



ZENITH BANK PLC
CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2018

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Certification pursuant to section 60(2) of Investment and Securities Act No. 29 Of 2007

We the undersigned hereby certify the following with regards to our financial report for the period ended 31 March 2018 that:

- (a) We have reviewed the report;
- (b) To the best of our knowledge, the report does not contain:
 - (i) Any untrue statement of a material fact, or
 - (ii) Omit to state a material fact, which would make the statements misleading in the light of the circumstances under which such statements were made;
- (c) To the best of our knowledge, the financial statement and other financial Information included in the report fairly present in all material respects the financial condition and results of operation of the company as of, and the periods presented in the report.
- (d) We:
 - (i) Are responsible for establishing and maintaining internal controls;
 - (ii) Have designed such internal controls to ensure that material information relating to the company and its consolidated subsidiary is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
 - (iii) Have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the reports;
 - (iv) Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- (e) We have disclosed to the auditors of the company and audit committee:
 - (i) All significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and
 - (ii) Any fraud, whether or not material, that involve management or other employees who have significant role in the company's internal controls;
- (f) We have identified in the report whether or not there were significant changes in the internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regards to significant deficiencies and material weaknesses .



Peter Amangbo

Group Managing Director/CEO

FRC/2013/ICAN/00000001310



Ebenezer Onyeagwu

Deputy Managing Director

FRC/2013/ICAN/00000003788

Statements of profit or loss and other comprehensive income

In millions of Naira	Notes	Group			Bank		
		3 Months 31-Mar-18	3 Months 31-Mar-17	12 Months 31-Dec-17	3 Months 31-Mar-18	3 Months 31-Mar-17	12 Months 31-Dec-17
Gross earnings		169,192	147,736	745,189	146,496	130,059	673,636
Interest and similar income	14	142,618	118,092	474,628	125,645	105,144	420,210
Interest and similar expense	15	(46,720)	(47,488)	(216,637)	(42,328)	(43,666)	(200,672)
Net interest income		95,898	70,604	257,991	83,317	61,478	219,538
Impairment charge for credit loss	16	(4,573)	(7,886)	(98,227)	(2,400)	(7,300)	(95,244)
Net interest income after impairment charge for credit losses		91,325	62,718	159,764	80,917	54,178	124,294
Fee and Commission income	17	20,837	21,128	90,144	15,318	17,300	72,847
Trading income	18	1,712	7,064	157,973	1,712	7,051	157,973
Other income	19	4,025	1,452	22,444	3,821	564	22,606
Amortisation of intangible assets	35	(526)	(282)	(1,631)	(475)	(232)	(1,431)
Depreciation of property and equipment	34	(3,889)	(2,723)	(12,428)	(3,421)	(2,492)	(11,059)
Personnel expenses		(15,566)	(18,166)	(64,459)	(12,907)	(16,239)	(55,672)
Operating expenses	20	(43,917)	(26,991)	(148,346)	(40,194)	(23,205)	(135,995)
Profit before tax		54,001	44,200	203,461	44,771	36,925	173,563
Income tax expense	21	(6,922)	(6,701)	(25,528)	(4,500)	(4,500)	(16,418)
Profit after tax		47,079	37,499	177,933	40,271	32,425	157,145
Other comprehensive income:							
Items that will never be reclassified to profit or loss							
Fair value movements on equity instruments		1,250	957	(2,551)	1,250	957	(2,551)
Items that are or may be reclassified to profit or loss							
Foreign currency translation differences		3,532	509	5,233	-	-	-
Other comprehensive income for the period		4,782	1,466	2,682	1,250	957	(2,551)
Total comprehensive income for the period		51,861	38,965	180,615	41,521	33,382	154,594

Statements of profit or loss and other comprehensive income

	Group			Bank			
	3 Months 31-Mar-18	3 Months 31-Mar-17	12 Months 31-Dec-17	3 Months 31-Mar-18	3 Months 31-Mar-17	12 Months 31-Dec-17	
In millions of Naira							
	Notes						
Profit attributable to:							
Equity holders of the parent		47,006	37,446	177,604	40,271	32,425	157,145
Non-controlling interests		73	53	329	-	-	-
Total comprehensive income attributable to:							
Equity holders of the parent		51,739	38,926	180,281	41,521	33,382	154,594
Non-controlling interests		122	39	334	-	-	-
Earnings per share attributable to equity holders of parent							
Basic and diluted		150 k	119 k	566 k	128 k	103 k	501 k

Statements of financial position as at March 31, 2018

In millions of Naira	Note(s)	Group			Bank		
		31-Mar-18	31-Mar-17	31-Dec-17	31-Mar-18	31-Mar-17	31-Dec-17
Assets							
Cash and balances with central banks	22	940,981	604,419	957,663	891,926	565,419	907,265
Treasury bills	23	986,571	646,387	936,817	751,983	468,498	799,992
Asset pledged as collateral	24	445,896	338,996	468,010	445,896	338,996	468,010
Due from other banks	25	760,510	389,541	495,803	547,342	325,598	273,331
Derivative assets	26	65,814	19,519	57,219	65,814	19,519	57,219
Loans and advances	27	1,757,011	2,349,470	2,100,362	1,668,114	2,124,199	1,980,464
Investment securities	28	419,808	221,967	330,951	174,389	129,619	117,814
Investments in subsidiaries	29	-	-	-	34,003	33,003	34,003
Deferred tax assets	32	9,253	6,638	9,561	9,197	6,041	9,197
Other assets	33	138,634	49,119	92,494	98,726	48,894	56,052
Property and equipment	34	137,441	105,768	133,384	121,473	93,576	118,223
Intangible assets	35	13,885	8,004	12,989	12,901	7,405	12,088
Total assets		5,675,804	4,739,828	5,595,253	4,821,764	4,160,767	4,833,658
Liabilities							
Customers' deposits	36	3,396,182	2,996,262	3,437,915	2,681,168	2,441,246	2,744,525
Derivative liabilities	31	7,148	2,027	20,805	7,148	2,027	20,805
Current income tax	21	13,625	13,578	8,915	10,569	11,427	6,069
Deferred tax liabilities	32	-	46	18	-	-	-
Other liabilities	37	328,286	227,372	233,481	309,415	265,881	219,791
On-lending facilities	38	443,440	360,213	383,034	443,440	360,213	383,034
Borrowings	39	408,140	296,041	356,496	408,140	329,379	418,979
Debt securities issued	40	343,737	156,431	332,931	343,737	156,431	332,931
Total liabilities		4,940,558	4,051,970	4,773,595	4,203,617	3,566,604	4,126,134

Statement of Financial Position as at March 31, 2018

	Note(s)	Group			Bank		
		2018	2017	2017	2018	2017	2017
In of Naira							
Capital and reserves							
Share capital	41	15,698	15,698	15,698	15,698	15,698	15,698
Share premium	42	255,047	255,047	255,047	255,047	255,047	255,047
Retained earnings		268,592	244,019	365,757	200,119	190,497	296,786
Other reserves		194,612	172,072	183,839	147,283	132,921	139,993
Attributable to equity holder of the parent		733,949	686,836	820,341	618,147	594,163	707,524
Non-controlling interests		1,297	1,022	1,317	-	-	-
Total shareholders' equity		735,246	687,858	821,658	618,147	594,163	707,524
Total liabilities and equity		5,675,804	4,739,828	5,595,253	4,821,764	4,160,767	4,833,658

Statements of cash flows

In millions of Naira	Note(s)	Group			Bank		
		31-Mar-18	31-Mar-17	31-Dec-17	31-Mar-18	31-Mar-17	31-Dec-17
Cash flows from operating activities							
Profit after tax for the year		47,079	37,499	177,933	40,271	32,425	157,145
Adjustments for non-cash items:							
Impairment							
Impairment loss on overdraft	16	4,147	7,610	31,305	2,400	7,300	30,748
Impairment loss on term loan		426	276	65,905	-	-	63,502
Impairment loss on on-lending		-	-	925	-	-	925
Impairment loss on leases		-	-	92	-	-	69
Fair value changes in trading bond		-	(34)	-	-	(21)	-
Depreciation of property and equipment		3,889	2,723	12,428	3,421	2,492	11,059
Amortisation of intangible assets		526	282	1,631	475	232	1,431
Dividend income		-	-	(900)	-	-	(4,500)
Interest and similar income		(142,618)	(118,092)	(474,628)	(125,645)	(105,144)	(420,210)
Interest and similar expense		46,720	47,488	216,637	42,328	43,666	200,672
Profit on sale of property and equipment	19	(122)	(27)	(57)	(122)	(27)	(22)
Gain on disposal of subsidiary and equity securities		-	2,967	6,064	-	2,967	6,064
Tax expense	21	6,922	6,701	25,528	4,500	4,500	16,418
Changes in operating assets and liabilities:							
Net (increase)/decrease in Loans and advances		204,430	(67,947)	94,906	179,053	6,633	62,424
Net (increase)/decrease in Other assets		(46,140)	(11,583)	(54,981)	(42,674)	(13,484)	(20,642)
Net (increase)/decrease in Treasury bills with maturity greater than 3 months		44,578	85,466	76,739	144,830	91,101	24,495
Net (increase)/decrease in treasury bills (FVTPL)		(97,242)	(53,626)	(473,275)	(96,821)	(53,625)	(473,275)
Net (increase)/decrease in asset pledged as collateral		22,114	(10,653)	(139,667)	22,114	(13,421)	(142,435)
Net (increase)/decrease in Debt securities		(53,428)	(21,532)	(132,704)	(21,125)	(10,040)	(1,375)
Net (increase)/decrease in Restricted balances (cash reserves)		(10,531)	513	(118,930)	(10,516)	881	(119,078)
Net (increase)/decrease in Customer deposits		(41,733)	12,641	454,294	(63,357)	(111,717)	191,562
Net (increase)/decrease in Other liabilities		94,805	18,780	22,566	89,624	23,666	(22,132)
Net (increase)/decrease in derivative assets		(8,595)	63,341	25,641	(8,595)	63,341	25,641
Net (increase)/decrease in derivative liabilities		(13,657)	(64,807)	(46,029)	(13,657)	(64,807)	(46,029)
		61,570	(62,014)	(228,577)	146,504	(93,082)	(457,543)
Interest received		139,618	103,945	475,528	121,621	93,006	424,710
Interest paid		(44,619)	(33,059)	(216,637)	(37,054)	(30,532)	(200,672)
Tax paid	21	-	(261)	(28,522)	-	-	(20,431)
VAT paid		-	(1,061)	(2,235)	-	(1,061)	(1,814)
Net cash flows(used in)/generated from operating activities		156,569	7,550	(443)	231,071	(31,669)	(255,750)

Statement of Cash Flows

	Note(s)	Group			Bank		
		31-Mar-18 N.	31-Mar-17 N.	31-Dec-17 N.	31-Mar-18 N.	31-Mar-17 N.	31-Dec-17 N.
Cash flows from investing activities							
Purchase of property and equipment	34	(8,037)	(7,113)	(41,883)	(6,679)	(4,686)	(38,180)
Proceeds from sale of property and equipment		129	125	241	129	112	206
Purchase of intangible assets	35	(1,412)	(587)	(6,694)	(1,288)	(587)	(6,288)
Purchase of equity securities		(35,429)	-	(1,000)	(35,450)	-	(1,000)
Net cash from/(used) in investing activities		(44,749)	(7,575)	(49,336)	(43,288)	(5,161)	(45,262)
Cash flows from financing activities							
Net inflow from on-lending facilities		60,406	9,556	32,377	60,406	9,556	32,377
Borrowings							
- inflow from long term borrowing		-	32,935	102,373	-	35,141	193,088
-repayment of long term borrowing		51,644	-	(8,983)	(10,839)	-	(66,911)
Net Inflow from debt securities issued		10,806	-	173,403	10,806	-	173,403
Finance lease payments		-	-	(370)	-	-	(370)
Dividends paid		-	(55,572)	(63,422)	-	(55,572)	(63,422)
Net cash from/(used) in financing activities		122,856	(13,081)	235,378	60,373	(10,875)	268,165
(Decrease)/Increase in cash and cash equivalent		234,676	(13,106)	185,599	248,156	(47,705)	(32,847)
Cash at the beginning of the		916,342	727,399	727,399	533,511	566,358	566,358
Effect of exchange rate movement on cash balances		(92)	(68)	3,344	-	-	-
Cash and cash equivalent at the end of the period/year	46	1,150,926	714,225	916,342	781,667	518,653	533,511

Statements of changes in equity

	Attributable to equity holders of the Bank								Total	Non-controlling interest	Total equity
	Share capital	Share premium	Foreign currency translation reserve	Revaluation reserve	Statutory reserve	SMIEIS reserve	Credit risk reserve	Retained earnings			
In of Naira											
Group											
Balance at 1 January, 2018	15,698	255,047	33,683	8,399	135,686	3,729	2,342	365,757	820,341	1,317	821,658
Profit for the period	-	-	-	-	-	-	-	47,001	47,001	73	47,074
Foreign currency translation differences	-	-	3,483	-	-	-	-	-	3,483	49	3,532
Fair value movements on equity instruments	-	-	-	1,250	-	-	-	-	1,250	-	1,250
Total comprehensive income for the period	-	-	3,483	1,250	-	-	-	47,001	51,734	122	51,856
Transfer for the period	-	-	-	-	6,040	-	-	(6,040)	-	-	-
IFRS 9 transfer to loan reserve	-	-	-	-	-	-	-	(138,126)	(138,126)	(142)	(138,268)
Balance at March 31, 2018	15,698	255,047	37,166	9,649	141,726	3,729	2,342	268,592	733,949	1,297	735,246
At January 1, 2017	15,698	255,047	28,465	10,950	112,114	3,729	10,471	267,008	703,482	983	704,465
Profit for the period	-	-	-	-	-	-	-	177,614	177,614	319	177,933
Foreign currency translation differences	-	-	5,218	-	-	-	-	-	5,218	15	5,233
Fair value movements on equity instruments	-	-	-	(2,551)	-	-	-	-	(2,551)	-	(2,551)
Total comprehensive income for the period	-	-	5,218	(2,551)	-	-	-	177,614	180,281	334	180,615
Transfer between reserves	-	-	-	-	23,572	-	(8,129)	(15,443)	-	-	-
Dividends	-	-	-	-	-	-	-	(63,422)	(63,422)	-	(63,422)
Balance at 31 December, 2017	15,698	255,047	33,683	8,399	135,686	3,729	2,342	365,757	820,341	1,317	821,658

Consolidated and separate statements of changes in equity

In millions of Naira	Share capital	Share premium	Revaluation reserve	Statutory reserve	SMIEIS reserve	Credit risk reserve	Retained earnings	Total equity
Bank								
Balance at 1 January, 2018	15,698	255,047	8,399	127,865	3,729	-	296,786	707,524
Profit for the period	-	-	-	-	-	-	40,271	40,271
Fair value movement on equity instruments	-	-	1,250	-	-	-	-	1,250
Total comprehensive income for the period	-	-	1,250	-	-	-	40,271	41,521
Transfer between reserves	-	-	-	6,040	-	-	(6,040)	-
IFRS 9 transfer to loan reserve	-	-	-	-	-	-	(130,898)	(130,898)
Balance at March 31, 2018	15,698	255,047	9,649	133,905	3,729	-	200,119	618,147
Balance at January 1, 2017	15,698	255,047	10,950	104,293	3,729	8,129	218,507	616,353
Profit for the period	-	-	-	-	-	-	157,144	157,144
Fair value movement on equity instruments	-	-	(2,551)	-	-	-	-	(2,551)
Total comprehensive income for the period	-	-	(2,551)	-	-	-	157,144	154,593
Transfer between reserves	-	-	-	23,572	-	(8,129)	(15,443)	-
Dividends	-	-	-	-	-	-	(63,422)	(63,422)
Balance at 31 December, 2017	15,698	255,047	8,399	127,865	3,729	-	296,786	707,524

Notes to the consolidated and separate interim financial statements

1. The Bank

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 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, and in August 2015, the bank was admitted into the Premium Board of the Nigerian Stock Exchange.

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 Pension Custodian (Nigeria) Limited, Zenith Bank (UK) Limited, Zenith Bank (Sierra Leone) Limited, Zenith Bank (Gambia) Limited and Zenith Nominees Limited. The results of the bank's subsidiaries have been consolidated in these third quarter financial statements.

2. Condensed statement of accounting policies

Interim Financial Statements

The Condensed Financial Statements of Zenith Bank PLC and its subsidiaries (together "The Group") for the year ended 31 March 2018 are presented and have been prepared based on the provisions of IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board.

As a result, the Group applied the same accounting methods used for the Consolidated Financial Statements for the year ended 31 December 2017, prepared in accordance with the International Financial Reporting Standards (refer to Note "Basis of preparation" presented in the Statement of Accounting Policies (Notes 1 and 2 of the 2016 Financial Statements).

Provisions for income taxes have been calculated on the basis of the estimated annual effective tax rate applied to the pre-tax profit. However, where a lower tax rate is applicable, the current rate is adjusted. The assessment of the annual effective tax rate takes into consideration any anticipated deferred tax assets not previously recognized.

There were no changes to the accounting policies adopted by the group during the period in the preparation of its quarterly report.

3. Seasonality of operations

The impact of seasonality or cyclicity on operations is not regarded as significant to the condensed interim consolidated financial statements. The operations of the bank and its subsidiaries are expected to be even within the financial year. However, global and national events and occurrences may affect the group's operations depending on the extent of relationship these events and occurrences have with the operations.

4. Unusual items

There were no unusual transactions or occurrences within the reporting period.

5. Changes in Estimates

There were no changes to the accounting estimates applied by the group.

6. Dividends

The directors did not recommend the payment of any dividend for the Group's first quarter results to 31 March 2018 (31 March 2017: NIL).

Notes to the Consolidated And Separate Interim Financial Statements

7. Significant events after the end of the interim period

There were no significant events that occurred after the first quarter that would necessitate a disclosure and/or adjustment to the quarterly return presented herein.

8. Business combinations

There was no business combination during the period.

9. Restructuring and reversals of restructuring provisions

No reversals of provision for restructuring were made in the Group's books in the current period as there was no restructuring during the period neither were there reversal of previous restructuring arrangements for the forth quarter results to 31 March 2018 (31 March 2017: NIL).

10. Correction of prior period errors

No error has been noted in relation to the prior quarterly results. However, certain items reported in prior period returns have been restated to conform to current year presentation. This is to facilitate comparability.

11. Impairment loss of property, equipment, intangible or other assets, and reversal of such impairment loss

Within the period under review, none of the group's property, plant and equipment was impaired and there were no reversals of previous impairment charges in the current period.

12. Litigation settlements

There was no litigation settlement in the first quarter ended 31 March 2018 (31 March 2017: N1.3 million).

13. Segment

The group's operations are primarily organised on the basis of its geographic coverage which are: Nigeria, Rest of Africa and Europe.

Notes to the Consolidated And Separate Interim Financial Statements

In of Naira

	Nigeria	Outside Nigeria Africa	Europe	Total reportable segments	Eliminations	Consolidated
In millions of Naira March 31, 2018						
Revenue:						
Derived from external customers	147,649	16,303	4,313	168,265	(700)	167,565
Derived from other business segments	1,668	-	42	1,710	(83)	1,627
Total revenue*	149,317	16,303	4,355	169,975	(783)	169,192
Interest expense	(42,328)	(4,929)	(243)	(47,500)	780	(46,720)
Impairment charge for credit losses	(2,400)	(1,747)	(426)	(4,573)	-	(4,573)
Operating expenses	(56,515)	(5,528)	(1,545)	(63,588)	(310)	(63,898)
Profit before tax	48,074	4,099	2,141	54,314	313	54,001
Tax expense	(5,204)	(1,447)	(271)	(6,922)	-	(6,922)
Profit after tax	42,870	2,652	1,870	47,392	313	47,079

	Nigeria	Outside Nigeria Africa	Europe	Total reportable segments	Eliminations	Consolidated
In millions of Naira March 31, 2018						
Capital expenditure**	7,967	15,553	795	24,315	(14,866)	9,449
Identifiable assets	4,844,795	411,051	538,243	5,794,089	(118,285)	5,675,804
Identifiable liabilities	4,206,659	351,542	467,640	5,025,841	(85,283)	4,940,558

* Revenues are allocated based on the location of the operations.

** Capital expenditure consists of expenditure on intangible assets and property and equipment during the period.

Notes to the Consolidated And Separate Interim Financial Statements

In of Naira

	Nigeria	Outside Nigeria Africa	Banking Europe	Total reportable segments	Eliminations	Consolidated
In millions of Naira						
31 March 2017						
Revenue:						
Derived from external customers	127,881	10,577	3,559	142,017	1,897	143,914
Derived from other business segments	676	-	36	712	(712)	-
Total revenue*	128,557	10,577	3,595	142,729	1,185	143,914
Interest expense	(43,666)	(4,033)	(499)	(48,198)	710	(47,488)
Impairment charge for credit losses	(7,300)	(310)	(276)	(7,886)	-	(7,886)
Operating expenses	(43,575)	(3,412)	(1,256)	(48,243)	(918)	49,161
Profit before tax	34,016	2,822	1,564	38,402	(977)	39,379
Tax expense	(5,073)	(1,284)	(344)	(6,701)	-	(6,701)
Profit after tax	28,943	1,538	1,220	31,701	(977)	32,678

	Nigeria	Outside Nigeria Africa	Banking Europe	Total reportable segments	Eliminations	Consolidated
In millions of Naira						
31 March 2017						
Capital expenditure**	6,288	1,106	306	7,700	-	7,700
Identifiable assets	4,180,125	274,510	350,531	4,805,166	(73,026)	4,732,140
Identifiable liabilities	3,572,882	219,160	229,793	4,021,835	26,268	4,048,103

* Revenues are allocated based on the location of the operations.

** Capital expenditure consists of expenditure on intangible assets and property and equipment during the period.

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	31-Mar-18	31-Mar-17	31-Dec-17	31-Mar-18	31-Mar-17	31-Dec-17
14. Interest and similar income						
Loans and advances to customers	77,084	78,809	314,710	71,129	73,584	295,959
Treasury bills	50,854	26,927	109,740	43,814	21,110	84,973
Government and other bonds	12,813	11,388	43,472	10,579	10,303	38,753
Placement with banks and discount houses	1,867	968	6,706	123	147	525
	142,618	118,092	474,628	125,645	105,144	420,210
15. Interest and similar expense						
Current accounts	2,975	1,792	10,029	2,830	1,667	9,403
Savings accounts	4,779	4,189	17,099	4,744	4,137	16,927
Time deposits	12,366	8,659	108,735	8,922	8,074	95,329
Borrowed funds	26,600	32,848	80,774	25,832	29,788	79,013
	46,720	47,488	216,637	42,328	43,666	200,672
16. Impairment charge						
Other financial assets	-	-	23	-	-	-
Overdrafts (See note 27)	4,147	7,610	31,305	2,400	7,300	30,748
Term loans (See note 27)	426	276	65,905	-	-	63,502
On-lending facilities (See note 27)	-	-	925	-	-	925
Advances under finance lease (See note 27)	-	-	69	-	-	69
	4,573	7,886	98,227	2,400	7,300	95,244

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	31-Mar-18	31-Mar-17	31-Dec-17	31-Mar-18	31-Mar-17	31-Dec-17
17. Fees and commission income						
Credit related fees	4,620	3,218	20,834	3,604	2,526	17,718
Current account maintenance	4,962	9,571	29,450	4,427	9,160	27,710
Income from financial guarantee contracts issued	958	1,301	4,617	860	1,230	4,275
Fees on electronic products	3,518	1,424	12,280	3,244	1,157	11,387
Foreign currency transaction fees and commission	1,242	393	2,708	200	270	1,277
Asset based fees	2,093	1,840	7,943	-	-	-
Auction fees income	921	271	1,894	921	271	1,894
Corporate finance fees	333	1,165	2,048	258	1,091	1,674
Foreign withdrawal charges	1,079	721	3,509	1,079	721	3,509
Commission on agency and collection services	1,111	1,224	4,861	725	874	3,403
	20,837	21,128	90,144	15,318	17,300	72,847
18. Trading income						
Foreign exchange trading income/(loss)	1,016	7,030	157,605	1,016	7,030	157,605
Bond trading income/(loss)	696	34	368	696	21	368
	1,712	7,064	157,973	1,712	7,051	157,973
19. Other operating income						
Recoveries	310	-	-	310	-	-
Income on cash handling	128	101	557	128	101	423
Provision no longer required	-	-	8,404	-	-	8,404
Dividend Income from equity instruments	-	-	900	-	-	4,500
Gain on disposal of property and equipment	122	27	57	122	27	22
Foreign currency revaluation gain	3,465	1,324	12,526	3,261	436	9,257
	4,025	1,452	22,444	3,821	564	22,606

Dividend income from equity investments represents dividends received on equity instruments held for strategic purposes and for which the Group has elected to present fair value gains and losses in other comprehensive income.

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	31-Mar-18	31-Mar-17	31-Dec-17	31-Mar-18	31-Mar-17	31-Dec-17
20. Operating expenses						
Directors' emolument	274	233	1,479	151	95	551
Auditors' remuneration	204	128	693	158	105	510
Deposit insurance premium	2,722	2,700	11,683	2,722	2,700	11,683
AMCON	12,084	5,355	21,419	12,084	5,355	21,419
Advertisement	1,622	960	8,819	1,576	897	8,577
Outsourcing services	2,292	-	9,583	2,292	-	9,583
Bank charges	698	458	2,984	616	411	2,765
Donations	435	859	2,624	431	858	2,611
Telephone and postages	548	393	2,414	464	304	2,106
Corporate promotions	2,462	506	8,056	2,123	484	7,920
Information technology	1,335	2,388	12,686	1,195	2,277	12,109
Fraud and forgery	248	24	368	248	24	368
Professional fees	1,320	690	3,442	1,185	619	2,997
Insurances	2,424	616	6,310	2,390	586	6,180
Operating lease	828	915	3,771	511	571	2,331
Expenses on electronic products	2,197	875	7,595	2,066	795	7,285
Printing and stationery	482	460	2,457	344	346	1,903
Fuel and maintenance	5,854	5,561	19,367	4,723	3,877	16,371
Security and cash handling	842	806	4,975	724	711	4,615
Licenses, registrations and subscriptions	1,188	470	2,871	1,103	407	2,567
Training and development	1,573	854	4,070	1,526	812	3,811
Travel and hotel expenses	882	513	7,289	707	359	6,670
Other expenses	1,408	1,227	3,391	855	612	1,063
	43,922	26,991	148,346	40,194	23,205	135,995

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	31-Mar-18	31-Mar-17	31-Dec-17	31-Mar-18	31-Mar-17	31-Dec-17
21. Taxation						
Major components of the tax expense						
Minimum tax	3,929	-	4,350	3,929	-	4,350
Current						
Corporate tax	1,885	6,701	8,878	-	4,500	-
Excess dividend tax	-	-	11,546	-	-	11,546
Information technology tax	494	-	1,804	399	-	1,719
Education tax	306	-	112	172	-	-
Effect of tax rates in foreign jurisdictions	-	-	-	-	-	-
Prior year over provision	-	-	1,959	-	-	1,959
Total income tax expense	6,614	6,701	28,649	4,500	4,500	19,574
Deferred tax expense (see note 33)	308	-	(3,121)	-	-	(3,156)
Total tax expense	6,922	6,701	25,528	4,500	4,500	16,418
b The movement in the current income tax payable balance is as follows:						
At start of the period	8,915	8,953	8,953	6,069	6,927	6,927
Tax paid	-	(261)	(28,522)	-	-	(20,431)
Tax effect of translation	-	(1,815)	(165)	-	-	-
Minimum tax charge	3,929	-	4,350	3,929	-	4,350
Income tax charge	781	6,701	24,299	571	4,500	15,223
At the end of the period	13,625	13,578	8,915	10,569	11,427	6,069
Applicable tax rate	30 %	30 %	30 %	30 %	30 %	30 %

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	31-Mar-18	31-Mar-17	31-Dec-17	31-Mar-18	31-Mar-17	31-Dec-17
22. Cash and balances with central banks						
Cash	116,917	15,257	150,883	102,716	6,529	136,711
Operating accounts with Central Banks	166,419	61,491	159,666	131,609	31,764	123,469
Mandatory reserve deposits with central bank	576,956	446,982	566,425	576,912	446,437	566,396
Cash Requirement Special Intervention Reserve	80,689	80,689	80,689	80,689	80,689	80,689
	940,981	604,419	957,663	891,926	565,419	907,265
Mandatory reserve deposits with central banks represents a percentage of customers' deposits (prescribed from time to time by the central bank) which are not available for daily use. For the purposes of the Statement of cashflow, this balance is excluded from cash and cash equivalents.						
23. Treasury bills						
Treasury bills (FVTPL)	644,898	128,007	547,656	644,477	128,006	547,656
Treasury bills (Amortized cost)	341,673	518,380	389,161	107,506	340,492	252,336
	986,571	646,387	936,817	751,983	468,498	799,992
Treasury bills less than 3 months maturity	107,080	247,936	109,990	-	154,762	-
24. Assets pledged as collateral						
Treasury bills pledged as collateral	268,690	5,173	-	268,690	5,173	-
Bonds pledged as collateral	177,206	190,072	125,059	177,206	190,072	125,059
Treasury bills under repurchase agreement	-	143,751	267,028	-	143,751	267,028
Bonds under repurchase agreement	-	-	75,923	-	-	75,923
	445,896	338,996	468,010	445,896	338,996	468,010

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	31-Mar-18	31-Mar-17	31-Dec-17	31-Mar-18	31-Mar-17	31-Dec-17
25. Due from other banks						
Current balances with banks within Nigeria	20,325	16,485	18,287	-	-	-
Current balances with banks outside Nigeria	487,089	253,917	273,721	518,831	303,882	264,598
Placements with banks and discount houses	253,096	119,139	203,795	28,511	21,716	8,733
	760,510	389,541	495,803	547,342	325,598	273,331
26. Derivative assets						
Forward contracts (fair value)	65,814	19,519	57,219	65,814	19,519	57,219
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 valuation techniques. 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.						
27. Loans and advances to customers						
Overdrafts	216,851	657,294	514,009	176,927	620,684	480,392
Term loans	1,375,061	1,405,604	1,355,300	1,301,294	1,201,256	1,253,817
On-lending facilities	442,940	359,864	379,195	442,940	359,864	379,195
Advances under finance lease	3,205	5,093	3,668	3,205	4,787	3,665
Gross loans and advances to customers	2,038,057	2,427,855	2,252,172	1,924,366	2,186,591	2,117,069
Less: Allowances for impairment	(281,046)	(78,385)	(151,810)	(256,252)	(62,392)	136,605
Specific allowances for impairment	(168,647)	(32,809)	(82,904)	(150,900)	(17,607)	(68,443)
Collective allowance for impairment	(112,399)	(45,576)	(68,906)	(105,352)	(44,785)	(68,162)
Net loans and advances to customers	1,757,011	2,349,470	2,100,362	1,668,114	2,124,199	1,980,464

Zenith Bank Plc

Consolidated And Separate Interim Financial Statements for the period ended March 31, 2018

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	31-Mar-18	31-Mar-17	31-Dec-17	31-Mar-18	31-Mar-17	31-Dec-17
27. Loans and advances to customers (continued)						
Overdrafts						
Gross Overdrafts	216,851	657,294	514,009	176,927	620,684	480,392
Less: Allowances for impairment	(66,358)	(37,115)	(47,952)	(53,118)	(29,545)	(44,007)
Specific allowances for impairment	(17,173)	(14,257)	(27,094)	(10,980)	(7,478)	(23,893)
Collective allowance for impairment	(49,185)	(22,858)	(20,858)	(42,138)	(22,067)	(20,114)
Net Overdrafts	150,493	620,179	466,057	123,809	591,139	436,385
Term loans						
Gross Term loans	1,375,061	1,405,604	1,355,300	1,301,294	1,201,256	1,253,817
Less: Allowances for impairment	(213,431)	(39,865)	(101,767)	(201,877)	(31,442)	(90,507)
Specific allowances for impairment	(151,474)	(18,552)	(55,810)	(139,920)	(10,129)	(44,550)
Collective allowance for impairment	(61,957)	(21,313)	(45,957)	(61,957)	(21,313)	(45,957)
Net Term loans	1,161,630	1,365,739	1,253,533	1,099,417	1,169,814	1,163,310
On-lending facilities						
Gross On-lending facilities	442,940	359,864	379,195	442,940	359,864	379,195
Less: Allowances for impairment	(1,238)	(1,337)	(1,955)	(1,238)	(1,337)	(1,955)
Collective allowance for impairment	(1,238)	(1,337)	(1,955)	(1,238)	(1,337)	(1,955)
Net On-lending facilities	441,702	358,527	377,240	441,702	358,527	377,240
Advances under finance lease						
Gross Advances under finance lease	3,205	5,093	3,668	3,205	4,787	3,665
Less: Allowances for impairment - collective	(19)	(67)	(136)	(19)	(67)	(136)
Net Advances under finance lease	3,186	5,026	3,532	3,186	4,720	3,529

Notes to the Consolidated And Separate Interim Financial Statements

In of Naira

27. Loans and advances to customers (continued)

Reconciliation of impairment allowance on loans and advances to customers

Group	Overdrafts	Term loans	On-lending facilities	Advances under finance lease	Total
Balance at 1 January, 2018	47,952	101,767	1,955	136	151,810
Specific impairment	27,094	55,810	-	-	82,904
Collective impairment	20,858	45,957	1,955	136	68,906
Additional impairment for the period	30,187	112,652	-	-	142,839
Collective impairment	48,805	48,492	208	(48)	97,457
Foreign currency translation and other adjustments	(4,038)	120	-	-	(3,918)
Write-offs	(7,743)	(1,108)	(717)	(117)	(9,685)
Balance at March 31, 2018	66,358	213,431	1,238	19	281,046
Specific impairment	17,173	151,474	-	-	168,647
Collective impairment	49,185	61,957	1,238	19	112,399
Balance at January 1, 2017		30,568	39,472	1,337	67
Specific impairment		14,738	18,158	-	-
Collective impairment		15,830	21,314	1,337	67
Additional impairment for the period		31,305	65,905	925	69
Specific impairment		19,848	39,665	-	-
Collective impairment		11,457	26,240	925	69
Foreign currency translation and other adjustments		(4,935)	828	-	-
Write-offs		(8,986)	(4,438)	(307)	-
Balance at 31 December, 2017		47,952	101,767	1,955	136
Specific impairment		27,094	55,810	-	-
Collective impairment		20,858	45,957	1,955	136

Notes to the Consolidated And Separate Interim Financial Statements

In of Naira

27. Loans and advances to customers (continued)

Bank

	Overdrafts	Term loans	On-lending facilities	Advances under finance lease	Total
Balance at 1 January, 2018	44,007	90,507	1,955	136	136,605
Specific impairment	23,893	44,550	-	-	68,443
Collective impairment	20,114	45,957	1,955	136	68,162
Additional impairment for the period	21,071	112,226	-	-	133,297
Collective impairment	2,400	-	-	-	2,400
Write-offs	(11,960)	(856)	(717)	(117)	(13,650)
Balance at March 31, 2018	53,118	201,877	1,238	19	256,252
Specific impairment	10,980	139,920	-	-	150,900
Collective impairment	42,138	61,957	1,238	19	105,352
Balance at January 1, 2017	22,245	31,443	1,337	67	55,092
Specific impairment	7,478	10,129	-	-	17,607
Collective impairment	14,767	21,314	1,337	67	37,485
Additional impairment for the period	30,748	63,502	925	69	95,244
Specific impairment	20,109	37,262	-	-	57,371
Collective impairment	10,639	26,240	925	69	37,873
Write-offs	(8,986)	(4,438)	(307)	-	(13,731)
Balance at 31 December, 2017	44,007	90,507	1,955	136	136,605
Specific impairment	23,893	44,550	-	-	68,443
Collective impairment	20,114	45,957	1,955	136	68,162

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	31-Mar-18	31-Mar-17	31-Dec-17	31-Mar-18	31-Mar-17	31-Dec-17
27. Loans and advances to customers (continued)						
(c) Advances under finance leases						
Gross investments	3,220	5,286	3,698	3,220	4,880	3,688
Less: Unearned income	(15)	(151)	(30)	(15)	(145)	(23)
	3,205	5,135	3,668	3,205	4,735	3,665
The net investment may be analysed as follows:						
Later than 1 year and no later than 5 years	3,205	5,135	3,668	3,205	4,735	3,665
(d) The nature of security in respect of loans and advances is as follows:						
Secured against real estate	88,044	124,769	89,553	85,634	116,190	88,648
Secured by shares of quoted companies	23,438	66,023	25,276	23,285	60,332	25,217
Cash collateral, lien over fixed and floating assets	1,147,426	1,332,900	1,234,199	1,156,929	1,217,343	1,222,121
Unsecured	779,149	904,162	903,144	658,518	792,726	781,083
	2,038,057	2,427,854	2,252,172	1,924,366	2,186,591	2,117,069
28. Investment securities						
(a) Analysis of investments						
Debt securities	370,278	204,358	316,850	124,838	112,010	103,713
Equity securities	49,530	17,609	14,101	49,551	17,609	14,101
	419,808	221,967	330,951	174,389	129,619	117,814

Notes to the Consolidated And Separate Interim Financial Statements

In of Naira

29. Interests in subsidiaries including consolidated structured entities

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

Group

Name of company	Effective holding 2018	Effective holding 2017	Nominal share capital held 2018	Nominal share capital held 2017
Zenith Bank (Ghana) Limited	- %	98.07 %	6,444	6,444
Zenith Bank (UK) Limited	- %	100.00 %	21,482	21,482
Zenith Bank (Sierra Leone) Limited	- %	99.99 %	2,059	2,059
Zenith Bank (Gambia) Limited	- %	99.96 %	1,038	1,038
Zenith Pensions Custodian Limited	- %	99.00 %	1,980	1,980
Zenith Nominee Limited	-	99.00	1,000	1,000
			<u>34,003</u>	<u>34,003</u>

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	31-Mar-18	31-Mar-17	31-Dec-17	31-Mar-18	31-Mar-17	31-Dec-17

30. Investments in associates

The Group's investments under the Small and Medium Enterprises Equity Investment Scheme ("SMEEIS") complies 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.

The financial statements used in applying the equity method may be as of a date or for a period that is different from the Group due to practical difficulties preventing the associate from producing coterminous figures in time for the Group's reporting period.

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.

31. Derivative liabilities

Derivative liabilities	7,148	2,027	20,805	7,148	2,027	20,805
	7,148	2,027	20,805	7,148	2,027	20,805

32. Deferred tax

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2017: 30%).

Deferred tax asset

Tax loss carried forward	9,253	6,638	9,561	9,197	6,041	9,197
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Deferred tax liabilities

Charge for the period	-	46	18	-	-	-
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Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	31-Mar-18	31-Mar-17	31-Dec-17	31-Mar-18	31-Mar-17	31-Dec-17
33. Other assets						
Prepayments	33,003	27,273	15,166	30,548	25,326	13,300
Deposits for shares	-	-	650	-	650	1,300
Electronic card related receivables	63,583	22,512	37,397	60,960	22,610	35,462
Intercompany receivables	1,127	-	-	1,127	968	1,075
AGSMEIS Receivables	5,964	-	5,964	5,964	-	5,964
Receivables	40,205	4,588	38,565	5,375	4,588	4,199
Less: Specific impairment	(5,248)	(5,254)	(5,248)	(5,248)	(5,248)	(5,248)
	138,634	49,119	92,494	98,726	48,894	56,052

Notes to the Consolidated And Separate Interim Financial Statements

In of Naira

34. Property and equipment

Group

	Land	Buildings	Furniture and fixtures	Motor vehicles	Computer equipment	Aircraft	Leasehold improvements	Work in progress	Total
Cost									
At start of the period	28,476	46,878	68,465	18,719	28,836	12,600	18,009	15,176	237,159
Additions	151	1,726	3,622	615	160	-	504	1,259	8,037
Disposals	-	-	(139)	(611)	(3)	-	(1)	-	(754)
Reclassification	-	(47)	6	-	4	-	37	-	-
At the end of the period	28,627	48,557	71,954	18,723	28,997	12,600	18,549	16,435	244,442
Accumulated Depreciation									
At start of the period	-	5,510	44,149	13,892	25,519	210	14,495	-	103,775
Charge for the period	-	234	1,934	544	537	315	325	-	3,889
Disposals	-	-	(131)	(611)	(5)	-	-	-	(747)
Reclassification	-	(1)	(1)	-	-	-	-	-	(2)
Foreign exchange movements	-	20	-	45	22	-	(1)	-	86
At the end of the period	-	5,763	45,951	13,870	26,073	525	14,819	-	107,001
Net Book Amount At March 31, 2018	28,627	42,794	26,003	4,853	2,924	12,075	3,730	16,435	137,441
At 31 December, 2017	28,476	41,368	24,316	4,827	3,317	12,390	3,514	15,176	133,384

Notes to the Consolidated And Separate Interim Financial Statements

In of Naira

34. Property and equipment (continued)

35.(b) Property and equipment

Bank

	Land	Buildings	Furniture and fixtures	Motor vehicles	Computer equipment	Aircraft	Leasehold improvements	Work in progress	Total
Cost									
At start of the period	28,476	38,815	65,564	16,916	26,078	12,600	15,780	12,015	216,244
Additions	151	1,401	3,460	461	27	-	420	759	6,679
Disposals	-	-	(139)	(611)	(3)	-	(1)	-	(754)
Reclassification	-	(47)	6	-	4	-	37	-	-
At the end of the period	28,627	40,169	68,891	16,766	26,106	12,600	16,236	12,774	222,169

Accumulated depreciation

	Land	Buildings	Furniture and fixtures	Motor vehicles	Computer equipment	Aircraft	Leasehold improvements	Work in progress	Total
At start of the period	-	5,390	42,480	12,831	23,999	210	13,111	-	98,021
Charge for the period	-	208	1,814	460	356	315	268	-	3,421
Disposals	-	-	(131)	(611)	(5)	-	-	-	(747)
Reclassification	-	(1)	(1)	-	2	-	-	-	-
At the end of the period	-	5,597	44,162	12,680	24,352	525	13,379	-	100,695
Net Book Amount At March 31, 2018	28,627	34,572	24,729	4,086	1,754	12,075	2,857	12,774	121,473
At 31 December, 2017	28,476	33,425	23,084	4,085	2,079	12,390	2,669	12,015	118,223

Notes to the Consolidated And Separate Interim Financial Statements

In of Naira

35. Intangible assets

Computer software

	Group 31-Mar-18	Group 31-Mar-17	Group 31-Dec-17	Bank 31-Mar-18	Bank 31-Mar-17	Bank 31-Dec-17
Cost						
At start of the period	22,099	8,761	11,998	19,377	7,236	9,761
Exchange difference	10	36	79	-	-	-
Reclassification	-	-	3,328	-	22	3,328
Additions	1,412	1,678	6,694	1,288	1,581	6,288
At end of the period	23,521	10,475	22,099	20,665	8,839	19,377
Accumulated amortisation						
At start of the period	9,110	5,521	7,353	7,289	4,483	5,858
Exchange difference	-	-	126	-	-	-
Reclassification	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Charge for the period	526	282	1,631	475	232	1,431
At the end of the period	9,636	5,803	9,110	7,764	4,715	7,289
Carrying amount at period end	13,885	4,672	12,989	12,901	4,124	12,088

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	31-Mar-18	31-Mar-17	31-Dec-17	31-Mar-18	31-Mar-17	31-Dec-17
36. Deposits						
Demand	1,881,821	1,580,778	1,813,234	1,383,964	1,198,846	1,337,839
Savings	406,781	362,231	383,045	357,953	307,529	339,488
Term	439,985	511,163	572,070	340,378	445,754	460,484
Domiciliary	667,595	542,090	669,566	598,873	489,117	606,714
	3,396,182	2,996,262	3,437,915	2,681,168	2,441,246	2,744,525
37. Other liabilities						
Settlement payables	45,532	29,459	25,295	45,425	29,406	25,199
Electronic card related payables	3,472	2,203	1,725	3,208	1,963	1,505
Due to banks for clean letters of credit	69,929	11,743	47,719	69,929	64,017	47,719
Managers' cheques	13,098	13,568	17,670	12,425	13,000	16,904
Tax collections	2,238	2,647	3,604	2,024	2,511	3,416
Sales and other collections	71,058	6,857	29,174	71,058	6,857	29,174
Deferred income on financial guarantee contracts	1,073	906	654	1,073	906	654
Unclaimed dividend	3,521	3,521	3,521	3,521	3,521	3,521
Finance lease obligation	11,705	8,404	12,049	11,705	8,404	12,049
Customer deposits for letters of credit	81,492	108,610	68,608	81,349	108,415	68,463
Customer's foreign transactions payables	10,367	16,758	9,026	5,274	12,785	6,417
Other payables	14,801	22,696	14,436	2,424	14,096	4,770
	328,286	227,372	233,481	309,415	265,881	219,791

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	31-Mar-18	31-Mar-17	31-Dec-17	31-Mar-18	31-Mar-17	31-Dec-17
38. On-lending facilities						
This comprises:						
Central Bank of Nigeria (CBN) Commercial Agriculture Credit Scheme Loan	68,054	41,235	57,515	68,054	41,235	57,515
Bank of Industry (BOI) Intervention Loan	51,939	52,645	49,375	51,939	52,645	49,375
Central Bank of Nigeria (CBN) / Bank of Industry(BOI) - Power & Aviation intervention Funds	7,455	9,022	7,661	7,455	9,022	7,661
CBN MSMEDF Deposit	5,197	15,281	4,011	5,197	15,281	4,011
FGN SSB Intervention Fund	157,577	145,965	142,999	157,577	145,965	142,999
Excess Crude Loan Facility Deposit	101,312	96,065	92,812	101,312	96,065	92,812
Real Sector Support Facility	38,579	-	28,661	38,579	-	28,661
Non-oil Export Stimulation Facility	13,327	-	-	13,327	-	-
	443,440	360,213	383,034	443,440	360,213	383,034
39. Borrowings						
Long term borrowing comprise:						
Due to ADB	38,662	38,692	37,115	38,662	38,692	37,115
Due to KEXIM	5,261	4,985	5,861	5,261	4,985	5,861
Due to EIB	4,755	5,293	4,628	4,755	5,293	4,628
Due to PROPARCO	15,228	17,478	14,253	15,228	17,478	14,253
Due to AFC	12,234	40,265	17,307	12,234	40,265	17,307
Due to Multi-Borrowings	67,718	-	66,723	67,718	-	66,723
Due to REPO Multi-borrowings	71,255	46,093	50,310	71,255	46,093	50,310
Due to J P Morgan Chase bank	41,283	22,984	33,198	41,283	22,984	33,198
Due to Standard Bank	63,694	68,463	58,993	63,694	68,463	58,993
Due to First Rand bank	-	3,419	-	-	3,419	-
Due to IFC	34,511	28,176	28,116	34,511	28,176	28,116
Due to Citi Global Markets	41,965	15,509	33,313	41,965	15,509	33,313
Due to British Arab Bank	11,574	4,685	6,679	11,574	4,685	6,679
Due to Zenith Bank (UK)	-	-	-	-	7,687	8,313
Due to Zenith Bank Ghana	-	-	-	-	25,650	54,170
	408,140	296,042	356,496	408,140	329,379	418,979

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	31-Mar-18	31-Mar-17	31-Dec-17	31-Mar-18	31-Mar-17	31-Dec-17
40. Debt securities issued						
Due to euro bond holders	343,737	156,431	332,931	343,737	156,431	332,931
	343,737	156,431	332,931	343,737	156,431	332,931
41. Share capital						
Authorised						
40,000,000,000 Ordinary shares of 50k each (September 2016:40,000,000,000)	20,000	20,000	20,000	-	20,000	20,000
.						
Issued						
31,396,493,786 ordinary shares of 50k each (September 2015:31,396,493,786)	15,698	15,698	15,698	15,698	15,698	15,698
Issued						
Ordinary	15,698	-	15,698	15,698	-	15,698
Share premium	255,047	-	255,047	255,047	-	255,047
	270,745	-	270,745	270,745	-	270,745

Zenith Bank Plc

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Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	31-Mar-18	31-Mar-17	31-Dec-17	31-Mar-18	31-Mar-17	31-Dec-17
42. Share premium						
Share premium	255,047	255,047	255,047	255,047	255,047	255,047

The nature and purpose of the reserves in equity are as follows:

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

Retained earnings: Retained earnings comprise the undistributed profits which have not been reclassified to the other reserves noted below.

Statutory reserve: Nigerian banking regulations require the Bank to make an annual appropriation to a statutory reserve. As stipulated by section 16(1) of the Bank and Other Financial Institutions Act of 1991 (amended), an appropriation of 30% of profit after tax is made if the statutory reserve is less than the paid-up share capital, and 15% of profit after tax if the statutory reserve is greater than the paid-up share capital.

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 their 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 for the first 5 years and shall thereafter reduce to 5% of profit after tax. The small and medium scale industries equity investment scheme reserves are non-distributable.

Revaluation reserve: Comprises fair value movements on equity instruments which the Bank has elected to present through the Other Comprehensive Income.

Foreign Currency Translation reserve: Comprises exchange differences resulting from the translation to Naira of the results and financial position of entities within the group that have a functional currency other than Naira.

Statutory Reserve for Credit Risk: the CBN requires the Bank to create a reserve for the difference between impaired charge determined in line with the principles of IFRS and provisions for loan losses determined in line with the prudential guidelines issued by the CBN, where the latter is greater. This reserve is not available for distribution to shareholders.

43. 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 2.5% and 15.5% 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. The contribution by the group and the bank during the period were N761 million and N674 million respectively (2017: N898 million and N706 million)

Notes to the Consolidated And Separate Interim Financial Statements

In of Naira

44. Related party transactions

Parent:

Zenith Bank Plc (incorporated in Nigeria) is the ultimate parent company of the Group.

Subsidiaries:

Transactions between Zenith Bank Plc and its subsidiaries, which are eliminated on consolidation are not separately disclosed in the consolidated financial statements. The Group's effective interests and investments in subsidiaries as at 31 March 2018 are shown below.

Entity	Effective holding %	Normal share capital held
Zenith Bank (Ghana) Limited	98.07 %	6,444
Zenith Bank (UK) Limited	100.00 %	21,482
Zenith Bank (Sierra Leone) Limited	99.99 %	2,059
Zenith Bank (The Gambia) Limited	99.96 %	1,038
Domestic / non-banking subsidiaries:		
Zenith Pension Custodians Limited	99.00 %	1,980
Zenith Nominees	100.00 %	1,000
	-	34,003

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.

Key management compensation

In millions of Naira

	Group 31-Mar-18	Group 31-Mar-17	Group 31-Dec-17
Salaries and other short-term benefits	333	150	773
Retirement benefit cost	37	6	30
Allowances	65	77	676

Notes to the Consolidated And Separate Interim Financial Statements

In of Naira

44. Related party transactions (continued)

At end of of the period	435	233	1,479
Loans and advances			
At start of the period	199	292	292
Granted during the period	170	-	-
Repayment during the period	(60)	(73)	(93)
At end of of the period	309	219	199

Interest earned

Loans to key management personnel include mortgage loans and other personal loans which are given under terms that are no more favourable than those given to other staff. No impairment has been recognised in respect of loans granted to key management (2017: Nil). The mortgage loans are secured by the underlying assets. All other loans are unsecured.

Group
31 March 2018
In millions of Naira

Name of company / Individual	Loans	Deposits	Interest received	Interest paid	Payments for supplies of goods and services
Sirius Lumina Ltd	54	-	11	-	-
Institutional Quantum Beverage	-	10	-	-	-
Quantum Markets Limited	-	25	-	-	65
Quantum Markets Miscellaneous	-	3	-	-	53
Quantum Markets Visafone	-	6	-	-	-
Veritas Registrars	-	1,113	-	-	-
Cyber Space Network	-	832	-	-	55
Zenith General Insurance CO. Ltd.	-	1,267	3	5	3,152
Zenith Trustees Limited	-	11	-	-	-
Director's Deposits	-	328	1	-	-
At end of of the period	54	3,595	15	5	3,325

Group

Notes to the Consolidated And Separate Interim Financial Statements

In of Naira

44. Related party transactions (continued)

31 March 2017

In millions of Naira

Name of company / Individual

	Loans	Deposits	Interest received	Interest paid
Zenith General Insurance Company	-	661	-	1
Zenith Trustee Limited	-	5	-	-
Directors and relatives	-	190	-	1
Quantum Fund Management	-	18	-	-
At end of the period	-	874	-	2

Loans granted to related parties are secured by real estate and other assets of the respective borrowers. No impairment has been recognised of loans granted to related parties (2015:Nil)

45. Acceptances and guarantees

(a) Legal proceedings

The Bank is presently involved in 122 litigation suits in its ordinary course of business. The total amount claimed in the cases against the bank is estimated at N5.89 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 bank and are not aware of any other pending or threatened claims and litigations.

(b) Capital commitments

At the reporting date, the bank had capital commitments amounting to N2.51 billion (31 March, 2017: N3.11 billion) in respect of authorized and contracted capital projects.

(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:

Notes to the Consolidated And Separate Interim Financial Statements

In of Naira

45. Acceptances and guarantees (continued)

In millions of Naira	Group 31-Mar-18	Group 31-Mar-17	Group 31-Dec-17	Bank 31-Mar-18	Bank 31-Mar-17	Bank 31-Dec-17
Performance bonds and guarantees	431,995	558,010	541,715	431,995	558,010	509,628
Usance	226,325	134,043	132,400	226,325	134,043	132,400
Letters of credit	306,428	265,197	275,879	306,428	265,197	218,433
Pension Funds (See Note (below))	3,122,710	2,450,662	2,261,789	3,122,710	2,450,662	2,261,850
	4,087,458	3,407,912	3,211,783	4,087,458	3,407,912	3,122,311

Letters of credit are agreements to lend to customers 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 and cannot be settled net in cash.

The amount of N 3,122 billion (2017: N 2,261 billion) represents the full amount of the bank's guarantee for the assets held by its subsidiary, Zenith Pensions Custodian Limited under the latter's custodial business as required by the National Pensions Commission.

46. 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, amounts due from other banks and short-term government securities.

In millions of Naira	Group 31-Mar-18	Group 31-Mar-17	Group 31-Dec-17	Bank 31-Mar-18	Bank 31-Mar-17	Bank 31-Dec-17
Cash and balances with central banks (less restricted balances)	283,336	76,748	310,549	234,325	38,293	260,180
Treasury bills(maturing within three months)	107,080	247,936	109,990	-	154,762	-
Due from other banks	760,510	389,541	495,803	547,342	325,598	273,331
	1,150,926	714,225	916,342	781,667	518,653	533,511

1. Financial performance ratios

	31 Mar 2018	31 Mar 2017	Changes	% Change
Gross earnings	169,192	147,738	21,454	14.5 %
Interest Income	142,618	118,092	24,526	20.8 %
Net Interest Income	95,898	70,604	25,294	35.8 %
Non Interest Income	26,574	29,644	(3,070)	(10.4)%
Operating Income	117,899	92,362	25,537	27.6 %
Operating Expenses	63,898	48,162	15,736	32.7 %
Profit/Loss Before Tax	54,001	44,200	9,801	22.2 %
Profit/Loss After Tax	47,079	37,499	9,580	25.5 %
Earnings Per Share	150	119	31	26.1 %

2. Financial positions

	31 Mar 2018	31 Dec 2017	Changes	%Change
Gross Loans & Advances	2,038,057	2,252,172	(214,115)	(9.5)%
Customer Deposits	3,396,182	3,437,915	(41,733)	(1.2)%
Total Assets	5,675,804	5,595,253	80,551	1.4 %
Shareholders Funds	735,246	821,658	(86,412)	(10.5)%

3. Key ratios

	31 Mar 2018	31 Mar 2017	Changes	% Change
Net Interest Margin	9.3 %	7.7 %	1.6	20.8 %
Cost-to-Income Ratio	54.2 %	52.1 %	2.1	4.0 %
Loan-to-Deposit Ratio	50.7 %	68.1 %	(17.4)	(17.8)%
Cost of Funds	4.1 %	5.0 %	(0.9)	(18.0)%
Cost of Risk	0.9 %	1.3 %	(0.4)	(30.8)%
Return On Average Assets (ROAA)	3.3 %	3.2 %	0.1	3.1 %
Return On Average Equity (ROAE)	24.2 %	21.5 %	2.7	12.6 %
Liquidity Ratio	70.5 %	66.0 %	4.5	6.8 %
Capital Adequacy Ratio (CAR)	19.9 %	22.0 %	(2.1)	(9.5)%
Non Performing Loan Ratio (NPL)	4.3 %	3.2 %	1.1	34.4 %