University of Pennsylvania, HEC Paris, JP Morgan Chase, UK, and the Lagos Business School.

Dr. ADOBI NWAPA
Executive Director

Dr. (Mrs.) Adobi Stella Nwapa comes to the board with over thirty years' cognate experience in banking, being a pioneer staff of the Bank since 1990. She possesses robust institutional memory and background, honed from the bank's foundation as the pioneer customer service officer.

She has held several senior management positions in the Bank, including business development and branch and zonal management, and treasury. Until her appointment as Executive Director, she was General Manager and Group Zonal Head of Ikoyi Zone as well as Group Head of Diaspora Banking.

Dr. (Mrs.) Nwapa holds a Bachelor's Degree (BA) in History from Imo State University, a Master's in Public Administration (MPA) from Strayer University, Houston-Texas, a Master's in Business Administration (MBA) from Jack Welch Management Institute and an honorary doctorate in Business Administration (DBA) from Abia State University.

She has attended several local and international courses and programmes, including Leading Change and Organisational Renewal (Harvard Business School), Key Executive Programme (Harvard Business School), World Finance/Winning Negotiation Strategies (HSM Americas), Developing Strategies for Value Creation (London Business School) and the Senior Management Programme (Lagos Business School).

She is a Fellow of several institutes, including the Institute of Management Consultants (IMC), the Institute of Credit Administration (ICA), the Institute of Chartered Management Accountants (ICMA) and the Institute of Management Specialists (IMS), United Kingdom. She is also a member of the Nigeria Institute of Management (NIM) and an honorary member of the Chartered Institute of Bankers (HCIB).

ANTHONY AKINDELE **OGUNRANTI**

Executive Director

Mr. Akindele Ogunranti is a consummate professional banker with expertise across Banking Operations, Corporate, Commercial, Retail and Branch Banking, Multilateral Institutions/Export Credit agencies, Power & Infrastructure, Oil & Gas, Public Sector, Structured Trade & Project Finance, as well as General Management.

He holds a B.Sc. (Hons) in International Relations from the Obafemi Awolowo University, Ile-Ife, an MBA in Marketing, and M.Sc. (Hons) Banking and Finance, University of Ibadan. He has attended the Moody's Credit Academy, UK, the Executive Development Program (EDP), Wharton Business School, USA and the Leading Change and Organizational Renewal Program (LCOR) at Harvard Business School, USA.

Mr. Ogunranti joined Zenith Bank Plc in 2004 as a Senior Manager and has held various leadership positions in the bank. Prior to his appointment as Executive Director, he served as the MD/CEO, Zenith Bank Ghana Limited, where he led the Bank to achieve outstanding results. Under his leadership, the bank received several laurels and awards, notable among which were the Bank of the Year 2020 and the Best Bank in Ghana 2021. He was also a two-time winner of the CEO of The Year Award (Banking Category) in Ghana.

He was until his appointment a Member of the Executive Committee of the Ghana Association of Bankers (GAB) and a Member of the Governing Council, of the National Banking College, Ghana. He was also conferred with the Distinguished Alumnus Award 2021, by the Obafemi Awolowo University, Ile-Ife. Mr. Ogunranti currently sits on the Boards of Zenith Nominees Ltd, Africa Finance Corporation and Mastercard Africa Leadership Council.

He is an Honorary Senior Member of Chartered Institute of Bankers of Nigeria (HCIB), Honorary Fellow Chartered Institute of Credit Management, Ghana (FCICM) and a Member Nigeria Institute of Management (MNIM).

Directors' Report for the Year Ended 31 December, 2023

The directors present their report on the affairs of ZENITH BANK PLC ("the Bank"), together with the financial statements and the independendt auditor's report for the year ended 31 December 2023.

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 Pensions Custodian Limited, Zenith Bank (UK) Limited, Zenith Bank (Sierra Leone) Limited, Zenith Bank (The Gambia) Limited and Zenith Nominees Limited. During the year, the Bank opened one new branch and no branch was closed.

As at 31 December 2023 the Group had 447 branches, 166 cash centers; 2,102 ATM terminals; 414,192 POS terminals and 25,653,330 cards issued to its customers. (31 December 2022: 446 branches, 166 cash centers, 2,108 ATM terminals, 233,024 POS terminals and 21,832,175 cards issued).

3. Operating results

Gross earnings of the Group increased by 125.4% and profit before tax increased by 179.6% . Highlights of the Group's operating results for the year under review are as follows:

	31 December 2023	31 December 2022
	N' Million	N' Million
Gross earnings	**2,131,750**	**945,554**
Profit before tax	795,962	284,650
Income tax expense	(119,053)	(60,739)
Profit after tax	676,909	223,911
Non- controlling interest	340	(139)
Profit attributable to the equity holders of the parent	**676,569**	**224,050**
Appropriations		
Transfer to statutory reserve	97,693	35,419
Tl ranster to credit risk reserve	(1,322)	73,458
Transfer to retained earnings and other reserves	580,198	115,173
	676,569	**224,050**
Basic and diluted earnings per share (Naira)	21.55	7.14

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 N3.50 per share which in addition to the N0.50 per share as interim dividend amounts to N4.00 per share (2022: Interim dividend of N0.30 per share, final dividend of N2.90 and a total dividend per share of N3.20) from the retained earnings accounts as at 31 December 2023. 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. 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, 2023		31 December, 2022	
Director	Designation	Direct	Indirect	Direct	Indirect
Jim Ovia, CFR.	Chairman / Non-Executive Director	3.552 949 395	1,529,851,344	3.546.199 395	1,528,304,916
Mr. Chuks Emma Okoh	Non-Executive Director	203.412	-	102.697	-
Mr. Gabriel Ukpeh	Non Executive Director/Independent	32,660	-	32,660	-
Dr. Juliet Ehimuan**	Non-Executive Director	128,906	-	128.906	-
Engr. Mustafa Bello	Non Executive Director/Independent	-	-	-	-
Dr. Al-Muitaba Abubakar. MFR	Non Executive Director / Independent	-	-	-	-
Dr. Omobola Ibidapo-Obe Ogunfowora	Non Executive Director / Independent	-	-	-	-
Dr. Peter Olatunde Bamkole	Non Executive Director / Independent	-	-	-	-
Dr. Ebenezer Onyeagwu	Group Managing Director	90,176,078	-	82,176,078	-
Dr. Adaora Umeoji, OON.*	Deputy Managing Director	90,000,000	1,710,123	68 873 169	1,710,123
Dr. Temitope Fasoranti***	Executive Director	15,075,000		13,075,000	
Mr. Henry Oroh	Executive Director	14 813 703		9 964 127	
Mrs. Adobi Nwapa	Executive Director	15,008,206		11,008,206	
Mr. Akindele Ogunranti	Executive Director	6,885,601		2,764,005	

*Dr. Adaora Umeoji, OON exited from the Board effective 24 February, 2023. She was re-appointed to the Board on 2 August, 2023 following approval by the CBN.
** Dr. Juliet Ehimuan was appointed to the Board on 29 August, 2023.
*** Dr. Temitope Fasoranti retired from the Board on 29 December, 2023.
The indirect holdings relate to the holdings of the director in the underlisted companies:
August,

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

Directors' Report for the Year Ended 31 December, 2023

6. 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 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 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.

7. Changes on the Board

Dr. Adaora Umeoji, OON exited from the board effective 24 February 2023 in compliance with CBN regulations on Directors' tenor. She was also re-appionted to the Board effective 2 August, 2023 following subsequent approval by the CBN.

Dr. Juliet Ehimuan was appointed to the Board effective 29 August, 2023. Dr. Temitope Fasoranti retired from the Board effective 29 December, 2023.

8. Directors' interests in contracts

For the purpose of section 303(1) and (3) of Companies and Allied Matters Act of Nigeria, (CAMA 2020), all contracts with related parties during the year were conducted at arm's length. Information relating to related parties transactions are contained in Note 38 to the financial statements.

9. 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.

10. 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.

11. Shareholding analysis

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	0.0000 %	5.893.790.879	18.77 %
	645,637	**100 %**	**31,396,493,787**	**100 %**

The shareholding pattern of the Bank as at 31 December 2022 is as stated below:

Share range	No. of Shareholders	Percentage of Shareholders	Number of holdings	Percentage Holdings (%)
1-10,000	540.735	83.7619 %	1,594,624,498	5.08 %
10.001 - 50.000	79.892	12.3756 %	1.652.248.795	5.26 %
50.001 - 1.000.000	23.183	3.5911 %	3,968.693,955	12.64 %
1,000,001 - 5,000,000	1.341	0.2077 %	2.745.286.982	8.741 %
5,000,001 - 10,000,000	174	0.0270 %	1.227.788.415	3.91%
10,000,001 - 50,000,000	170	0.0263 %	3,688,327,472	11.75 %
50.000.001 - 1.000.000.000	65	0.0101 %	11.691.005.260	37.24%
Above 1,000,000,000	2	0.0003 %	4,828,518,410	15.38 %
	645.562	**100 %**	**31,396.493.787**	**100 %**

12. Substantial interest in shares

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

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

According to the register of members at 31 December 2022, the following shareholders held more than 5% of the issued share capital of the Bank.

	Number of Shares Held	Number of Shares Held
Jim Ovia, CON	3,546,199,395	11.29 %

Directors' Report for the Year Ended 31 December, 2023

13. Donations and charitable gifts

The Bank made contributions to charitable and non-political organisations amounting to N5,673 million during the year ended 31 December 2023 (31 December 2022: N1,671 million).

The beneficiaries are as follows:

	31 December 2023
	N' Million
Educational institutions	1,403
Charitable organisations	1.195
State government infrastructure/security trust funds	1,227
Religious organisations	456
Conference and seminars	412
Health/medical initiatives	106
Sport organisations	75
2023 Microsoft office secured productive enterprise	23
Professional associations	23
Other donations individually below N5million	749
	5,673

14. Events after the reporting period

There were no signifcant events after the reporting date that could affect the reported amount of assets and liabilities as of the reporting date.

15. Disclosure of customer complaints in financial statements for the year ended 31 December 2023

Description	Number		Amount claimed		Amount refunded	
In millions of Naira	31-Dec-23	31-Dec-22	31-Dec-23 N'm	31-Dec-22 N'm	31-Dec-23 N'm	31-Dec-22 N'm
Pending complaints brought forward	169,797	166,314	31,839	57,515	13	13
Received Complaints	355,210	475,499	16,915	17,577	3,694	1,982
Resolved Complaints	423,360	472,016	32,508	43,253	15,486	22,373
Unresolved Complaints	**101,647**	**166,797**	**16,246**	**31,839**	**-**	**-**

16. 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.

ZENITH

(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	3,330	3,351	6,681	50:%	50:%
	3,330	**3,351**	**6,681**	**50%**	**50%**

b. Analysis of Board and top management staff	Gender Number			Gender Percentage	
	Male	Female	Total	Male	Female
Board members					
(Executive and Non-executive directors)	10	4	14	71 %	29%
Top management staff (AGM-GM)	63	30	93	68%	32%
	73	**34**	**107**	**68%**	**32%**

Directors' Report for the Year Ended 31 December, 2023

c. Further analysis of board and top management staff	Gender Number			Gender Percentage	
	Male	Female	Total	Male	Female
Assistant general managers	42	21	63	67%	33%
Deputy general managers	14	8	22	64%	36%
General managers	7	1	8	87%	13%
Board members (Non-executive directors)	6	2	8	75%	25 %
Executive directors (excluding MD and DMDs)	3	1	4	75%	25%
Deputy managing director	-	1	1	-%	100%
Managing director/CEO	1	-	1	100%	-%
	73	**34**	**107**	**68 %**	**32 %**

17. 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

Michael Osilama Otu (Esq.)
Company Secretary
January 31, 2024
FRC/2013/MULTI/00000001084

Statement of Corporate Responsibility for the Financial Statements for the Year Ended 31 December 2023

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 2023 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 statements 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 2023.

(iii) The bank's internal controls has 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 2023.

(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, summarise and report financial data, and have discussed with the auditors any weaknesses 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.

31 January 2024

Mukhtar Adam, PhD
Chief Financial Officer
FRC/2013/MUL TI/00000003196

Mr. Ebenezer Onyeagwu
Group Managing Director / CEO
FRC/2013/ICAN/00000003788

02

Governance & Sustainability

Corporate Governance Report

1. Introduction

Zenith Bank conducts its business in line with the highest level of Corporate Governance and best practice. The Group's governance practices which is replicated across its subsidiary companies are 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 Code of Corporate Governance for Banks and Discount Houses in Nigeria 2014 together with the Guidelines issued in pursuant to the code.

(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. Shareholers

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 Group 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, recently reviewed, has been approved by the Central Bank of Nigeria 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 five (5) Executive Directors including the GMD/CEO. Four(4) 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 and oversees the Group structure, assisted by the Executive Committee (EXCO). EXCO comprises the Executive Directors, Deputy Managing Director as well as 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**
Mr. Jim Ovia, *CFR* (Chairman)	April 2, 2014
Mr. Gabriel Ukpeh (Independent Non-Executive Director)	February 24, 2016
Engr. Mustafa Bello (Non-Executive Director)	December 29, 2017
Dr. Al-Mujtaba Abubakar, *MFR* (Independent Non-Executive Director)	August 1, 2019
Dr. Omobola Ibidapo-Obe Ogunfowora (Independent Non-Executive Director)	June 30, 2021
Mr Chuks Emma Okoh (Non-Executive Director)	April 12, 2022
Dr. Peter Olatunde Bamkole (Independent Non-Executive Director)	April 12, 2022
Dr. Ebenezer Onyeagwu (Group Managing Director/Chief Executive Officer)	April 24, 2013
Dr. Adaora Umeoji, *OON* * (Deputy Managing Director)	October 9, 2012 and 2 August 2023
Dr. Temitope Fasoranti ** * (Executive Director)	December 29,2017
Mr. Henry Oroh (Executive Director)	August 1, 2019
Mrs Adobi Nwapa (Executive Director)	April 12, 2022
Mr. Akindele Ogunranti (Executive Director)	April 12, 2022
Dr. Juliet Ehimuan** (Non-Executive Director)	August 29, 2023

*Dr. Adaora Umeoji, OON exited from the Board effective 24 February, 2023. She was reappointed to the Board on 2 August, 2023 following CBN approval.
**Dr. Juliet Ehimuan was appointed to the Board on 29 August, 2023
***Dr. Temitope Fasoranti retired from the Board on 29 December 2023.
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.

The Board meets at least every quarter but may hold extra-ordinary sessions to address urgent matters requiring 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.

Corporate Governance Report

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.

The Company's Non-Executive Directors attended foreign and local courses in the year-ended 31 December 2023, which included, "Building Future-Ready Boards (Virtual), "Data Protection Training" (Nigeria Data Protection Bureau NDBP), "Anti Money Laundering/Combating the Financing of Terrorism(AML/CFT)", "CBN/FITC 2023 Edition of the Continuous Education Program for Bank Directors of Financial Institutions", "Americans Conference for Non-Executive Directors (INSEAD Business School)", " International Board Leadership Program – Building a High Performance Board; Imperatives for Innovation, Growth and Sustainability (FITC)".

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 six (6) members comprising three (3) 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. Gabriel Ukpeh – Chairman
Dr. Al- Mujtaba Abubakar
Mr.Chuks Emma Okoh
Dr. Ebenezer Onyeagwu
Dr. Adaora Umeoji
Dr. Temitope Fasoranti*

*Dr. Temitope Fasoranti retired from the Board effective 29 December, 2023.

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 from 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. Staff Welfare, Finance and General Purpose Committee

This Committee is made up of Seven (7) members: three (3) Non-Executive Directors and four (4) 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 period is as follows:

Mr. Chuks Emma Okoh – Chairman
Mr. Gabriel Ukpeh
Dr. Peter Olatunde Bamkole
Dr. Ebenezer Onyeagwu
Dr. Adaora Umeoji
Mr. Henry Oroh
Mrs. Adobi Stella Nwapa

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 (an Independent 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
Dr. Ebenezer Onyeagwu
Mr. Akindele Ogunranti
Mr. Henry Oroh

Corporate Governance Report

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
Mr. Gabriel Ukpeh
Engr. Mustafa Bello
Dr. Omobola Ibidapo-Obe Ogunfowora
Dr. Juliet Ehimuan

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. BoardGovernance, Nomination and Remuneration Committee

The Committee is made up of six (6) 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
Dr. Peter Olatunde Bamkole
Mr. Chuks Emma Okoh
Dr. Juliet Ehimuan

Committe'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-

Corporate Governance Report

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;.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 Committe 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

- 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 Committee

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)

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

Corporate Governance Report

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 Information Security Steering Committee shall be comprised 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 2023 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.

Corporate Governance Report

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.

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.
- 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. 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 & general purpose committee	Board governance, Nomination and remuneration committee	Board risk management committee	Board audit and Compliance committee
Attendance / Number of Meetings	10	6	4	4	4	4
Jim Ovia, CFR	10	N/A	N/A	N/A	N/A	N/A
Mr. Gabriel Ukpeh	10	6	4	3	N/A	4
Engr.Mustafa Bello	10	5	N/A	4	4	4
Dr. Al-Mujtaba Abubakar, MFR	10	6	N/A	4	3	4
Dr. O. Ibidapo-Obe Ogunfowora	10	N/A	4	4	4	4
Mr Peter Bamkole	10	N/A	4	4	4	3
Mr Chuks Emma Okoh	10	6	4	4	N/A	N/A
Dr. Juliet Ehimuan**	2	N/A	N/A	1	1	1
Dr. Ebenezer Onyeagwu	10	6	4	N/A	4	N/A
Dr.Adaora Umeoli, OON*	4	4	2	N/A	N/A	N/A
Dr. Temitope Fasoranti***	10	6	N/A	N/A	N/A	N/A
Mr. Henry Oroh	10	N/A	4	N/A	4	N/A
Mrs Adobi Nwana	10	N/A	4	N/A	N/A	N/A
Mr. Akindele Ogunranti	10	N/A	N/A	N/A	4	N/A

Note:

* Dr. Adaora Umeoji,OO Nexited from the Board effective 24 February, 2023. She was reappointed to the Board on 2 August, 2023 following CBN approval.

** Dr. Juliet Ehimuan was appointed to the Board effective 29 August, 2023

*** Dr. Temitope Fasoranti retired from the Board effective 29 December, 2023

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

Corporate Governance Report

Dates for Board and Board Committee meetings held within the year to 31 December 2023

Board meetings	Board credit committee meeting	Finance and general purpose committee	Board risk and audit committee meeting	Board audit and compliances committee meeting	Board governance, nominations and remuneration committee	Audit committee meeting of the bank
26-Jan-23	25-Jan-23	24-Jan-23	24-Jan-23	25-Jan-23	24-Jan-23	25-Jan-23
02-Mar-23						
28-Apr-23	26-Apr-23	26-Apr-23	26-Apr-23	25-Apr-23	25-Apr-23	25-Apr-23
02-May-23						
16-Jun-23	15-Jun-23					
12-Jul-23						
20-Jul-23	19-Jul-23	18-Jul-23	18-Jul-23	19-Jul-23	18-Jul-23	19-Jul-23
05-Oct-23	04-Oct-23					
25-Oct-23	24-Oct-23	24-Oct-23	24-Nov-23	23-Oct-23	23-Oct-23	23-Oct-23
20-Dec-23						

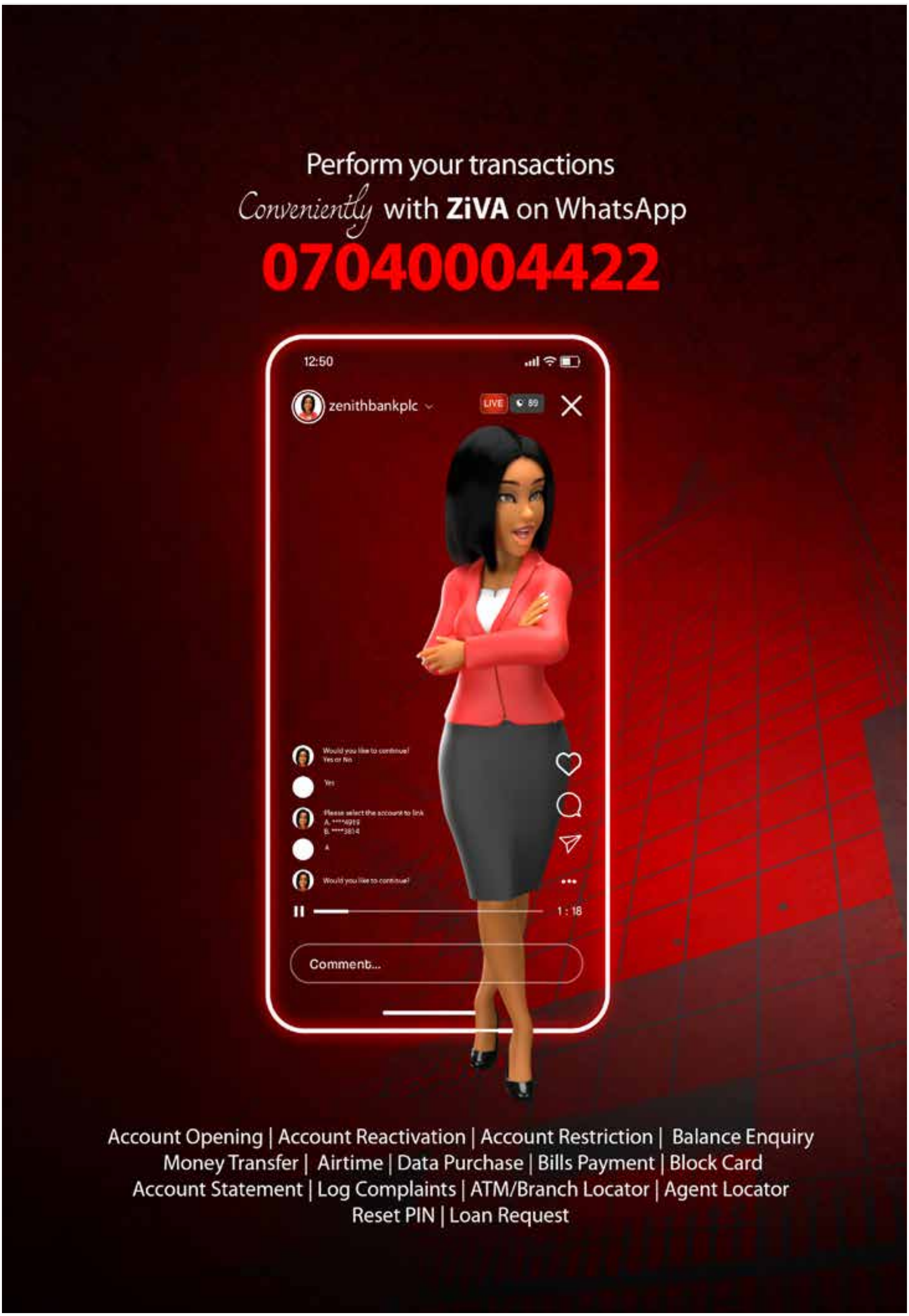
17. Audit Committee

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


Perform your transactions
Conveniently with ZiVA on WhatsApp
07040004422
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zenithbankplc
LIVE
1 : 18
Comment...
Account Opening | Account Reactivation | Account Restriction | Balance Enquiry
Money Transfer | Airtime | Data Purchase | Bills Payment | Block Card
Account Statement | Log Complaints | ATM/Branch Locator | Agent Locator
Reset PIN | Loan Request

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KPMG

Report of the Independent Consultant to the Board of Directors of Zenith Bank Plc. on their Appraisal for the Year Ended 31 December 2023.

In compliance with the guidelines of Section 10.1 of the Central Bank of Nigeria (CBN) Corporate Governance Guidelines for Commercial, Merchant, Non-interest And Payment Service Banks in Nigeria ("the CBN Guidelines") and Section 14.1 of the Nigerian Code of Corporate Governance 2018 ("NCCG"), Zenith Bank Plc. ("Zenith Bank" or "the Bank") engaged KPMG Advisory Services to carry out an appraisal of the Board of Directors ("the Board") for the year ended 31 December 2023. The CBN Guidelines mandates an annual appraisal of the Board with specific focus on the Board's structure and composition, responsibilities, processes and relationships.

We have performed the procedures agreed with Zenith Bank in respect of the appraisal of the Board in accordance with the provisions of the CBN Guidelines and the NCCG. These procedures, which are limited in scope but sufficient for the Board's objectives in line with the CBN Guidelines and the NCCG, are different in scope from an external audit. Consequently, no opinion is expressed by us on the activities reported upon.

Our approach to the appraisal of the Board involved a review of the Bank's Board papers and minutes, key corporate governance structures, policies and practices. This included the review of the corporate governance framework and representations obtained from questionnaires and interviews with members of the Board and Senior Management.

On the basis of our review, the Bank's corporate governance practices are largely in compliance with the key provisions of the CBN Guidelines and the NCCG. Specific recommendations for further improving the Bank's governance practices have been articulated and included in our detailed report to the Board. These include recommendations on enhancements to governance documentations around a few areas including Board size, quorum and succession planning.

Olumide Olayinka
Partner and Head of Advisory
FRC/2013/ICAN/00000000427
5 March 2024

Corporate Responsibility
And SUSTAINABLE BANKING PRACTICES

Zenith Bank, established in 1990, stands as a cornerstone in Nigeria's banking sector and has evolved into one of the country's leading financial institutions. With a commitment to innovation, customer service, and community development, Zenith Bank has not only solidified its presence in Nigeria but has also extended its influence internationally. Known for its diverse range of financial services and technological advancements, the Bank continues to play a pivotal role in shaping the financial landscape, fostering economic growth, and contributing to social well-being.

This year's Sustainability report is a disclosure of our brand's commitments, goals, and sustainability performance (economic, governance, environmental, and social for the year in review while highlighting our future targets and plans. This report was created primarily in alignment with the GRI Standards. In our reporting, we also accommodated the guidelines of local and global frameworks such as the Sustainable Development Goals (SDGs), Nigerian Sustainable Banking Principles, Nigeria Stock Exchange - Sustainability Disclosure Guidelines, UN Women's Empowerment Principles, the Sustainability Accounting Standards Board (SASB), and the International Sustainability Standards Board (ISSB) IFRS S1 & S2 Sustainability Disclosure Guidelines.

Sustainability Strategy and Management

At Zenith Bank, sustainability is a fundamental component of our business and a measure of our corporate success. Sustainability is embedded in our identity and an enabler to shaping finance as a force for good. It informs how we engage with stakeholders, our management of climate risk, and our commitment to unlocking financial freedom for underserved communities.

Over the years, we have embarked on a significant sustainability journey, focusing on various initiatives aimed at social responsibility, environmental stewardship, and corporate governance. The Bank has demonstrated a strong commitment to sustainability through the implementation of policies and programs that prioritises ethical business practices, community engagement, and environmental sustainability. We have maintained a steadfast commitment to sustainability reporting annually since 2015, providing transparent and comprehensive insights into our environmental, social, and governance (ESG) initiatives and performance to stakeholders. Overall, our sustainability journey over the years reflects our dedication to creating long-term value for society, the environment, and our stakeholders.

As a member of the United Nations Global Compact (UNGC), Zenith Bank is committed to driving progress towards the achievement of the sustainable development goals (SDGs) of the United Nations. We recognise that we have a critical role to play, through our operations, in promoting sustainable development. In line with the United Nations Sustainable Development Goals, Zenith Bank is committed to improving the socioeconomic condition of the communities where we do business. We are also guided by the development priorities of the Federal Government of Nigeria as communicated in economic development plans and policies. Consequently, our social initiatives are geared towards eradicating extreme poverty, encouraging skills development and capacity building, employment creation, and supporting the government's efforts at achieving inclusive growth and development.

Ethics and Code of Conduct

We at Zenith Bank are dedicated to conducting business ethically. The Board sets the tone at the top and lays a strong ethical foundation that protects the interests of Zenith Bank and all our stakeholders. The management and staff of Zenith Bank are held to the highest standards of professional, business, and behavioral conduct by our code of ethics and conduct. All Zenith Bank personnel are expected to adhere to the highest standards of professional, business, and behavioral conduct by the code. Thus, Zenith Bank's values, and code of ethics promote responsible behavior, which forms the foundation of our culture. Our code of conduct requires all employees to act without interfering with the interests of our major stakeholder groups, giving them fair regard.

Customer Data Privacy and Security

We prioritise maintaining the integrity of Zenith Bank's data and information assets and protecting the privacy of our clients. We never divulge private or sensitive information to unauthorised parties or rival businesses. As a result, we have put in place the policies and frameworks required to assist us in managing data privacy and security.

Corporate Responsibility and Sustainable Banking Practices

We acknowledge that we work within an ecosystem that incorporates fourth- and third-party players that provide extra financial services to enhance consumer satisfaction and spur innovation. Potential threats to data privacy are introduced into customer interactions with our digital channels and platforms through these integrations. When we use personal data, we do so with integrity and transparency, upholding the rights of the individual per our values and the Nigeria Data Protection Act, of 2023.

We employ a Database Activity Monitoring (DAM) solution, a File Integrity Monitoring (FIM), and a Database Protection (DB Protect) solution to prevent data security risks. A Network Access Control (NAC) Solution is in place to prevent plug-ins from unauthorised external media devices on the network.

Zenith Bank deploys an e-learning solution to create awareness and educate all staff on cybersecurity, identification of cybercriminals antics, and ability to identify phishing e-mails. The Security Operation Centre (SOC) team conducts regular threat hunting and intelligence gathering. We conduct baiting tests monthly to help test the awareness level of staff.

We are certified to the following best-practice standards and frameworks:

- ISO 20000 (IT Service Management System) Standard
- ISO 22301 (Business Continuity Management System) Standard
- ISO 27001 (Information Security Management System) Standard
- NDPR (Nigeria Data Protection Regulation)
- PCI DSS (Payment Card Industry Data Security Standard)

Local Communities and Social Investments

Our understanding of corporate social responsibility is corporate action for long-term environmental, social, and economic impact on people and the planet. As such, community engagement and social investment have always been defining hallmarks of our culture. Zenith Bank actively champions sustainable development in key sectors including Health, Women Empowerment, Sports, Education, and Infrastructure.

Our social engagement initiatives are aimed at counteracting social inequalities, promoting health and education, especially for women and children, and championing financial literacy.

Our understanding of corporate social responsibility is corporate action for long-term environmental, social, and economic impact on people and the planet. As such, community engagement and social investment have always been defining hallmarks of our culture.

We partner with like-minded organisations on campaigns and projects that contribute positively to societal development.

We identified community needs through engagements, physical assessments and national emergencies to define our contributions to make lasting impacts to peoples live, empower communities and settle immediate needs.

Zenith Bank's total Corporate Social Responsibility (CSR) investment in 2023 was NGN5.67billion, representing about 0.85 percent of our Profit After Tax (PAT), up from 0.75 percent in 2022. Zenith Bank remains one of the biggest spenders on social investment in the Nigerian corporate space.

The focus areas of our CSR endeavours during the year mirror the Sustainable Development Goals (SDGs) of the United Nations' and include security, healthcare, education and skills development, sports development, youth & women empowerment, and public infrastructure development.

Security: The security of lives and properties remains a significant social investment in the bank as security remains a fundamental need of our communities. As a result, in 2023, we invested the sum of NGN1.226 billion in our various partnerships with the local communities, the federal, state and local governments, and other relevant agencies to preserve public peace, and ensure a crime-free environment. The sum also includes contributions to several State Security Funds across the federation.

Sports: Zenith Bank's total investments in sports development was about NGN75 million in 2023. Our investments in sports development include various initiatives such as title sponsorship of the Zenith Bank Delta State Principal's Cup; Zenith Bank Headmasters' Cup, Ikoyi Club Zenith Tennis Championship, Ikoyi Club Ball Boys Zenith Tennis Championship, Lagos Country Club Zenith Tennis Championship, Zenith Bank Next Gen Tennis Championship.

Health: The bank continues to pay great attention to championing SDG3 (Good Health and Well-being). Zenith Bank's total investment in health in 2023, was NGN105.8 million. Zenith bank provided

support for various medical interventions for low-income individuals faced with various life-threatening medical conditions.

Education: In reaffirmation of our commitment to the development of the nation's education sector, we expended about NGN1.426 billion towards educational initiatives in the 2023 financial year. Some of our investments educational initiatives in the year under review include donations to the educational endowment fund of St. Saviour's school, Ikoyi; Sponsorship: 2023 Microsoft Office Specialist World Championship. The bank continues to pay great attention to championing SDG4 (Quality Education).

Climate Risk Management

Climate risk management has become an increasingly important topic globally. We recognise our role in helping to enable the transition to a green economy and consider the impact of our business activities on the environment to the greatest possible extent. This informs our climate risk strategy and climate action. As such, Zenith Bank has set climate-related considerations and targets in its corporate strategy as represented in our Climate Risk Policy.

The Bank's climate risk governance structure is constituted of the Board of Directors ("Board"), Risk Management, and the ERM Committee ("ERM Committee") carrying out the role of senior management overseeing the overall operation of the climate-related risk management framework. This means the board and the senior management set a climate-related strategy and oversee its implementation. The board also, advises, deliberates, and approves the climate risk policy of the Bank. The Climate Risk Committee comprises the Board of directors, Risk management committee, ERM Committee, and the Climate/Sustainability Officer.

Corporate Responsibility and Sustainable Banking Practices

At Zenith Bank, we disclose the actual and potential impacts of climate-related risks and opportunities on the bank's businesses, strategy, and financial planning where such information is material. Zenith Bank discloses the processes it adopts in identifying and assessing climate-related risks, the processes involved in managing such risks, and how it integrates climate risk into the bank's overall risk management.

Zenith Bank plans to cut its Head Office and annexes' carbon emissions by 50% through the replacement of all existing diesel generators with a cleaner alternative 8,000 kVA gas plant. An annual GHG emissions audit of the Head Office by V4 Advisors (ESG Consultants) is to be carried out, using tools in compliance with Greenhouse Gas Corporate Standard and ISO 14064-1, 2006.

Green Transition

To tackle the global climate emergency, there is a need for significant emission cuts, increased climate financing, strong policies, global commitment, and binding legislation. Environmental protection is our collective responsibility. Zenith Bank is committed to working and partnering towards building lasting solutions. The direct environmental impacts of our operations are limited in comparison to manufacturing and production companies. Nonetheless, as stewards of a more sustainable environment, we manage and minimise the environmental impact of our business operations, including management of energy and water consumption, adoption of renewable energy, waste management, and minimisation of business travel were possible. As a leading financial institution, we are also positioned to support the transition to a low-carbon economy through the promotion of the renewable energy sector and support of sustainable businesses.

Environmental Compliance

Zenith Bank continues to promote sustainability and climate action across all our operations in line with relevant regulatory requirements. We adhere to existing and emerging local regulatory requirements from the Federal Ministry of Environment (FMoE), National Environmental Standards and Regulations Enforcement Agency (NESREA), and state waste management agencies. Environmental compliance at Zenith Bank extends to our external stakeholders including our business partners, suppliers, and investees. Through our stakeholder engagement and advocacy, we promote and ensure the continuous monitoring and mitigation of environmental risks across our value chain.

In the year under review, the Bank had no record of environmental non-compliance.

Tracking Our Climate Performance

The planet cannot meet the goals and targets set at the Paris Climate Accords without action to address climate change. We at Zenith Bank are taking positive steps towards environmental management. We are working to reduce our direct carbon footprint and environmental impact by reducing greenhouse

gas emissions, using cleaner energy and renewables, using water responsibly, and reducing the amount of waste that we generate.

Zenith Bank's GHG (Greenhouse Gas) reporting across the years illustrates notable shifts in emissions: From 2021 to 2022, Scope 1 emissions increased by 7.9%, Scope 2 emissions decreased by 4.3%, and Scope 3 emissions rose by 139.7%. Then from 2022 to 2023, Scope 1 emissions increased by 11.9%, Scope 2 emissions surged by 51.3%, while Scope 3 emissions decreased by 45.5%. 79,488,000 KWh of emissions were avoided by Zenith Bank by use of solar energy in 2023.

Labour Practices

Zenith Bank values its employees and recognises the importance of having happy, healthy, and engaged employees in the workforce. Our labour practices are in line with both local and global labour-related codes, including those from the International Labour Organisation (ILO), Labour Act, United Nations Global Compact (UNGC), Sustainable Development Goal 8 (Decent Work and Economic Growth), and the Nigerian Labour Act.

In recent years, the emigration of many young Nigerians has slightly affected the country's labour market, particularly the banking sector. However, as a resilient brand, we have responded by reassessing our employment practices to ensure we remain an employer of choice, attracting the best talent available in the industry. We maintain a minimum notice period of two weeks before implementing operational changes, decisions, or actions that could significantly affect our employees.

Zenith Bank understands that creating a diverse and inclusive workplace helps to attract, retain and develop its workforce, and better connect with its diverse customer base. Different ideas and perspectives drive innovation, risk management, and sustainable business growth. A connected workforce that reflects the communities where we operate helps us meet the needs of our diverse customer base. We strive to maintain a workplace where people feel valued, respected, and supported to fulfill their potential as we foster an environment where people can speak up against barriers to success and collaborate to put the best ideas into practice.

At Zenith Bank, we support our employees' ability to balance their personal and professional lives. To encourage qualified employees to achieve higher productivity and well-being for families after childbirth, we offer fully paid three-month parental leave. In 2023, 3352 employees were entitled to parental leave. Of that number, 238 employees took parental leave, and 236 employees returned to work after their leave ended.

Corporate Responsibility and Sustainable Banking Practices

Human Rights Assessment
Zenith Bank respects the human rights of all people. We strictly comply with all applicable human rights laws and act in keeping with best practices. We are aligned with the human rights principles set out by the UN Universal Declaration of Human Rights, the United Nations Global Compact (UNGC), the United Nations Guiding Principles on Business and Human Rights, and the International Labour Organisation (ILO).

We have a zero-tolerance policy and avoid discrimination based on race, age, gender, religion, ethnic identity, disability, or political affiliation. We celebrate diversity in our employees and across our value chain. We assess human rights impacts and risks as part of our E&S impact assessments on our supply chain and investments. Ensuring the projects do not violate human rights. We also designate a public liaison office in communities that host our CSR projects as a channel to report alleged or perceived cases of human rights violations.

We conduct training for our employees and provide a platform and other available channels for reporting and investigating alleged cases of human rights breaches. In 2023, 7,347 staff 73.36 percent of our employees spent 354,037.86 hours on training in various aspects of human rights.

Talent Development
At Zenith Bank, we are particular about the value of giving our employees access to quality opportunities and training. To help our staff members gain new skills, perform better, and grow in their roles, we offer staff training. All our personnel receive technical, leadership, interpersonal, and control training, which is given in both in-person and virtual settings. These training programs support staff members in embracing new work practices and strategies, developing their capacities, and strengthening their leadership and teamwork abilities.

We value the professional and personal growth of our staff members. We think that when workers have the necessary tools and abilities, they can serve our clients and customers effectively. The Bank offers an extensive training program for staff growth. We are committed to ensuring our employees succeed in their professional careers and grow into creative, accountable leaders. We provide staff with workshops, programs, and training opportunities that will significantly impact their development.

Employees received training during the reporting year on Health, safety, and environment (HSE), human rights, anti-corruption, leadership development, basic emergency response, fire, and safety. An average of 7.43 hours were spent on training 1,807 active permanent employees as of 31st December 2023.

Whistleblowing

Every employee at Zenith Bank is responsible for ensuring that their behavior reflects our values, code of ethics and conduct, and dedication to upholding human rights. Thus, any internal or external stakeholder (a whistle-blower) who witnesses attempted, suspected, real, unlawful, irregular, or unethical behavior in connection with Zenith Bank's business operations or activities may report it under our whistleblowing policy. Additionally, staff members are urged to report any suspected instances of unprofessional conduct by email, WhatsApp, and phone calls.

In 2023, 64 cases of whistleblowing were reported, and 61 cases were resolved. Zenith Bank has created an automated complaint/ information box that will enable staff/ employees and other stakeholders to log in and provide useful information especially when or where things are going wrong. Customers and third parties can report cases via the Bank's website www.zenithbank.com, send an email to whistleblow@zenithbank.com, or call +234-1-292888 or +234-1-278-8888. 64 cases were reported in 2023 out of which 61 cases resolved in the year under review.

Health, Safety and Wellbeing at Work

The health and safety of our customers and employees are top priorities at all Zenith Bank locations. We are dedicated to supporting our employees' health and wellness to increase their motivation and performance as we recognise how important they are to the provision of our services. To proactively support our employees' well-being, we have put in place some measures, such as a thorough benefits package and policies to guarantee their safety throughout all our locations and headquarters. In addition, our workers are entitled to a stipend for working on public holidays or weekends.

All our bank locations have fire safety policies in place, along with plans for how to evacuate in the event of a fire. In 2023, we conducted 262 training programs (24 physical and 238 online programs) for 1807 employees across all our locations. We had a total number of 13,429 training hours. The various training sessions conducted addressed different aspects of safety and health. Fire and Safety training accumulated 2,114 hours for 302 participants, while Lagos Fire training extended 2,198 hours accommodating 314 participants. Basic Emergency training accounted for 2,401 hours engaging 343 participants, while Occupational Health training covered 3,206 hours and involved 458 participants. Finally, IOSH training encompassed 3,510 hours for 390 participants, across various participant counts.

Reporting

Zenith Bank is a signatory to the Central Bank of Nigeria's Nigerian Sustainable Banking Principles (NSBP), a member of the United Nations Global Compact and the United Nations Environment Programme's Finance Initiative, (UNEP-FI). The Bank is thus obligated to Sustainability Reporting.

A standalone Sustainability Report to demonstrate our economic, environmental and social progress in the financial year, is published annually. This report incorporates the Nigerian Stock Exchange (NSE), Global Reporting Initiative (GRI) Sustainability reporting guidelines, the Sustainability Accounting Standards Board (SASB), and the International Sustainability Standards Board (ISSB) IFRS S1 & S2 Sustainability Disclosure Guidelines.

Additionally, Zenith Bank sends biannual progress reports to the CBN as well as annual reports to the IFC, UNGC, PROPARCO, and AfDB among others. The Bank remains fully committed to sustainability reporting

Awards and Recognition

Our decision to build a sustainable brand is motivated by our desire to become a sustainability leader in the financial services industry, however, it is always an honour to be acknowledged for the diverse roles that we play in the sustainability space, In the reporting year, we received multiple accolades from reputable organisations in the local and global space.

- Number One Bank in Nigeria by Tier-1 Capital - The Banker
- Best Commercial Bank, Nigeria 2023 - World Finance
- Best Corporate Governance, Nigeria 2023 - World Finance
- Best Corporate Governance 'Financial Services' Africa 2023 - Ethical Boardroom
- Most Sustainable Bank, Nigeria 2023 - International Banker
- Best Bank for Digital Solutions, Nigeria 2023 – Euromoney
- World Finance 100 2023
- Bank of the Year 2023 – Businessday Newspaper

Conclusion

At Zenith, we are committed to the continuous improvement of our sustainability programme and developing ways to measure and verify the impact of our business activities. In doing so, we aim to increase the long-term success of the Bank while also contributing to the sustainable development of our society.

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Independent Auditor's Limited Sustainability Assurance Report on the Selected Sustainability Information in Zenith Bank Plc Sustainability Report for the year ended 31 December 2023

To the Directors of Zenith Bank Plc.

We have undertaken a limited assurance engagement in respect of the selected sustainability information, as described below, and presented in the 2023 Sustainability Report of Zenith Bank Plc. for the year ended 31 December 2023. This engagement was conducted by a multidisciplinary team including economic, social and environmental specialists, as well as assurance specialists with relevant experience in sustainability reporting.

Subject Matter

You have engaged us to provide a limited assurance conclusion in our report on the following selected sustainability information, marked with A on the relevant pages in the sustainability report for the year ended 31 December 2023. The selected sustainability information in the table contained in this opinion have been prepared in accordance with the reporting criteria that accompanies the sustainability information on the relevant pages of the Report (the accompanying reporting criteria).

Zenith Bank Plc. Management's responsibility

The Management of Zenith Bank Plc. is responsible for the selection, preparation and presentation of the selected sustainability information in accordance with the accompanying reporting criteria as set out in the Sustainability Report (the "Reporting Criteria").

This responsibility includes:

- Identification of the stakeholder requirements, material issues, commitments with respect to sustainability performance, and
- Design, implementation and maintenance of internal control relevant to the preparation of the Sustainability performance data so that it is free from material misstatement, whether due to fraud or error.
- Determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected sustainability information and for ensuring that those criteria are publicly available to the report users.

PricewaterhouseCoopers Chartered Accountants
Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria
T: +234 1 271 1700, www.pwc.com/ng *TIN: 01556757-0001* *BN: 958268*

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Focus Area	Zenith Bank Indicators	Sub Heading in Sustainability Report	Reporting Criteria (GRI/NSBPs)	Updated Performance result statement (as would be stated in the final sustainability report)	Page number
Social	1. Social investments (naira amount and percentage of profit after tax).	Local Communities and Social Investment Section: Thriving Social Networks	**GRI 413-1** Operations with local community engagement, impact assessments and development program. **NSBP 2** Our business operations: Environmental and social footprint. **NSE (NGX) Principle 6:** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	In 2023, Zenith Bank's total social investments was N5.67billion, representing 0.85% of our Profit After Tax (PAT).	48

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Partners: S Abu, O Adekoya, T Adeleke, W Adetokunbo-Ajayi, S Adu, E Agbeyi, A Akingbade, UN Akpata, O Alakhume, A Atitebi, C Azobu, A Banjo, E Erhie, K Erikume, M Iwelumo, H Jaiyeola, T Labeodan, U Muogilim, C Obaro, C Ojechi, U Ojinmah, O Oladipo, W Olowofoyeku, P Omontuemhen, O Osinubi, T Oyedele, O Ubah, C Uwaegbute, Y Yusuf

Focus Area	Zenith Bank Indicators	Sub Heading in Sustainability Report	Reporting Criteria (GRI/NSBPs)	Updated Performance result statement (as would be stated in the final sustainability report)	Page number
	2. Total employees by gender (number and percentage)	Diversity and Equal Opportunities Section: Partnering With Our People	**GRI 405-1** Diversity of governance bodies and employees. **NSBP- 4** Women's economic empowerment **NSE (NGX) Principle 5:** Businesses should promote the wellbeing of all employees.	Our total active workforce stood at 10,014 as at 31 December 2023, out of which 5,628 (56.2%) were female, while 4,386 (43.8%) were male.	40
	3. Total Board and top management staff (number and percentage in gender representation)	Sustainable Leadership Section: Crafting A Sustainable Business Approach At Zenith Bank	**GRI 405-1** Diversity of governance bodies and employees **NSBP- 4** Women's economic empowerment **NSE (NGX) Principle 5:** Businesses should promote the wellbeing of all employees.	In 2023, we had 10 males and 4 females on our Board of Directors, representing 69.23% male and 30.77% female. As at 31 December 2023, 31.07% (32) of our top management staff (of Assistant General Manager and above level) were female while 68.93% (71) were male.	24

Focus Area	Zenith Bank Indicators	Sub Heading in Sustainability Report	Reporting Criteria (GRI/NSBPs)	Updated Performance result statement (as would be stated in the final sustainability report)	Page number
	4. Employee training and development (number, percentage of total employee and naira amount)	Talent Development Section: Partnering With Our People	**GRI 401-1** Average hours of training per year **NSE (NGX) Principle 5:** Businesses should promote the wellbeing of all employees.	A total 354,037.86 hours were expended on training 9,655 employees in 2023. In 2023, we invested a total of ₦1,981.73 million, in employee training. This represents a 881.7% increase from the 2022 spend on employee training.	43
	5. Employee turnover rate (number and percentage)	New Employee Hire And Turnover Section: Partnering with our People	**GRI 401 -1** New employee hires and employee turnover **NSE (NGX) Principle 5:** Businesses should promote the wellbeing of all employees.	In 2023, the bank welcomed 2,743 new employees (permanent & contract) while 1,183 (permanent and contract workers) exited the company.	39
	6. Employee who have undergone training on fighting/combating financial crime (number and percentage of total employee)	Anti-corruption and Anti-money Laundering Section: Crafting a Sustainable	**GRI 205 - 2** Communication and training about anti-corruption policies and procedures **NSE (NGX) Principle 1:** Businesses should conduct and govern themselves with ethics, transparency and accountability.	9,316 employees, representing 93.0% of our total workforce, received training on anti-corruption and anti-money laundering in 2023.	28

Focus Area	Zenith Bank Indicators	Sub Heading in Sustainability Report	Reporting Criteria (GRI/NSBPs)	Updated Performance result statement (as would be stated in the final sustainability report)	Page number
		Business Approach at Zenith Bank			
	7. Analysis of Human Rights and non-discrimination policies and practices (number).	Human Rights Assessment Section: Partnering With Our People	**GRI 412-1** Operations that have been subject to human rights reviews or impact assessment **NSBP 3** Human Rights **NSE (NGX) Principle 1:** Businesses should conduct and govern themselves with ethics, transparency and accountability. **NSE (NGX) Principle 7:** Businesses should respect and promote human rights.	In 2023, 7,347 permanent and contract staff were trained on various aspects of human rights. This represents 73.36% of our total workforce.	44

Focus Area	Zenith Bank Indicators	Sub Heading in Sustainability Report	Reporting Criteria (GRI/NSBPs)	Updated Performance result statement (as would be stated in the final sustainability report)	Page number
	8. Financial inclusion and financial literacy activities (number and location).	Product Portfolio Section: Enhancing Economic Growth	**NSBP 5** Financial Inclusion. **NSE (NGX) Principle 6:** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	The bank's retail banking services has been instrumental to economic empowerment of stakeholders and financial inclusion of the unbanked through our financial inclusion products. In the end of 2023, ZECA (144,400), ASPIRE SAVINGS & ASPIRE LITE (326,014) ZENITH TIMELESS (25,283), EAZYSAFE CLASSIC & EASYSAFE PREMIUM (2,821,590) accounts were operational.	31

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Inherent Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining, calculating, sampling and estimating such information. The absence of a significant body of established practices on which to draw allows for the selection of different but acceptable measurement techniques that can result in materially different measurements and can impact on comparability. Qualitative interpretation of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine the information, as well as the measurement criteria and the precision thereof, may change over time.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants (IESBA) issued by the International Federation of Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies the International Standard on Quality Control 1 (ISQC 1), and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance provider's responsibility

Our responsibility is to express a conclusion on the sustainability report based on conducting a limited assurance engagement. We performed our limited assurance engagement in accordance with International Standard on Assurance Engagements (revised), Assurance Engagements Other Than Audits or Reviews of Historic Financial Information (ISAE 3000). This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain limited assurance about whether the subject matter information is free from material misstatement.

Our assurance engagement involves performing procedures to obtain sufficient appropriate evidence about the sustainability report which is the subject of our assurance engagement. The procedures selected depend on our professional judgement, including an identification of areas where a material misstatement of the subject matter information is likely to arise whether due to fraud or error. In our identification, we considered internal control relevant to management's preparation of the sustainability report in order to design procedures that are appropriate in the circumstances.

A limited assurance is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of qualification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, and performing the procedures listed above, we:

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- Interviewed management to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management in our interviews;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected sustainability information;
- Performed a controls walkthrough of identified key controls;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- Evaluated the reasonableness and appropriateness of significant estimates and judgements made by Management in the preparation of the selected sustainability information; and
- Evaluated whether the selected sustainability information presented in the report are consistent with our overall knowledge and experience of sustainability management and performance at the Bank.

The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Bank's sustainability information have been prepared, in all material respects, in accordance with the accompanying Bank's reporting criteria.

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

Limited Assurance Conclusion

Based on procedures we have performed and the evidence we have obtained, and subject to inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that the selected sustainability information as set out in the subject matter paragraph above for the year ended 31 December 2023 are not prepared, in all material respects, in accordance with the reporting criteria.

Other Matters

The maintenance and integrity of Zenith Bank's website is the responsibility of Zenith Bank's Directors. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Report or our independent assurance report that may have occurred since the initial date of presentation on Zenith Bank's website.

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected sustainability information to the Directors of the Bank in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than the Bank for our work, for this report, or for the conclusion we have reached.

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria
Engagement Partner: Edafe Erhie
FRC/2013/PRO/ICAN/004/00000001143

26 April 2024

03 Financials

Statement of Directors' Responsibilities in Relation to the Financial Statements for the Year Ended 31 December 2023

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
31 January, 2024

Dr. Ebenezer Onyeagwu
Group Managing Director / CEO
FRC/2013/ICAN/00000003788
31 January, 2024

Report of The Audit Committee for the Year Ended 31 December, 2023

In compliance with Section 359(6) of the Companies and Allied Matters Act of Nigeria 1990, Cap C20 LFN 2004, we have reviewed the consolidated and separate financial statements of Zenith Bank Pie for the year ended 31 December, 2023 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 transactions and balances have been disclosed in note 38 to the Financial Statements in accordance with requirements of the International Financial Reporting Standards (IFRS) and the Central Bank of Nigeria (CBN) directives 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 January 30, 2024.

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

1. Engr. Mustafa Bello
2. Dr. Al-Mujtaba Abubakar *MFR*

ZENITH BANK PLC
RC: 150224

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ZENITH

Annual Report and Financial Statements for the year ended
31 December 2023

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 2023:

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 2023 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.

Name: Jim Ovia, CFR.	Name: Dr. Ebenezer Onyeagwu
Chairman	Managing Director

ZENITH BANK PLC
RC: 150224

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Annual Report Financial Statements for the year ended
31 December 2023

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 2023.

I, Mukhtar Adam, 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: Mukhtar Adam, PhD

Designation: Chief Financial Officer

FRC No: FRC/2013/MUL TI/00000003196

Signature:____________

Date: 31/01/2024

ZENITH BANK PLC
RC: 150224

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ZENITH

Annual Report and Financial Statements for the year ended
31 December 2023

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 2023.

I, Dr. Ebenezer Onyeagwu, 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: Dr. Ebenezer Onyeagwu

Designation: Managing Director

FRC No: FRC/2013/ICAN/00000003788

Signature:

Date: 31/01/2024

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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 2023, 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, 2023, 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 company'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 Internal Control over Financial Reporting Our responsibility is to express an opinion on the company'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 2 April 2024, is expressed as an unqualified Opinion.

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

2 April 2024

Engagement Partner: Samuel Abu
FRC/2013/PRO/ICAN/004/00000001495

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 2023, 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 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 2023;
- the consolidated and separate statements of financial position as at 31 December 2023;
- 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.

PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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.

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 2023 was N 7,055 billion and N6,413 billion for group and bank respectively. The associated impairment allowance on loans and advances to customers was N499 billion and N484 billion for the 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	We understood management's process and evaluated and tested key controls around the determination of the allowance for expected credit loss. 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 We 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 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.
Application of IAS 29 Financial Reporting in Hyperinflationary Economies to the Group's operations in Ghana (refer to notes 2.27, 4.5 and 11) In 2023, the economy of Ghana was deemed a hyperinflationary economy in accordance with the requirements of IAS 29 Financial Reporting in Hyperinflationary Economies (IAS 29). The application of hyperinflation accounting to the Group's operations located in Ghana is a key audit matter in the consolidated financial statements due to the significant judgment exercised in the estimation of the impact of the hyperinflation. The key areas of significant judgement include: • the selection of a general price index. • the calculation of the net monetary loss disclosed in consolidated statements of Profit or Loss and other Comprehensive Income. The application of IAS 29 resulted in the recognition of a net monetary loss of N13.2billion in the consolidated statement of Profit or Loss and other Comprehensive Income .	We understood management's process and assessed the design of key controls implemented in determining the hyperinflation adjustments and disclosures. With the assistance of our internal accounting specialists, we; • evaluated the appropriateness of the Group's IAS 29 accounting policy. • tested the application of the policy to the financial result consolidated for Zenith Bank Ghana. • evaluated the suitability of the general price index applied by the Group. • recomputed the net monetary loss recognized in the consolidated statement of Profit or Loss and other Comprehensive Income, and the adjustment to opening equity. • assessed the adequacy of the disclosure in the financial statements in accordance with IAS 29.

Modification of debt securities issued by the Government of Ghana and Ghana Cocoa Board-N250billion - (refer to note 2.5, 4.1 and 21) The Government of Ghana and Ghana Cocoa Board announced a voluntary Domestic Debt Exchange Programme (DDEP) and Cocoa bills exchange programme respectively, which sought to exchange existing eligible domestic notes, bills, and bonds. Management segmented the investment securities into a portfolio of instruments eligible for DDEP and Cocoa bills exchange programme and those instruments that are not eligible for the Exchange. The fair values of the new instruments on the date of exchange, and the associated modification gain or loss was determined using discounted cash flow (DCF) models. The DCF models estimated the discount factors for the categories of bonds exchanged. The determination of the discount factor was an area of significant judgment. This is considered a key audit matter in the consolidated financial statements.	We obtained an understanding of the Domestic Debt Exchange Programme (DDEP) and Cocoa bills exchange programme based on the Exchange Memoranda issued by the Government of Ghana and the Ghana Cocoa Board. We assessed the reasonableness of the discount rates used for determining the present value of cash flows expected from new bonds by: • checking the methodology adopted in determining the discount rate and. • checking the accuracy of the computation of the discount rate. We assessed the appropriateness of the related disclosures for investment securities in the financial statements in accordance with IFRS 9.

Other information

The directors are responsible for the other information. The other information comprise of 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, Chief Finance Officer's Certification of management's assessment on internal control over financial reporting, Chief Executive Officer's Certification of Management 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 2023 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 2023 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 International Financial Reporting 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 judgment 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 38 to the consolidated and separate financial statements; and

v) as disclosed in Note 42 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 2023.

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 2023. 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 2 April 2024.

For: **PricewaterhouseCoopers**

2 April 2024

Chartered Accountants
Lagos, Nigeria

Engagement Partner: Samuel Abu
FRC/2013/PRO/ICAN/004/00000001495


Financial Report
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Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2023

		Group		Bank	
In millions of Naira	**Note(s)**	**31-Dec-23**	**31-Dec-22**	**31-Dec-23**	**31-Dec-22**
Interest and similar income	6	1,144,674	540,166	926,232	448,174
Interest and similar expense	7	(408,492)	(173,539)	(355,228)	(153,019)
Net interest income		**736,182**	**366,627**	**571,004**	**295,155**
Impairment charge on financial and non-financial instruments	8	(409,616)	(123,252)	(398,412)	(61,896)
Net interest income after impairment loss on financial and non-financial instruments		**326,566**	**243,375**	**172,592**	**233,259**
Net income on fees and commission	9	109,307	132,795	71,080	110,098
Trading gains	10	566,973	212,678	538,286	201,645
Other operating income	11	242,588	35,494	264,063	49,790
Depreciation of property and equipment	26	(29,857)	(26,630)	(26,090)	(24,519)
Amortisation of intangible assets	27	(3,469)	(3,678)	(2,447)	(3,045)
Personnel expenses	37	(124,415)	(86,412)	(88,083)	(68,475)
Operating expenses	12	(291,731)	(222,972)	(261,686)	(204,703)
Profit before tax		**795,962**	**284,650**	**667,715**	**294,050**
Income tax expense	13a	(119,053)	(60,739)	(72,114)	(59,457)
Profit for the year after tax		**676,909**	**223,911**	**595,601**	**234,593**
Other comprehensive income/(loss):					
Items that will never be reclassified to profit or loss:					
Fair value movements on equity instruments at FVOCI		122,252	8,109	122,252	8,109
Impact of adopting IAS 29 on 1 January 2023		81,408	-	-	-
Total items that will not be reclassified to profit or loss		**203,660**	**8,109**	**122,252**	**8,109**
Items that are or may be reclassified to profit or loss:					
Foreign currency translation differences for foreign operations		162,942	(28,768)	-	-
Fair value movements on debt securities at FVOCI		10,280	(6,602)	-	-
Income tax relating to fair value movement on debt securities at FVOCI		(2,603)	-	-	-
Other comprehensive income/(loss) for the year net of taxation		**374,279**	**(27,261)**	**122,252**	**8,109**
Total comprehensive income for the year		**1,051,188**	**196,650**	**717,853**	**242,702**
Profit/(loss) attributable to:					
Equity holders of the parent		676,569	224,050	595,601	234,593
Non controlling interest		340	(139)	-	-
		676,909	**223,911**	**595,601**	**234,593**
Total comprehensive income/(loss) attributable to:					
Equity holders of the parent		1,050,373	196,981	717,853	242,702
Non controlling interest		815	(331)	-	-
		1,051,188	**196,650**	**717,853**	**242,702**
Earnings per share					
Basic and diluted (Naira)	14	21.55	7.14	18.97	7.47

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

Consolidated and Separate Statement of Financial Position as at 31 December 2023

In millions of Naira	Note(s)	Group 31-Dec-23	Group 31-Dec-22	Bank 31-Dec-23	Bank 31-Dec-22
Assets					
Cash and balances with central banks	15	4,253,374	2,201,744	3,965,386	2,102,394
Treasury bills	16	2,736,273	2,246,538	2,529,966	2,206,668
Assets pledged as collateral	17	308,638	254,663	255,061	254,565
Due from other banks	18	1,834,314	1,302,811	1,691,722	1,132,796
Derivative assets	19	534,739	49,874	507,942	48,851
Loans and advances	20	6,556,470	4,013,705	5,928,796	3,735,676
Investment securities	21	3,290,895	1,728,334	1,205,724	622,781
Investment in subsidiaries	22	-	-	34,625	34,625
Deferred tax asset	24	17,251	18,343	-	-
Current tax receivable	13	18,975	-	-	-
Other assets	25	474,976	213,523	417,419	193,792
Property and equipment	26	295,532	230,843	230,267	214,572
Intangible assets	27	47,018	25,251	44,185	23,958
Total assets		**20,368,455**	**12,285,629**	**16,811,093**	**10,570,678**
Liabilities					
Customers' deposits	28	15,167,740	8,975,653	12,154,824	7,434,806
Derivative liabilities	33	70,486	6,325	45,514	6,040
Current income tax payable	13	33,877	64,856	28,080	61,655
Deferred tax liabilities	24	59,310	16,654	59,233	15,911
Other liabilities	29	1,039,712	568,559	1,003,947	546,347
On-lending facilities	30	263,065	311,192	263,065	311,192
Borrowings	31	1,410,885	963,450	1,450,182	999,580
Total liabilitles		**18,045,075**	**10,906,689**	**15,004,845**	**9,375,531**
Capital and reserves					
Share capital	34	15,698	15,698	15,698	15,698
Share premium	35	255,047	255,047	255,047	255,047
Retained earnings	35	1,179,390	625,005	893,938	494,429
Other reserves	35	871,617	482,377	641,565	429,973
Attributable to equity holders of the parent		2,321,752	1,378,127	1,806,248	1,195,147
Non-controlling interest	35	1,628	813	-	-
Total shareholders' equity		**2,323,380**	**1,378,940**	**1,806,248**	**1,195,147**
Total liabilities and equity		**20,368,455**	**12,285,629**	**16,811,093**	**10,570,678**

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

The financial statements were approved and authorised for issue by the Board of Directors on 31st January 2024 and signed on its behalf by:

Jim Ovia, CFR.
(Chairman)
FRC/2013/CIBN/00000002406

Dr. Ebenezer Onyeagwu
(Group Managing Director & Chief Executive Officer)
FRC/2013/ICAN/00000003788

Mukhtar Adam, PhD
(Chief Financial Officer)
FRC/2013/MUL TI/00000003196

Consolidated and Separate Statements of Changes in Equity for the Year Ended 31 December 2023

Group

In millions of Naira	Notes	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
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**
Impact of adopting IAS 29 at 1 January 2023		-	-	-	-	-	-	-	80,936	80,936	472	81,408
Restated balance at 1 January 2023		15,698	255,047	24,953	46,980	311,411	3,729	95,304	705,941	1,459,063	1,285	1,460,348
Profit for the year		-	-	-	-	-	-	-	676,569	676,569	340	676,909
Other comprehensive income:		-	-	-	-	-	-	-	-	-	-	-
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)
		-	**-**	**162,939**	**129,929**	**-**	**-**	**-**	**676,569**	**969,437**	**343**	**969,780**
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	1,179,390	2,321,751	1,628	2,323,380
1 January 2022		15,698	255,047	53,529	45,473	275,993	3,729	21,846	607,203	1,278,518	1,144	1,279,662
Profit for the year		-	-	-	-	-	-	-	224,050	224,050	(139)	223,911
Other Comprehensive income:												
Foreign currency translation differences		-	-	(28,576)	-	-	-	-	-	(28,576)	(192)	(28,768)
Fair value movements on equity instruments		-	-	-	8,109	-	-	-	-	8,109	-	8,109
Fair value movements on debt securities		-	-	-	(6,602)	-	-	-	-	(6,602)	-	(6,602)
Total comprehensive income for the year		-	-	(28,576)	1,507	-	-	-	224,050	196,981	(331)	196,650
Transfer between reserves	35	-	-	-	-	35,418	-	73,458	(108,876)	-	-	-
Transactions with owners of the Parent												
Dividends	40	-	-	-	-	-	-	-	(97,371)	(97,371)	-	(97,371)
Balance at 31 December 2022		15,698	255,047	24,953	46,980	311,411	3,729	95,304	625,005	1,378,127	813	1,378,940

Consolidated and Separate Statements of Changes in Equity for the Year Ended 31 December 2023

In millions of Naira	Notes	Share capital	Share premium	Fair value reserve	Statutory reserve	SMIEIS reserve	Credit risk reserve	Retained earnings	Total equity
Bank									
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 year		-	-	122,252	-	-	-	595,601	717,853
Transfer between reserves	35	-	-	-	89,340	-	-	(89,340)	-
Dividends	40	-	-	-	-	-	-	(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**
Balance at 1 January 2022		**15,698**	**255,047**	**45,622**	**243,414**	**3,729**	**20,016**	**466,250**	**1,049,776**
Profit for the year		-	-	-	-	-	-	234,593	234,593
Other Comprehensive income:									
Fair value movements on equity instruments		-	-	8,109	-	-	-	-	8,109
Total comprehensive income for the year		-	-	**8,109**	-	-	-	**234,593**	**242,702**
Transfer between reserves	35	-	-	-	35,188	-	73,895	(109,083)	-
Dividends	40	-	-	-	-	-	-	(97,330)	(97,330)
Balance at 31 December, 2022		**15,698**	**255,047**	**53,731**	**278,602**	**3,729**	**93,911**	**494,429**	**1,195,147**

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

Consolidated and Separate Statement of Cash Flows for the Year Ended 31 December 2023

For the year ended 31 December		Group		Bank	
In millions of Naira	Note(s)	2023	2022	2023	2022
Cash flows from operating activities					
Profit before tax for the year		795,962	284,650	667,715	294,050
Adjustments for:					
Net impairment loss on financial and non-financial instruments	8	409,616	123,252	398,412	61,896
Unrealised fair value change in trading bond, bills and derivatives	44(xii)	(495,592)	(90,046)	(493,766)	(88,394)
Depreciation of property and equipment	26	29,857	26,630	26,090	24,520
Amortisation of intangible assets	27	3,469	3,679	2,447	3,045
Dividend income	11	(5,661)	(2,223)	(19,777)	(17,148)
Foreign exchange revaluation gain	44(xx)	358,103	(25,201)	308,353	(25,320)
Interest income	6	(1,144,674)	(540,166)	(926,232)	(448,174)
Interest expense	7	408,492	173,539	355,228	153,019
Gain on sale of property and equipment	44(vi)	(189)	(2,563)	(186)	(2,451)
(Gain)/loss on lease derecognition	44(xviii)	(14)	(2,027)	2	(2,025)
Net monetary loss arising from hyperinflationary economy	11	13,225	-	-	-
		372,594	(50,477)	318,286	(46,983)
Changes in operating assets and liabilities:					
Net increase in loans and advances	44(iii)	(3,001,963)	(543,004)	(2,623,642)	(502,442)
Net (increase) decrease in other assets	44 (viii)	(258,868)	(59,586)	(222,544)	(55,735)
Net increase in treasury bills (FVTPL) including bills pledged	44(iib)	439,491	(76,101)	439,491	(78,553)
Net (increase)/decrease in investment securities including bonds pledged (FVTPL and FVOCI)	44(i)	(11,967)	(254,630)	(6,666)	138
Net (increase)/decrease in restricted balances (cash reserves)	44(x)	(2,233,798)	(418,711)	(2,144,031)	(419,705)
Net decrease/ (increase) in due from banks with maturity greater than three months	44(vii)	37,147	(15,661)	106,055	(21,065)
Net increase in customer deposits	44(iv)	6,367,081	2,362,290	4,713,058	2,153,832
Net increase/(decrease) in Other liabilities	44(V)	470,641	48,387	454,569	84,480
Net increase in derivatives		43,549	-	42,811	-
		2,223,907	992,506	1,077,387	1,113,967
Interest received from operating activities	44 (xiiia)	803,645	354,722	711,069	302,324
Interest paid	44(xi)	(413,961)	(143,859)	(347,349)	(128,805)
Tax paid	13	(107,535)	(24,247)	(62,367)	(7,728)
Net cash flows generated from operations		**2,506,056**	**1,179,122**	**1,378,740**	**1,279,758**
Cash flows from investing activities					
Purchase of property and equipment	44(xivb)	(50,281)	(67,245)	(40,584)	(64,357)
Proceeds from Sale of property and equipment	44(vi)	1,382	3,207	1,341	2,671
Purchase of intangible assets	27	(24,035)	(4,130)	(22,674)	(3,461)
Additions to treasury bills	44(iia)	(4,547,984)	(3,060,163)	(2,824,475)	(2,968,565)
Disposal of treasury bills	44(iia)	3,543,236	2,833,003	2,031,575	2,679,567
Interest received from treasury bills and investment securities	44 (xiiib)	390,383	88,416	288,634	71,700
Acquisition of Right of Use Asset	44(xiva)	(859)	(2,281)	(810)	(2,031)
Additions to other Investment securities	44(XV)	(2,378,357)	(559,328)	(539,842)	(206,285)
Disposal of other Investment securities	44i	980,761	403,066	82,885	65,448
Dividends received	10	5,661	2,223	19,777	17,148
Net cash from investing activities		**(2,080,093)**	**(363,232)**	**(1,004,173)**	**(408,165)**

In millions of Naira		Group		Bank	
	Note(s)	2023	2022	2023	2022
Cash flows from financing activities					
Repayment of debt securities Issued	32	-	(46,071)	-	(46,071)
Cash inflow from long term borrowings	31	1,148,702	1,243,614	1,197,352	1,279,743
Repayment of long term borrowings	31	(1,569,493)	(1,135,414)	(1,569,493)	(1,154,340)
Repayment of onlending facility	30(b)	(48,079)	(59,470)	(48,079)	(59,470)
Repayment of principal for lease liability	44(v)	(1,543)	(4,011)	(979)	(2,927)
Unclaimed dividend received	44(xvii)	352	1,117	352	1,117
Dividends paid to shareholders	40	(106,748)	(97,371)	(106,748)	(97,330)
Net cash used in financing activities		**(576,809)**	**(97,606)**	**(527,595)**	**(79,278)**
Net (decrease)/increase in cash and cash equivalents		**(150,846)**	**718,284**	**(153,028)**	**792,315**
Analysis of changes in cash and cash equivalents :					
Cash and cash equivalent at the beginning of the year		1,940,758	1,134,519	1,657,186	776,574
Net (decrease)/increase in cash and cash equivalents		**(150,846)**	**718,284**	**(153,028)**	**792,314**
Effect of exchange rate movement on cash balances		514,599	87,955	514,244	88,298
Cash and cash equivalents at the end of the year	**41**	**2,304,511**	**1,940,758**	**2,018,402**	**1,657,186**

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

Introducing Zenith Bank Pay with Transfer

Making payments at stores, restaurants, super markets and other business locations is now *quicker* and *more convenient* with Zenith Bank Pay with Transfer.

Pay with Transfer is a unique integration that instantly prints a transaction receipt on the in-store POS (Point of Sale) terminal of a business, whenever a customer pays for goods or services by transferring funds to the merchant's account using *966# EazyBanking, The Zenith Bank **Mobile App** or other banks payment channels.

No more having to wait endlessly for a supervisor or the business owner to confirm if your transfer payment was received before you can leave and carry on with your day.

How cool is that?


Notes

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2023

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 2023 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 2023 were approved and authorised for issue by the Board of Directors on 31 January 2024. 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) Changes in accounting policies

Except as noted below, the Group has consistently applied the accounting policies as set out in Note 2(b) to all years 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, 2023:

(i) (i) Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The effective date is 1 January 2023.

This amendment did not have a significant impact on the accounting policies disclosed in the financial statement.

(ii) Definition of Accounting Estimates – Amendments to IAS 8

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current year.

The effective date is 1 January 2023.

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

ii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative year presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative year for all deductible and taxable temporary differences associated with right-of-use assets and lease liabilities, and decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

The effective date is 1 January 2023.

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 2023.

(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.

2.0(b) Standards issued but not yet effective

The following standard had been issued but was not mandatory for year ended on 31 December 2023. 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.

The effective date is 1 January 2024.

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

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 International Financial Reporting Standard (IFRS) 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 International Financial Reporting Standards (IFRS) 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

(i) Non-derivative financial assets

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 preparation

(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 preparation (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-controllinginterests

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

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.

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

2.5 Financial instruments (continued)

(ii) Financial liabilities

Financial liabilities are either classified by the Group as: Financial liabilities at amortised cost; or

- 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.

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.

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 managemen 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 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;

- 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 .1

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.

- 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 2023 was N13.4 billion (31 December 2022: N74.1 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
Office equipment	5 years
Furniture and fittings	5 years
Computer equipment	3 years
Buildings	50 years
Leasehold improvement	Over the remaining lease period
Right of use assets	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 periods 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.

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.

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.

(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 year. 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.

When applying hyperinflationary accounting for the first time, the underlying information is restated in terms of the measuring unit current at the end of the reporting period as if the relevant economy had always been hyperinflationary. Group comparatives are not restated for such historical adjustments.

The restatement procedures applied for transactions and balances for the Ghana subsidiary are as follows:

- Corresponding figures as of, and for, the prior year ended for the subsidiary only, were restated by applying the change in the index from the end of the prior year to the end of the current year.
- Monetary assets and liabilities for the current year, were not restated as they already stated in terms of the measuring unit current at statement of financial position date;
- Non-monetary assets and liabilities, and components of shareholders equity/funds, were restated by applying the change in index from date/month of transaction
- Property, plant and equipment and intangible assets were restated by applying the change in the index from the date of transaction, to the statement of financial position date. Depreciation and amortisation amounts are based on the restated amounts;
- Profit or loss statement items/transactions, were restated by applying the change in index during the period to statement of financial position date.

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;

(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;

(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 financial industry in Nigeria is a dynamic and ever-evolving landscape. It encompasses banks, insurance companies, capital markets, and other financial institutions that facilitate economic transactions. The sector contributes significantly to the national GDP and acts as a catalyst for economic growth and development. However, due to its complexity and inherent risks, effective risk management strategies are essential to ensure the stability and sustainability of the industry.

Emerging risks and challenges pose new threats, while trends and patterns in risk management offer valuable insights into effective strategies. It is crucial for financial institutions to stay informed and adapt their risk management strategies and practices accordingly. Zenith Bank emphasizes the importance of risk management as part of good governance and sound business practices by identifying, assessing, and managing its risks effectively.

Trends and patterns in risk management provide valuable guidance for financial institutions. With advancements in data analytics and predictive modelling, institutions can now gain deeper insights into potential risks and develop more effective risk mitigation strategies. These trends also emphasize the importance of collaboration and information sharing among industry players to stay ahead of emerging risks.

Emerging risks and challenges in Nigeria banking sector can be diverse and often interconnected. Factors such as economic volatility, regulatory changes, technological advancements, cybersecurity threats, and geopolitical uncertainties all contribute to the complexity of the risk landscape. The bank is prepared to address these risks and adapt its risk management strategies to mitigate potential negative impacts.

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;

(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

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.

3.2.4 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	N3.5 billion and above (Not exceeding 20% of total shareholders' fund)
Management Global Credit Committee	Below N3.5billion

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.

3.2.6 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.

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.

Fore closure of collateral is usually the last measure adopted by the bank in the realization of its funds. The Group takes physical possession of properties or other assets held as collateral and uses external agents to realise the value as soon as practicable to settle indebtedness. Any surplus funds realised from such disposal are returned to the borrower or are otherwise dealt with in accordance with appropriate regulations. The assets in such cases are not carried on the Group's balance sheet.

Details of collateral pledged by customers against the 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	Fair 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**	**5,494,697**	**6,412,979**	**2,064,505**
ECL Allowance	(498,977)	-	(484,183)	-
Net carrying amount	**6,556,471**	**5,494,697**	**5,928,796**	**2,064,505**

Group

31 December 2023	Term loan	Overdrafts	Onlending	Total
Disclosure by Collateral				
Property/Real estate	3,118,408	81,402	15,184	3,214,994
Equities	1,788	4,788	2,622	9,199
Cash Collateral, lien over fixed and floating assets	1,692,916	202,472	375,117	2,270,505
Grand total: Fair value of collateral	4,813,112	288,662	392,923	5,494,698
Grand total: Gross loans	5,291,536	1,098,703	665,208	7,055,448
Grand total: ECL Allowance	(336,420)	(125,258)	(37,299)	(498,977)
Grand total: Net amount	4,955,115	973,446	6 27,909	6,556,471
Grand total: Amount of overcollaterization/(undercollaterization)	(142,003)	(684,784)	(234,986)	(1,061,770)

31 December 2023	Term loan	Overdrafts	Onlending	Total
Against 12 months ECL loans and advances				
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)**

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2023

31 December 2023	Term loan	Overdrafts	Onlending	Total
Against lifetime ECL not credit-impaired loans and advances				
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	703,136
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	Term loan	Overdrafts	Onlending	Total
Against lifetime ECL credit-impaired loans and advances				
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	5,520	70,200
Fair value of collateral	**101,112**	**24,741**	**5,575**	**131,428**
Gross loans	**212,856**	**91,663**	**5,827**	**310,347**
ECL Allowance	**(201,712)**	**(74,086)**	**(4,285)**	**(280,083)**
Net amount	**11,146**	**17,577**	**1,542**	**30,264**
Grand total: Amount of (undercollaterization)/overcollaterization	**89,967**	**7,164**	**4,032**	**101,163**

Bank

31 December 2023	Term loan	Overdrafts	On lending	Total
Disclosure by Collateral				
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)**

31 December 2023	Term loan	Overdrafts	Onlending	Total
Against 12 months ECL loans and advances				
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	Term loan	Overdrafts	Onlending	Total
Against lifetime ECL not credit-impaired loans and advances				
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	Term loan	Overdrafts	Onlending	Total
Against lifetim31 December 2023				
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**

Details of collateral pledged by customers against carrying amount of loans and advances as at 31 December 2022 are as follows:

In millions of Naira	Group		Bank	
	Total exposure	**Fair Value of collateral**	**Total exposure**	**Value of collateral**
Secured against real estate	319,203	312,265	270,935	208,068
Secured by shares of quoted companies	54,851	26,620	54,851	26,620
Cash collateral, lien over fixed and floating assets	2,318,640	1,856,751	2,162,646	1,678,280
Unsecured	1,431,271	-	1,350,373	-
Total Gross amount	**4,123,966**	**2,195,636**	**3,838,805**	**1,912,968**
ECL Allowance	(110,261)	-	(103,129)	-
Net carrying amount	**4,013,705**	**2,195,636**	**3,735,676**	**1,912,968**

Group

31 December 2022	Term loan	Overdrafts	On lending	Total
Disclosure by Collateral				
Property/Real estate	243,975	47,653	20,637	312,264
Equities	18,656	7,964	-	26,620
Cash Collateral, lien over fixed and floating assets	1,266,931	152,207	437,613	1,856,751
Grand total: Fair value of collateral	**1,529,562**	**207,824**	**458,250**	**2,195,636**
Grand total: Gross loans	**2,982,808**	**450,649**	**690,509**	**4,123,966**
Grand total: ECL Allowance	**(62,315)**	**(39,864)**	**(8,082)**	**(110,261)**
Grand total: Net amount	**2,920,493**	**410,785**	**682,427**	**4,013,705**
Grand total: Amount of overcollaterization/(undercollaterization)	**(1,390,931)**	**(202,961)**	**(224,177)**	**(1,818,069)**

31 December 2022	Term loan	Overdrafts	On lending	Total
Against 12 months ECL loans and advances				
Property/Real estate	129,049	33,870	18,912	181,831
Equities	18,233	3,484	-	21,717
Cash Collateral, lien over fixed and floating assets	732,826	137,584	436,790	1,307,200
Fair value of collateral	**880,108**	**174,938**	**455,702**	**1,510,747**
Gross loans	**2,078,669**	**373,017**	**687,421**	**3,139,107**
ECL Allowance	**(15,224)**	**(6,238)**	**(8,039)**	**(29,501)**
Net amount	**2,063,445**	**366,778**	**679,382**	**3,109,606**
Grand total: Amount of overcollaterization/(undercollaterization)	**(1,183,337)**	**(191,840)**	**(223,681)**	**(1,598,859)**

31 December 2022	Term loan	Overdrafts	On lending	Total
Against lifetime ECL not credit-impaired loans and advances				
Property/Real estate	107,255	6,127	1,652	115,034
Equities	423	2,270	-	2,693
Cash Collateral, lien over fixed and floating assets	529,067	8,713	-	537,779
Fair value of collateral	**636,745**	**17,110**	**1,652**	**655,507**
Gross loans	**876,633**	**26,786**	**1,975**	**905,393**
ECL Allowance	**(34,523)**	**(830)**	**(17)**	**(35,370)**
Net amount	**842,110**	**25,955**	**1,958**	**870,023**
Grand total: Amount of overcollaterization/(undercollaterization)	**(205,365)**	**(8,845)**	**(306)**	**(214,516)**

31 December 2022	Term loan	Overdrafts	On lending	Total
Against lifetime ECL credit-impaired loans and advances				
Property/Real estate	7,671	7,656	73	15,400
Equities	-	2,210	-	2,210
Cash Collateral, lien over fixed and floating assets	5,038	5,911	823	11,772
Fair value of collateral	12,709	15,777	896	29,382
Gross loans	27,507	50,845	1,113	79,465
ECL Allowance	(12,569)	(32,796)	(25)	(45,390)
Net amount	14,938	18,049	1,088	34,075
Grand total: Amount of overcollaterization/(undercollaterization)	(2,229)	(2,273)	(192)	(4,693)

31 December 2022	Term loan	Overdrafts	On lending	Total
Disclosure by Collateral				
Property/Real estate	154,805	32,625	20,637	208,067
Equities	18,656	7,964	-	26,620
Cash Collateral, lien over fixed and floating assets	1,097,502	143,165	437,613	1,678,280
Grand total: Fair value of collateral	1,270,963	183,754	458,250	1,912,967
Grand total: Gross loans	2,720,843	427,453	690,509	3,838,805
Grand total: ECL Allowance	(57,904)	(37,143)	(8,082)	(103,129)
Grand total: Net amount	2,662,939	390,310	682,427	3,735,676
Grand total: Amount of overcollaterization/(undercollaterization)	(1,391,976)	(206,556)	(224,177)	(1,822,709)

31 December 2022	Term loan	Overdrafts	On lending	Total
Against 12 months ECL loans and advances				
Property/Real estate	39,976	22,321	18,912	81,209
Equities	18,233	3,484	-	21,717
Cash Collateral, lien over fixed and floating assets	563,397	128,600	436,790	1,128,787
Fair value of collateral	621,606	154,405	**455,702**	1,231,713
Gross loans	1,822,213	352,845	687,421	2,862,479
ECL Allowance	(11,812)	(5,418)	(8,039)	(25,269)
Net amount	1,810,401	347,427	679,382	2,837,210
Grand total: Amount of overcollaterization/(undercollaterization)	(1,188,795)	(193,022)	(223,680)	(1,605,497)

31 December 2022	Term loan	Overdrafts	On lending	Total
Against lifetime ECL not credit-impaired loans and advances				
Property/Real estate	107,158	6,104	1,652	114,914
Equities	423	2,270	-	2,693
Cash Collateral, lien over fixed and floating assets	529,067	8,713	-	537,780
Fair value of collateral	636,648	17,087	1,652	655,387
Gross loans	871,125	26,645	1,975	899,745
ECL Allowance	(33,524)	(800)	(17)	(34,341)
Net amount	837,601	25,845	1,958	865,404
Grand total: Amount of overcollaterization/(undercollaterization)	(200,953)	(8,758)	(306)	(210,017)

31 December 2022	Term loan	Overdrafts	On lending	Total
Against lifetime ECL not credit-impaired loans and advances				
Property/Real estate	7,671	4,199	73	11,943
Equities	-	2,210	-	2,210
Cash Collateral, lien over fixed and floating assets	5,038	5,852	823	11,713
Fair value of collateral	12,709	12,261	896	25,866
Gross loans	27,505	47,962	1,113	76,580
ECL Allowance	(12,568)	(30,926)	(25)	(43,519)
Net amount	14,937	17,036	1,088	33,061
Grand total: Amount of overcollaterization/(undercollaterization)	(2,228)	(4,775)	(192)	(7,195)

(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.

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

The Group's maximum exposure to credit risk at 31 December 2023 and 31 December 2022 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 2023.

In millions of Naira	Group Maximum exposure to credit risk	Bank 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	-	-

The following table contains an analysis of the maximum credit risk exposure from financial assets not subject to impairment as at 31 December 2022

In millions of Naira	Group Maximum exposure to credit risk	Bank Maximum exposure to credit risk
Trading assets		
- Treasury bills	1,243,038	1,243,038
- Investment in securities	12,442	10,560
- Derivatives Assets -Hedging Instrument	20,052	20,052
- Derivatives Assets -Non Hedging Instrument	29,822	28,799
- Assets pledged as collateral	26,287	26,189

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 2023.

In millions of Naira	Group Maximum exposure to credit risk	Bank Maximum exposure to credit risk
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

The following table contains an analysis of the maximum credit risk exposure from financial assets subject to impairment as at 31 December 2022

	Group	Bank
In millions of Naira	Maximum exposure to credit risk	Maximum exposure to credit risk
Financial assets measured at amortised cost		
- Balances with central bank	2,116,307	2,036,327
- Treasury bills	1,003,500	963,630
- Investment in securities	788,133	518,338
- Assets pledged as collateral	228,375	228,375
- Loans and advances to customers	4,013,705	3,735,676
- Due from banks	1,302,811	1,132,796
- Other financial assets	193,465	176,289
Financial assets measured through other comprehensive income		
- Investment in securities	833,849	-
Off balance sheet exposures	1,113,967	995,763

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 2023 and 31 December 2022 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 2023 and 31 December 2022 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 2022	**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	**8,777,404**	**1,022,373**	**3,241,656**	**8,730,657**	**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 Balance	211,708	-	-	211,709	-	-
Total	**1,577,023**	**119,897**	**135,405**	**1,840,885**	-	-

In millions of Naira	Group			Bank		
31 December 2022	Nigeria	Rest of Africa	Outside Africa	Nigeria	Rest of Africa	Outside Africa
Balances with central bank	2,036,327	79,980	-	2,036,327	-	-
Treasury bills	2,227,845	18,695	-	2,206,669	-	-
Assets pledged as collateral	254,564	98	-	254,564	-	-
Due from other banks	6,435	20,393	1,275,983	14,565	3,057	1,115,174
Investment securities	584,599	229,474	820,373	514,092	14,804	-
Derivative Asset - Hedging Instrument	20,052	-	-	20,052	-	-
Derivative Asset- Non Hedging Instrument	28,786	13	1,023	28,785	13	1
Other financial assets	105,249	17,884	70,331	104,867	1,262	70,159
Total	**5,263,857**	**366,537**	**2,167,710**	**5,179,921**	**19,136**	**1,185,334**
Financial Guarantees						
Usance	276,481	-	-	276,481	-	-
Letters of credit	341,290	22,065	-	279,791	-	-
Performance bond and guarantees	329,167	55,215	-	323,824	1,042	24,876
Undrawn overdraft	89,749	-	-	89,749	-	-
Total	**1,036,687**	**77,280**	**-**	**969,845**	**1,042**	**24,876**

Gross loans and advances to customers and the impairment allowance per geographical region as at 31 December 2023

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

In millions of Naira	Group			Bank		
31 December 2023	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)**	**6,556,470**	**6,412,979**	**(484,183)**	**5,928,796**
31 December 2022						
South South Nigeria	277,548	(5,380)	272,168	277,548	(5,380)	272,168
South West Nigeria	3,136,204	(92,036)	3,044,168	3,090,175	(91,124)	2,999,051
South East Nigeria	158,058	(1,822)	156,236	158,058	(1,822)	156,236
North Central Nigeria	148,610	(3,738)	144,872	148,610	(3,738)	144,872
North West Nigeria	53,605	(671)	52,934	53,605	(671)	52,934
North East Nigeria	110,809	(394)	110,415	110,809	(394	110,415
Rest of Africa	133,599	(5,122)	128,476	-	-	-
Outside Africa	105,534	(1,098)	104,435	-	-	-
	4,123,966	**(110,261)**	**4,013,705**	**3,838,805**	**(103,129)**	**3,735,676**

(b) Industry Sectors

Gross loans and advances to customers per industry sector as at 31 December 2023

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

In millions of Naira	Group			Bank		
31 December 2023	Loans and advances to customers			Loans and advances to customers		
	Grossloans	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**

In millions of Naira	Group			Bank		
31 December 2022	Loans and advances to customers			Loans and advances to customers		
	Grossloans	Impairment Allowance	Carrying amount	Gross loans	Impairment Allowance	Carrying amount
Agriculture	265,213	(5,853)	**259,359**	251,306	(5,722)	**245,584**
Oil and gas	931,045	(59,309)	**871,737**	912,505	(58,641)	**853,864**
Consumer Credit	120,345	(14,382)	**105,963**	94,448	(13,183)	**81,265**
Manufacturing	1,254,050	(10,774)	**1,243,276**	1,190,640	(8,039)	**1,182,601**
Real estate and construction	136,403	(2,784)	**133,619**	134,017	(2,700)	**131,317**
Finance and insurance	72,959	(667)	**72,292**	37,181	(280)	**36,901**
Government	529,942	(1,679)	**528,263**	488,286	(539)	**487,747**
Power	67,143	(566)	**66,577**	67,016	(565)	**66,451**
Transportation	116,856	(3,286)	**113,570**	98,529	(3,158)	**95,371**
Communication	26,218	(317)	**25,900**	21,790	(142)	**21,648**
Education	15,146	(257)	**14,889**	14,501	(229)	**14,272**
General Commerce	588,646	(10,386)	**578,268**	528,586	(9,931)	**518,655**
	4,123,966	**(110,261)**	**4,013,705**	**3,838,805**	**(103,129)**	**3,735,676**

Group

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

In millions of naira	Balances with central bank	Treasury bills	Assets pledged as collateral	Due from other banks	Investment securities	Derivative Hedging instruments	Derivatives Non Hedging instruments	Other financial assets
31 December 2023								
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**

Financial assets excluding loans and advances per industry sector as at 31 December 2022

In millions of naira	Balances with central bank	Treasury bills	Assets pledged as collateral	Due from other banks	Investment securities	Derivative Hedging instruments	Derivatives Non Hedging instruments	Other financial assets
31 December 2022								
Government	2,116,307	2,246,947	254,583	-	1,623,788	20,052	27,579	-
Manufacturing	-	-	-	-	8,279	-	1,206	-
Finance and Insurance	-	-	98	1,302,886	42,454	-	1,037	222,439
Communication	-	-	-	-	22,163	-	-	-
Gross amount	**2,116,307**	**2,246,947**	**254,681**	**1,302,886**	**1,696,684**	20,052	**29,822**	**222,439**
Impairment allowance	-	(408)	(19)	(75)	(62,233)	-	-	(28,973)
Carrying amount	**2,116,307**	**2,246,539**	**254,662**	**1,302,811**	**1,634,451**	20,052	**29,822**	**193,466**

Bank

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	Derivative Hedging instruments	Derivatives Non Hedging instruments	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**

Financial assets excluding loans and advances per industry sector as at 31 December 2022.

31 December 2022

In millions of naira	Balances with central bank	Treasury bills	Assets pledged as collateral	Due from other banks	Investment securities	Derivative Hedging instruments	Derivatives Non Hedging instruments	Other financial assets
Government	2,036,327	2,206,707	254,583	-	463,676	20,052	27,563	-
Manufacturing	-	-	-	-	6,238	-	1,222	-
Finance and Insurance	-	-	-	1,132,871	39,601	-	14	205,157
Communication	-	-	-	-	21,966	-	-	-
Gross amount	**2,036,327**	**2,206,707**	**254,583**	**1,132,871**	**531,481**	20,052	**28,799**	**205,157**
Impairment allowance	-	(39)	(19)	(75)	(2,583)	-	-	(28,868)
Carrying amount	**2,036,327**	**2,206,668**	**254,564**	**1,132,796**	**528,898**	20,052	**28,799**	**176,289**

3.2.9 Credit quality analysis

Group

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 Asset - Hedging Instrument	Derivative Asset -Non Hedging Instrument	Other financial assets
AAAto A	3,867,620	2,562,050	308,667	1,509,797	2,055,135	-	1,733	70,821
BBBto BB	-	-	-	133,317	710,549	462,376	70,109	291,938
CCCto C	239,490	174,294	-	48,829	346,662	-	-	62,064
Unrated	-	-	-	143,306	4,727	-	521	51,917
Gross amount ECL - impairment	**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**

	Loans and Advances			
	Term loan	Overdrafts	On lending	Total
12 months ECL	3,522,061	348,801	443,581	4,314,443
Lifetime ECL not credit impaired	1,556,619	658,239	215,799	2,430,657
Lifetime ECL credit impaired	212,856	91,663	5,827	310,347
Gross loans and advances	**5,291,536**	**1,098,703**	**665,208**	**7,055,447**
Less allowance for impairment				
12 - months ECL	36,667	4,825	5,855	47,347
Lifetime ECL not credit impaired	98,041	45,879	27,160	171,080
Lifetime ECL credit impaired	201,712	74,554	4,285	280,550
Total allowances for impairment	**336,420**	**125,258**	**37,299**	**498,977**
Net loans and advances	**4,955,116**	**973,445**	**627,909**	**6,556,470**

Credit rating for loans and advances with 12 month ECL

	Loans and Advances			
	Term loan	Overdrafts	On lending	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
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 Asset - Hedging Instrument	Derivative Asset -Non Hedging Instrument	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**

	Loans and Advances			
	Term loan	Overdrafts	On lending	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 allowance 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**

	Loans and Advances			
	Term loan	Overdrafts	On lending	Total
A	813,952	55,501	181,281	1,050,734
AA	597,064	122,746	48,754	768,564
BB	927	669	642	2,238
BBB	1,540,956	105,449	212,904	1,859,309
C	-	-	-	-
CC	-	-	-	-
CCC	-	-	-	-
Below C	-	-	-	-
Unrated	-	-	-	-
Gross amount	**2,952,899**	**284,365**	**443,581**	**3,680,845**
ECL-Impairment	**(26,960)**	**(1,924)**	**(5,855)**	**(34,739)**
Carrying amount	**2,925,939**	**282,441**	**437,726**	**3,646,106**

Group

31 December 2022

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	2,036,327	2,206,975	254,583	1,128,219	1,283,859	-	312	133,177
BBB to BB	2,994	37,723	-	89,328	197,408	20,052	27,266	25,152
Below B	-	-	-	3,057	10,354	-	-	45,498
Unrated	76,986	2,249	98	82,283	205,060	-	2,245	18,612
Gross amount	**2,116,307**	**2,246,947**	**254,681**	**1,302,887**	**1,696,681**	20,052	**29,823**	**222,439**
ECL - impairment	-	(408)	(19)	(75)	(62,233)	-	-	(28,973)
Carrying amount	**2,116,307**	**2,246,539**	**254,662**	**1,302,812**	**1,634,448**	**20,052**	**29,823**	**193,466**

	Loans and Advances			
In millions of naira	Term loan	Overdrafts	On lending	Total
12 months ECL	2,078,669	373,017	687,421	3,139,107
Lifetime ECL not credit impaired	876,633	26,786	1,975	905,393
Lifetime ECL credit impaired	27,507	50,845	1,113	79,465
Gross loans and advances	**2,982,808**	**450,648**	**690,509**	**4,123,965**
Less allowance for impairment				
12 - months ECL	(15,224)	(6,238)	(8,039)	(29,501)
Lifetime ECL not credit impaired	(34,523)	(830)	(17)	(35,370)
Lifetime ECL credit impaired	(12,569)	(32,796)	(25)	(45,390)
Total allowances for impairment	**(62,316)**	**(39,864)**	**(8,081)**	**(110,275)**
Net loans and advances	**2,920,493**	**410,783**	**682,428**	**4,013,690**

Credit rating for loans and advances with 12 month ECL

	Loans and Advances			
	Term loan	Overdrafts	On lending	Total
A	692,565	99,827	263,526	1,055,918
AA	357,588	147,369	20,559	525,516
B	69,895	1,299	-	71,194
BB	735,922	104,682	403,336	1,243,940
BBB	10,658	-	-	10,658
C	-	-	-	-
CC	46	-	-	46
CCC	-	-	-	-
Below C	-	-	-	-
Unrated	211,996	19,840	-	231,836
Gross amount	**2,078,669**	**373,017**	**687,421**	**3,139,107**
ECL-Impairment	**(15,239)**	**(6,251)**	**(8,039)**	**(29,530)**
Carrying amount	**2,063,430**	**366,766**	**679,382**	**3,109,578**

Bank

31 December 2022

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 Hedging Instruments	Other financial assets
AAA to A	2,036,327	2,206,707	254,583	957,055	480,352	-	312	133,162
BBB to BB	-	-	-	170,984	51,129	20,052	27,265	26,478
CCC to C	-	-	-	3,057	-	-	-	45,493
Unrated	-	-	-	1,775	-	-	1,222	24
Gross amount	**2,036,327**	**2,206,707**	**254,583**	**1,132,871**	**531,481**	**20,052**	**28,799**	**205,157**
ECL - impairment	-	(39)	(18)	(75)	(2,583)	-	-	(28,868)
Carrying amount	**2,036,327**	**2,206,668**	**254,565**	**1,132,796**	**528,898**	**20,052**	**28,799**	**176,289**

	Loans and Advances			
In millions of Naira	Term loan	Overdrafts	On lending	Total
12 months ECL	1,822,213	352,845	687,421	2,862,479
Lifetime ECL not credit impaired	871,125	26,645	1,975	899,745
Lifetime ECL credit impaired	27,505	47,962	1,113	76,580
Gross loans and advances	**2,720,843**	**427,452**	**690,509**	**3,838,804**
Less allowance for impairment				
12 - months ECL	(11,812)	(5,418)	(8,039)	(25,269)
Lifetime ECL not credit impaired	(33,524)	(800)	(17)	(34,341)
Lifetime ECL credit impaired	(12,568)	(30,926)	(25)	(43,519)
Total allowances for impairment	**(57,904)**	**(37,144)**	**(8,081)**	**(103,129)**
Net loans and advances	**2,662,939**	**390,308**	**682,428**	**3,735,675**

	Loans and Advances			
	Term loan	Overdrafts	On lending	Total
A	692,565	99,827	263,526	1,055,918
AA	357,588	147,369	20,559	525,516
B	9	968	-	977
BB	772,051	104,682	403,336	1,280,069
BBB	-	-	-	-
CC	-	-	-	-
CCC	-	-	-	-
Below C	-	-	-	-
Unrated	-	-	-	-
Gross amount	**1,822,213**	**352,846**	**687,421**	**2,862,480**
ECL-Impairment	**(11,812)**	**(5,418)**	**(8,039)**	**(25,269)**
Carrying amount	**1,810,401**	**347,428**	**679,382**	**2,837,211**

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.

3.2.12 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

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).

3.2.14 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 or issuer. An existing loan or financial asset whose terms have been modified may be derecognised and the renegotiated financial asset recognised as a new financial asset at fair value in accordance with the accounting policy set out below.

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.

3.2.15 Definition of default

The Group considers a financial asset to be in default when;

- tthe 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
- Macroeconomic Variables Adopted- GDP rate and Crude oil production
- Manufacturing sector Portfolio - Inflation, prime lending and crude prodction
- Consumer Credit sector portfolio - Inflation, prime lending and crude production
- Agriculture sector portfolio- Crude production
- Others - Crude production

The economic scenarios used as at 31 December 2023 included the following key indicators for Nigeria for the years ending 31 December 2024 to 2028.

	2024	2025	2026	2027	2028
GDP growth rate %	Base 2.90	Base 3.80	Base 3.20	Base 4.10	Base 4.40
	Upturn 3.40	Upturn 4.30	Upturn 3.70	Upturn 4.60	Upturn 4.90
	Downturn 2.40	Downturn 3.30	Downturn 2.70	Downturn 3.60	Downturn 3.90
Inflation rate forecast %	Base 28.75	Base 25.00	Base 25.00	Base 25.00	Base 25.00
	Upturn 27.48	Upturn 23.73	Upturn 23.73	Upturn 23.73	Upturn 23.73
	Downturn 30.03	Downturn 26.28	Downturn 26.28	Downturn 26.28	Downturn 26.28
Prime lending rate (%)	Base 17.61	Base 17.42	Base 17.42	Base 17.42	Base 17.42
	Upturn 17.42	Upturn 17.23	Upturn 17.23	Upturn 17.23	Upturn 17.23
	Downturn 17.80	Downturn 17.61	Downturn 17.61	Downturn 17.61	Downturn 17.61
Crude oil production (Million Barrels per day- mbpd)	Base 1.62	Base 1.65	Base 1.59	Base 1.59	Base 1.59
	Upturn 1.64	Upturn 1.67	Upturn 1.62	Upturn 1.61	Upturn 1.61
	Downturn 1.60	Downturn 1.63	Downturn 1.57	Downturn 1.57	Downturn 1.57
Crude Oil Price ($ Per Barrels)	Base 85.00	Base 84.00	Base 81.00	Base 81.00	Base 81.00
	Upturn 86.68	Upturn 85.68	Upturn 82.68	Upturn 82.68	Upturn 82.68
	Downturn 83.32	Downturn 82.32	Downturn 79.32	Downturn 79.32	Downturn 79.32

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 2023 were as follows:

	Base	Upturn	Downturn
Loans and advances and off-balance sheet exposures	35%	28%	37%
Investment securities and placements	33%	31%	36%

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 grading
- 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.

3.2.18 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 2022 represent allowance account for credit losses and reflect measurement basis under IFRS 9.

Group

	31 December 2023	31 December 2022
In millions of Naira	12-month ECL	12-month ECL
Treasury bills at amortised cost		
Balance at 1 January	407	815
Impairment Charge/(writeback) (see note 8)	(336)	(400)
Foreign exchange and other movements	-	(8)
Closing balance	**71**	**407**
Gross amount	**1,986,738**	**1,003,908**

	31 December 2023				31 December 2022			
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
Off balance sheet exposure (Financial Guarantees)								
Balance at 1 January	5,811	65	738	6,614	2,375	20	3,221	5,616
Impairment/(writeback) (see note 8)	(640)	2,925	(651)	1,634	3,436	45	(2,483)	998
Effect of Hyperinflation	947	-	-	947	-	-	-	-
Foreign exchange and other movements	872	-	-	872	-	-	-	-
Closing balance	**6,991**	**2,990**	**86**	**10,067**	**5,811**	**65**	**738**	**6,614**
Gross amount	**1,887,760**	**120,383**	**35,891**	**2,044,034**	**1,089,149**	**8,952**	**15,866**	**1,113,967**

In millions of Naira	31 December 2023 12-month ECL	31 December 2022 12-month ECL
Assets pledged as collateral at amortised cost		
Balance at 1 January	18	198
Impairment Charge/(writeback) (see note 8)	10	(181)
Closing balance	**29**	**17**
Gross amount	**308,667**	**228,492**

In millions of Naira	31 December 2023 12-month ECL	31 December 2023 Lifetime ECL not credit impaired	31 December 2023 Lifetime ECL credit impaired	31 December 2023 Total	31 December 2022 12-month ECL	31 December 2022 Lifetime ECL not credit-impaired	31 December 2022 Lifetime ECL credit-impaired	31 December 2022 Total
Loan and advances to customers at amortised cost								
Balance at 1 January	29,501	35,370	45,390	110,261	25,672	26,032	94,445	146,149
Transfer to 12-month ECL	2,542	(1,109)	(1,433)	-	1,650	(689)	(961)	-
Transfer to lifetime ECL not credit-impaired	(6,495)	6,728	(233)	-	(314)	1,675	(1,361)	-
Transfer to lifetime ECL credit- impaired	(279)	(3,338)	3,617	-	(613)	327	286	-
Impairment charge/(write back) (see note 8)	19,308	132,836	248,506	400,650	4,154	7,671	26,518	38,343
Derecognized assets other than write off	-	-	-	-	-	-	-	-
Write-off	(0)	-	(13,386)	(13,386)	-	-	(74,077)	(74,077)
Effect of Hyperinflation	(1,215)	-	-	(1,215)	-	-	-	-
Foreign exchange and other movements	3,985	1,062	(2,378)	2,668	(1,049)	354	540	(155)
Closing balance	**47,347**	**171,548**	**280,082**	**498,977**	**29,500**	**35,370**	**45,390**	**110,260**
Gross amount	**4,314,443**	**2,430,657**	**310,347**	**7,055,447**	**3,139,107**	**905,393**	**79,465**	**4,123,965**

In millions of Naira	31 December 2023 12-month ECL	31 December 2023 Lifetime ECL not credit impaired	31 December 2023 Lifetime ECL credit impaired	31 December 2023 Total	31 December 2022 12-month ECL	31 December 2022 Lifetime ECL not credit-impaired	31 December 2022 Lifetime ECL credit-impaired	31 December 2022 Total
Investment securities at amortised cost and fair value through OCI								
Balance at 1 January	(3,323)	(9,907)	(49,008)	(62,238)	3,766	-	-	3,766
		9,310	9,310			-	-	
Impairment Charge/(writeback) (see note 8)	(1,992)	(655)	(5,256)	(7,903)	(371)	10,649	52,464	62,742
Modification of contractual cash flows	-	-	42,533	42,533		-	-	
Foreign exchange and other movements	(2,426)	(683)	(11,595)	(14,704)	(72)	(742)	(3,456)	(4,270)
Closing balance	**(7,741)**	**(1,935)**	**(32,636)**	**(42,312)**	**3,323**	**9,907**	**50,756**	**62,238**
Gross amount	964,805	257,571	341,617	1,563,993	1400,136	90,253	195,605	1,685,994

In millions of Naira	31 December 2023		31 December 2022	
	Lifetime ECL		Lifetime ECL	
Other financial assets				
Balance at 1 January	(28,973)	-	9,925	-
Impairment Charge/(writeback) (see note 8)	(2,170)	-	19,037	-
Foreign exchange and other movements	-	-	11	-
Closing balance	**(31,143)**	-	**28,973**	-
Gross amount	411,264	-	168,692	-

In millions of Naira	31 December 2023	31 December 2022
	12-month ECL	12-month ECL
Due from other banks		
Balance at 1 January	75	724
Impairment Charge/(writeback) (see note 8)	860	(649)
Foreign exchange and other movements	-	-
Closing balance	**935**	**75**
Gross amount	1,835,249	1,302,886

Bank

In millions of Naira	31 December 2023	31 December 2022
	12-month ECL	12-month ECL
Treasury bills at amortised cost		
Balance at 1 January	39	395
Impairment Charge/(writeback) (see note 8)	32	(356)
Closing balance	**71**	**39**
Gross amount	1,780,431	963,699

In millions of Naira	31 December 2023				31 December 2022			
	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	4,487	65	739	5,291	2,375	20	3,221	5,616
Impairment Charge (see note 8)	(988)	2,925	(651)	1,286	2,112	45	(2,482)	(325)
Closing balance	**3,499**	**2,990**	**88**	**6,577**	**4,487**	**65**	**739**	**5,291**
Gross amount	1,684,611	120,383	35,891	1,840,885	972,357	8,263	15,143	995,763

In millions of Naira	31 December 2023 12-month ECL	31 December 2022 12-month ECL
Assets pledged as collateral at amortised cost		
Balance at 1 January	19	198
Impairment Charge/(writeback) (see note 8)	10	(179)
Closing balance	**29**	**19**
Gross amount	255,090	228,394

In millions of Naira	31 December 2023				31 December 2022			
	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	25,269	34,341	43,519	103,129	17,578	26,628	94,315	138,521
- Transfer to 12-month ECL	2,542	(1,109)	(1,433)	-	1,399	(438)	(961)	-
- Transfer to lifetime ECL not credit-impaired	(5,909)	6,142	(233)	-	(310)	1,671	(1,361)	-
- Transfer to lifetime ECL credit-impaired	(264)	(1,500)	1,764	-	(613)	(107)	720	-
Impairment Charge (see note 8)	13,100	132,835	248,505	394,440	7,215	6,587	24,627	38,429
Write-offs	-	-	(13,386)	(13,386)	-	-	(73,821)	(73,821)
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	-	-	-	-				
Closing balance	**34,738**	**170,709**	**278,736**	**484,183**	**25,269**	**34,341**	**43,519**	**103,129**
Gross amount	3,680,846	2,423,314	308,819	6,412,979	2,862,479	899,746	76,580	3,838,805

In millions of Naira	31 December 2023 Lifetime ECL not credit-impaired	31 December 2022 Lifetime ECL not credit-impaired
Other financial assets		
Balance at 1 January	28,868	9,835
Impairment Charge (see note 8)	2,193	19,033
Closing balance	**31,061**	**28,868**
Gross amount subject to simplified approach ECL	358,753	150,690

In millions of Naira	31 December 2023 12-month ECL	31 December 2022 12-month ECL
Due from other Banks		
Balance at 1 January	75	58
Impairment/(write back) (see note 8)	860	17
Closing balance	**935**	**75**
Gross amount	1,692,657	1,132,871

	31 December 2023				31 December 2022			
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 mortised cost and fair value through OCI								
Balance at 1 January	1,277	-	1,307	2,584	666	-	-	666
Impairment Charge/(writeback)(see note 8)	901	538	1,428	2,867	611	-	1,306	1,917
Closing balance	**2,178**	**538**	**2,735**	**5,451**	**1,277**	-	**1,306**	**2,583**
Gross amount	720,663	249,308	5,636	975,608	518,217	-	2,703	520,920

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

	31 December 2023				31 December 2022			
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
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
Treasury bills at mortised cost								
Gross carrying amount at 1 January	1,003,732	177	-	1,003,909	941,538	-	-	941,538
Financial assets derecognised during the period other than write-offs	(3,284,100)	(306)	-	(3,284,406)	(2,741,441)	-	-	(2,741,441)
Changes in mortised cost value	38,186	-	-	38,186	(190,521)	-	-	(190,521)
New financial assets originated or purchased	4,197,072	-	-	4,197,072	2,994,157	177	-	2,994,333
Foreign exchange and other movements	31,849	129	-	31,978	-	-	-	-
Closing gross carrying amount	**1,986,738**	**-**	**-**	**1,986,738**	**1,003,732**	**177**	**-**	**1,003,909**

	31 December 2023				31 December 2022			
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
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
Off balance sheet exposure								
Gross carrying amount at 1 January	1,010,968	1,056	12,194	1,024,218	1,093,246	14,591	6,635	1,114,472
Transfers:								
Transfer to 12 month ECL	3,574	(1,788)	(1,786)	-	(1,315)	1,315	-	-
Transfer to lifetime ECL not credit impaired	(44,363)	44,910	(547)	-	(1,960)	-	1,960	-
Transfer to lifetime ECL credit impaired	(18,901)	-	18,901	-	(388,847)	(15,528)	(1,834)	(406,209)
Financial assets derecognised during the period	(411,890)	(5,266)	(12,330)	(429,486)	388,025	8,574	9,105	405,704
New financial assets originated or purchased	875,878	70,183	14,367	960,428	-	-	-	-
Foreign exchange and other movements	472,050	12,265	4,559	488,874	-	-	-	-
Closing gross carrying amount	**1,887,316**	**121,360**	**35,358**	**2,044,034**	**1,089,149**	**8,952**	**15,866**	**1,113,967**

	31 December 2023	31 December 2022
In millions of Naira	Stage 1	Stage 2
	12-month ECL	12-month ECL
Assets pledged as collateral at amortised cost		
Gross carrying amount at 1 January Transfers:	228,395	158,105
Financial assets derecognised during the period other than write-offs	(156,160)	(127,558)
Changes in amortised cost value	(1,001)	907
New financial assets originated or purchased	53,577	196,941
Transfers from investment securities	183 856	-
Closing gross carrying amount	**308,667**	**228,395**

	31 December 2023				31 December 2022			
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
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								
Gross carrying amount at 1 January:	3,139,107	905,393	79,466	4,123,966	2,600,349	754,708	146,821	3,501,878
Transfers:								
Transfer from stage 1 to stage 2	(593,133)	470,115	123,018	-	(89,454)	89,454	-	-
Transfer from stage 1 to stage 3	-	-	-	-	(14,268)	-	14,268	-
Transfer from stage 2 to stage 3	(21,914)	(4,179)	26,093	-	-	(2,682)	2,682	-
Transfer from stage 3 to stage 2	-	-	-	-	-	2,550	(2,550)	-
Transfer from stage 2 to stage 1	-	-	-	-	43,018	(43,018)	-	-
Transfer from stage 3 to stage 1	133,119	(130,079)	(3,040)	-	1,644	-	(1,644)	-
Financial assets derecognised during the period other than write- offs	(918,671)	(129,405)	(24,323)	(1,072,399)	(1,078,237)	(20,231)	(19,307)	(1,117,775)
New financial assets originated or purchased	2,513,310	852,633	82,036	3,447,979	1,676,055	124,612	13,016	1,813,683
Write-offs	-	-	(13,386)	(13,386)	-	-	(73,820)	(73,820)
Foreign exchange and other movements	62,625	466,178	40,484	569,287	-	-	-	-
Closing gross carrying amount	**4,314,443**	**2,430,656**	**310,348**	**7,055,447**	**3,139,107**	**905,393**	**79,465**	**4,123,966**

	31 December 2023				31 December 2022			
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
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								
Gross carrying amount at 1 January	1,400,136	90,253	195,605	1,685,994	1,199,579	-	-	1,199,579
Transfers:								
Transfer from stage 1 to stage 2	(45,607)	45,607	-	-	(53,680)	53,680	-	-
Transfer from stage 1 to stage 3	-	-	-	-	1(48,204)	-	148,204	-
Transfer from stage 2 to stage 3	-	(77,900)	77,900	-	-	(4,024)	4,024	-
Transfer to pledged	(92,337)	-	-	(92,337)	-	-	-	-
Financial assets derecognised during the period other than write- offs	(168,771)	(9,432)	(250,775)	(428,978)	(69,857)	(4,402)	-	(74,259)
Changes in amortised cost value	56,201	7,069	26,339	89,609	(10,942)	-	-	(10,942)
New financial assets originated or purchased	365,743	196,632	217,574	779,949	483,240	45,000	43,377	571,617
Foreign exchange and other movements	367,912	458,720	231,911	1,058,543	-	-	-	-
Closing gross carrying amount	**1,883,277**	**710,949**	**498,554**	**3,092,780**	**1,400,136**	**90,254**	**195,605**	**1,685,995**

In millions of Naira	31 December 2023 12-month ECL	31 December 2023 Lifetime ECL not credit-impaired	31 December 2022 12-month ECL	31 December 2022 Lifetime ECL not credit-impaired
Other financial assets				
Gross carrying amount at 1 January	168,692	-	117,857	-
Transfers:				
New financial assets originated or purchased	229,490	-	50,835	-
Financial assets derecognised during the year other than write offs	(448)	-	-	-
Foreign exchange and other movements	13,530	-	-	-
Closing gross carrying amount of assets subject to simplified approach	**411,264**	**-**	**168,692**	**-**

In millions of Naira	31 December 2023 Stage 1 12-month ECL	31 December 2022 Stage 1 12-month ECL
Due from other banks		
Gross carrying amount at 1 January	1,302,886	691,968
Transfers:		
Financial assets derecognised during the year other than write-offs	(1,075,935)	(91,034)
New financial assets originated or purchased	556,381	701,952
Foreign exchange and other movements	1,051,917	-
Closing gross carrying amount	**1,835,249**	**1,302,886**

Bank

In millions of Naira	31 December 2023 Stage 1 12-month ECL	31 December 2023 Total	31 December 2022 Stage 1 12-month ECL	31 December 2022 Total
Treasury bills at amortised cost				
Gross carrying amount at 1 January	963,669	963,669	754,151	754,151
Transfers:				
Financial assets derecognised during the year other than write-offs	(3,283,800)	(3,283,800)	(2,554,055)	(2,554,055)
Changes in amortised cost value	38,154	38,154	(190,521)	(190,520)
New financial assets originated or purchased	4,062,409	4,062,409	2,954,094	2,954,094
Closing gross carrying amount	**1,780,431**	**1,780,431**	**963,669**	**963,669**

In millions of Naira	31 December 2023 Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit impaired	Stage 3 Lifetime ECL credit impaired	Total	31 December 2022 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	972,357	8,263	15,143	995,763	908,566	14,591	6,635	929,792
Transfers:								
Transfer from stage 1 to stage 2	(44,320)	44,320	-	-	(1,304)	1,304	-	-
Transfer from stage 1 to stage 3	(18,894)	-	18,894	-	(1,957)	-	1,957	-
Transfer from stage 3 to stage 2	-	547	(547)	-	-	-	-	-
Transfer from stage 2 to stage 3	-	(634)	634	-	-	-	-	-
Transfer from stage 2 to stage 1	1,456	(1,456)	-	-	-	-	-	-
Transfer from stage 3 to stage 1	1,786	-	(1,786)	-	-	-	-	-
Financial assets derecognised during the period other than write-offs	(381,858)	(4,911)	(12,330)	(399,099)	(310,594)	(15,528)	(1,834)	(327,956)
New financial assets originated or purchased	891,932	70,183	14,321	976,436	377,646	7,896	8,385	393,927
Foreign exchange and other movements	262,152	4,071	1,562	267,785	-	-	-	-
Closing gross carrying amount	**1,684,611**	**120,383**	**35,891**	**1,840,885**	**972,357**	**8,263**	**15,143**	**995,763**

In millions of Naira	31 December 2023 Stage 1 12-month ECL	31 December 2022 Stage 2 12-month ECL
Assets pledged as collateral at amortised cost		
Gross carrying amount at 1 January Transfers:	228,397	158,105
Transfers:		
Financial assets derecognised during the year other than write-offs	(156,160)	(127,558)
Changes in amortised cost value	(1,001)	907
New financial assets originated or purchased	183,854	196,939
Closing gross carrying amount	**255,090**	**228,393**

In millions of Naira	31 December, 2023 Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit impaired	Stage 3 Lifetime ECL credit impaired	Total	31 December, 2022 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 Transfers:	2,862,479	899,745	76,580	3,838,804	2,343,421	752,640	141,912	3,237,973
Transfers:								
Transfer from stage 1 to stage 2	(592,065)	592,065	-	-	(85,122)	85,122	-	-
Transfer from stage 1 to stage 3	(21,914)	-	21,914	-	(14,266)	-	14,266	-
Transfer from stage 2 to stage 3	-	(123,018)	123,018	-	-	2,670	2,670	-
Transfer from stage 3 to stage 2	-	1,474	(1,474)	-	-	2,537	(2,537)	-
Transfer from stage 2 to stage 1	130,079	(130,079)	-	-	42,999	(42,999)	-	-
Transfer from stage 3 to stage 1	3,040	-	(3,040)	-	1,644	-	(1,644)	-
New financial assets originated or purchased	2,186,176	861,614	83,529	3,131,319	1,652,040	125,347	13,025	1,790,412
Financial assets derecognised during the period other than write-offs	(918,615)	(129,405)	(16,605)	(1,064,625)	(1,078,237)	(20,231)	(17,293)	(1,115,761)
Write-offs	-	-	(13,386)	(13,386)	-	-	(73,820)	(73,820)
Foreign exchange and other movements	31,665	450,919	38,283	520,867	-	-	-	-
Closing gross carrying amount	**3,680,846**	**2,423,314**	**308,819**	**6,412,979**	**2,862,479**	**899,746**	**76,579**	**3,838,804**

In millions of Naira	31 December, 2023 Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit impaired	Stage 3 Lifetime ECL credit impaired	Total	31 December, 2022 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 Transfers:	518,217	-	2,703	520,920	380,199	-	-	380,199
Transfer from stage 1 to stage 3	-	-	-	-	(2,703)	-	2,703	-
Transfer to pledge	(92,337)	-	-	-	-	-	-	-
Transfer from stage 1 to stage 2	(45,607)	45,607	-	-	-	-	-	-
Financial assets derecognised during the year other than write-offs	(82,885)	-	-	(109,115)	(9,263)	-	-	(9,263)
Changes in amortised cost value	56,201	7,069	57	1,730	(16,683)	-	-	(16,683)
New financial assets originated or purchased	343,210	196,632	-	209,542	166,667	-	-	166,667
Foreign exchange and other movements	23,864	-	2,876	12,945	-	-	-	-
Closing gross carrying amount	**720,663**	**249,308**	**5,636**	**636,022**	**518,217**	**-**	**2,703**	**520,920**

In millions of Naira	31 December 2023 Lifetime ECL	31 December 2022 Lifetime ECL
Other financial assets		
Gross carrying amount at 1 January	150,690	92,747
Transfers:		
Financial assets derecognised during the period other than write-offs	208,063	57,943
New financial assets originated or purchased	-	-
Closing gross carrying amount of assts subject to simplified approach	**358,753**	**150,690**

In millions of Naira	31 December 2023 Stage 1 12-month ECL	31 December 2022 Stage 1 12-month ECL
Due from other banks		
Gross carrying amount at 1 January Transfers:	1,132,870	518,111
Financial assets derecognised during the period other than write-offs	(701,509)	(16,651)
New financial assets originated or purchased	775,049	631,410
Closing gross carrying amount	**1,692,657**	**1,132,870**

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2023

Summary of loss allowance by class of financial instruments also showing ECL coverage ratio as at 31 December 2023.

Group

Financial Statement Items in millions of Naira	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
									%	%	%	%
On-balance sheet Items												
Assets pledged as collateral	308,667	-	-	308,667	29	-	-	29	0.00	-	-	0.00
Treasury bills	1,986,738	-	-	1,986,738	71	-	-	71	0.00	-	-	0.00
Loans and advances to customers at amortised cost	4,314,444	2,430,657	310,347	7,055,448	47,128	1 70,811	281,040	4,98,979	0.01	0.07	0.91	0.99
Debt investment securities at amortised cost and FVOCI	1,883,276	710,949	498,555	3,092,780	7,741	1 ,934	3 2,636	42,312	0.00	0.00	0.07	0.07
Other financial assets measured at amortised cost	411,264	-	-	411,264	3 1,143	-	-	31,143	0.08	-	-	0.08
Due from other Banks	1,835,249	-	-	1,835,249	935	-	-	935	0.00	-	-	0.00
Subtotal	10,739,638	3,141,606	808,902	14,690,146	87,047	172,745	313,677	573,469	0.09	0.07	0.97	1.14
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	0.01	0.03	-	0.04
Usance Financial guarantee and similar contracts	518,020	43,254	5,532	566,806	1,638	876	21	2,535	0.00	0.02	0.00	0.03
Financial guarantee and similar contracts	787,789	13,635	30,169	831,593	2,466	632	65	3,163	0.00	0.05	0.00	0.05
Undrawn overdraft balance	175,345	36,265	98	211,708	582	178	-	700	0.00	0.00	-	0.01
Subtotal	1,866,295	136,408	41,331	2,044,034	6,991	2,990	86	10,067	0.00	0.02	0.00	0.00
Total	**12,605.933**	**3,278,014**	**850,233**	**16,734,180**	**94,038**	**175,735**	**313,763**	**583,535**	**0.10**	**0.09**	**0.97**	**1.14**

* The Group adopted the simplified approach in estimating the ECL for other financial asset. Under this approach, all ECL allowance are lifetime ECL

Bank

Financial statement items in millions of Naira	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
								%	%	%	%	%
On-balance sheet items												
Assets pledged as collateral	255,089	-	-	255,089	29	-	-	29	0.00	-	-	0.01
Treasury bills	1,780,431	-	-	1,780,431	71	-	-	71	0.00	-	-	7.55
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	0.01	0.07	0.90	0.56
Debt investment securities at amortised cost	720,663	249,308	5,636	975,608	1,278	538	2,735	5,451	0.00	0.00	0.49	0.49
Other financial assets measured at amortised cost	-	358,753	-	358,753	-	31,061	-	31,061	-	0.09	-	8.66
Due from other Banks	1,692,657	-	-	1,692,657	935	-	-	935	0.00	-	-	0.06
Subtotal	8,129,685	3,031,376	314,455	11,475,517	37,051	202,308	281,471	521,730	0.46	6.69	89.51	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	036
Total	**9,814,296**	**3,151,759**	**350,346**	**13,316,403**	**40,992**	**205,755**	**281,559**	**528,307**	**0.42**	**6.53**	**80.37**	**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.

Summary of loss allowance by class of financial instruments also showing ECL coverage ratio as at 31 December 2022.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2023

Group

Financial Statement Items In millions of Naira	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
									%	%	%	%
Financial Statement Items In millions of Naira												
On-balance sheet items												
Assets pledged as collateral	228,492	-	-	228,492	17	-	-	17	0.01	-	-	0.01
Treasury bills	1,003,908	-	-	1,003,908	407	-	-	407	0.04	-	-	0.04
Loans and advances to customers at amortised cost	3,139,107	905,393	79,465	4,123,905	29,501	35,370	45,390	110,261	0.94	3.45	57.12	2.67
Debt investment securities at amortised cost and FVOCI	1,400,136	90,253	195,605	1,685,994	3,323	9,907	49,008	62,238	0.24	-	-	3.69
Other financial assets measured at amortised cost	-	168,692	-	168,692	-	28,973	-	28,973	-	-	-	17.18
Due from other Banks	1,302,886	-	-	1,302,886	75	-	-	75	0.01	-	-	0.01
Subtotal	7,074,529	1,164,338	275,070	8,513,937	33,323	74,250	94,398	201,971	0.47	6.38	34.32	2.37
Off-balance sheet items												
Loans and other credit related commitments												
Letters of credit	363,328	-	27	363,355	2,743	-	27	2,770	0.75	-	100.00	0.75
Usance Financial guarantee and similar contracts	275,723	4	754	276,481	,794	-	133	1,927	0.65	-	100.00	0.70
Performance bonds and guarantees	372,609	363	11,410	384,382	1,015	-	40	1,055	0.27	-	0.35	0.27
Undrawn overdraft balance	78,901	7,896	2,952	89,749	260	65	538	863	0.33	0.82	18.22	096
Subtotal	1,090,561	8,263	15,143	1,113 967	5,812	65	738	6,615	0.53	0.79	4.87	0.59
Total	**8,165,090**	**1,172,601**	**290,213**	**9,627,904**	**39,135**	**74,315**	**95,136**	**208,586**	**0.48**	**6.34**	**32.78**	**2.17**

*The Group adopted the simplified approach in estimating the ECL for other financial asset. Under this approach, all ECL allowance are lifetime ECL.

Bank

Financial Statement Items In millions of Naira	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
									%	%	%	%
On-balance sheet items												
Assets pledged as collateral	228,394	-	-	228,394	19	-	-	19	0.01	-	-	0.01
Treasury bills	963,669	-	-	963,669	39	-	-	39	-	-	-	-
Loans and advances to customers at amortised cost	2,862,479	899,746	76 580	3,838,805	25,269	34,341	43,519	103,129	0.88	3.82	56.83	2.69
Debt investment securities at amortised cost	518,217	-	2,703	520,920	1,277	-	1,306	2,583	0.25	-	48.32	0.50
Other financial assets measured at amortised cost	-	150,690	-	150,690	-	-	28,868	28,868	-	6.80	-	6.80
Due from other Banks	1,132,871	-	-	1,132,871	75	-	-	75	0.01	-	-	0.01
Subtotal	5,705,630	1,050,436	79,283	6,835,349	26,679	34,341	73,693	134,713	0.47	3.27	92.95	1.97

Financial Statement Items In millions of Naira	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
									%	%	%	%
Off-balance sheet items												
Loans and other credit related commitments									%	%	%	%
Letters of credit	279,764	-	27	279,791	2,415	-	27	2,442	0.86	-	100.00	0.87
Usance Financial guarantee and similar contracts	275,723	4	754	276,481	1,794	-	133	1,927	0.65	-	17.64	0.70
Performance bonds and guarantees	337,969	363	11,410	349,742	19	-	40	59	0.01	-	0.35	0.02
Undrawn overdraft balance	78,901	7,896	2,952	89,749	260	65	538	863	0,33	0.82	18.22	0.96
Subtotal	972,357	8,263	15,143	995,763	4,488	65	738	5,291	0.45	0.79	4.87	0.51
Total	**6,677,987**	**1,058,699**	**94,426**	**7,831,113**	**31,167**	**34,406**	**74,431**	**140,004**	**0.46**	**3.25**	**78.82**	**1.78**

* The Group adopted the simplified approach in estimating the ECL for other financial asset. Under this approach, all ECL allowance are lifetime ECL.

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.

Group

In millions of Naira	Note	At 31 December 2023 Carrying Amount	Trading	Non-trading	At 31 December 2022 Carrying Amount	Trading	Non-trading
Assets							
Cash and balances with central bank	15	4,253,374	-	4,253,374	2,201,743	-	2,201,743
Treasury bills	16	2,736,273	749,606	1,986,667	2,246,540	1,243,038	1,003,500
Assets pledged as collateral	17	308,638	-	308,638	254,662	26,287	228,375
Due from other banks	18	1,834,314	-	1,834,314	1,302,811	-	1,302,811
Derivative Asset • Hedging Instrument	19	462,376	462,376	-	20,052	20,052	-
Derivative Asset -Non Hedging Instrument	19	72,363	72,363	-	29,822	29,822	-
Loans and advances	20	6,556,470	-	6,556,470	4,013,705	-	4,013,705
Investment securities	21	3,290,895	24,293	3,266,602	1,728,331	12,442	1,715,889
Other financial assets	25	445,597	-	445,597	193,465	-	193,465
Liabilities							
Customer deposits	28	15,167,740	-	15,167,740	8,975,653	-	8,975,653
Derivative liabilities	33	70,486	70,486	-	6,325	6,325	-
Other financial liabilities	29	991,354	-	991,354	545,938	-	545 938
On-lending facilities	30	263,065	-	263,065	311,192	-	311,192
Borrowings	31	1,410,885	-	1,410,885	963,450	-	963,450

Bank

In millions of Naira	Note	At 31 December 2023 Carrying Amount	Trading	Non-trading	At 31 December 2022 Carrying Amount	Trading	Non-trading
Assets							
Cash and balances with central bank	15	3,965,385	-	3,965,385	2,102,394	-	2,102,394
Treasury bills	16	2,529,966	749,606	1,780,360	2,206,669	1,243,038	963,630
Assets pledged as collateral	17	255,061	-	255,061	254,564	26,189	228,375
Due from other banks	18	1,691,722	-	1,691,722	1,132,796	-	1,132,796
Derivative Asset • Hedging Instrument	19	462,376	462,376	-	20,052	20,052	-
Derivative Asset -Non Hedging Instrument	19	45,566	45,566	-	28,799	28,799	-
Loans and advances	20	5,928,796	-	5,928,796	3,735,676	-	3,735,676
Investment securities	21	1,205,724	19,433	1,186,291	622,780	10,560	612,220
Other financial assets	25	394,540	-	394,540	176,289	-	176,289
Liabilities							
Customer deposits	28	12,154,824	-	12,154,824	7,434,806	-	7,434,806
Derivative liabilities	33	45,514	45,514	-	6,040	6,040	-
Other financial liabilities	29	970,792	-	970,792	526,945	-	526,945
On-lending facilities	30	263,065	-	263,065	311,192	-	311,192
Borrowings	31	1,450,182	-	1,450,182	999,580	-	999,580

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.

Group

The table below summarizes the Group's exposure to foreign currency exchange rate risk at 31 December 2023 and 31 December 2022. Included in the table are the Group's financial instruments at carrying amounts, categorised by currency.

In millions of Naira

At 31 December 2023	Naira	Dollar	GBP	Euro	Others	Total
Assets						
Cash and balances with central bank	3,883,601	122,586	7,820	22,873	216,493	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	18,395	1,834,314
Derivative assets-hedging instruments	-	462,376	-	-	-	462,376
Derivative assets-non hedging instruments	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	1,61,572	254,903	97,346	201,072	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	713,819	15,167,740
Derivative liabilities	45,513	24,748	224	-	-	70,486
Other financial liabilities	927,150	39,632	8,547	2,268	13,022	990,619
On-lending facilities	263,065	-	-	-	-	263,065
Borrowings	-	1,396,823	56	376	13,630	1,410,885

As at 31 December 2023, 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 1.41 billion while the Naira payable at various maturities is N1,343 billion:

In millions of Naira

At 31 December 2022	Naira	Dollar	GBP	Euro	Others	Total
Assets						
Cash and balances with central bank	2,089,869	18,937	4181	4957	83,799	2,201,744
Treasury bills	2,227,845	-	-	-	18,695	2,246,540
Assets pledged as collaterals	254,565	-	-	-	98	254,663
Due from other banks	110	1,133 525	62,355	75,185	31,637	1,302,811
Derivative assets-Hedging instrument	-	20,052	-	-	-	20,052
Derivative assets-Non Hedging instrument	326	29,351	-	-	145	29,822
Loans and advances to customers	2,212,928	1,615,146	14,087	77,477	94,066	4,013,704
Investment securities	628,850	861,522	96,955	35,155	105,852	1,728,333
Other financial assets	77,095	100,899	227	33	15,210	193,464
Liabilities						
Customer's deposits	6,185,521	2,084,960	163,580	135,821	366,511	8,975,655
Derivative liabilities	374	5,806	-	-	145	6,325
Other financial liabilities	430,582	86,339	578	10,996	16,845	545 938
On-lending facilities	311,192	-	-	-	-	311,192
Borrowings	-	963,450	-	-	-	963,450

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 106% (31 December 2022: 9%, with all other variables held constant.

	31 December 2023	31 December 2022
US Dollar effect of 106% (31 December 2022: 9%) up or (down) movement on profit before tax and statement of financial position size (in millions of Naira)	384,112	68,926
US Dollar effect of 106% (31 December 2022: 9%) up or (down) movement on profit before tax and statement of financial position size (in millions of Naira)	384,112	68,926
US Dollar effect of 106% (31 December 2022: 9%) up or (down) movement on OCI and statement of financial 432,948 position size (in millions of Naira)	432,948	8,042
US Dollar effect of 106% (31 December 2022: 9%) up or (down) movement on OCI and statement of financial position size (in millions of Naira)	432,948	8,042

Bank

The table below summarizes the Bank's exposure to foreign currency exchange rate risk at 31 December 2023 and 31 December 2022. Included in the table are the Bank's financial instruments at carrying amounts, categorised by currency.

In millions of Naira

At 31 December 2023	Naira	Dollar	GBP	Euro	Others	Total
Assets						
Cash and balances with central bank	3,883,601	62,423	4,986	14,375	-	3,965,385
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 assets-hedging instruments	-	462,376	-	-	-	462,376
Derivative assets-non hedging instruments	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

As at 31 December 2023, 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 1.4 billion while the Naira equivalent of treasury bills will mature to the respective counter parties.

In millions of Naira

At 31 December 2022	Naira	Dollar	GBP	Euro	Others	Total
Assets						
Cash and balances with central bank	2,086,532	10,420	3,208	2,235	-	2,102,394
Treasury bills	2,206,669	-	-	-	-	2,206,668
Assets pledged as collaterals	254,565	-	-	-	-	254,565
Due from other banks	10,020	1,032,923	23,240	56,122	10,490	1,132,796
Derivative Asset -Hedging Instrument	-	20,052	-	-	145	20,197
Derivative Asset -Non Hedging Instrument	326	28,328	-	-	-	28,654
Loans and advances to customers	2,212,764	1,481,680	665	38,569	2,005	3,735,675
Investment securities	593,312	15,364	-	14,103	-	622,779
Other financial assets	75,387	100,813	55	33	-	176,288
Liabilities						
Customer's deposits	6,172,467	1,175,734	15,22	65,964	5,420	7,434,806
Derivative liabilities	299	5,596	-	-	145	6,040
Other financial liabilities	429 971	77,361	1,176	10,996	7,440	526,944
On-lending facilities	311,192	-	-	-	-	311,192
Borrowings	-	999,580	-	-	-	999,580

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 2023 was N951.79/USD and N674.70/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 106% (31 December 2022: 9%), with all other variables held constant.

In millions of Naira	31 December 2023	31 December 2022
US Dollar effect of 106% (31 December 2022: 9%) up or (down) movement on profit before tax and balance sheet size	384,112	68,927
US Dollar effect of 106% (31 December 2022: 9%) up or (down) movement on profit before tax and statement of financial position size (in millions of Naira)	384,112	68,627
US Dollar effect of 106% (31 December 2022: 9%) up or (down) movement on OCI and statement of financial position size (in millions of Naira)	432,948	8,042
US Dollar effect of 106% (31 December 2022: 9%) up or (down) movement on OCI and statement of financial position size (in millions of Naira)	432,948	8,042

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	144,701
- Saving deposits	273,230
- Term deposits	50,550

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 2023 and 31 December 2022:

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 calculatingHedging ineffectiveness	Line Item in the statement of financial position where the hedging instrument is located
		Number	**Assets**	**Assets**	-	
Hedge Type: Fair Value hedge						
CBN Currency Swap	Foreign 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	Foreign 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

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 inprofit or loss that includeshedge ineffectiveness
Fair Value hedge						
Foreign exchange risk	ForeIgn Exchange	-	100%	458,478	(10,004)	Other operating income / (loss)

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.

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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			
	Up to 1 month	**1-3 months**	**3-6 months**	**6-12 months**
Derivative assets - Hedging Gross settled				
Receivable	115,750	-	215,280	556,862
Payable	(115,750)	-	(215,280)	(556,862)

In millions of Naira	Bank
Total exposure to foreign exchange risk- fair value hedge	
- Interest bearing borrowings	271,705
- Saving deposits	-
- Term deposits	100,453

In millions of Naira

At 31 December 2022	Risk Category	Average Strike Price	Nominal Amount of Hedging Instrument	Carrying Amount of Hedging Instrument	Changes in fair value used for calculatingHedging 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	Foreign Exchange risk	430	346,918	20,052	40,632	Derivative assets

In millions of Naira

At 31 December 2022	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	Foreign Exchange risk	271,705	(24,830)	Borrowings
Foreign exchange risk on term deposits	Foreign Exchange risk	100,453	(14,760)	Customer's deposits

In millions of Naira

At 31 December 2022			Hedge ratio	Effectiveness recognized in profit or loss	Hedge ineffectiveness recognized in profit or loss	Line item inprofit or loss that includeshedge ineffectiveness
Fair Value hedge						
Foreign exchange risk	Forelgn Exchange	-	93%	39,590	1,042	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.

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 2023

In millions of Naira	Note	Carrying Amount	Rate sensitive	Non rate sensitive
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 Asset - Hedging Instrument	42	462,376	-	462,376
Derivative Asset -Non Hedging Instrument	42	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	2,986,316
Other financial assets	25	445,597	-	445,597
		19,186,401	**2,621,246**	**16,565,155**
Liabilities				
Customer deposits	28	15,167,740	5,962,092	9,205,648
Derivative liabilities	32	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	32	-	-	-
		17,903,530	**6,489,752**	**11,413,778**
Total interest rate gap		**1,282,871**	**(3,868,504)**	**5,151,377**

The table shows the maturity profile of financial instruments that are rate sensitive.

At 31 December 2023

In millions of Naira	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	Over 1 year	Total rate sensitive
Assets						
Loans and advances to customers	169,958	269,198	245,866	788,772	604,439	2,078,233
	169,958	269,198	245,866	788,772	604,439	2,078,233
Liabilities						
Customer deposits	5,462,692	103,071	59,267	153,263	183,798	5,962,092
Borrowings	-	430,231	97,429	-	-	527,660
	5462,692	**533,302**	**156,696**	**153,263**	**183,798**	**6,489,751**
Total interest repricing gap	**(5,292,734)**	**(264,104)**	**89,170**	**635,509**	**420,641**	**(4,411,519)**

Impact of interest rate sensitivity on cash flows - Borrowings and Loans and advances to customers:

The group is primarily exposed to changes in interest rate on variable rate borrowings and variable rate loans and advances to customers. impact on cash flow due to +/- 108 bps movement in LIBOR, NIBOR, EURIBOR or and SOFR (holding all other variables constant) has been estimated to be:

Loans and advances: N22,445 million
Borrowings: N5,699 million

At 31 December 2022

In millions of Naira	Note	Carrying Amount	Rate sensitive	Non rate sensitive
Assets				
Cash and balances with central banks	15	2,201,743	-	2,201,743
Treasury and other eligible bills (Amortized cost)	16	1,003,501	0	1,003,501
Assets pledged as collateral (Amortised cost)	17	228,474	-	228,474
Due from other banks	18	1,302,811	-	1,302,811
Derivative assets	42	20,052	-	20,052
Derivative Assets- Non Hedging instrument	42	29,822	-	29,822
Loans and advances to customers	20	4,013,705	870,276	3,143,429
Investment securities (Amortized cost and Fair value through OCI)	21	1,715,889	-	1,715,889
Other financial assets	25	193,465	-	193,465
		10,709,462	**870,276**	**9,839,186**
Liabilities				
Customer deposits	28	8,975,654	3,145,312	5,830,342
Derivative liabilties	32	6,325	284	6,040
Other financial liabilities	29	545,938	-	545,938
On-lending facilities	30	311,192	-	311,192
Borrowings	31	963,450	292,215	671,234
Debt securities issued	32	-	-	-
		10,802,559	**3,437,812**	**7,364,746**
Total interest repricing gap		**(93,097)**	**(2,567,536)**	**2,474,440**

The table shows the maturity profile of financial instruments that are rate sensitive.

In millions of Naira

At 31 December 2022	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	Over 1 year	Total rate sensitive
Assets						
Loans and advances to customers	40,139	607,695	43,640	30,958	147,844	870,276
	40,139	**607,695**	**43,640**	**30,958**	**147,844**	**870,276**
Liabilities						
Customer deposits	2,854,186	104,666	37,739	62,615	86,106	3,145,312
Borrowings	-	240,529	51,685	-	-	292,214
	2,854,186	**345,195**	**89,424**	**62,615**	**86,106**	**3,437 526**
Total interest repricing gap	**(2,814,047)**	**262,500**	**(45,784)**	**(31,657)**	**61,738**	**(2,567,250)**

Group
Interest rate sensitivity showing fair value interest rate risk

In millions of Naira	31 December 2023	31 December 2022
Financial assets at FVPL		
Treasury bills	749,606	1,243,038
Bonds	24,293	12,442
Assets pledged as collateral	-	26,189
Total	773,899	1,281,669
Impact on income statement:		
Favourable change at 14% reduction in interest rate (2022:5%)	108,346	64,083
Unfavourable change at 14% increase in interest rate (2022:5%)	(108,346)	(64,083)
FVOCI investment securities		
Government bonds	1,528,786	833,849
Impact on other comprehensive income statement:		
Favourable change at 14% reduction in interest rate (2022: 1%)	214,030	8,338
Unfavourable change at 14% increase in interest rate (2022: 1%)	(214,030)	(8,338)

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 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 collateral	17	255,061	-	255,061
Due from other banks	18	1,691,722	-	1,691,722
Derivative Asset - Hedging Instrument	19	462,376	-	462,376
Derivative Asset -Non Hedging Instrument	19	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	32	45,514	-	45,514
Other financial liabilities	29	970,792	-	970,792
On-lending facilities	30	263,065	-	263,065
Borrowings	31	1,450,182	527,660	922,522
		14,884,377	**5,843,390**	**9,400,988**
Total interest rate gap		**2,538,966**	**(4,075,473)**	**4,901,192**

The table below 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
	4955,730	**430,231**	**97 429**	**-**	**-**	**5,483,390**
Total interest rate gap	**(4 946,473)**	**(306,104)**	**90,513**	**736,970**	**349,621**	**(4,075,473)**

Impact of interest rate sensitivity on cash flows - Borrowings and Loans and advances to customers:

The Bank is primarily exposed to changes in interest rate on variable rate borrowings and variable rate loans and advances to customers. Impact on cash flow due to +/- 108 bps movement in LIBOR, NIBOR, EURIBOR or and SOFR (holding all other variables constant) has been estimated to be:

Loans and advances: N15,206 million

Borrowings: N5,699 million.

At 31 December 2022	Note	Carrying Amount	Rate sensitive	Non rate sensitive
In millions of Naira				
Assets				
Cash and balances with central banks	15	2,102,394	-	2,102,394
Treasury and other eligible bills (Amortized cost)	16	963,630	-	963,330
Assets pledged as collateral	17	228 376	-	228,376
Due from other banks	18	1,132,796	-	1,132,796
Derivative assets	42	20,052	-	20,052
Derivatives Asset- Non Hedging instrument	42	28,799	-	28,799
Loans and advances to customers	20	3,735,676	558,051	3,177,625
Investment securities (Amortized cost and Fair value through OCI)	21	612,220	-	612,220
Other financial assets	25	176,289	-	176,289
		9,000,232	558,051	8,441,881
Liabilities				
Customer deposits	28	7,434,806	2,673,518	4,761,287
Derivative liabilities	29	6,040	-	6,040
Other financial liabilities	13	526,945	-	526,945
On-lending facilities	30	311,192	-	311,192
Borrowings	31	999,580	292,215	707,365
		9,278,563	**2,965,733**	**6,312,829**
Total interest rate gap		**(278,331)**	**(2,407,682)**	**2,129,052**

The table below shows the maturity profile of financial instruments that are rate sensitive.

At 31 December 2022	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	922	557,129	-	-	-	558,051
	922	**557,129**	-	-	-	**558,051**
Liabilities						
Customer deposits	2,673,518	-	-	-	-	2,673,518
Borrowings	-	240,529	51,685	-	-	292,214
	2,673,518	**240,529**	**51,685**	-	-	**2,965,732**
Total interest repricing gap	**(2,672,596)**	**316,600**	**(51,685)**	-	-	**(2,407,681)**

Bank

Interest rate sensitivity showing fair value interest rate risk

In millions of Naira	31 December 2023	31 December 2022
Financial assets at FVPL		
Treasury bills	749,606	1,243,038
Bonds	19,433	10,560
Assets pledged as collateral	-	26,189
Total	**769,039**	**1,279,787**
Impact on income statement:		
Favourable change at 14% reduction in interest rate (2022: 5%)	107,665	63,989
Unfavourable change at 14% increase in interest rate(2022: 5%)	(107,665)	(63,989)

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 1400 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) 6.503% equity holding in African Finance Corporation (AFC) valued at N158.8 billion and cost N40 billion.

(ii) 3.6% equity holding in Nigerian Interbank Settlement Scheme (NIBBS) valued at N1.94 billion and cost N50 million.

(iii) 2.31% equity holding in FMDQ holdings plc valued at N2.0 billion.

(iv) 0.68% equity holding in Unified Payment Services (UPS) valued at N507 million.

(v) 0.024% equity holdings in AFREXIM valued N284 million.

(vii) 5.881% equity holding in stand agent network expansion facility limited (SANEF) valued a 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 (42.39%) 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.

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 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 in order 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 so as 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.

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 condition;

(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 the 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.

	Group		Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
At year end	71.00%	70.00%	45.00%	51.00%
Average for the year	64.00%	73.00%	48.00%	53.00%
Maximum for the year	72.00%	80.00%	50.00%	58.00%
Minimum for the year	55.00%	64.00%	45.00%	51.00%

(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.

In millions of naira	31 December 2023	31 December 2022
Group	**Gross value**	**Gross value**
Cash and balances with central banks	269,967	452,136
Treasury bills	2,736,344	2,246,946
Balances with other banks	116,854	110
Investment securities	2,775,456	1,649,429
Total	**5,898,621**	**4,348,621**
Bank		
Cash and balances with central banks	126,449	407,487
Treasury bills	2,503,037	2,206,707
Balances with other banks	126,765	10,020
Investment securities	989,405	528,777
Total	**3,772,656**	**3,152,991**

(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		At 31 December 2023			At 31 December 2022		
In millions of Naira	Note	Encumbered	Unencumbered	Total	Encumbered	Unencumbered	Total
Cash and balances with central banks	15	3,983,407	269,967	4,253,374	1,749,608	452,136	2,201,744
Treasury bills	16	-	2,736,273	2,736,273	-	2,246,540	2,246,540
Assets pledged as collateral	17	308,638	-	308,638	254,662	-	254,662
Due from other banks	18	354,150	1,480,164	1,834,314	115,315	1,187,496	1,302,811
Loans and advances	20	-	6,556,470	6,556,470	1,770	4,011,935	4,013,705
Investment securities	21	-	3,290,895	3,290,895	-	1,728,331	1,728,331
Other financial assets	25	1,100	444,497	445,597	-	193,464	193,464

Bank		At 31 December 2023			At 31 December 2022		
In millions of Naira	Note	Encumbered	Unencumbered	Total	Encumbered	Unencumbered	Total
Cash and balances with central banks	15	3,838,407	126,449	3,965,386	1,694,907	407,488	2,102,395
Treasury bills	16	-	2,529,966	2,529,966	-	2,206,669	2,206,669
Assets pledged as collateral	17	255,061	-	255,061	254,564	-	254,564
Due from other banks	18	354,150	1,337,572	1,691,722	115,315	1,017,481	1,132,796
Loans and advances	20	-	5,928,796	5,928,796	-	3,735,676	3,735,676
Investment securities	21	-	1,205,724	1,205,724	-	622,780	622,780
Other financial assets	25	1,100	393,440	394,540	-	176,829	176,829

(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 2023 and 31 December 2022 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 re-pledge 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.

Group

At 31 December 2023	Note	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	Over 1 year	Gross nominal inflow/ (outflow)	Carrying amount
In millions of Naira								
Assets								
Non-derivative assets								
Cash and balances with central banks	15	414,436	-	-	-	3,838,939	4,253,374	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	532,009	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	8,379,617	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
		4,606,426	**1,774,275**	**2,453,525**	**2,539,419**	**11,289,074**	**22,662,719**	**19,425,562**

At 31 December 2023	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
		13,830,047	**1,704,958**	**1,006,994**	**498,126**	**936,783**	**17,976,908**	**17,976,908**
Derivative Asset - Hedging Instrument	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
Derivative Asset -Non Hedging Instrument								
Gross settled:								
Receivable		33,618	193,523	654	-	-	227,794	72,363
Payable		-	195,525	-	-	-	192,525	72,363
Net settled		265,118	386,048	431,214	1,113,725	-	2,196,104	1,069,478
Derivative liabilities	33							
Gross settled:								
Receivable		318	200	-	-	-	518	70,486
Payable		27,936	-	-	-	-	27,936	70,486
Net settled		28,254	200	-	-	-	28,454	37,911

At 31 December 2022	Note	Up to 1month	1 - 3 months	3 - 6 months	6 - 12 months	Over 1 year	Gross nominal inflow/(outflow)	Carrying amount
In millions of Naira								
Assets								
Non-derivative assets								
Cash and balances with central banks	15	463,163	938	-	-	1,697,512	2,161,613	2,201,743
Treasury bills	16	323,828	460,101	613,895	1,028,194	-	2,426,016	2,246,540
Assets pledged as collateral	17	4,595	85,164	35,375	21,161	302,153	448,448	254,663
Due from other banks	18	1,263,202	28,666	11,375	-	-	1,303,243	1,302,811
Loans and advances to customers	20	981,044	557,865	511,134	592,972	1,776,619	4,419,634	4,013,710
Investment securities	21	70,368	234,430	211,719	141,728	1,524,161	2,182,407	1,728,449
Other financial assets	25	168,268	713	30	76	54,575	223,662	194,791
		3,274,467	**1,367,876**	**1,383,529**	**1,784,130**	**5,355,020**	**9,935,446**	**11,942,707**

At 31 December 2022	Note	Up to 1month	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	8,183,517	402,334	202,080	113,935	84,476	6,473,275	8,975,654
Other financial Liabilities	29	396,598	124,131	385	9,569	16,503	547,186	545,938
On-lending facilities	30	2,771	23,000	18,092	29,871	276,278	350,012	311,192
Borrowings	31	35,146	225,342	370,726	229,298	130,980	757,153	963,449
		7,187,769	**495,526**	**381,958**	**320,194**	**504,624**	**10,875,031**	**9,377,460**
Derivative assets - Hedging instruments	19							
Gross settled:								
Receivable		614	-	95,466	250,838	-	346,918	20,052
Payable		(614)	-	(95,466)	(250,838)	-	(346,918)	(20,052)
Net settled		-	-	-	-	-	-	-
Derivative liabilities Non Hedging Instrument	33							
Gross settled:								
Receivable		135,645	66,063	104,297	134,410	-	440,415	29,822
Payable		(105,614)	(27,258)	(63,881)	(134,400)	-	(331,153)	29,822
Net settled		**13**	**13**	**48**	**252)**	**-**	**326**	**326**
Derivative liabilities	33							
Gross settled:		-	-	-	-	-	-	-
Receivable		22,659	27,243	731	-	-	50,633	6,325
Payable		43,405	58,114	39,781	-	-	141,300	6,325
Net settled		-	11	46	242	-	299	299

Bank

At 31 December 2023	Note	Up to 1month	1 - 3 months	3 - 6 months	6 - 12 months	Over 1 year	Gross nominal inflow/(outflow)	Carrying amount
In millions of naira								
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
		3,753,763	**1,114,994**	**1,970,770**	**2,307,167**	**9,656,730**	**18,803,426**	**15,971,195**

At 31 December 2023	Note	Up to 1month	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	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	32	-	-	-	-	-	-	-
		11,677,186	**1,476,855**	**891,385**	**189,889**	**745,189**	**14,980,504**	**14,799,566**

At 31 December 2023	Note	Up to 1month	1 - 3 months	3 - 6 months	6 - 12 months	Over 1 year	Gross nominal inflow/(outflow)	Carrying amount
Derivative Asset - Hedging Instrument	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
Derivative Asset - 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	33							
Gross settled:								
Receivable		14	-	-	-	-	14	-
Payable		14	-	-	-	-	14	-
Net settled		**-**	**223**	**45,091**	**200**	**-**	**45,514**	**45,514**

At 31 December 2022	Note	Up to 1month	1 - 3 months	3 - 6 months	6 - 12 months	Over 1 year	Gross nominal inflow/(outflow)	Carrying amount
In millions of naira								
Assets **Non-derivative assets**								
Cash and balances with central banks	15	407,488	-	-	-	1,694,907	2,102,395	2,102,394
Treasury bills	16	317,767	444,309	603,408	1,020,587	-	2,386,071	2,206,669
Assets pledged as collateral	17	4,595	85,066	35,375	21,161	302,153	448,350	254,565
Due from other banks	18	1,131,783	1,380	-	-	-	1,133,163	1,132,796
Loans and advances to customers	20	956,681	498,681	475,411	569,863	1,671,708	4,172,344	3,735,676
Investment securities	21	8,653	10,367	57,518	28,407	962,816	1,067,761	622,780
Other financial assets	25	150,690	-	-	-	54,467	205,157	176,289

	Note							
		2,977,657	**1,039,803**	**1,171,712**	**1,640,018**	**4,686,051**	**11,515,241**	**10,231,169**
Liabilities								
Non-derivative liabilities								
Customer's deposits	30	6,921,203	314,782	166,668	42,783	-	7,445,436	7,434,806
Other financial Liabilities	29	385,106	124,060	282	9,439	16,034	534,921	526,945
On-lending facilities	30	2,771	23,000	18,092	29,871	276,278	350,012	311,192
Borrowings	31	35,146	225,342	384,559	251,594	130,980	1,027,621	999,580
		7,344,226	**687,184**	**569,601**	**333,687**	**423,292**	**9,357,990**	**9,272,523**

At 31 December 2022	Note	Up to 1month	1 - 3 months	3 - 6 months	6 - 12 months	Over 1 year	Gross nominal inflow/(outflow)	Carrying amount
Derivative Assets -Hedging instruments	19							
Gross settled:								
Receivable		614	-	95,466	250,838	-	346,918	20,052
Payable		(614)	-	(95,466)	(250,838)	-	(346,918)	(20,052)
Net settled		**-**	**-**	**-**	**-**	**-**	**-**	**-**
Derivative assets-Non Hedging Instrument	33							
Gross settled:								
Receivable		135,65	66,063	104,297	134,410	-	440,421	28,799
Payable		(105,620)	(27,258)	(63,881)	(134,410)	-	(331,169)	28,799
Net settled		**13**	**13**	**48**	**252**	**-**	**326**	**326**
Net settled Derivative liabilities								
Gross settled:								
Receivable		22,659	27,243	731	0	-	50,633	5,741
Payable		43,405	58,114	39,781	0	-	(882,182)	5,741
Net settled			**11**	**46**	**242**	**-**	**299**	**299**

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').

Residual contractual maturities of off-balance sheet exposures.

Group

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**

In millions of Naira						
Financial guarantees						
Usance	276,481	20,056	239,026	17,399	-	-
Letters of Credit	363,355	58,461	273,698	23,577	7,619	-
Performance bonds and Guarantees	384,381	71,184	99,505	144,771	51,272	17,650
Undrawn overdraft	89,749	10,840	61,558	17,352	-	-
Total	**1,113,966**	**160,541**	**673,787**	**203,099**	**58,891**	**17,650**

Bank

In millions of Naira						
Financial guarantees						
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	-	-
Overdrawn 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**

In millions of Naira						
Financial guarantees						
Usance	276,481	20,056	239,026	17,399	-	-
Letters of Credit	279,791	33,202	235,279	11,310	-	-
Performance bonds and Guarantees	349,741	73,320	74,684	134,513	49,574	17,650
Overdrawn Overdraft	89,749	10,840	61,558	17,352	-	
Total	**995,762**	**137,418**	**610,547**	**180,574**	**49,574**	**17,650**

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.

3.5.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.

At 31 December, 2023

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	-
Asset pledged as collateral	17	-	-	-	-	-
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	33	70,486	70,486	-	70,486	-

The carrying values of the following assets and liabilities are assumed to be their fair values:

- The carrying values of the following assets and liabilities (which are measured at amortized cost) are assumed to be their approximate 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
- On-lending
- Borrowings
- See additional disclosures on valuation methods in Note 3 3.5d

At 31 December, 2022

In millions of Naira	Note	Carrying Value	Total Fair value	Level 1	Level 2	Level 3
Assets						
Carried at FVTPL:						
Treasury bills	16	1,243,039	1,243,039	129,703	1,113,336	-
Investment securities (Fixed income)	21	12,441	12,441	11,455	825	-
Derivative Asset Hedging Instrument	19	20,052	20,052	-	20,052	-
Derivative Asset -Non Hedging Instrument	19	29,822	29,822	-	29,822	-
Asset pledged as collateral		26,287	26,287	9,997	16,290	-
Carried at FVOCI:						
Equity securities (unquoted)	21	93,883	93,883	-	-	93,883
Debt securities	21	833,549	833,549	833,549	-	-
Carried at amortized cost:						
Treasury bills	16	1,003,501	1,002,865	835,073	167,792	-
Assets pledged as collateral	17	228,376	228,394	222,646	5,749	-
Investment securities	21	794,422	762,668	465,654	194,226	102,788
Liabilities						
Carried at FVTPL						
Derivative liabilities	33	6,325	6,325	-	6,325	-

Bank

The table below sets out the Bank's classification of each class of its financial assets and liabilities.

At 31 December, 2023

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	19,433	19,433	18,371	1,062	-
Derivative Asset - Hedging Instrument	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
Carried at amortized cost:						
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	33	45,514	45,514	-	45,514	-

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
- On lending
- Borrowings
- See additional disclosures on valuation methods in Note 3.5

31 December 2023

In millions of Naira	Note	Carrying Value	Total Fair value	Level 1	Level 2	Level 3
Assets						
Carried at FVTPL:						
Treasury bills	16	1,243,038	1,243,038	129,703	1,113,336	-
Investment securities (Fixed income)	21	10,560	10,560	10,433	127	-
Derivative assets	19	20,052	20,052	-	20,052	-
Derivative Asset -Non Hedging Instrument	19	28,799	28,799	9,899	28,799	-
Asset pledged as collateral	17	26,189	26,189	-	16,290	-
Carried at FVOCI :						
Equity securities (Unquoted)	21	93,883	93,883	-	-	93,883
Equity securities (Unquoted)	16	963,630	963,669	795,877	167,792	-
Treasury bills	17	228,376	228,394	222,646	5,749	-
Investment securities	21	518,337	501,399	442,388	59,011	-
Liabilities						
Carried at FVTPL :						
Derivative liabilities	33	6,040	6,040	-	6,040	-
Carried at amortized cost:						
Debt securities issued	32	-	-	-	-	-

3.5.b Financial instruments measured at fair value- Reconciliation of level 3.

Group and Bank

In millions of Naira		
At 1 January 2022		85,574
Transfer due to non-availability of observable data	21	200
Gain recognised through other comprehensive income of equity investments		8,109
At 31 December, 2022		**93,883**
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**

There was a transfer between fair value heirarchy from level 2 to level 3,due to the absence of observable market data). arising from issue of AFC shares during that period.

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 2023 and 31 December 2022 in measuring financial instruments categorized as level 3 in the fair value hierarchy.

Type of financial instrument	Fair values at 31 December, 2023	Valuation technique	Significant unobservable input
Unquoted equity investment	N6.7 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.

(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 2023 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	3,706	4,096	3,742
NIBSS	1,935	2,321	2,115
UPSL	361	337	350
AFREXIM	437	526	478

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 Dec 2023	31 Dec 2022
Effect of 1% decrease in cost of equity and 0.25% increase in terminal growth rate	595	4,897
Effect of 1% increase in cost of equity and 0.25% decrease in terminal growth rate	(246)	(4,394)

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.

(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 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. The Group meet 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 as well as providing 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 Measurement 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.

The table below shows the computation of the Group's capital adequacy ratio for the year ended 31 December 2023 as well 31 December 2022. 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-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	Basel II	Basel II	Basel II	Basel II
Tier 1 capital				
Share capital	15,698	15,698	15,698	15,698
Share premium	255,047	255,047	255,047	255,047
Statutory reserves	409,104	311,411	367,942	278,602
SMEIES reserve	3,729	3,729	3,729	3,729
Retained earnings	1,179,390	625,005	893,938	494,429
Non-controlling interest	1,628	813	-	-
Total qualifying Tier 1 capital	**1,864,596**	**1,211,704**	**1,536,354**	**1,047,505**
Deferred tax assets	(17,251)	(18,343)	-	-
Intangible assets	(47,018)	(25,251)	44,185)	(23,958)
Investment in capital of financial subsidiaries	-	-	(17,313)	(17,313)
Unsecured lending to subsidiaries within the same group	-	-	-	-

In millions of Naira	Group		Bank	
Adjusted Total qualifying Tier 1 capital	1,800,327	1,168,110	1,474,856	1,006,234
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	Basel II	Basel II	Basel II	Basel II
Tier 2 capital				
Other comprehensive income (OCI)	364,801	72,923	175,983	53,731
Total qualifying Tier 2 capital	**364,801**	**72,923**	**175,983**	**53,731**
Investment in capital and financial subsidiaries	-	-	(17,313)	(17,313)
Net Tier 2 Capital	364,801	72,923	158,670	36,418
Total regulatory capital	**2,165,128**	**1,241,033**	**1,633,526**	**1,042,652**
Risk-weighted assets				
Credit risk	7,882,270	4,961,579	6,672,311	4,335,844
Market risk	214,752	142,290	153,007	94,041
Operational risk	1,894,809	1,163,701	1,667,274	1,058,784
Total risk-weighted assets	9,991,831	6,267,570	8,492,592	5,488,669
Risk-weighted Capital Adequacy Ratio (CAR)	**22 %**	**20 %**	**19. %**	**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 that is deemed fit on an ongoing basis but exclude reputation and strategic risks. Operational risk exists in all products 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 Bank 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.

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 process 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 measures 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 recover 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 in 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.

3.8 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 regulation.

The Group maintains zero tolerance posture for any regulatory breach in all its area 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.

. 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 2023

In millions of Naira	10% increase	No change	10% decrease
Gross Loans Balance	6,412,979	6,412,979	6,412,979
Loss allowance	459,318	484,183	504,464

4.3 Deferred Tax Assets and Liabilities

The determination of fair value for financial assets and liabilities for which there is no observable market prices requires the use of valuation techniques as described in note 3.5(c). For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

i) Level 1 : Quoted market price (unadjusted) in an active market for an identical instrument.

ii) Level 2 : Valuation techniques based on observable inputs, either directly - i.e, as prices - or indirectly - i.e derived from prices. This category includes instruments such as forward contracts, swaps etc. valued using; quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

iii) Level 3 : Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes
inputs not based on observable data and the unobservable inputs have a significant effect on the instrument’s valuation. This category includes instrument that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments. See note 3.5c for sensitivity analysis on unquoted equity investments.

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 ended 31 December 2023 are stated in terms of current purchasing power using the Consumer Price Index as at 31 December 2023. 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 2023.

The Group's comparative information presented in Nigerian Naira has not been restated.

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

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.

The application of the hyperinflation accounting procedures to the Group's operations in Ghana resulted in a N6.57 billion decrease in the Group profit before tax in 2023. Included in this is a net monetary loss of N13.225 billion.

Other effects on the Group consolidated financial statements for 2023 are:

- Total assets increased by N42.13 billion driven by non-monetary assets;

- Opening retained profit decreased by N80.94 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 2023 for the effect of inflation;

- Net revenue increased by NGN 6.93 billion;

The CPI for Ghana wa s 200.5 (2022: 162.8) with an increase in the year of 37.7 (2022: 25.94).

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.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2023

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.

In millions of Naira 31 December 2023	Nigeria Corporate retail and pensions custodian services	Outside Nigeria Africa	Europe	Total (Outside Nigeria)	Total reportable segments	Eliminations	Consolidated
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 / (loss) 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**	**88,165**	**691,026**	**(14,117)**	**676,909**

In millions of Naira 31 December 2023	Nigeria Corporate retail and pensions custodian services	Outside Nigeria		Total (Outside Nigeria)	Total reportable segments	Eliminations	Consolidation
		Africa	Europe				
Expenditure on non-current assers	65,409	10,773	262	11,035	76,444	-	76,444
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	(52,927)	6,556,470
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	(218,776)	15,167,740
Borrowings	1,450,182	13,631	-	13,631	1,463,813	(52,928)	1,410,885

In millions of Naira 31 December 2022	Nigeria Corporate retail and pensions custodian services	Outside Nigeria		Total reportable segments	Eliminations	Consolidation
		Africa	Europe			
Interest and similar income	450,472	59,239	33,883	543,594	(3,428)	540,166
Total income on fee and commission	143,056	9,651	4,515	157,222	(6)	157,216
Other operating income	49,793	1,791	(1,062)	50,522	(15,028)	35,494
Trading gains	201,645	8,694	2,236	212,575	103	212,678
Total revenue	844,966	79,375	39,572	963,913	(18,359)	945,554
Revenue:						
Derived from external customers	826,335	79,647	39,572	119,219	-	945,554
Derived from other business segments	18,637	-	-	-	(18,637)	-
Total revenue	**844,972**	**79,647**	**39,572**	**119,219**	**(18,637)**	**945,554**
Interest expense	(153,022)	(17,785)	(6,432)	(24,217)	3,700	(173,539)
Impairment loss on financial assets	(62,020)	(58,867)	(1,322)	(60,189)	(1,042)	(123,252)
Depreciation charge	(24,636)	(1,509)	(485)	(1,994)	-	(26,630)
Amortisation charge	(3,131)	(314)	(233)	(547)	-	(3,678)
Fees and commission expense	(23,380)	(1,041)	-	(1,041)	-	(24,421)
Admin and operating expenses	(276,933)	(22,381)	(10,524)	(32,905)	454	(309,384)
Profit before tax	301,849	(22,249)	20,575	(1,674)	(15,525)	284,650
Tax expense	(62,117)	5,695	(4,317)	1,378	-	(60,739)
Profit / (loss)after tax	**239,732**	**(16,554)**	**16,258**	**(296)**	**(15,525)**	**223,911**

In millions of Naira 31 December 2022	Nigeria Corporate retail and pensions custodian services	Outside Nigeria		Total reportable segments	Eliminations	Consolidation
		Africa	Europe		-	
Expenditure on non-current assets	71,501	3,259	398	3,657	-	75,158
Total assets	10,600,730	510,386	1,445,532	1,955,918	(271,019)	12,285,629
Other measures of assets:						
Loans and advances to customers	3,735,839	90,043	223,953	313,996	(36,130)	4,013,705
Treasury bills	2,206,935	39,603	-	39,603	-	2,246,538
Investment securities	648,654	155,125	924,555	1,079,680	-	1,728,334
Total liabilities	**9,378,927**	**451,702**	**1,313,009**	**1,764,712**	**(236,950)**	**10,906,689**
Other measures of liabilities						
Customer deposits	7,434,806	436,541	1,303,257	9,174,604	(198,951)	8,975,653
Borrowings	999,580	-	-	999,580	(36,130)	963,450

* 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.

	Group		Bank	
In millions of Naira	31 December 2023	31 December 2022	31 December 2023	31 December 2022

6. Interest and similar income

Loans and advances to customers	671,920	370,446	635,806	346,320
Placement with banks and discount houses	81,822	12,270	39,796	3,968
Treasury bills	178,967	43,609	145,646	32,972
Promissory note	3,205	1,332	3,204	1,330
Commercial papers	21,406	2,766	21,090	2,726
Government and other bonds	187,354	109,743	80,690	60,858
	1,144,674	**540,166**	**926,232**	**448,174**

Interest and similar income represents interest income on financial assets measured at amortised cost.

Interest income accrued on impaired financial assets amount to N29,093 million and N5,484 million (31 December 2022: N5,228 million and N4,667million) for Group and Bank respectively.

7. Interest and similar expense

Current Account	96,807	37,926	85,898	34,405
Savings accounts	85,593	32,150	84,995	31,885
Time deposits	124,348	52,634	79,858	38,269
Borrowed funds	99,166	48,747	103,443	46,391
Leases	2,578	2,082	1,034	2,069
	408,492	**173,539**	**355,228**	**153,019**

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

	Group		Bank	
In millions of Naira	31 December 2023	31 December 2022	31 December 2023	31 December 2022
ECL on financial instruments:				
Loans and advances(see note 3.2.18)	400,650	38,343	394,440	38,429
Investment securities (see note 3.2.18)	7,903	62,742	2,867	1,918
Treasury Bills (see note 3.2.18)	(337)	(400)	32	(356)
Other financial assets (see note 3.2.18)	2,173	19,037	2,193	19,033
Due from other Banks (see note 3.2.18)	860	(649)	860	17
Assets pledged as collateral (see note 3.2.18)	10	(180)	10	(180)
Total ECL on financial instruments	411,259	118,893	400,402	58,861
Impairment (credit)/charge on non-financial instruments:				
Off balance sheet (see note 3.2.18)	1,633	998	1,286	(326)
Other non financial assets (see note 25)	(3,276)	3,361	(3,276)	3,361
	409,616	**123,252**	**398,412**	**61,896**

9. Net income on Fees and commission

	Group		**Bank**	
In millions of Naira	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Credit related fees	3,980	6,609	3,045	1,406
Commission on turnover	2,054	1,165	-	-
Account maintenance fee	47,201	41,557	44,969	40,860
Income from financial guarantee contracts issued	16,247	10,536	8,157	6,829
Fees on electronic products	51,818	45,739	46,294	43,275
Foreign currency transaction fees and commission	4,190	3,389	3,072	3,258
Asset based management fees	10,956	9,595	-	-
Auction fees income	695	622	695	622
Corporate finance fees	128	1,691	128	1,691
Foreign withdrawal charges	19,718	15,551	19,718	15,535
Commission on letters of credit	12,068	8,541	7,596	8,303
Commissions on agency and collection services	8,460	12,221	7,498	11,699
Total fee and Commission income	177,515	157,216	141,172	133,478
Fees and commission expense	(68,208)	(24,421)	(70,092)	(23,380)
	109,307	**132,795**	**71,080**	**110,098**

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 N110,083 million and N84,361 million for Group and Bank (31 December 2022: N107,982 million and N84,636 million) respectively while an amount of N71,025 million and N56,811 million (31 December 2022: N49,235 million and N48,840 million) was recognised over the service period.

10. Trading gains

(Loss)/gain on other trading books	463,371	(1,325)	438,360	(9,238)
Gain on treasury bills FVTPL	98,912	214,508	98,135	210,932
Gain/(Loss) on bonds FVTPL	1,100	(910)	(1,799)	(454)
Interest income on trading bonds	3,590	405	3,590	405
	566,973	**212,678**	**538,286**	**201,645**

Included in gain on other trading books is N4.05 billion gains on derivatives for Group and Bank respectively.(31 December 2022: Group N47.9 billion and Bank N42.8 billion).

Hedge ineffectiveness recognized in Trading gain comprises: Fair value hedging				
FV gains on the derivatives designated as hedging instruments - (spot component only)	458,478	40,632	458,478	40,632
- Losses on the hedged items attributable to the hedged risk	(468,482)	(39,590)	(468,482)	(39,590)
-Fair value hedge ineffectiveness	**(10,004)**	**1,042**	**(10,004)**	**1,042**

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. Gain/(loss) on other trading books includes N434.31 billion net gain on matured swap and forward transactions.

11. Other operating income

	Group		Bank	
In millions of Naira	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Dividend income from equity investments (see note a below)	5,661	2,223	19,777	17,148
Gain on disposal of property and equipment (see note 44(vi)	189	2,563	186	2,451
Income on cash handling	27	476	-	445
Loan recovery (see note c below)	20,954	5,030	15,290	4,426
Foreign currency revaluation gain (see note b below)	228,982	25,202	228,810	25,320
Net monetary loss arising from hyperinflationary economy (see note d below)	(13,225)	-	-	-
	242,588	**35,494**	**264,063**	**49,790**

(a) Dividend income from equity investments represent dividend received from subsidiaries of N14,116 million and N5,661 million 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 gain represents net 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) 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.

	Group		Bank	
In millions of Naira	31 December 2023	31 December 2022	31 December 2023	31 December 2022

12. Operating expenses

Directors' emoluments (see note 37 (b))	5,989	5,444	4,759	5,154
Auditors' remuneration	1,337	1,065	700	600
Deposit insurance premium	28,048	21,747	26,234	21,747
Professional fees	9,387	6,413	8,173	5,738
Training and development	3,857	2,934	3,299	2,858
Information Technology	33,596	30,971	28,678	27,662
Lease expense	3,495	593	2,496	583
Advertisement	11,450	8,787	11,205	8,622
Outsourcing services	24,876	14,758	24,845	14,571
Bank charges	5,258	11,936	4,055	11,124
Fuel and maintenance	41,171	29,648	36,009	25,905
Insurance	3,220	2,258	2,485	1,991
Licenses, registrations and subscriptions	10,139	4,712	6,594	3,246
Travel and hotel expenses	5,155	2,987	4,289	2,637
Printing and stationery	5,049	4,137	2,925	3,133
Security and cash handling	7,246	4,784	5,321	4,467
Fines & Penalties (see note 42)	21	-	21	-
Donations	5,765	1,697	5,673	1,670
AMCON levy	57,383	44,010	57,383	44,010
Telephone,postages and communication charges	9,262	9,709	8,843	9,323
Corporate promotions	15,890	8,230	15,723	7,999
General running expenses	4,137	6,152	1,976	1,663
	291,731	**222,972**	**261,686**	**204,703**

Lease expense for the year ended 31 December 2023 amounting to N3,495 million and N2,496 million, (31 December 2022: N593 million and N583 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 N143 million. These non-audit services were for the following:
assessment of risk management practices (N67 million) and assessment of compliance with whistle blowing guidelines (N14 million), review of the Bank's corporate governance (N31 million), trainings (N15 million), and professional service relating to the creation of a customer analytic portal for the bank (N16 million). These services in the Bank's opinion, did not impair the independence and objectivity of the external auditors.

The Group auditors did not engage in any non-audit service for any of the bank's subsidiaries.

IIncluded in training and development is a total N657 million which the bank paid as contribution to the industrial training fund.

In millions of Naira	Group 31 Dec 2023	Group 31 Dec 2022	Bank 31 Dec 2023	Bank 31 Dec 2022

13. Taxation

(a) Major components of the tax expense

In millions of Naira	Group 31 Dec 2023	Group 31 Dec 2022	Bank 31 Dec 2023	Bank 31 Dec 2022
Income tax expense				
Corporate tax	35,465	68,156	16,824	51,370
Information technology tax	6,775	3,026	6,677	2,940
Tertiary Education tax	3,127	6,775	2,876	6,595
Police trust fund levy	33	15	33	15
National agency for science and engineering infrastructure levy (NASENI)	1,670	735	1,670	735
National Fiscal Stabilization Levy & Financial Sector Recovery	8,177	-	-	-
Effect of hyperinflation	1,622	-	-	-
Prior period underprovision/(Reversal of prior period over provision)	712	(6,513)	712	(6,513)
Current income tax	57,581	72,194	28,792	55,142
Deferred tax expense:				
Origination of temporary differences	61,472	(11,455)	43,322	4,315
Income tax expense	119,053	60,739	72,114	59,457
Total tax expense	**119,053**	**60,739**	**72,114**	**59,457**

(b) Reconciliation of effective tax rate

In millions of Naira	Group 31 Dec 2023	Group 31 Dec 2022	Bank 31 Dec 2023	Bank 31 Dec 2022
Profit before income tax	795,962	284,650	667,715	294,050
Tax calculated at the weighted average Group rate of 30% (2022: 30%)	238,789	85,395	200,315	88,215
Tax effect of adjustments on taxable income				
Effect of difference of rate across different tax jurisdiction	(6,450)	(889)	-	-
Non-deductable expenses	32,003	35,802	56,730	17,658
Tax exempt income	(228,282)	(27,207)	(228,282)	(26,734)
Balancing charge	13,052	5,610	112	2,640
Effect of tax laws arising from current period	-	(146)	-	-
Origination of Temporary differences	61,472	(11,455)	43,322	4,315
Information technology levy	6,776	3,026	6,676	2,940
Capital allowance utilised	(12,050)	(30,409)	(12,050)	(30,409)
Tertiary education tax	3,126	6,775	2,876	6,595
Prior period underprovision/(Reversal of prior period over provision)	737	(6,513)	712	(6,513)
National Fiscal Stabilization Levy & Financial Sector Recovery Levy	8,177	-	-	-
Police trust fund levy	33	15	33	15
NASENI	1,670	735	1,670	735
Total tax expense	**119,053**	**60,739**	**72,114**	**59,457**

In millions of Naira	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
(c) The movement in the current income tax payable balance is as follows:				
At start of the year	64,856	16,909	61,655	14,241
Tax paid	(65,187)	(24,247)	(62,367)	(7,728)
Current income tax charge (see note 13a)	34,208	72,194	28,792	55,142
At end of the year	**33,877**	**64,856**	**28,080**	**61,655**
(d) The movement in the current income tax receivable balance is as follows:				
At start of the year	-	-	-	-
Tax paid	32,348	-	-	-
Current income tax charge (see note 13a)	(23,373)	-	-	-
At end of the year	**18,975**	**-**	**-**	**-**

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 period.

In millions of Naira	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Profit attributable to shareholders of the Bank (N'million)	676,569	224,050	595,601	234,593
Number of shares in issue at end of the year (millions)	31,396	31,396	31,396	31,396
Weighted average number of ordinary shares in issue (millions)	31,396	31,396	31,396	31,396
Basic and diluted earnings per share (Naira)	**21.55**	**7.14**	**18.97**	**7.47**

Basic and diluted earnings per share are the same, as the Bank has no potentially dilutive ordinary shares.

15. Cash and balances with central banks

In millions of Naira	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Cash	146,264	85,437	105,262	66,067
Operating accounts and deposits with Central Banks	123,703	366,699	21,187	341,420
Mandatory reserve deposits with central bank (cash reserve)	3,902,718	1,668,919	3,758,248	1,614,218
Special Cash Reserve Requirement	80,689	80,689	80,689	80,689
	4,253,374	**2,201,744**	**3,965,386**	**2,102,394**

Current	269,967	452,136	126,449	407,488
Non current	3,983,407	1,749,608	3,838,937	1,694,906
	4,253,374	**2,201,744**	**3,965,386**	**2,102,394**

	Group		Bank	
In millions of Naira	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022

16 Treasury bills

Treasury bills (FVTPL)	749,606	1,243,038	749,606	1,243,038
Treasury bills (Amortized cost)	1,986,738	1,003,908	1,780,431	963,669
ECL Allowance on treasury bills (Amortized cost) (see note 3.2.18)	(71)	(408)	(71)	(39)
	2,736,273	**2,246,538**	**2,529,966**	**2,206,668**
Classified as:				
Current	2,736,273	2,246,538	2,529,966	2,206,668
	2,736,273	**2,246,538**	**2,529,966**	**2,206,668**
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 41)	209,246	232,218	209,246	232,218
	209,246	232,218	209,246	232,218

17. Assets pledged as collateral

Bonds pledged as collateral	217,446	119,145	163,869	119,047
Treasury bills under repurchase agreement	91,221	135,536	91,221	135,536
ECL Allowance on assets pledged and under repo	(29)	(18)	(29)	(18)
	308,638	**254,663**	**255,061**	**254,565**

Included in assets pledged as collateral for Group/Bank are treasury bills at amortised cost of N91.22 billion and bonds at amortised cost of N217.45 billion (Group) and N163.87 billion (Bank) (31 December 2022: treasury bills N109,346 million and bonds 119,047 million). All other assets pledged as collateral for Group/Bank are treasury bills at fair value.

Some of the balances are restricted (see note 3.4.3c).

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 2022: N3.74 billion), being collateralized, Financial Market dealers Quotation (FMDQ) N11.19 billion (31 December 2022: 1.81 billion), E-Transact N50 million (31 December 2022: N47 million), V-pay: N50 million (31 December 2022: N47 million), Interswitch: N2.4 billion (31 December 2022: N2,247 billion), System specs / Remitta N2.5 billion (31 December 2022: N2.3 billion), CBN Settlement clearing N15 billion (31 December 2022: N14.78 billion), CBN Real Sector Support Fund: N23 billion (31 December 2022: N21.67 billion), Federal Inland Revenue Service: N9 billion (31 December 2022: N8.43 billion) and Bank of Industries (BOING) N34 billion (31 December 2022: N31.88 billion).

Zenith Bank UK pledged securities totalling N53.58billion to JP Morgan Chase (31 December 2022: Zenith Bank UK pledged securities totalling N52.07 billion to JP Morgan Chase and Barclays Bank and Zenith Bank Ghana Pledged securities totalling

N3.86 billion to pension funds management companies, institutional investors and high net worth customers).

Assets exchanged under repurchase agreement as at 31 December 2023 are with the following counterparties (note 31):

Counterparties

In millions of Naira	Carrying value of asset	Carrying value of liability	Carrying value of asset	Carrying value of liability
	Group		Bank	
ABSA (see note 31)	147,093	95,179	147,093	95,179
Access Bank	14,296	13,000	14,296	13,000
	161,389	**108,179**	**161,389**	**108,179**

Assets exchanged under repurchase agreement as at 31 December 2022 are with the following counterparties (note 31):

Counterparties

In millions of Naira	Group		Bank	
ABSA (see note 31)	51,492	46,340	113,809	46,340
Standard Bank London (see note 31)	130,770	63,456	50,477	63,456
	182,262	**109,796**	**164,286**	**109,796**

	Group		Bank	
In millions of Naira	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Classified as:				
Current	108,792	142,905	99,087	142,807
Non-current	199,845	111,758	155,974	111,758
	308,637	**254,663**	**255,061**	**254,565**

	Group		Bank	
In millions of Naira	31 December 2023	31 December 2022	31 December 2023	31 December 2022

18. Due from other banks

Current balances with banks within Nigeria	-	-	-	-
Current balances with banks outside Nigeria	837,559	907,358	922,922	957,902
Placement with banks	997,690	395,528	769,735	174,969
ECL allowance	(935)	(75)	(935)	(75
	1,834,314	**1,302,811**	**1,691,722**	**1,132,796**
Classified as:				
Current	1,834,314	1,302,811	1,691,722	1,132,796

Included in balances with banks outside Nigeria are the amount of N254.47 billion and N363.72 billion for the Group and Bank respectively (31 December 2022: N45.02 billion and N113.9 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).

	Group		Bank	
In millions of Naira	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Due from banks with maturity greater than 3 months and restricted balances:				
	272,851	46,407	363,715	115,315

19. Derivative assets

	Group		Bank	
In millions of Naira	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Instrument types (fair value):				
Forward and Swap Contracts	489,167	49,548	462,376	48,525
Futures contracts	45,572	326	45,566	326
	534,739	**49,874**	**507,942**	**48,851**
Instrument types (Notional amount) :				
Forward and Swap Contracts	1,190,997	960,894	889,583	924,485
Futures contract	310,807	24,624	190,834	37,659
Total	**1,501,804**	**985,518**	**1,080,417**	**962,144**

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 2023, the mark-to-market value of these hedged asset is 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 Dec 2023	Group 31 Dec 2022	Bank 31 Dec 2023	Bank 31 Dec 2022

20. Loans and advances

Overdraft	1,098,703	450,649	1,032,834	427,453
Term Loans	5,291,536	2,982,808	4,714,937	2,720,843
On Lending Facilities	665,208	690,509	665,208	690,509
Gross loans and advances to customers	7,055,447	4,123,966	6,412,979	3,838,805
Less: ECL Allowance (see note 3.2.18)	(498,977)	(110,261)	(484,183)	(103,129)
	6,556,470	**4,013,705**	**5,928,796**	**3,735,676**

Net Loans classified as:

Current	2,855,923	2,133,065	2,790,053	1,958,733
Non-current	3,700,547	1,880,640	3,138,743	1,776,943
	6,556,470	**4,013,705**	**5,928,796**	**3,735,676**

Movement in ECL Allowance as at 31 December 2023 is presented in Note 3.2.18.

As at 31 December 2023, the Bank's only exposure to USD LIBOR is N627 bn in the loan book. These are legacy loan facitlities from prior period and syndicated facilities. All new financial instrument transactions are quoted in SOFR. The applicable rate to be applied on the legacy syndicated facilities are communicated by the lead syndicate and which will be obtained from the synthetic USD LIBOR issued by ICE pending the completion of reassessment of SOFR.

The following tables show the total amounts of unreformed non-derivative financial assets as at 31 December 2023. The amounts of these assets are shown at their gross carrying amounts.

	USD Carrying value at 31 December 2023	LIBOR Of which have yet to be transitioned as at 31 December 2023	NGN Carrying value at 31 December 2023	NIBOR Of which have yet to be transitioned as at 31 December 2023
In Millions of Dollars	Assets	Assets	Assets	Assets
31 December 2023				
Loans and advances to customers				
Multilateral loans	**1,469**	**659**	**9,718**	**9,718**
	1,469	**659**	**9,718**	**9,718**

	USD Carrying value at 31 December 2022	LIBOR Of which have yet to be transitioned as at 31 December 2022	NGN Carrying value at 31 December 2022	NIBOR Of which have yet to be transitioned as at 31 December 2022
In Millions of Dollars	Assets	Assets	Assets	Assets
31 December 2022				
Loans and advances to customers				
Multilateral loans	**1,228**	**873**	**13,528**	**13,528**
	1,228	**873**	**13,528**	**13,528**

In millions of Naira	Group 31 Dec 2023	Group 31 Dec 2022	Bank 31 Dec 2023	Bank 31 Dec 2022
21. Investment securities				
Debt securities				
At amortised cost (see note iii)	1,563,994	852,145	975,608	520,921
At FVTOCI	1,528,786	833,849	-	-
ECL allowance (see note 3.2.18)	(42,312)	(63,986)	(5,451)	(2,583)
Net debt securities measured at amortised cost and FVTOCI	3,050,468	1,622,008	970,157	518,338
Debt securities (measured at fair value through profit or loss) (see note ii)	24,293	12,443	19,433	10,560
Net debt securities	3,074,761	1,634,451	989,590	528,898
Equity securities				
At fair value through other comprehensive income (see note (i) below)	216,134	93,883	216,134	93,883
	3,290,895	**1,728,334**	**1,205,724**	**622,781**

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:

Classified as:				
Amortised cost before modification	250,775	-	-	-
Net modification loss	(2,523)	-	-	-

Movement in gross carrying amount and impairment allowance on investment securities are presented in Note 3.2.18

Classified as:				
Current	314,392	101,339	309,532	77,887
Non-current	2,976,503	1,626,995	896,192	544,894
	3,290,895	**1,728,334**	**1,205,724**	**622,781**

(i) The Group holds equity investments in unquoted entities which the Group has elected to carry at fair value through other comprehensive income. These investments are held for strategic purposes rather than for trading purposes see note 3.3.5.

(ii.) The Group and Bank debt securities measured at FVTPL comprise sovereign bonds (31 December 2023: N6.71 billion and N1.85 billion respectively; 31 December 2022; N12.44 billion and N3.25 billion respectively).

(iii) The Group's debt securities measured at amortised cost can be analysed as follows:

	Group		Bank	
In millions of Naira	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Sovereign (Federal)	1,061,763	660,485	580,306	383,973
Sub-sovereign (State)	34,765	32,996	34,765	31,636
Corporate bonds	196,509	120,438	89,580	67,798
Promissory note	43,539	18,464	43,539	18,425
Commercial papers	227,418	19,762	227,418	19,089
	1,563,994	**852,145**	**975,608**	**520,921**

22. Investment in subsidiaries

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

Bank

			31 December 2022	31 December 2022
Name of Comapny	Jurisdiction of Incorporation	Principal place of business	Ownership interest %	
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

			31 December 2022	31 December 2022
Name of Comapny	Jurisdiction of Incorporation	Principal place of business	Ownership interest %	
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

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2023

31 December 2023	Zenith Group	Intra-group transactions and balance	Zenith Bank Plc	Zenith Bank Ghana Limited	Zenith Bank UK Limited	Zenith Bank Sierra Leone Limited	Zenith Bank Gambia Limited	Zenith Pension Custodian Limited	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 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 / loss 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 cash equivalents	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**	**2,597**

31 December 2023	Zenith Group	Intra-group transactions and balance	Zenith Bank Plc	Zenith Bank Ghana Ltd Limited	Zenith Bank UK Limited	Zenith Bank Sierra Leone Limited	Zenith Bank Gambia Limited	Zenith Pension Custodian Limited	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 Reserve	2,323,380	(34,627)	1,806,247	171,821	319,821	15,382	16,820	25,640	2,276
	20,368,455	**(286,338)**	**16,811,092**	**1,151,105**	**2,531,842**	**63,653**	**64,932**	**29,572**	**2,597**
Condensed cash flow									
Net cash (used in)/from operating activities	2,506,056	1,330,012	1,378,740	183,276	(389,240)	(2,365)	(5,552)	11,078	107
Net cash (used in)/from financing activities	(576,809)	(44,243)	(527,595)	18,557	(17,528)	-	-	(6,000)	-
Net cash (used in)/from investing activities	(2,080,093)	(1,074,837)	(1,004,173)	(75,017)	70,223	990	2,167	539	15
Increase/ (Decrease) in cash and cash equivalents	**(150,846)**	**210,932**	**(153,028)**	**126,816**	**(336,545)**	**(1,375)**	**(3,385)**	**5,167**	**122**

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2023

31 December 2022	Zenith Group	Intra-group transactions and balance	Zenith Bank Plc	Zenith Bank Ghana Limited	Zenith Bank UK Limited	Zenith Bank Sierra Leone Limited	Zenith Bank Gambia Limited	Zenith Pension Custodian Limited	Zenith Nominee Limited
Condensed statement of profit or loss									
Operating income	945,554	(18,637)	833,087	70,786	39,572	5,790	3,072	11,470	415
Expenses	(537,652)	3,112	(477,141)	(39,812)	(16,659)	(2,871)	(1,445)	(2,750)	(86)
Impairment charge for financial and non-financial assets	(123,252)	-	(61,896)	(58,749)	(2,368)	(90)	(24)	(63)	(62)
Profit before tax·	284,650	(15,525)	294,050	(27,775)	20,545	2,829	1,603	8,657	267
Taxation	(60,739)	-	(59,457)	6,753	(4,317)	(709)	(349)	(2,524)	(136)
Profit / loss for the year	**223,911**	**(15,525)**	**234,593**	**(21,022)**	**16,228**	**2,120**	**1,254**	**6,133**	**131**
Condensed statement of financial position									
Assets									
Cash and balances with central banks	2,201,744	-	2,102,394	92,246	16	3,337	3,751	-	-
Treasury bills	2,246,538	-	2,206,668	22,789	-	-	16,814	267	-
Assets pledged as collateral	254,663	-	254,565	98	-	-	-	-	-
Due from other banks	1,302,811	(198,949)	1,132,796	63,175	290,321	8,667	6,022	763	16
Derivative asset held for risk management	49,874	-	48,851	-	1,023	-	-	-	-
Loans and advances	4,013,705	(36,130)	3,735,676	85,764	223,953	2,510	1,769	163	-
Investment securities	1,728,334	-	622,781	135,912	924,555	15,762	3,451	23,691	2,182
Investment in subsidiaries	-	(34,625)	34,625	-	-	-	-	-	-
Deferred tax asset	18,343	-	-	15,017	3,241	61	6	13	5
Other assets	213,523	(1,326)	193,792	17,248	773	304	310	2,385	37
Property and equipment	230,843	-	214,572	13,023	1,192	470	1,315	266	5
Intangible assets	25,251	-	23,958	458	458	53	62	247	15
	12,285,629	**(271,030)**	**10,570,678**	**445,730**	**1,445,532**	**31,164**	**33,500**	**27,795**	**2,260**

31 December 2022	Zenith Group	Intra-group transactions and balance	Zenith Bank Plc	Zenith Bank Ghana Ltd Limited	Zenith Bank UK Limited	Zenith Bank Sierra Leone Limited	Zenith Bank Gambia Limited	Zenith Pension Custodian Limited	Zenith Nominee Limited
Liabilities & Equity									
Customer deposits	8,975,653	(198,951)	7,434,806	388,556	1,303,257	23,831	24,154	-	-
Derivative Liabilities	6,325	-	6,040	75	210	-	-	-	-
Current Income Tax	64,856	-	61,655	(545)	564	444	291	2,382	65
Deferred income tax liabilities	16,654	-	15,911	743	-	-	-	-	-
Other liabilities	568,559	(1,324)	546,347	11,511	8,978	655	1,443	786	163
On-lending facilities	311,192	-	311,192	-	-	-	-	-	-
Borrowings	963,450	(36,130)	999,580	-	-	-	-	-	-
Equity and Reserve	1,378,940	(34,627)	1,195,147	45,390	132,523	6,237	7,614	24,626	2,030
	12,285,629	**(271,032)**	**10,570,678**	**445,730**	**1,445,532**	**31,167**	**33,502**	**27,794**	**2,258**
Condensed cash flow									
Net cash (used in)/from operating activities	1,179,123	(137,609)	1,279,759	158,905	(142,081)	13,619	1,985	4,226	329
Net cash (used in)/from financing activities	(97,606)	5,323	79,278	(14,549)	(3,102)	-	-	(6,000)	-
Net cash (used in)/from investing activities	(363,231)	120,212	(408,165)	(91,331)	12,344	441	1,354	2,251	(337)
Increase/ (Decrease) in cash and cash equivalents	**718,286**	**(12,074)**	**792,316**	**53,025**	**(132,839)**	**14,060**	**3,339**	**477**	**(8)**

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. Investment 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 2023 (31 December 2022: Nil).

24. Deferred tax balances

(i) Deferred tax asset

In millions of Naira	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
Unutilised capital allowances	(5)	32	-	-
ECL allowance on not-credit impaired financial instruments	50,412	21,149	50,331	6,132
Tax loss carry forward	-	6	-	-
Other assets	18,381	587	-	-
Lease liability	3,402	2,898	3,402	2,898
Fair Value Reserve	1,904	2,701	-	-
Total deferred tax asset	**74,094**	**27,373**	**53,733**	**9,030**
Set-off of deferred tax asset against deferred tax liabilities pursuant to set-off provisions (see (ii) below)	(56,843)	(9,030)	(53,733)	(9,030)
Net deferred tax asset	17,251	18,343	-	-

(ii) Deferred tax liability

In millions of Naira	Group 31 December 2023	Group 31 December 2022	Bank 31 December 2023	Bank 31 December 2022
Property and equipment	26,850	17,296	23,663	16,553
Right of use asset	3,402	3,161	3,402	3,161
Foreign exchange differences	85,901	5,227	85,901	5,227
Total deferred tax liability	116,153	25,684	112,966	24,941
Set-off of deferred tax asset against deferred tax liabilities pursuant to set-off provisions (see (i) above)	(56,843)	(9,030)	(53,733)	(9,030)
Net deferred tax liability	**59,310**	**16,654**	**59,233**	**15,911**

Group

31 December 2023

Movements in temporary differences during the year	1 January 2023	Recognised in profit or loss	Impact of Hyperinflation & other FX Movement	Recognised in OCI	31December 2023
Asset					
Other assets	587	(4.697)	22,491	-	18,381
Unutilized capital allowances	32	(37)	-	-	(5)
ECL Allowance on not-credit impaired financial instruments	21,149	29,263	-	-	50,412
Tax loss carry forward	6	(6)	-	-	-
Fair value reserve	2,701	1,806	-	(2,603)	1,904
Lease liability	2,898	504	-	-	3,402
	27,373	**26,833**	**22,491**	**(2,603)**	**74,094**

31 December 2023

Movements in temporary differences during the year	1 January 2023	Recognised in profit or loss	Impact of Hyperinflation & other FX Movement	Recognised in OCI	31December 2023
Liabilities					
Property and equipment	17,296	7,393	2,161	-	26,850
Right of use asset	3,161	241	-	-	3,402
Foreign exchange differences	5,227	80,674	-	-	85,901
	25,684	**88,308**	**2,161**	**-**	**116,153**

Bank

31 December 2023

Asset			
ECL Allowance on not-credit impaired financial instruments	6,132	44,199	50,331
Fair value reserves	2,898	504	3,402
	9,030	**44,703**	**53,733**

31 December 2023

Liabilities			
Property and equipment	16,553	7,110	23,663
Right of use asset	3,161	241	3,402
Foreign exchange differences	5,227	80,674	85,901
	24,941	**88,025**	**112,966**

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, which suferred a loss in prior year. The Group has recognised all of its deferred tax asset as at 31 December 2023. 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	18,862	9,803	12,985	7,363
Other non-financial assets	10,602	13,615	9,979	13,501
Gross other non-financial assets	29,464	23,418	22,964	20,864
less impairment (see note (i) below)	(85)	(3,361)	(85)	(3,361)
Net other non-financial assets	29,379	20,057	22,879	17,503
Other financial assets				
E-card and settlement receivables	348,566	127,583	345,486	125,569
Intercompany receivables	-	-	651	542
Deposit for investment in AGSMEIS	65,476	53,747	65,476	53,747
Other receivables*	62,698	41,109	13,268	24,579
Deposits for shares	-	-	720	720
Gross other financial assets	476,740	222,439	425,601	205,157
Less: ECL allowance(see note 25(ii))	(31,143)	(28,973)	(31,061)	(28,868)
Net other financial assets	445,597	193,466	394,540	176,289
Total other assets (Net)	**474,976**	**213,523**	**417,419**	**193,792**

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.Other non-financial assets comprises of balances on settlement accounts such as: Witholding tax, revenue collection, sundry receivables. These assets are short tenured and are promptly settled.

*Other receivables comprises of mobile electronic funds receivable from customer.

Classified as:

Current	409,500	157,545	351,223	139,324
Non-current	65,476	55,978	66,196	54,468
	474,976	**213,523**	**417,419**	**193,792**

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

	Group		Bank	
In millions of Naira	31 December 2023	31 December 2022	31 December 2023	31 December 2022
At start of the year	3,361	-	3,361	-
Charge for the year (see note 8)	(3,276)	3,361	(3,276)	3,361
At end of the year	85	3,361	85	3,361

(ii) Provision matrix

The table below summarises the provision matrix of the Bank as at 31 December 2023. The loss allowance recorded by the other subsidiaries on their other financial assets is considered insignificant to the Group.

31 December, 2023	**0-30 days**	**31-60 days**	**61-90 days**	**91-180 days**	**Above 180 days**	**Total**
Assets						
Receivables	342,066	86	179	-	16,422	358,753
Expected loss rate	4,27 %	8,77 %	13,15 %	100,00 %	100,00 %	-
ECL	14,607	8	24	-	16,422	31,061

31 December, 2022	**0-30 days**	**31-60 days**	**61-90 days**	**181-365 days**	**Above 180 days**	**Total**
Assets						
Receivables	124,077	555	145	1,813	24,101	150,691
Expected loss rate	2,35 %	4,71 %	7,07 %	100,00 %	100,00 %	-
ECL	2,918	26	10	1,813	24,101	28,868

*The receivables exclude the deposit for shares, intercompany receivables and deposit for AGSMEIS which are not subject to impairment by the simplified approach.

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2023

26. Property and equipment

(a) Property and equipment movement

Group

31 December 2023	Land	Building	Leasehold improvements	Furniture, fittings and equipment	Computer equipment	Aircraft	Motor vehicles	Right of use asset - 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
Reclassification/transfer from WIP	440	3,812	149	2,258	1,650	-	269	-	(9,224)	(646)
Modifications	-	-	-	-	-	-	-	755	-	755
Impact of Hyperinflotion	-	25,355	1,698	3,400	1,338	-	3,623	16,889	2,149	54,452
Disposals / write off	-	(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**
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/transfer 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**

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 period (31 December 2022: Nil).

There were no capitalised borrowing costs related to the acquisition of property and equipment during the period (31 December 2022: 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. 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.

Group

31 December 2022	Land	Building	Leasehold improvements	Furniture, fittings and equipment	Computer equipment	Right of use assest - Aircraft	Motor Vehicles	Right of use asset - buildings	Aircraft	Work in progress	Total
Cost											
At 1 January, 2022	36,431	67,888	24,945	103,908	40,866	12,600	26,760	27,104	-	35,898	376,400
Additions	2,422	2,475	1,656	8,144	5,392	-	8,868	3,772	25,704	12,584	71,017
Reclassification/transfer from WIP	(6)	(848)	1,512	793	2,462	-	679	-	-	(4,592	-
Modifications	-	-	-	-	-	-	-	675	-	-	675
Disposals	-	-	(981)	1,035)	(548)	(12,600	(1,267)	(172)	-	(33)	(16,636)
Exchange difference	-	3,453)	(679)	(925)	(294)	-	(645)	(2,650)	-	(438)	(9,084)
At 31 December 2022	**38,847**	**66,062**	**26,453**	**110,885**	**47,878**	**-**	**34,395**	**28,729**	**25,704**	**43,419**	**422,372**
Accumulated Depreciation											
At 1 January 2022	-	10,398	20,950	78,646	34,727	5,250	20,554	5,867	-	-	176,392
Charge for the year	-	1,354	2,142	11,264	4,865	735	3,601	2,312	357	-	26,630
Reclassifications/transfer from WIP	-	(81)	52	47	(18)	-	1	-	-	-	-
Disposals	-	(7)	(680)	(966)	(509)	(5,985	(1,058)	(175)	-	-	(9,380)
Exchange difference	-	(326)	(549)	(639)	(149)	-	(379)	(72)	-	-	(2,114)
At 31 December 2022	**-**	**11,338**	**21,915**	**88,352**	**38,916**	**-**	**22,719**	**7,932**	**357**	**-**	**191,529**
Net book amount At 31 December 2022	**38,847**	**54,724**	**4,538**	**22,533**	**8,962**	**-**	**11,675**	**20,797**	**25,347**	**43,419**	**230,843**

Notes to the Consolidated and Separate Financial Statements for the Year Ended 31 December 2023

Bank

31 December 2023	Land	Building	Leasehold improvements	Furniture, fittings and equipment	Computer equipment	Aircraft	Motor Vehicles	Right of use asset - 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
Reclassification/transfer 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**
Accumulated Depreciation										
At 1 January 2023	-	10,479	20,428	86,525	37,768	357	21,583	5,595	-	182,734
Disposals	-	1,205	1,791	9,496	6,045	1,100	4,576	1,877	-	26,090
Reclassifications/transfer from WIP	-	47	(76)	45	(16)	-	-	-	-	-
Charge for the year	-	(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**

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 2022: Nil).

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (31 December 2022: 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.

There are no restrictions on the title of the properties and none of them are pledged as securities for liabilities.

Bank

31 December 2022	Land	Building	Leasehold improvements	Furniture, fittings and equipment	Computer equipment	Right of use assest - Aircraft	Motor Vehicles	Right of use asset - buildings	Aircraft	Work in progress (WIP)	Total
Cost											
At 1 January, 2022	36,431	57,158	21,631	100,500	38,795	12,600	24,672	16,761	-	34,677	343,224
Additions	2,422	2,246	1,177	7,772	5,114	-	7,986	3,394	25,704	11,937	67,751
Reclassification/ transfer from WIP	(6)	(849)	1,488	698	2,468	-	406	-	-	(4,205)	-
Disposals	-	-	(35)	(673)	(43)	12,600	(991)	-	-	-	(14,342)
Modifications	-	-	-	-	-	-	-	675	-	-	675
At 31 December 2022	**38,847**	**58,555**	**24,261**	**108,297**	**46,334**	**-**	**32,073**	20,829	**25,704**	**42,408**	**397,308**
Accumulated Depreciation											
At 1 January 2022	-	9,429	18,479	76,179	33,213	5,250	19,185	3,989	-	-	165,724
Charge for the year	-	1,132	1,925	10,924	4,609	735	3,231	1,606	357	-	24,519
Reclassifications/ transfer from WIP	-	(81)	52	49	(20)	-	-	-	-	-	-
Disposals	-	-	(28)	(627)	(34)	(5,985)	(833)	-	-	-	(7,507)
At 31 December 2022	**-**	**10,479**	**20,428**	**86,525**	**37,768**	**-**	**21,583**	**5,595**	**357**	**-**	**182,736**
Net book amount At 31 December 2022	**38,884**	**48,076**	**3,833**	**21,772**	**8,566**	**-**	**10,490**	**15,234**	**25,347**	**42,408**	**214,572**

(b) Right of use amounts recognised in the statement of financial postion

In millions of Naira	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Right-of-use assets				
Buildings (see note 26)	35,549	20,797	15,715	15,234
	35,549	20,797	15,715	15,234

Additions to the right-of-use asset for during the year ended 31 December 2023 was N1,207 million and N1,003 million (31 December 2022: N3,772 million and N3,394 million respectively).

In millions of Naira	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Lease liabilities				
Current	3,515	419	300	24
Non-current	17,385	14,571	10,008	8,892
	20,900	14,990	10,308	8,916

(c) Amounts recognised in the income statement

In millions of Naira	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Depreciation charge of right-of-use asset				
Aircraft (see note 26)	-	735	-	735
Buildings (see note 26)	2,930	2,312	1,877	1,606
	2,930	**3,047**	**1,877**	**2,341**
Interest expense (included in finance cost)	2,578	2,082	1,034	2,069
Lease expense	3,495	593	2,496	583

The total cash outflow of leases as at 31 December 2023 was N1,601 million and N1,191 million respectively (31 December 2022: 3,826 million and N3,255 million respectively).

	Group		Bank	
In millions of Naira	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022

27. Intangible assets

Computer software

Cost				
At start of the year	49,274	48,353	45,115	41,654
Additions	24,035	4,130	22,674	3,461
Disposal	-	(2,884)	-	-
Impact of hyperinflation	2,449	-	-	-
Exchange difference	(2,288)	(324)	-	-
At end of the year	**78,046**	**49,275**	**67,789**	**45,115**

Accumulated amortization

In millions of Naira	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
At start of the year	24,024	23,352	21,157	18,112
Charge for the year	3,469	3,678	2,447	3,045
Disposal	-	(2,884)	-	-
Impact of hyperinflation	1,839	-	-	-
Exchange difference	1,696	(122)	-	-
At end of the year	**31,028**	**24,024**	**23,604**	**21,157**
Carrying amount at end of the year	**47,018**	**25,251**	**44,185**	**23,958**

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.

28. Customers' deposits

Demand	6,875,307	4,880,784	5,290,857	3,844,612
Savingss	5,047,056	2,717,049	4,955,730	2,673,518
Term	3,245,377	1,377,820	1,908,237	916,676
	15,167,740	**8,975,653**	**12,154,824**	**7,434,806**
Classified as:				
Current	15,167,740	8,975,653	12,154,824	7,434,806
	15,167,740	**8,975,653**	**12,154,824**	**7,434,806**

In millions of Naira	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022

29. Other liabilities

Other financial liabilities

Customer deposits for letters of credit	354,178	113,680	354,150	113,680
Managers' cheques	22,052	19,614	21,330	19,244
Collections accounts	353,851	111,953	353,797	108,689
Unclaimed dividend	30,116	29,764	30,116	29,764
Lease liability (see note (c) below)	20,900	14,990	10,308	8,916
AMCON payable	-	1,908	-	1,908
Electronic card and settlement payables	198,756	107,619	197,002	106,268
Customers' foreign transactions payables	4,089	30,979	4,089	30,975
Account payables	7,412	115,431	-	107,501
Total other financial liabilities	**991,354**	**545,938**	**970,792**	**526,945**
	Group		Bank	

In millions of Naira	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Non financial liabilities				
Tax collections	10,143	5,765	9,573	5,503
Deferred income on financial guarantee contracts	2,864	2,507	1,796	1,926
Other payables	25,284	7,735	15,209	6,683
Off Balance Sheet exposures impairment allowance	10,067	6,614	6,577	5,290
Total other non financial liabilities	48,358	22,621	33,155	19,402
Total other liabilities	**1,039,712**	**568,559**	**1,003,947**	**546,347**
Classified as:				
Current	1,029,704	556,023	993,939	539,225
Non-current	10,008	12,536	10,008	7,122
	1,039,712	**568,559**	**1,003,947**	**546,347**

(a) ECL allowance for off balance sheet exposure

In millions of Naira				
Bonds and guarantee contracts	1,597	1,054	109	59
Undrawn portion of loan commitments	3,105	863	2,858	863
Letters of credit	5,365	4,697	3,610	4,369
	10,067	**6,614**	**6,577**	**5,291**

	Group		Bank	
In millions of Naira	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022

(b) 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 N35.55 billion and N15.72 billion as at 31 December 2023. (31 December 2022: N20.8 billion and N15.2 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	3,697	1,252	524	857
Over one year but less than five years	11,063	8,572	3,679	2,921
More than five years	15,220	13,141	15,220	13,114
At end of the year	**29,980**	**22,965**	**19,423**	**16,892**

The table below shows the movement in lease liability during the year.

	Group		Bank	
In millions of Naira	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
As at 1 January	14,990	18,955	8,916	16,708
Reclassification	-	1,491	-	1,367
Additions	1,269	1,255	874	-
Lease Termination	(80)	(4,011)	(80)	18,640)
Principal repayment	(1,543)	(3,493)	(979)	(2,927)
Modification	755	675	755	674
Interest expense	2,578	2,082	1,034	2,069
Interest paid	(224)	(333)	(212)	(335)
Foreign exchange difference	3,155	(1,631)	-	-
At end of the year	**20,900**	**14,990**	**10,308**	**8,916**

30. On lending facilities

(a) This comprises:

	Group		Bank	
In millions of Naira	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Central Bank of Nigeria (CBN) Commercial Agriculture Credit Scheme Loan (i)	12,653	27,848	12,653	27,848
Bank of Industry (BOI) Intervention Loan (ii)	25,024	29,772	25,024	29,772
Central Bank of Nigeria (CBN) / Bank of Industry(BOI) - Power & Aviation intervention Funds (iii)	1,585	2,380	1,585	2,380
CBN MSMEDF Deposit (iv)	544	1,349	544	1,349
FGN SBS Intervention Fund (v)	122,418	126,917	122,418	126,917
Excess Crude Loan Facilty Deposit (vi)	68,031	74,007	68,031	74,007
Real Sector Support Facility (vii)	13,417	15,546	13,417	15,546
Non-Oil Export Stimulation Facility (viii)	5,258	11,538	5,258	11,538
National Food Security Programme (ix)	11,657	16,790	11,657	16,790
Accelerated Agricultural Development Scheme (x)	2,478	5,045	2,478	5,045
	263,065	**311,192**	**263,065**	**311,192**
Classified as:				
Current	64,212	71,023	64,212	71,023
Non-current	198,853	240,169	198,853	240,169
	263,065	**311,192**	**263,065**	**311,192**

(b) Movement

In millions of Naira	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
At beginning of the year	311,192	369,241	311,192	369,241
Principal addition during the year	-	-	-	-
Principal repayment during the year	(48,080)	(59,470)	(48,080)	59,470)
Interest expense during the year	5,731	6,278	5,731	6,278
Interest paid during the year	(5,778)	(4,857)	(5,778)	(4,857)
At end of the year	**263,065**	**311,192**	**263,065**	**311,192**

(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) 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.

(iv) 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.

(v) 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..

(vi) 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.

(vii) 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.

(viii) 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.

(ix) Creative Industry Financing Initiative (CIFI) is a scheme established by the Central Bank of Nigeria to provide long term and low interest funding to players in the creative industry. Areas of interest include Information Technology, Fashion, Movie Production/ Distribution and Music. Loans are disbursed to beneficiaries for up to 10 years at 9% per annum. The fund is disbursed to the bank at 5% interest rate

(x) 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.

31. Borrowings

	Group		Bank	
In millions of Naira	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Long term borrowing comprise:				
Due to BUNGESA	50,065	51,938	50,065	51,938
Due to KEXIM	-	3,859	-	3,859
Due to AFREXIM (i)	283,954	30,943	283,954	30,943
Due to COMMERZ	-	49,064	-	49,064
Due to AREDIN (iv)	17,784	-	17,784	-
Due to ABSA bank (iii)	249,786	105,677	249,786	105,677
Due to ICBC (Standard Bank London)	-	63,459	-	63,459
Due to AXENDO	46,122	-	46,122	-
Due to Mashreq (iv)	98,508	124,209	98,508	124,209
Due to IFC (ii)	243,705	116,909	243,705	116,909
Due to Africa Trade (iv)	48,921	-	48,921	-
Due to CAIXA (iv)	186,372	151,200	186,372	151,200
Due to EMIRATESNB	-	16,493	-	16,493
Due to Standard Chartered Bank UK	-	67,869	-	67,869
Due to WILBENTRAD(iv)	23,338	33,790	23,338	33,790
Due to CITILON (iv)	28,898	36,207	28,898	36,207
Due to SUMITOMOBN (iv)	49,216	46,578	49,216	46,578
Due to ADMSTF (iv)	18,369	12,979	18,369	12,979
Due to ZENUK (iv)	-	23	29,676	13,856
Interbank takings (v)	13,000	-	13,000	-
Due to banks for clean letters or credit (vi)	52,847	52,253	62,468	74,550
	1,410,885	**963,450**	**1,450,182**	**999,580**

The Group has not had any defaults of principal, interest,or other breaches with respect to the debt securities during the year (31 December 2022: nil). The assets exchanged under repurchase agreements with counterparties are disclosed in note 17.

Classified as:

	Group		Bank	
In millions of Naira	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Current	1,001,635	846,540	1,040,932	882,670
Non-current	409,250	116,910	409,250	116,910
	1,410,885	**963,450**	**1,450,182**	**999,580**

Movement in borrowings				
At beginning of the year	963,450	750,469	999,580	769,395
Addition during the year	1,148,702	1,243,614	1,197,352	1,279,743
Interest expense	93,435	40,609	97,712	38,254
Interest paid	(97,895)	(20,917)	(97,569)	(20,917)
Repayments (principal)	(1,569,493)	(1,135,414)	(1,569,493)	(1,154,340)
Foreign exchange difference	872,686	85,089	822,600	87,445
At end of the year	**1,410,885**	**963,450**	**1,450,182**	**999,580**

Details of Borrowings

i. Due to AFREXIM (African Export-Import Bank)

The outstanding balance of N283.95 billion (US $300.00 million) due to AFREXIM represents the amount payable by the Bank from 5year amortized term loan received in 2023, with a one-year moratorium. The $300m facility will mature in December 2027.

ii. Due to IFC (International Finance Corporation)

The amount of N243.71 billion (US $250million) represents the amount payable by the bank on 3-year term loan granted by IFC in two tranches of $150m & $100m. Interest is payable semi-annually and the facility will mature in June 2025.

iii. Due to ABSA (Amalgamated Banks of South Africa)

The amount of N95.18 billion (US $100 million) represents the amount payable by the Bank on a 6 months repurchase facility granted by ABSA with a maturity date of February 2024. Interest is payable quarterly.

iv. Trade loans

These are trade loans due to various financial institutions with tenors ranging between 3 months and 1 year. The interest rates are referenced to the SOFR.

v. Interbank takings

The tenure is 1 working day.

vi Due to banks for clean letters of credit

The amount represents a clean line from various international banks for letter of credit.

in Millions of Naira	Group		Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022

32. Debt securities issued

In May 2022, the Group paid down outstanding balance of the second tranche of US $500million eurobond. This eurobond was issued by Zenith Bank in May 2017 with a maturity date of May 2022.

The Group did not have any defaults of principal, interest or other breaches with respect to the debt securities during the year (31 December 2022: Nil).

Movement in debt securities issued				
At start of the year	-	45,799	-	45,799
Revaluation loss for the year	-	-	-	-
Interest expense	-	1,860	-	1,860
Principal repayment	-	(46,071)	-	(46,071)
Interest paid	-	(1,699)	-	(1,699)
Foreign exchange	-	111	-	111
At end of the year	**-**	**-**	**-**	**-**

33. Derivative liabilities

Instrument types (Fair value):				
Forward and Swap Contracts	504	6,026	-	5,741
Futures contracts	69,982	299	45,514	299
	70,486	**6,325**	**45,514**	**6,040**

Instrument types (Notional Amount):				
Forward and Swap Contracts	37,361	229,332	14	191,737
Futures contracts	96,131	6,262	96,131	11,589
	133,492	**235,594**	**96,145**	**203,326**

Classified as:				
Current	70,486	6,325	45,514	6,040

34. Share capital

Issued and fully paid				
31,396,493,787 ordinary shares of 50k each (December 2022: 31,396,493,787	15,698	15,698	15,698	15,698
Issued				
Ordinary	15,698	15,698	15,698	15,698

	Group		Bank	
in Millions of Naira	31 December 2023	31 December 2022	31 December 2023	31 December 2022

35. Share premium, retained earnings and other reserves

(a) There was no movement in the Share premium account during the current and prior year.

Share premium	255,047	255,047	255,047	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 N89.34 billion (2022: N35.19 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 2023, the Bank has made a cumulative credit risk reserve of N93.91 billion, while the cumulative amount made by the Group is N93.98 billion (31 December 2022: Group N95.30 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.

In millions of Naira	31 December 2023	31 December 2022
Movement in Non-controlling interest		
At start of the year	813	1,144
Impact of adopting IAS 29 on 1 January 2023	472	-
Profit for the year	340	(139)
Foreign currency translation differences	3	(192)
At end of year	**1,628**	**813**

36. 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 N6.01 billion and N2.79 billion respectively (31 December 2022: N3.89 billion and N2.98 billion).

	Group		Bank	
In millions of Naira	31 December 2023	31 December 2022	31 December 2023	31 December 2022

37. Personnel expenses

Compensation for the staff are as follows:

Salaries and wages	92,637	74,102	71,627	58,576
Other staff costs	25,766	8,423	13,670	6,916
Pension contribution	6,012	3,887	2,786	2,983
	124,415	**86,412**	**88,083**	**68,475**

*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	572	449	519	399
Non-management	7,587	7,622	6,154	6,295
	8,165	**8,077**	**6,679**	**6,700**

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	183	257	-	-
N2,000,001 - N2,800,000	91	61	-	-
N2,800,001 - N4,000,000	1,795	2,601	1,719	2,487
N4,000,001 - N6,000,000	172	683	31	456
N6,000,001 - - N8,000,000	1,462	717	1,406	518
N8,000,001 - N9,000,000	42	58	-	13
N9,000,001 - and above	4,420	3,700	3,523	3,226
	8,165	**8,077**	**6,679**	**6,700**

(b) Directors' emoluments

The remuneration paid to directors are as follows:	Number	Number	Number	Number
Executive compensation	2,575	1,563	2,575	1,563
Fees and sitting allowances	1,039	602	358	312
Retirement Benefit costs	1,826	3,279	1,826	3,279
	5,440	**5,444**	**4,759**	**5,154**

Fees and other emoluments disclosed above include amounts paid to:

The Chairman	46	39
The highest paid director	2,168	285

The number of directors who received fees and other emoluments (excluding pension contributions and reimbursable expenses) in the following ranges was:

5,500,001 and above	14	15	14	15

38, 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.

Subsidiaries:

The amount of N7,649 billion (31 December 2022: N6,266 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 N130 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 2023 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 (Gambia) Limited	99.96	1,038
Zenith Pensions Custodian Limited	99.00	1,980
Zenith Nominee Limited	99.00	1,000

31 December, 2023

Transactions and balances with subsidiaries	Receivable from	Payable to	Income received from	Expense paid to
In millions of Naira				
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	-

The income received includes dividend received from subsidiaries during the year.

31 December 2022

Transactions and balances with subsidiaries	Receivable from	Payable to	Income earned from	Expense paid to
In millions of Naira				
Zenith Bank (UK) Limited	158,211	36,212	4,643	-
Zenith Bank (Ghana) Limited	24	9,968	6,897	-
Zenith Bank (Sierra leone) Limited	442	-	-	-
Zenith Bank (Gambia) Limited	796	-	-	-
Zenith Pensions Custodian Limited	-	708	6,000	697

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 N3,751 billion and N3,266 billion respectively (31 December 2022: N1,986 billion and N1,767 billion respectively).

Non controlling interest in subsidiaries

The Group does not have any subsidiary that has material non-controlling interest.

Key management personnel

Key management personnel is defined as the Group's executive and non-executive directors, including their 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.

	Group		Bank	
In millions of Naira	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Key management compensation				
Salaries and other short-term benefits	2,575	1,861	2,575	1,861
Retirement benefit cost	1,826	3,279	1,826	3,279
Allowances	1,039	602	358	312
	5,440	**5,742**	**4,759**	**5,452**

Loans and advances to key management personnel

At start of the year	3,245	2,902	1,692	1,432
Granted during the year	272	445	272	310
Repayment during the year	(667)	(102)	(667)	(50)
At end of of the year	**2,850**	**3,245**	**1,297**	**1,692**
Interest earned	50	261	50	69

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, 2023

Name of company	Relationship/Name	Loans	Deposits	Interest received	Interest paid
Directors		679	3,134	50	31
Quantum Fund Management	Common significant shareholder/Jim Ovia	48	3	-	-
Zenith General Insurance Company Limited	Common directorship/Jim Ovia	-	957	-	-
Sirius Lumina Limited	Common significant shareholder /Jim Ovia	-	1	-	-
Cyberspace Network	Common significant shareholder /Jim Ovia	-	466	-	-
Quantum Zenith Trustees & Inv. Ltd	Common significant shareholder	-	11	-	-
		-	-	-	-
		727	**4,572**	**50**	**31**

31 December 2022

Name of company	Relationship/Name	Loans	Deposits	Interest received	Interest paid
Directors		1,588	3,298	69	-
Quantum Fund Management	Common significant shareholder/Jim Ovia	-	10	-	-
Zenith General Insurance Company Ltd	Common directorship/JimOvia	-	1,026	-	-
Cyberspace Network	Common significant shareholder /Jim Ovia	-	763	-	-
Zenith Trustees Ltd	Common significant shareholder /Jim Ovia	-	7	-	-
Oviation Limited	Common directorship /Jim Ovia	-	3,497	-	-
Sirius Lumina Ltd	Director / Prof. Sam Enwemeka	-	1	-	-
		1,588	**8,602**	**69**	**-**

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 2022: Nil).

During the year, Zenith Bank Plc paid N1.65 billion as insurance premium to Zenith General Insurance Limited (31 December 2022: N795 million) and N886 million to prudential Zenith (31 December 2022: NIL). These expenses were reported as operating expenses.

The Bank paid N3.99 billion (31 December 2022:N3.33 billion) to Cyberspace Network for various Information technology services rendered during the year.

39. 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 trillion (31 December 2022: N967 billion). 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 N489 million (31 December 2022: N629 billion) in respect of authorized and contracted capital projects.

	Group	
Break down of capital commitments	31 December 2023	31 December 2022
Property and equipment:		
Motor vehicles, Furniture and equipments	55	191
Property	434	104
Intangible assets:		
Information technology	-	334
	489	**629**

(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:

In millions of Naira	Group		Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Performance bonds and guarantees	740,714	384,382	770,347	349,742
Usance (see note ii below)	433,926	276,481	433,926	276,481
Letters of credit (see note ii below)	555,368	363,355	424,903	279,791
	1,730,008	**1,024,218**	**1,629,176**	**906,014**
Pension Funds (See Note iii below)	7,648,625	6,265,755	7,648,625	6,265,755

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 2023, performance bonds and guarantees worth N12.19 billion (31 December 2022: N7.5 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 N7,649 billion (31 December 2022: N6,266 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 N130.2 billion (31 December 2022: N114.4 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 N211.71 billion (31 December 2022: N89.75 billion).

40. Dividend per share

	Group		Bank	
In millions of Naira	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Dividend proposed	15,698	100,467	15,698	100,467
Number of shares in issue and ranking for dividend	31,396	31,396	31,396	31,396
Proposed dividend per share (Naira)	0.50	3.20	0.50	3.20
Interim dividend per share paid (Naira)	0.50	0.30	0.50	0.30
Final dividend per share proposed	3.50	2.90	3.50	2.90
Final dividend paid during the year	91,050	87,952	91,050	87,910
Interim dividend paid during the year	15,698	9,419	15,698	9,420
Total dividend paid during the year	**106,748**	**97,371**	**106,748**	**97,330**

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, paid an interim dividend of N0.50 per share and proposed a final divdend of N3.50 per share (31 December 2022: Interim dividend: N0.30, final: N2.90) from the retained earnings account as at 31 December 2023. This is subject to approval by 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 2023 and 31 December 2022 respectively.

Dividends are paid to shareholders' net of withholding tax at the rate of 10% in compliance with extant tax laws.

41. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash and non-restricted balances with central banks, treasury bills and other eligible bills, operating account balances with other banks, amount due from other banks and short-term governement securities.

	Group		Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Cash and balances with central banks (less mandatory reserve deposits) (see note 15)	269 967	452,136	126,449	407,487
Treasury bills ((3 month tenor) (see note 16)	209,246	232,218	209,246	232,218
Due from other banks(see note 18)	1,825,298	1,256,404	1,682,707	1,017,481
	2,304,511	**1,940,758**	**2,018,402**	**1,657,186**

42. 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 rendition of CBN returns	5,000,000
2	Employment of prospective employees before CBN approval	10,000,000
3	Outstanding Auditors'recommendation.	2,000,000
4	Spot checks on compliance on politically exposed persons	4,000,000
Total		**21,000,000**

43. 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 2023, the Bank holds a total of N93,911 million in its credit risk reserves.

Provision for loan losses per prudential guidelines

	Bank	
In millions of Naira	31 December 2023	31 December 2022
Loans and advances:		
-Lost	61,483	74,968
- Doubtful	90,107	1,901
- Sub-standard	5,002	1,069
- Watchlist	276,808	96,484
-Performing	102,402	62,850
- Other known losses	6,805	-
(a)	542,607	237,272

Impairment assessment under IFRS

Loans and advances

12-months ECL credit	34,739	25,268
Life-time ECL Not impaired	170,708	34,341
Life- time ECL credit impaired	278,736	43,518
(b)	484,183	103,127
Due from Banks- 12 months ECL (c)	935	75
Treasury bills- 12 months ECL (d)	71	39
Asset pledged as collateral- 12 months ECL (e)	29	18
Investment securities- 12 months ECL (f)	5,451	2,583
Other financial assets- ECL allowance (g)	31,061	28,868
Other non-financial assets (h)	85	3,361
Off Balance Sheet Exposures- 12 months ECL (i)	6,577	5,290
(m)=(b)+(c)+(d)+(e)+(f)+(g)+(h)+(i)	528,392	143,361
Difference (n)=(a)-(m)	**14,215**	**93,911**

As as 31 December 2023, the Bank holds a total of N93,911 million in its credit risk reserves.

In millions of Naira	Group		Bank	

44. Statement of cash flow reconciliation

(i) Investment securities (see note 17 & 21)

31 December 2023	Investment securities (including pledged instruments 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 2023	907,188	940,273	637,367	104,443
Change in ECL allowance	(7,736)	(177)	(2,877)	-
Additions to Investment securities	820,166	1,558,191	539,842	-
Disposal of 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)	(62,152)	(62,434)	-
Impact of hyperinflation	-	(2,421)	-	-
Foreign exchange difference	-	-	-	-
Balance as at 31 December 2023	**(1,739,098)**	**(1,769,213)**	**(1,133,997)**	**(235,567)**
Recognised in cash flow statement	-	(11,967)	-	(6,666)

31 December 2022	Investment securities (including pledged instruments) at amortised cost	Investment securities (including pledged instruments) at amortized cost and FVOCI	Investment securities (including pledged instruments) at amortised cost	Investment securities (including pledged instruments) at amortized cost and FVOCI
At 1 January 2022	757,851	685,135	483,199	97,471
Change in ECL allowance	(62,562)	-	(1,738)	-
Additions to Investment securities	559,128	200	206,085	200
Disposal to Investment Securities	(403,066)	-	(65,448)	-
Unrealised gain from changes in fair value recognised in profit or loss	-	(1,802)	-	(1,802)
Fair value gain/loss OCI	-	1,507	-	8,109
Interest income	113,841	-	64,914	-
Interest received	(59,116)	-	(50,758)	-
Foreign exchange difference	1,113	603	1,113	603
Balance as at 31 December 2022	**907,188**	**940,273**	**(637,367)**	**104,443**
Recognised in cash flow statement	-	(254,630)	-	138

	Group		Bank	
In millions of Naira	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
(iia) Treasury bills (Amortised cost) (see note 16 & 17)				
31 December 2023				
Treasury bills (including pledged instruments) at amortised cost as at 1 January	(989,891)	(748,022)	(950,021)	(648,637)
Change in ECL allowance	(337)	(400)	32	(356)
Interest income	(178,967)	(43,609)	(145,646)	(32,972)
Additions	(4,547,984)	(3,060,163)	(2,824,475)	(2,968,565)
Redemptions	3,543,236	2,833,003	2,031,575	2,679,567
Interest received	305,302	29,300	226,200	20,942
Balance as at 31 December 2023	**(1,868,641)**	**(989,891)**	**(1,662,335)**	**(950,021)**

(iib) Treasury bills (FVTPL) (see note 16)				
31 December 2023				
Treasury bills fair value through profit or loss (including pledged instruments) as at 1 January	1,159 965	954,462	1,159,965	952,131
Unrealised fair value gain	29,132	129,402	29,132	129,281
Balance as at end of period	(749,606)	(1,159,965)	(749,606)	(1,159,965)
Recognised in Cashflow	**439,491**	**(76,101)**	**439,491**	**(78,553)**

(iii) Loans and advances (see note 20)				
31 December 2023				
Loans and advances at 1 January	4,013,705	3,355,728	3,735,676	3,099,452
Changes in ECL allowance	(400,650)	(38,343)	(394,440)	(38,429)
Interest income	671,919	370,446	635,806	346,320
Interest received	(722,437)	(342 562)	(671,888)	(298,466)
Exchange difference	-	125,432	-	124 357
Impact of hyperinflation	(8,029)	-	-	-
Balance as at end of year	(6,556,471)	(4,013,705)	(5,928,796)	(3,735,676)
Recognised in Cash flow	**(3,001,963)**	**(543,004)**	**(2,623,642)**	**(502,442)**

(iv) Customer deposits				
31 December 2023				
As at 1 January	(8,975,653)	(6,472,054)	(7,434,806)	(5,169,199)
Interest expense	(306,748)	(122,710)	(250,751)	(104,559)
Interest paid	481,742	116,053	243,790	101,000
Exchange differences	-	(134,652)	-	(108,216)
Balance as at end of year	15,167,740	8,975,653	12,154,825	7,434,806
Recognised in Cash flow	**6,367,081**	**2,362,290**	**4,713,058**	**2,153,832**

(v) Other liabilities (see note 29)

31 December 2023

In millions of Naira	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
As at 1 January	(568 559)	(487,432)	(546,347)	(427,876)
Changes in ECL allowance	(1,633)	(998)	(1,286)	326
Lease modification	(755)	(675)	(755)	(675)
Lease liability additions	(1,269)	(1,491)	(875)	(1,363)
Interest expense on lease liability	(2,577)	(2,082)	(1,034)	(2,069)
Lease interest paid	224	333	212	333
Principal repayment on lease liability	1,543	4,011	979	2,927
Foreign Exchange difference	(3,156)	(39 361)	-	(40,993)
Unclaimed dividend received	(352)	(1,117)	(352)	(1,117)
Impact of hyperinflation	4,228	-	-	-
Lease terminations	80	8,640	80	8,640
Balance as at end of year	1,039,712	568,559	1,003,947	546,347
Net cash movement in operating activties	**470,642**	**48,387**	**454,569**	**84,480**

(vi) Gain on disposal of property and equipment

31 December 2023

Cost (see note 25)	(5,244)	(644)	(5,055)	(220)
Accumulated depreciation (see note 25)	4,051	-	3 900	-
Net book value	(1,193)	(644)	(1,155)	(220)
Sales proceed	1,382	3,207	1,341	2,671
Profit on Disposal (see note 10)	**189**	**2,563**	**186**	**2,451**

(vii) Due from Banks (greater than 90 days)

31 December 2023

As at 1 January	46,407	29,986	115,315	94,157
Changes in ECL allowance	(860)	649	(860)	(17)
Interest income	81,822	12,270	39,796	3 967
Interest received	(81,207)	(12,159)	(39,181)	(3,857)
Foreign exchange difference	-	-	-	-
Balance as at end of year	(9,015)	(46,407)	(9,015)	(115,315)
Recognised in cash flow statement	**37,147**	**(15,661)**	**106,055**	**(21,065)**

	Group		Bank	
In millions of Naira	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
(viii) Other assets				
31 December 2023				
As at 1 January	213,523	168,210	193,792	152,326
Changes in ECL allowance	1,103	(22,398)	1,083	(22,394)
Withholding tax receivable utilised	-	8,125	-	8,125
Reclassification	646	-	-	-
Impact of hyperinflation	837	-	-	-
Balance as at end of year	(474 977)	(213,523)	(417,419)	(193,792)
Net cash movement in operating activities	**(258,868)**	**(59,586)**	**(222,544)**	**(55,735)**
(ix) Net movement in Derivatives				
Derivative assets				
31 December 2023				
At 1 January	(49,874)	(56,187)	(48,851)	(57,476)
Unrealised fair value changes	(534,739)	-	(507,942)	-
Balance as at end of year	534,739	49,874	507,942	48,851
Recognised in cash flow	**(49,874)**	**(6,313)**	**(48,851)**	**(8,625)**
Derivative liabilities				
31 December 2023				
As at 1 January	(6,325)	(14,674)	(6,040)	(15,170)
Unrealised fair value changes	(70,486)	-	(45,514)	-
Balance as at end of year	70,486	6,325	45,514	6,040
Recognised in cash flow	(6,325)	(8,349)	(6,040)	(9,130)
Net movement in derivatives	**(56,199)**	**2,036**	**(54,891)**	**505**
(x) Restricted balances (Cash Reserve)31				
December 2023				
Opening Balance	1,749,608	1,330,897	1,694 906	1,275,201
Mandatory Reserve deposit with Central Bank	3 902,717	(1,668,919)	3,758,248	(1,614,217)
Special Cash Reserve	80,689	80,689	80,689	80,689
Recognised in cash flow	**(2,233,798)**	**(418,711)**	**(2,144,031)**	**(419,705)**
(xi) Interest paid				
31 December 2023				
Customer deposit (see note 44(iv))	(481,742)	(116,053)	(243,790)	(101,000)
Onlending facilities (see note 30b)	(5,778)	(4,857)	(5,778)	(4,857)
Lease liabilities (see 44(v))	(224)	(333)	(212)	(333)
Borrowings (see note 31)	(97,895)	(20,917)	(97,569)	(20,917)
Debt securities (see note 32)	-	(1,699)	-	(1,698)
	(585,639)	**(143,859)**	**(347,349)**	**(128,805)**

In millions of Naira	Group		Bank	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022

(xii) Unrealised fair value change

31 December 2023

Investment securities (see note 44(i))	(2,206)	1,802	(2,206)	1,802
Treasury bills (see note 44(Ii))	(29,132)	(129,402)	(29,132)	(129,281)
Derivatives (see note 44(ix))	(464,253)	(2,036)	(462,427)	(505)
Hedging effectiveness	-	39,590	-	39,590
	(495,591)	**(90,046)**	**(493,765)**	**(88,394)**

(xiiia) Interest received from operating activities

31 December 2023

Due from other banks (see note 41(vii))	81,207	12,160	39,181	3,858
Loans and advances (see note 41(ili))	722,437	342,562	671,888	298,466
	803,644	**354,722**	**711,069**	**302,324**

(xiiib) Interest received from treasury bills and investment securities

31 December 2023

Treasury bills (see note 41(Ii))	305,302	29,300	226,200	20,,942
Investment securities (see note 41(i))	85,081	59,116	62,434	50,758
	390,383	**88,416**	**288,634**	**71,700**

(xiva) Acquisition of Right of use asset

31 December 2023

Addition to right of use (see note 26)	(2,128)	(3,772)	(1,685)	(3,394)
Lease liability addition (see note 44(v))	1,269	1,491	875	1,363
	(859)	**(2,281)**	**(810)**	**(2,031)**

(xivb) Additions to property, plant and equipment other than right of use

31 December 2023

Addition to property, plant and equipment (see note 26)	(52,409)	(71,017)	(42,269)	(67,751)
Addition to right of use asset (see note 26)	2,128	3,772	1,685	3,394
	(50,281)	**(67,245)**	**(40,584)**	**(64,357)**

(xv) Additions to investment securities

31 December 2023

Investment securities at amortized cost	(820,166)	(599,128)	(539,842)	(206,085)
Investment securities at FVOCI	(1,558,191)	(200)	-	(200)
	(2,378,357)	**(599,328)**	**(539,842)**	**(206,285)**

In millions of Naira	Group 31 Dec 2023	Group 31 Dec 2022	Bank 31 Dec 2023	Bank 31 Dec 2022
(xvi) Lease Modification				
31 December 2023				
Right of use	755	675	755	675
Lease Liability	(755)	(675)	(755)	(675)
(xvii) Uncliamed dividend received				
31 December 2023				
As at 1 January	(29,764)	(28,647)	(29,764)	(28,647)
Balance as at 31 Dec 2022	30,116	29,764	30,116	29,764
	352	**1,117**	**352**	**1,117**
(xviii) Lease derecognition				
31 December 2023				
Right of use- cost	66	12,773	81	12,600
Right of use-Accumulated depreciation	-	(6,160)	-	(5,985)
lease liability	(80)	(8,640)	(79)	(8,640)
	(14)	**(2,027)**	**2**	**(2,025)**
(xix) Dividend received				
31 December 2023				
Dividend Income	5,661	-	19,777	-
Dividend receivable	-	-	-	-
	5,661	**-**	**19,777**	**-**
(xx) Foreign exchange revaluation loss				
31 December 2023				
Cash and bank balances	(28,194)	(812)	(28,002)	(812)
Due to other banks	(486,389)	(87,142)	(486,246)	(87,483)
Loans and advances	-	(125,432)	-	(124,358)
Investment securities	-	(1,716)	-	(1,716)
Other assets	-	(8,125)	-	(8,125)
Customer deposits	-	113,055	-	108,215
Other liabilities less finance lease	-	40,993	-	40,993
Leases	-	(1,632)	-	-
Borrowings	872,686	45,499	822,600	47,855
Debt securities issued	-	111	-	111
	358,103	**(25,201)**	**308,353**	**(25,320)**

45. Comparatives

Certain disclosures and some prior year figures have been re-presented to conform with current year presentation.


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04

Other National Disclosures

Value Added Statement

In millions of Naira	31 December 2023	31 December 2023	31 December 2022	31 December 2022
		%		%
Group				
Value Added				
Gross income	2,131,750		956,351	
Interest and fee expense				
- Local	(302,912)		(132,589)	
- Foreign	(173,788)		(76,169)	
	1,655,050		747,593	
Impairment loss on financial and non-financial instruments	(409,616)		(123,252)	
	1,245,434		624,341	
Bought-in materials and services				
- Local	(262,775)		(206,841)	
- Foreign	(28,956)		(16,131)	
Value added	**953,703**	**100**	**401,369**	**100**
Distribution				
Employees				
Salaries and benefits	**124,415**	**16**	**86,412**	**22**
Government				
Income tax	**119,053**	**15**	**60,739**	**14**
Retained in the Group				
Replacement of property and equipment/ intangible assets	33,326	3	30,308	8
Profit for the year (including statutory reserves, small scale industry, and non-controling interest)	676,909	71	233,910	56
Total Value Added	**953,703**	**100**	**401,369**	**100**

Value added represents the additional wealth which the group has been able to create by its own and employees efforts.

In millions of Naira	31 December 2023	31 December 2023	31 December 2022	31 December 2022
		%		%
Bank				
Gross income	1,869,753		833,087	
Interest and fee expense				
- Local	(321,877)		(136,285)	
- Foreign	(103,443)		(40,112)	
	1,444,433		656,690	
Impairment loss on financial and non-financial instruments	(398,412)		(61,896)	
	1,046,021		594,794	
Bought-in materials and services				
- Local	(261,686)		(204,704)	
- Foreign	-		-	
Value added	**784,335**	**100**	**390,088**	**100**
Distribution				
Employees				
Salaries and benefits	**88,083**	**11**	**68,475**	**18**
Government				
Income tax	**72,114**	**9**	**59,457**	**7**
Retained in the Bank				
Replacement of property and equipment/ intangible assets	28,537	4	27,564	8
Profit for the year (including statutory reserves, small scale industry, and non-controling interest)	595,601	76	234,593	60
Total Value Added	**784,335**	**100**	**390,089**	**100**

Five Year Financial Summary

In millions of Naira	31 December 2023	31 December 2022	31 December 2021	31 December 2020	31 December 2019
Group					
Statement of Financial Position					
Assets					
Cash and balances with central banks	4,253,374	2,201,744	1,488,363	1,591,768	936,278
Treasury bills	2,736,273	2,246,538	1,764,946	1,577,875	991,393
Assets pledged as collateral	308,638	254,663	392,594	298,530	431,728
Due from other banks	1,834,314	1,302,811	691,244	810,494	707,103
Derivative assets	534,739	49,874	56,187	44,496	92,722
Loans and advances	6,556,470	4,013,705	3,355,728	2,779,027	2,305,565
Investment securities	3,290,895	1,728,334	1,303,725	996,916	591,097
Current tax receivable	18,975	-	-	-	-
Deferred tax asset	17,251	18,343	1,837	5,786	11,885
Other assets	474,976	213,523	168,210	169,967	77,395
Property and equipment	295,532	230,843	200,008	190,170	185,216
Intangible assets	47,018	25,251	25,001	16,243	16,497
Total assets	**20,368,455**	**12,285,629**	**9,447,843**	**8,481,272**	**6,346,879**
Liabilities					
Customer deposits	15,167,740	8, 975,653	6,472,054	5,339 911	4,262,289
Derivative liabilities	70,486	6,325	14,674	11,076	14,762
Current tax payable	33,877	64,856	16,909	11,690	9,711
Deferred tax liabilities	59,310	16,654	11,603	-	25
Other liabilities	1,039,712	568,559	487,432	703,292	363,764
On-lending facilities	263,065	311,192	369,241	384,573	392, 871
Borrowings	1,410,885	963,450	750,469	870,080	322,479
Debt Securities issued	-	-	45,799	43,177	39,092
Total liabilities	**18,045,075**	**10,906,689**	**8,168,181**	**7,363 799**	**5,404,993**
Net assets	2,323,380	1,378,940	1,279,662	1,117,473	941,886
Equity					
Share capital	15,698	15,698	15,698	15,698	15,698
Share premium	255,047	255,047	255,047	255,047	255,047
Retained earnings	1,179,390	625,005	607,203	521,293	412,948
Reserves	871,617	482,377	400,570	324,461	257,439
Attributable to equity holders of the parent	**2,321,752**	**1,378,127**	**1,278,518**	**1,116,499**	**941,132**
Non-controlling interest	1,628	813	1,144	974	754
Total shareholders' equity	**2,323,380**	**1,378,940**	**1,279,662**	**1,117,473**	**941,886**

In millions of Naira	31 December 2023	31 December 2022	31 December 2021	31 December 2020	31 December 2019

Statement of profit or loss and other comprehensive income

Gross earnings	2,131,750	945,554	765,558	696,450	662,251
Share of profit / (loss) of associates	-	-	-	-	-
Interest expense	(408,492)	(173,539)	(106,794)	(121,131)	(148,532)
Operating and direct expenses	(517,680)	(364,113)	(318,458)	(279,974)	(246,393)
Impairment charge for financial and non-financial assets	(409,616)	(123,252)	(59,937)	(39,534)	(24,032)
Profit before taxation	**795,962**	**284,650**	**280,374**	**255,861**	**243,294**
Taxation	(119,053)	(60,739)	(35,816)	(25,296)	(34,451)
Profit after tax	**676,909**	**223,911**	**244,558**	**230,565**	**208,843**
Foreign currency translation differences	162,942	(28,768)	8,485	-	(8,498)
Impact of applying IAS 29 on 1 January 2023	-	-	-	-	-
Fair value movements on equity instruments	122,252	8,109	5,599	16,295	13,870
Fair value movements on debt securities at FVOCI	10,280	(6,602)	(2,227)	1,981	518
Income tax effect relating to fair value movement on debtsecurities at FVOCI	(2,603)	-	-	(355)	(66)
Total comprehensive income	**969,780**	**196,650**	**256,415**	**248,486**	**214,667**

Earning per share:

Basic and diluted (kobo)	2,155	714	778	734	665

Five Year Financial Summary

In millions of Naira	31 December 2023	31 December 2022	31 December 2021	31 December 2020	31 December 2019
Bank					
Statement of Financial Position					
Assets					
Cash and balances with central banks	3,965,386	2,102,394	1397,666	1,503,245	879,449
Treasury bills	2,529,966	2,206,668	1,577,647	1,393,421	822,449
Assets pledged as collateral	255,061	254,565	357,000	298,530	431,728
Due From Other Banks	1,691,722	1,132,796	518,053	532,377	482,070
Derivatives	507,942	48,851	57476	41,729	92,722
Loans and advances	5,928,796	3,735,676	3,099,452	2,639,797	2,239,472
Investment securities	1,205,724	622,781	477,004	333,126	189,358
Investment in subsidiaries	34,625	34,625	34,625	34,625	34,625
Investment in associates	-	-	-	-	-
Deferred tax	-	-	-	4,733	11,223
Other assets	417,419	193,792	152,326	159,625	71,412
Property and equipment	230,267	214,572	177,501	169,080	165,456
Intangible assets	44,185	23,958	23,542	14,699	15,109
Total assets	**16,811,093**	**10,570,678**	**7,872,292**	**7,124,987**	**5,435,073**
Liabilities					
Customer deposits	12,154,824	7434 806	5,169,199	4,298,258	3 486,887
Derivative liabilities	45,514	6,040	15,170	11,076	14,762
Current tax payable	28,080	61,655	14,241	9,117	6,627
Deferred income tax liabilities	59,233	15 911	11,596	-	-
Other liabilities	1,003,947	546,347	427,876	599,464	386,061
On Lending Facilities	263,065	311,192	369,241	384,573	392,871
Borrowings	1,450,182	999,580	769,395	874,090	329,778
Debt Securities issued	-	-	45,799	43,177	39,092
Total liabilities	**15,004,845**	**9,375,531**	**6,822,517**	**6,219,755**	**4,656,078**
Net assets	1,806,248	1,195,147	1,049,775	905,232	778,995
Equity					
Share capital	15,698	15,698	15,698	15,698	15,698
Share premium	255,047	255,047	255,047	255,047	255,047
Retained earnings	893,938	494 429	466,250	382,292	302,028
Reserves	641,565	429,973	312,781	252,195	206,222
Attributable to equity holders of the parent	**1,806,248**	**1,195,147**	**1,049,776**	**905,232**	**778,995**
Total shareholders' equity	**1,806,248**	**1,195,147**	**1,049,776**	**905,232**	**778,995**

In millions of Naira	31 December 2023	31 December 2022	31 December 2021	31 December 2020	31 December 2019
Statement of profit or loss and other comprehensive income					
Gross earnings	1,869,753	833,087	677,283	595,921	564,687
Interest expense	(355,228)	(153,019)	(82,718)	(102,111)	(126,237)
Other operating expenses	(448,398)	(324,122)	(281,223)	(246,566)	(215,037)
Impairments	(398,412)	(61,896)	(56,175)	(37,237)	(23,393)
Profit before tax	**667,715**	**294,050**	**257,167**	**210,007**	**200,020**
Taxation	(72,114)	(59,457)	(24,034)	(12,155)	(22,017)
Profit after tax	**595,601**	**234,593**	**233,133**	**197,852**	**178,003**
Other comprehensive income					
Fair value movements on equity instruments	122,252	8,109	5,599	16,295	13,870
	122,252	**8,109**	**5,599**	**16,295**	**13,870**
Total comprehensive income	**717,853**	**242,702**	**238,732**	**214,147**	**191,873**
Earning per share:					
Basic and diluted (kobo)	1,897	747	743	630	567

Share Capital History

Financial year	Nominal value of shares (=N=)	Number of shares (units)	Nominal value per shares (=N=)
30-Jun-91	24,839,000.00	24,839,000.00	1
30-Jun-92	54,407,000.00	54,407,000.00	1
30-Jun-93	57,897,352.00	57,897,352.00	1
30-Jun-94	90,062,000.00	90,062,000.00	1
30-Jun-95	178,744,000.00	178,744,000.00	1
30-Jun-96	242,830,000.00	242,830,000.00	1
30-Jun-97	244,054,000.00	244,054,000.00	1
30-Jun-98	512,513,000.00	512,513,000.00	1
30-Jun-99	512,513,000.00	512,513,000.00	1
30-Jun-00	513,329,000.00	513,329,000.00	1
30-Jun-01	1,026,658,000.00	1,026,658,000.00	1
30-Jun-02	1,026,658,000.00	1,026,658,000.00	1
30-Jun-03	1,548,555,000.00	1,548,555,000.00	1
30-Jun-04	1,548,555,000.00	3,097,110,000.00	0.5
30-Jun-05	3,000,000,000.00	6,000,000,000.00	0.5
30-Jun-06	4,586,744,450.00	9,173,488,900.00	0.5
30-Jun-07	4,632,762,150.00	9,265,524,300.00	0.5
30-Sep-08	8,372,398,343.00	16,744,796,686.00	0.5
31-Dec-09	12,558,597,514.50	25,117,195,029.00	0.5
31-Dec-10	15,698,246,893.00	31,396,493,786.00	0.5
31-Dec-11	15,698,246,893.00	31,396,493,786.00	0.5
31-Dec-12	15,698,246,893.00	31,396,493,786.00	0.5
31-Dec-13	15,698,246,893.00	31,396,493,786.00	0.5
31-Dec-14	15,698,246,893.00	31,396,493,786.00	0.5
31-Dec-15	15,698,246,893.00	31,396,493,786.00	0.5
31-Dec-16	15,698,246,893.00	31,396,493,786.00	0.5
31-Dec-17	15,698,246,893.00	31,396,493,786.00	0.5
31-Dec-18	15,698,246,893.00	31,396,493,786.00	0.5
31-Dec-19	15,698,246,893.00	31,396,493,786.00	0.5
31-Dec-20	15,698,246,893.00	31,396,493,786.00	0.5
31-Dec-21	15,698,246,893.00	31,396,493,786.00	0.5
31-Dec-22	15,698,246,893.00	31,396,493,786.00	0.5
31-Dec-23	15,698,246,893.00	31,396,493,786.00	0.5

Affix Current Passport
(To be Stamped by Bankers)

Please write your name at the back of your passport photograph

e-DIVIDEND MANDATE FORM

Please complete **all sections** of this form to make it eligible for processing and return to the address below:

The Registrar,
Veritas Registrars Limited.
Plot 89A, Ajose Adeogun Street, Victoria Island, Lagos.

Date: __ __ / __ __ / __ __ __ __

I/We hereby request that henceforth, all my/our dividend payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my/our bank detailed below:

Surname/Company Name **First Name** **Other Names**

Address

City **State** **Country**

Previous Address

Bank:

Bank Account No.:

Account Opening Date:

BVN 1:

BVN 2:
(for joint signatories)

Clearing House Number (CHN)

Please note that **Only Clearing Banks** are acceptable

Tick	Name of Company	Shareholder's Account No.
	Ardova Plc	
	Dangote Sugar Refinery Plc	
	Guinness Nigeria Plc	
	May & Baker Nigeria Plc	
	Zenith Bank Plc	

Mobile Telephone 1

Mobile Telephone 2

E-mail Address

☑ *By signing this form, I/we hereby consent that Veritas Registrars Limited can collect and process my/our personal data for the purpose of managing my/our records in the companies for which Veritas Registrars Limited act as Registrars. I/we also confirm that I/we have read and accept the extent to which data can be collected and processed as contained in* ***http://veritasregistrars.com/privatepolicy.aspx***

Shareholder's Signature or Thumbprint

Shareholder's Signature or Thumbprint

Company Seal/Incorporation No. (Corporate Shareholder)

Head Office: Plot 89A, Ajose Adeogun Street, P.O. Box 75315, Victoria Island, Lagos, Nigeria.
Telephone: +234 (1) 2784167, 2784168, 2784169, 2784170; 0704 499 7048 (Text Messages only)
E-mail: enquiry@veritasregistrars.com; customercare@veritasregistrars.com; **Website:** www.veritasregistrars.com

ZENITH BANK PLC

PROXY FORM FOR THE 33rd ANNUAL GENERAL MEETING OF ZENITH BANK PLC TO BE HELD AT THE CIVIC CENTRE, OZUMBA MBADIWE STREET, VICTORIA ISLAND, LAGOS ON WEDNESDAY MAY 8, 2024 AT 9.00AM

I/We, ………………………………. being a member of Zenith Bank Plc hereby appoint..
....
.... as our proxy to act and vote for us and on our behalf at the Annual General Meeting of the Company to be held on Wednesday, May 8, 2024 at 9.00 a.m. and at any adjournment thereof.

I/We desire this proxy to be used in favour of/or against the resolution as indicated below (strike out whichever is not desired).

S/N	RESOLUTIONS	FOR	AGAINST
1.	To present to members the Bank's Audited Financial Statements for the financial year ended December 31, 2023, the report of the Directors, Auditors, and Audit Committee thereon.		
2.	To declare a final dividend.		
3.	To elect Dr. Juliet Ehimuan as a Non-Executive Director.		
4.	To re-elect the following Directors who retire by rotation. i) Dr. Al-Mujtaba Abubakar Ii) Dr. Omobola Ibidapo-Obe Ogunfowora iii) Mr. Henry Oroh		
5.	To authorize the Directors to fix the remuneration of the Auditors.		
6.	To disclose the remuneration of the managers of the bank in line with the provisions of the Companies and Allied Matter Act, 2020.		
7.	To elect members of the Audit Committee.		
8.	That Engineer Mustafa Bello who has attained the age of 70 years since the last general meeting be re-elected as a Non-Executive Director of the bank.		
9.	To consider and if thought fit to pass the following as Ordinary resolutions: That the remuneration of the directors of the Bank for the year ending December 31, 2024 be and is hereby fixed at N40 Million Only for each Director.		
10.	That the issued Share Capital of the Company be and is hereby increased from N15,698,246,893.50 (Fifteen Billion, Six Hundred and Ninety Eight Million, Two Hundred and Forty Six Thousand, Eight Hundred and Ninety Three Naira, Fifty Kobo Only) divided into 31,396,493,787 (Thirty One Billion, Three Hundred and Ninety Six Million, Four Hundred and Ninety Three Thousand, Seven Hundred and Eighty Seven Naira) Ordinary shares of N0.50 Kobo each to N31,396,493,787 (Thirty One Billion, Three Hundred and Ninety Six Million, Four Hundred and Ninety Three Thousand, Seven Hundred and Eighty Seven Naira) by the creation of 31,396,493,787 (Thirty One Billion, Three Hundred and Ninety Six Million, Four Hundred and Ninety Three Thousand, Seven Hundred and Eighty Seven) ordinary shares of N0.50 Kobo each ranking pari-passu with the existing ordinary shares of the Company.		
11.	That the Board of Directors of the Company be and is hereby authorized to establish a capital raising programme in the Nigerian or International capital market of up to the authorised capital of the company, through the Issuance of ordinary shares, or preference shares, whether by way of a public offering, private placement, rights issue or both, or any Other method or combination of methods, in such tranches, series or proportions and at such dates, and conditions as may be determined by the Board subject to obtaining the requisite regulatory approvals.		
12.	That in the event of a Rights Issue, any shares not taken up by existing shareholders within the period stipulated under the Rights issue may be offered for sale to Other interested shareholders of the Bank on such terms and conditions as may be determined by the Directors subject to the approvals of the relevant regulatory authorities.		
13.	That Clause 6 of the Company's Memorandum of Association and Clause 9 of the Company's Articles of Association be and are hereby amended to reflect the new share capital of N31,396,493,787 (Thirty One Billion, Three Hundred and Ninety Six Million, Four Hundred and Ninety Three Thousand, Seven Hundred and Eighty Seven Naira) by the creation of the addition of up to 31,396,493,787 (Thirty One Billion, Three Hundred and Ninety Six Million, Four Hundred and Ninety Three Thousand, Seven Hundred and Eighty Seven) ordinary shares of N0.50 Kobo each ranking pari-passu with the existing ordinary shares of the Company bringing the total issued shares of the Company to 62,792,987,574 (Six Two Billion, Seven Hundred and Ninety Two Million, Nine Hundred and Eighty Seven Thousand, Five Hundred and seventy Four) ordinary shares of N0.50 Kobo each.		
14.	That at the conclusion of the Capital raising programme, the Directors be and hereby authorised to cancel any outstanding shares not required for the programme.		

ZENITH BANK PLC

S/N	RESOLUTIONS	FOR	AGAINST
15.	That the Directors be and are hereby authorised to appoint such professional parties and advisers, work with any company or group and perform all such other acts and do all such other things as may be necessary to give effect to the above resolutions, including without limitation, complying with the directives of any relevant regulatory authority.		

Please indicate with "x" in the appropriate box how you wish your vote to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting on his/her discretion.

Dated this 8th Day of April, 2024

Authorized Signatory

Name/Designation

NOTE

Please sign the Proxy Form and stamp at the Stamp Duties Office and forward by return email to **enquiry@veritasregistrars.com**, **veritasregistrars@veritasregistrars.com** and **michael.otu@zenithbank.com** or by depositing it at the office of the Company's Registrars, Veritas Registrars Limited, 89A, Ajose Adeogun Street, Victoria Island, Lagos State not later than 24 hours before the time fixed for the meeting. The Company will bear the cost of stamping of all the duly completed and signed proxy forms submitted within the stipulated time.

The meeting would also be accessible to all members virtually on the bank's website and our social media platforms.

A member who is unable to attend the Annual General Meeting is allowed to vote by Proxy.


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