




ZENITH BANK PLC

RC: 150224



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CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2018

THE BOARD | **Chairman:** Jim Ovia, CON | **Group Managing Director/CEO:** Peter Amangbo | **Non-Executives:** Alhaji Baba Tela, Mr Jerry Efeyini, Prof. Chukuka Enwemeka, Prof. Oyewusi Ibidapo-Obe, Mr. Gabriel Ukpeh, Engr. Mustafa Bello | **Deputy Managing Directors:** Adaora Umeoji, Ebenezer Onyeagwu
Executives: Ahmed Umar Shuaib, Temitope Fasoranti, Dennis Olisa.

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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 30 September, 2018 that:

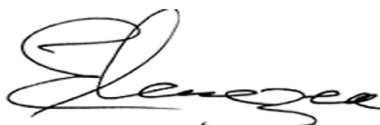
- (a) We have reviewed the report;
- (b) To the best of our knowledge, the report does not contain:
 - (i) Any untrue statement of a material fact, or
 - (ii) Omit to state a material fact, which would make the statements misleading in the light of the circumstances under which such statements were made;
- (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 30-Sep-18	9 Months 30-Sep-18	9 Months 30-Sep-17	12 Months 31-Dec-17	3 Months 30-Sep-18	9 Months 30-Sep-18	9 Months 30-Sep-17	12 Months 31-Dec-17
Gross earnings		152,402	474,607	531,266	745,189	132,922	409,174	478,931	673,636
Interest and similar income	14	110,393	339,063	361,789	474,628	91,927	285,766	323,947	420,210
Interest and similar expense	15	(35,837)	(110,546)	(160,297)	(216,637)	(29,977)	(95,131)	(149,185)	(200,672)
Net interest income		74,556	228,517	201,492	257,991	61,950	190,635	174,762	219,538
Impairment charge for credit loss	16	(4,618)	(14,338)	(47,053)	(98,227)	(4,412)	(12,785)	(39,673)	(95,244)
Net interest income after impairment charge for credit losses		69,938	214,179	154,439	159,764	57,538	177,850	135,089	124,294
Fee and commission income	17	23,256	69,967	71,021	90,143	19,836	57,350	58,840	72,846
Trading income	18	16,127	52,934	81,809	157,974	16,127	52,934	81,809	157,974
Other income	19	2,626	12,643	16,647	22,444	5,032	13,124	14,335	22,606
Amortisation of intangible assets	36	(628)	(1,745)	(1,163)	(1,631)	(576)	(1,589)	(1,019)	(1,431)
Depreciation of property and equipment	35	(4,277)	(12,244)	(8,660)	(12,428)	(3,762)	(10,763)	(7,783)	(11,059)
Personnel expenses		(16,879)	(51,687)	(45,930)	(64,459)	(13,723)	(42,856)	(39,993)	(55,672)
Operating expenses	20	(30,218)	(116,740)	(115,611)	(148,346)	(26,905)	(106,408)	(106,104)	(135,995)
Profit before tax		59,945	167,307	152,552	203,461	53,567	139,642	135,174	173,563
Income tax expense	21	2,493	(23,128)	(23,317)	(25,528)	1,371	(18,309)	(17,873)	(16,418)
Profit after tax		62,438	144,179	129,235	177,933	54,938	121,333	117,301	157,145
Other comprehensive income:									
Items that will never be reclassified to profit or loss									
Fair value movements on equity instruments		156	839	(1,540)	(2,551)	156	839	(1,540)	(2,551)
Items that are or may be reclassified to profit or loss									
Foreign currency translation differences		5,656	6,173	(1,048)	5,233	-	-	-	-
Other comprehensive income/loss for the period, net of tax		5,812	7,012	(2,588)	2,682	156	839	(1,540)	(2,551)
Total comprehensive income for the period		68,250	151,191	126,647	180,615	55,094	122,172	115,761	154,594

Statement of profit or loss and other comprehensive income

In millions of Naira	Notes	Group				Bank			
		3 Months 30-Sep-18	9 Months 30-Sep-18	9 Months 30-Sep-17	12 months 31-Dec-17	3 Months 30-Sep-18	9 Months 30-Sep-18	9 Months 30-Sep-17	12 months 31-Dec-17
Profit attributable to:									
Equity holders of the parent		52,669	143,747	129,050	177,614	54,938	121,333	117,301	157,145
Non-controlling interests		253	432	185	319	-	-	-	-
Total comprehensive income attributable to:									
Equity holders of the parent		58,616	150,905	126,472	180,281	55,094	122,172	115,761	154,594
Non-controlling interests		118	286	175	334	-	-	-	-
Earnings per share attributable to equity holders of parent									
Basic and diluted	22	198 k	458 k	411 k	566 k	175 k	386 k	374 k	501 k

Statements of financial position as at 30 September, 2018

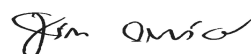
In millions of Naira	Note(s)	Group			Bank		
		30-Sep-18	30-Sep-17	31-Dec-17	30-Sep-18	30-Sep-17	31-Dec-17
Assets							
Cash and balances with central banks	23	904,235	767,394	957,663	862,052	723,744	907,265
Treasury bills	24	818,395	718,964	936,817	492,992	609,141	799,992
Asset pledged as collateral	25	579,704	455,875	468,010	579,704	454,606	468,010
Due from other banks	26	536,445	520,988	495,803	377,895	343,582	273,331
Derivative assets	27	95,222	63,508	57,219	95,222	63,508	57,219
Loans and advances	28	1,824,724	2,155,749	2,100,362	1,721,716	2,038,475	1,980,464
Investment securities	29	590,305	242,348	330,951	243,682	135,958	117,814
Investments in subsidiaries	30	-	-	-	34,003	33,003	34,003
Deferred tax assets	33	13,119	9,598	9,561	12,834	9,103	9,197
Other assets	34	96,039	70,130	92,494	86,298	64,335	56,052
Property and equipment	35	145,125	115,807	133,384	129,480	102,757	118,223
Intangible assets	36	14,472	11,457	12,989	13,244	10,753	12,088
Total assets		5,617,785	5,131,818	5,595,253	4,649,122	4,588,965	4,833,658
Liabilities							
Customers' deposits	37	3,275,547	3,062,214	3,437,915	2,450,530	2,553,061	2,744,525
Derivative liabilities	32	15,585	15,357	20,805	15,585	15,357	20,805
Current income tax	21	8,009	9,426	8,915	4,782	7,430	6,069
Deferred tax liabilities	33	68	-	18	-	-	-
Other liabilities	38	297,446	205,390	233,481	246,861	214,428	219,790
On-lending facilities	39	400,503	380,460	383,034	400,503	380,460	383,034
Borrowings	40	473,310	378,751	356,496	521,641	437,007	418,979
Debt securities issued	41	369,413	312,530	332,931	369,413	312,530	332,931
Total liabilities		4,839,881	4,364,128	4,773,595	4,009,315	3,920,273	4,126,133

Statement of Financial Position as at 30 September, 2018

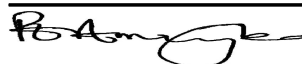
	Note(s)	Group			Bank		
		30-Sep-18	30-Sep-17	31-Dec-17	30-Sep-18	30-Sep-17	31-Dec-17
In of Naira							
Capital and reserves							
Share capital	42	15,698	15,698	15,698	15,698	15,698	15,698
Share premium	43	255,047	255,047	255,047	255,047	255,047	255,047
Retained earnings		310,801	312,673	365,757	228,230	256,956	296,787
Other reserves		194,848	183,114	183,839	140,832	140,991	139,993
Attributable to equity holder of the parent		776,394	766,532	820,341	639,807	668,692	707,525
Non-controlling interests		1,510	1,158	1,317	-	-	-
Total shareholders' equity		777,904	767,690	821,658	639,807	668,692	707,525
Total liabilities and equity		5,617,785	5,131,818	5,595,253	4,649,122	4,588,965	4,833,658

The unaudited financial statements were approved by the Board of Directors for issue on 17 October, 2018 and signed on its behalf by:

Jim Ovia, CON (Chairman)
FRC/2013/CIBN/00000002406



Peter Amangbo (Group Managing Director and Chief Executive)
FRC/2013/ICAN/00000001310



Ebenezer Onyeagwu (Deputy Managing Director)
FRC/2013/ICAN/00000003788



Mukhtar Adam (Chief Financial Officer)
FRC/2013/MULTI/00000003196



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

Statements of cash flows

In millions of Naira	Note(s)	Group			Bank		
		30-Sep-18	30-Sep-17	31-Dec-17	30-Sep-18	30-Sep-17	31-Dec-17
Cash flows from operating activities							
Profit after tax for the year		144,179	129,235	177,933	121,333	117,301	157,145
Adjustments for non-cash items:							
Impairment							
Impairment loss on loan and advances	16	13,132	47,053	98,204	11,579	39,673	30,748
Impairment loss on Investments	16	514	-	-	514	-	64,496
Impairment loss on Contingents	16	692	-	-	692	-	-
Impairment loss on other assets	16	-	-	23	-	-	-
Fair value changes in trading bond	18	1,489	(140)	-	1,489	(140)	-
Depreciation of property and equipment	35	12,244	8,660	12,428	10,763	7,783	11,059
Amortisation of intangible assets	36	1,745	1,163	1,631	1,589	1,019	1,431
Dividend income	19	(1,795)	(833)	(900)	(5,359)	(833)	(4,500)
Net revaluation loss on debt securities issued		27,003	-	6,064	27,003	-	6,064
Interest and similar income	14	(339,063)	(361,789)	(474,628)	(285,766)	(323,947)	(420,210)
Interest and similar expense	15	110,546	160,297	216,637	95,131	149,185	200,672
Profit on sale of property and equipment	19	(235)	(108)	(57)	(218)	(108)	(22)
Tax expense	21	23,128	23,317	25,528	18,309	17,873	16,418
Changes in operating assets and liabilities:							
Net (increase)/decrease in loans and advances		253,779	87,752	94,906	227,786	59,984	62,424
Net increase in other assets		(3,545)	(32,594)	(54,981)	(29,494)	(28,925)	(20,642)
Net (increase)/decrease in treasury bills with maturity greater than 3 months		(82,668)	(201,317)	76,739	215,900	(182,508)	24,495
Net (increase)/decrease in treasury bills (FVTPL)		189,687	-	(473,275)	189,687	-	(473,275)
Net increase in asset pledged as collateral		(111,694)	(127,532)	(139,667)	(111,694)	(129,031)	(142,435)
Net increase in debt securities		(250,167)	(44,270)	(132,704)	(117,538)	(18,735)	(1,375)
Net increase in restricted balances (cash reserves)		(30,982)	(65,160)	(118,930)	(31,011)	(65,318)	(119,078)
Net increase/(decrease) in customer deposits		(159,813)	167,802	611,306	(283,267)	55,562	302,282
Net increase/(decrease) in other liabilities		61,185	(1,606)	22,566	20,630	(27,730)	(22,132)
Net (increase)/decrease in derivative assets		(38,003)	19,352	25,641	(38,003)	19,352	25,641
Net increase/(decrease) in derivative liabilities		(10,280)	(51,477)	(46,029)	(10,280)	(51,477)	(46,029)
		(188,922)	(242,195)	(71,565)	29,775	(361,020)	(346,823)
Interest received		264,492	260,483	301,552	192,920	249,553	299,570
Interest paid		(95,018)	(148,200)	(200,573)	(79,603)	(130,255)	(190,752)
Tax paid	21	(31,331)	(26,408)	(28,522)	(23,233)	(20,432)	(20,431)
VAT paid		(2,058)	(1,684)	(2,235)	(1,967)	(1,578)	(1,814)
Net cash flows(used in)/generated from operating activities		(52,837)	(158,004)	(1,343)	117,892	(263,732)	(260,250)

Statement of Cash Flows

	Group			Bank			
	30-Sep-18	30-Sep-17	31-Dec-17	30-Sep-18	30-Sep-17	31-Dec-17	
In millions of Naira							
Cash flows from investing activities							
Purchase of property and equipment	35	(38,258)	(21,401)	(41,883)	(22,116)	(19,304)	(38,180)
Proceeds from sale of property and equipment		349	(2,127)	241	314	155	206
Purchase of intangible assets	36	(3,047)	(4,631)	(6,694)	(2,492)	(4,541)	(6,288)
Purchase of equity securities		-	-	(1,000)	-	-	(1,000)
Dividend received		1,795	833	900	5,359	833	4,500
Net cash from investing activities		(39,161)	(27,326)	(48,436)	(18,935)	(22,857)	(40,762)
Cash flows from financing activities							
Net inflow from on-lending facilities		17,409	29,803	32,377	17,409	29,803	32,377
Net movement in borrowings		115,645	115,645	93,390	98,214	144,206	126,177
Repayment of debt securities issued		-	-	21,164	-	-	21,164
Inflow from debt securities issued		-	159,066	152,239	-	159,066	152,239
Dividends paid		(86,340)	(63,422)	(63,422)	(86,340)	(63,422)	(63,422)
Finance lease payments		-	-	(370)	-	-	(370)
Net cash from financing activities		44,632	241,092	235,378	29,283	269,653	268,165
(Decrease)/Increase in cash and cash equivalent		(47,366)	55,762	185,599	128,240	(16,936)	(32,847)
Cash at the beginning of the period		916,342	727,399	727,399	533,511	566,358	566,358
Effect of exchange rate movement on cash balances		(6,492)	(767)	3,344	-	-	-
Cash and cash equivalent at the end of the period/year	47	862,484	782,394	916,342	661,751	549,422	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 millions 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	-	-	-	-	-	-	-	143,747	143,747	432	144,179
Foreign currency translation differences	-	-	6,319	-	-	-	-	-	6,319	(146)	6,173
Fair value movements on equity instruments	-	-	-	839	-	-	-	-	839	-	839
Total comprehensive income for the period	-	-	6,319	839	-	-	-	143,747	150,905	286	151,191
Transfer between reserves	-	-	-	-	3,737	-	114	(3,851)	-	-	-
IFRS 9 transfer to loan reserve	-	-	-	-	-	-	-	(108,116)	(108,116)	(53)	(108,169)
Dividends	-	-	-	-	-	-	-	(86,736)	(86,736)	(40)	(86,776)
Balance at 30 September, 2018	15,698	255,047	40,002	9,238	139,423	3,729	2,456	310,801	776,394	1,510	777,904
At 1 January, 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

	Share capital	Share premium	Revaluation reserve	Fair value adjustment assets-available-for-sale reserve	Statutory reserve	SMIEIS reserve	Credit risk reserve	Retained earnings	Total
In millions of Naira									
Bank									
Balance at 1 January, 2018	15,698	255,047	-	8,399	127,865	3,729	-	296,787	707,525
Profit for the period	-	-	-	-	-	-	-	121,333	121,333
Fair value movement on equity instruments	-	-	-	839	-	-	-	-	839
Total comprehensive income for the period	-	-	-	839	-	-	-	121,333	122,172
IFRS 9 transfer to loan reserve	-	-	-	-	-	-	-	(103,550)	(103,550)
Dividends	-	-	-	-	-	-	-	(86,340)	(86,340)
Balance at 30 September, 2018	15,698	255,047	-	9,238	127,865	3,729	-	228,230	639,807
Balance at 1 January, 2017	15,698	255,047	-	10,950	104,293	3,729	8,129	218,507	616,353
Profit for the period	-	-	-	-	-	-	-	157,145	157,145
Fair value movement on equity instruments	-	-	-	(2,551)	-	-	-	-	(2,551)
Total comprehensive income for the period	-	-	-	(2,551)	-	-	-	157,145	154,594
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	-	296,787	707,525

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 9 months period 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 period ended 30 September, 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 2017 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.

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, 2018.

2.1. Impairment of financial assets under Financial Instruments (IFRS 9).

The Group has adopted IFRS 9, "Financial Instruments" as issued by the IASB in July 2014 with a date of transition of 1 January 2018, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. The Group had previously adopted IFRS 9 as issued by the IASB in 2010 which covered the classification and measurement of financial assets and financial liabilities. The major change in the current adoption relates to the impairment of financial assets.

As permitted by the transitional provisions of IFRS 9, the Group elected not to restate comparative figures. Adjustments to the carrying amounts of financial assets and financial liabilities at the date of the transition were recognised in the opening retained earnings and other reserves of the current period.

The adoption of IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 (Financial Instrument Disclosures).

2.2. IFRS 15: Revenue from contracts with customers

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether how much and when revenue is recognised. The adoption of this standard does not have a significant impact on the Group.

Transition

Changes in accounting policies resulting from the adoption of IFRS 15 have been applied prospectively.

Notes to the Consolidated And Separate Financial Statements

3. Seasonality of operations

The impact of seasonality or cyclical 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

Critical accounting estimates 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

6. Dividends

The directors did not recommend the payment of any dividend for the Group's 9 months results to 30 September, 2018 (30 September, 2017: NIL).

7. Significant events after the end of the interim period

There were no significant events that occurred after the nine months that would necessitate a disclosure and/or adjustment to the 9 months return presented herein.

8. Business combinations

There was no business combination during the period.

9. Restructuring and reversals of restructuring provisions

Loans and advances to customers of N266.53 billion which are neither past due nor impaired have been renegotiated.

10. Correction of prior period errors

No error has been noted in relation to the prior period 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 litigation settlement of N87 million in the nine month period ended 30 September, 2018 (30 September, 2017: N1.8 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 Financial Statements

	Nigeria	Outside Nigeria		Total	Eliminations	Consolidated
		Africa	Europe	reportable		
				segments		
In millions of Naira						
30 September, 2018						
Revenue:						
Derived from external customers	411,729	49,609	13,269	474,607	-	474,607
Derived from other business segments	5,494	-	-	5,494	(5,494)	-
Total revenue*	417,223	49,609	13,269	480,101	(5,494)	474,607
Interest expense	(95,131)	(16,156)	(1,189)	(112,476)	1,930	(110,546)
Impairment charge for credit losses	(12,785)	(1,124)	(429)	(14,338)	-	(14,338)
Operating expenses	(162,480)	(15,526)	(4,410)	(182,416)	-	(182,416)
Profit before tax	146,827	16,803	7,241	170,871	3,564	167,307
Tax expense	(20,320)	(2,679)	(129)	(23,128)	-	(23,128)
Profit after tax	126,507	14,124	7,112	147,743	3,564	144,179

	Nigeria	Outside Nigeria		Total	Eliminations	Consolidated
		Africa	Europe	reportable		
				segments		
In millions of Naira						
30 September, 2018						
Capital expenditure**	29,271	2,712	350	32,333	-	32,333
Identifiable assets	4,674,377	474,002	593,401	5,741,780	(123,995)	5,617,785
Identifiable liabilities	4,011,924	397,981	515,969	4,925,874	(85,993)	4,839,881

* 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 Financial Statements

	Nigeria	Outside Nigeria Africa	Banking Europe	Total reportable segments	Eliminations	Consolidated
In millions of Naira						
30 September, 2017						
Revenue:						
Derived from external customers	475,740	36,968	10,154	522,862	-	522,862
Derived from other business segments	2,219	-	22	2,241	(2,241)	-
Total revenue*	477,959	36,968	10,176	525,103	(2,241)	522,862
Interest expense	140,694	(12,383)	1,057	(154,134)	2,241	(151,893)
Impairment charge for credit losses	(39,673)	(1,909)	(5,471)	(47,053)	-	(47,053)
Operating expenses	156,664	10,756	4,038	(171,458)	-	(171,458)
Profit before tax	140,928	11,920	(390)	152,458	-	152,458
Tax expense	(19,632)	(3,771)	86	(23,317)	-	(23,317)
Profit after tax	121,296	8,149	(304)	129,141	-	129,141
In millions of Naira						
30 September, 2017						
Capital expenditure**	20,568	2,766	2,698	26,032	-	26,032
Identifiable assets	4,610,917	319,849	417,933	5,348,699	(216,882)	5,131,817
Identifiable liabilities	3,922,618	266,237	359,149	4,548,004	(183,876)	4,364,128

* 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 financial statements

In millions of Naira	Group				Bank			
	3 Months Sep-18	30-9 Months Sep-18	30-9 Months Sep-17	12 Months 31-Dec-17	3 Months Sep-18	30-9 Months Sep-18	30-9 Months Sep-17	12 Months 31-Dec-17
14. Interest and similar income								
Loans and advances to customers	67,626	214,060	240,999	314,683	65,247	201,964	227,255	295,932
Treasury bills	24,095	75,507	84,332	109,740	13,441	48,154	67,243	84,973
Government and other bonds	14,697	40,578	32,245	43,472	11,068	32,294	29,023	38,753
Placement with banks and discount houses	3,975	8,918	4,213	6,733	2,171	3,354	426	552
	110,393	339,063	361,789	474,628	91,927	285,766	323,947	420,210
15. Interest and similar expense								
Current accounts	2,502	8,277	6,755	10,029	2,344	7,829	6,316	9,403
Savings accounts	3,489	12,790	12,270	17,099	3,443	12,670	12,139	16,927
Time deposits	10,181	32,983	107,985	108,735	6,987	23,506	98,684	95,329
Borrowed funds	19,665	56,496	33,287	80,774	17,203	51,126	32,046	79,013
	35,837	110,546	160,297	216,637	29,977	95,131	149,185	200,672
16. Impairment charge								
Other financial assets	-	-	-	23	-	-	-	-
Loans and advances (See note 28)	4,618	13,132	47,053	98,204	4,412	11,579	39,673	95,244
Impairment charge on Investments contingents	-	514	-	-	-	514	-	-
	-	692	-	-	-	692	-	-
	4,618	14,338	47,053	98,227	4,412	12,785	39,673	95,244

Notes to the Consolidated and separate financial statements

In millions of Naira	Group				Bank			
	3 Months 30-9 Sep-18	Months 30-9 Sep-18	Months 30-9 Sep-17	12 Months 31-Dec-17	3 Months 30-9 Sep-18	Months 30-9 Sep-18	Months 30-9 Sep-17	12 Months 31-Dec-17
17. Fees and commission income								
Credit related fees	2,846	11,627	13,861	20,834	3,238	10,565	11,870	17,718
Current account maintenance	4,965	14,672	28,584	29,450	4,426	13,070	27,392	27,710
Income from financial guarantee contracts issued	2,461	6,606	3,018	4,617	2,351	6,293	2,786	4,275
Fees on electronic products	7,580	17,658	8,442	12,280	7,298	16,853	7,807	11,387
Foreign currency transaction fees and commission	1,029	2,091	2,152	2,708	318	772	1,128	1,277
Asset based fees	1,709	6,063	5,832	7,943	-	-	-	-
Auction fees income	889	2,368	1,280	1,894	889	2,368	1,280	1,894
Corporate finance fees	171	659	1,394	2,048	84	383	1,327	1,674
Foreign withdrawal charges	1,153	3,324	2,343	3,509	1,153	3,324	2,343	3,509
Commission on agency and collection services	453	4,899	4,115	4,860	79	3,722	2,907	3,402
	23,256	69,967	71,021	90,143	19,836	57,350	58,840	72,846
18. Trading income								
Derivatives (loss)/income	(2,180)	(20,774)	28,788	68,711	(2,180)	(20,774)	28,788	68,711
Treasury bill trading income	20,112	75,197	52,881	88,895	20,112	75,197	52,881	88,895
Bond trading (loss)/income	(1,805)	(1,489)	140	368	(1,805)	(1,489)	140	368
	16,127	52,934	81,809	157,974	16,127	52,934	81,809	157,974
19. Other operating income								
Income on cash handling	122	435	400	557	84	314	303	423
Provision no longer required	-	-	8,404	8,404	-	-	8,404	8,404
Dividend Income from equity instruments	-	1,795	833	900	3,564	5,359	833	4,500
Gain on disposal of property and equipment	67	235	108	57	67	218	108	22
Foreign currency revaluation gain	2,437	10,178	6,999	12,526	1,317	7,233	4,687	9,257
	2,626	12,643	16,744	22,444	5,032	13,124	14,335	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 financial statements

In millions of Naira	Group				Bank			
	3 Months Sep-18	30-9 Months Sep-18	30-9 Months Sep-17	12 Months 31-Dec-17	3 Months Sep-18	30-9 Months Sep-18	30-9 Months Sep-17	12 Months 31-Dec-17
20. Operating expenses								
Directors' emolument	336	1,008	605	1,479	151	453	237	551
Auditors' remuneration	166	502	472	693	107	335	375	510
Deposit insurance premium	2,984	8,515	8,762	11,683	2,984	8,515	8,762	11,683
Professional fees	816	3,037	2,723	3,442	664	2,588	2,470	2,997
Training and development	497	2,792	4,159	4,070	445	2,618	3,970	3,811
Information technology	3,235	6,898	8,640	12,686	3,069	6,408	8,233	12,109
Operating lease	843	2,525	2,703	3,771	538	1,599	1,681	2,331
Advertisement	4,403	7,568	7,229	8,819	4,311	7,322	6,667	8,577
Outsourcing services	2,485	7,232	7,810	9,583	2,485	7,232	7,810	9,583
Bank charges	1,270	2,912	1,520	2,984	1,173	2,636	1,370	2,765
Fuel and maintenance	4,817	13,902	14,432	19,367	4,340	12,678	11,504	16,371
Insurances	695	3,797	1,977	6,310	662	3,697	1,885	6,180
Licenses, registrations and subscriptions	459	2,285	1,702	2,871	367	1,969	1,476	2,567
Travel and hotel expenses	1,040	2,824	5,139	7,289	855	2,271	4,637	6,670
Printing and stationery	553	1,608	1,606	2,457	401	1,172	1,234	1,903
Security and cash handling	818	2,449	3,851	4,975	707	2,132	3,603	4,615
Fraud and forgery	111	117	42	368	111	117	42	368
Expenses on electronic products	1,874	6,810	4,215	7,595	1,291	5,860	4,008	7,285
Fines and penalties	-	10	-	-	-	10	-	-
Donations	634	2,149	2,035	2,624	620	2,124	2,030	2,611
AMCON	-	28,542	21,419	21,419	-	28,542	21,419	21,419
Telephone and postages	501	1,365	1,783	2,414	421	1,112	1,555	2,106
Corporate promotions	1,244	5,385	3,296	8,056	1,196	4,973	3,197	7,920
Other expenses	437	2,508	9,491	3,391	7	45	7,939	1,063
	30,218	116,740	115,611	148,346	26,905	106,408	106,104	135,995

Notes to the Consolidated and separate financial statements

In millions of Naira	Group				Bank			
	3 Months Sep-18	30-9 Months Sep-18	30-9 Months Sep-17	12 Months 31-Dec-17	3 Months Sep-18	30-9 Months Sep-18	30-9 Months Sep-17	12 Months 31-Dec-17
21. Taxation								
Major components of the tax (income) expense								
Minimum tax	1,096	2,760	-	4,350	1,096	2,760	-	4,350
Current								
Corporate tax	(1,201)	4,469	9,016	8,878	-	-	3,922	-
Excess dividend tax	-	17,164	11,546	11,546	-	17,164	11,546	11,546
Information technology tax	495	1,391	1,487	1,804	531	1,383	1,337	1,719
Education tax	894	982	256	112	640	640	164	-
Effect of tax rates in foreign jurisdictions	-	-	802	-	-	-	-	-
Over provision	-	-	3,966	1,959	-	-	3,966	1,959
	1,284	26,766	27,073	28,649	2,267	21,947	20,935	19,574
Deferred tax expense (see note 33)	(3,777)	(3,638)	(3,756)	(3,121)	(3,638)	(3,638)	(3,062)	(3,156)
Total tax expense	(2,493)	23,128	23,317	25,528	(1,371)	18,309	17,873	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		(31,331)	(26,408)	(28,522)		(23,233)	(20,432)	(20,431)
Tax effect of translation		-	(192)	(165)		-	-	-
Minimum tax charge		2,760	-	4,350		2,760	-	4,350
Income tax charge		27,665	27,073	24,299		19,186	20,935	15,223
At the end of the period		8,009	9,426	8,915		-	4,782	7,430
Applicable tax rate			30 %	30 %		- %	30 %	30 %
								- %

Notes to the Consolidated and separate financial statements

In millions of Naira	Group				Bank			
	3 Months 30-9 Sep-18	3 Months 30-9 Sep-18	3 Months 30-9 Sep-17	12 Months 31-Dec-17	3 Months 30-9 Sep-18	3 Months 30-9 Sep-18	3 Months 30-9 Sep-17	12 Months 31-Dec-17
22. Earnings per share								
Profit attributable to shareholders of the Bank (N'million)	52,669	143,747	129,050	177,614	54,938	121,333	117,301	157,145
Number of shares in issue at end of the period (millions)	31,396	31,396	31,396	31,396	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	31,396	31,396	31,396	31,396
Basic earnings per share	168 k	458 k	411 k	566 k	175 k	386 k	374 k	501 k

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-18	30-Sep-17	31-Dec-17	30-Sep-18	30-Sep-17	31-Dec-17
23. Cash and balances with central banks						
Cash	64,866	68,475	150,883	50,899	57,048	136,711
Operating accounts with central banks	161,273	105,575	159,666	133,057	73,371	123,469
Mandatory reserve deposits with central bank	597,407	512,655	566,425	597,407	512,636	566,396
Cash requirement special intervention reserve	80,689	80,689	80,689	80,689	80,689	80,689
	904,235	767,394	957,663	862,052	723,744	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.

24. Treasury bills

Treasury bills (FVTPL)	357,969	518,404	547,656	357,969	518,404	547,656
Treasury bills (Amortized cost)	461,739	200,560	389,161	136,336	90,737	252,336
Treasury bill impairment allowance	(1,313)	-	-	(1,313)	-	-
	818,395	718,964	936,817	492,992	609,141	799,992
Treasury bills less than 3 months maturity	99,900	87,356	109,990	99,900	75,421	-

25. Assets pledged as collateral

Treasury bills pledged as collateral	4,940	-	-	4,940	-	-
Bonds pledged as collateral	95,377	44,210	125,059	95,377	42,941	125,059
Treasury bills under repurchase agreement	371,763	316,422	267,028	371,763	316,422	267,028
Bonds under repurchase agreement	107,624	95,243	75,923	107,624	95,243	75,923
	579,704	455,875	468,010	579,704	454,606	468,010

The total financial assets recognised in the statement of financial position that has been pledged as collateral for liabilities as at 30 September, 2018 and 30 September, 2017 as 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.

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-18	30-Sep-17	31-Dec-17	30-Sep-18	30-Sep-17	31-Dec-17
26. Due from other banks						
Current balances with banks within Nigeria	11,792	16,260	18,287	-	-	-
Current balances with banks outside Nigeria	283,611	302,200	273,721	306,729	334,073	264,598
Placements with banks and discount houses	241,042	201,528	203,795	71,166	8,509	8,733
Due from other banks under repurchase agreement	-	1,000	-	-	1,000	-
	536,445	520,988	495,803	377,895	343,582	273,331
27. Derivative assets						
Forward contracts (fair value)	93,564	63,508	42,285	95,222	63,508	42,285
Futures contracts (fair value)	1,658	-	14,934	-	-	14,934
	95,222	63,508	57,219	95,222	63,508	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.

Notes to the Consolidated And Separate Financial Statements

In Millions of Naira	Group			Bank		
	30-Sep-18	30-Sep-17	30-Sep-17	30-Sep-18	30-Sep-17	30-Sep-17
28. Loans and advances to customers						
Overdrafts	230,753	587,089	514,009	198,608	550,605	480,392
Term loans	1,433,236	1,310,658	1,355,300	1,352,819	1,207,330	1,253,817
On-lending facilities	399,441	370,973	379,195	399,441	370,973	379,195
Advances under finance lease	2,615	4,337	3,668	2,615	4,332	3,665
Gross loans and advances to customers	2,066,045	2,273,057	2,252,172	1,953,483	2,133,240	2,117,069
Less: Allowances for impairment	(241,321)	(117,308)	(151,810)	(231,767)	(76,708)	(136,605)
Net loans and advances to customers	1,824,724	2,155,749	2,100,362	1,721,716	2,056,532	1,980,464

Notes to the Consolidated And Separate Financial Statements

28. Loans and advances to customers (continued)

GROUP

In Millions of Naira	12 Month ECL	Lifetime ECL Not Credit- impaired	Lifetime ECL Credit-Impaired	Purchase Credit- impaired	30 September, 2018	Specific	Collective	31 December, 2017
					Total			Total
Loans and advances to customer's at amortised cost								
Balance at 1 January	64,815	35,696	153,329	-	253,840	32,896	38,548	71,444
Net remeasurement of loss allowance	(10,410)	(10,173)	33,715	-	13,132	59,513	38,691	98,204
Financial assets that have been derecognised			(25,392)		(25,392)			-
Write-offs					-	(6,535)	(7,196)	(13,731)
Foreign exchange and other movement	(259)				(259)	(2,970)	(1,137)	(4,107)
Closing balance	54,146	25,523	161,652	-	241,321	82,904	68,906	151,810
Gross amount	1,615,073	230,126	220,846		2,066,045	84,793	2,167,379	2,252,172

BANK

In Millions of Naira	12 Month ECL	Lifetime ECL Not Credit- impaired	Lifetime ECL Credit-Impaired	Purchase Credit- impaired	30 September, 2018	Specific	Collective	31 December, 2017
					Total			Total
Loans and Advances to Customer's at Amortised Cost								
Balance at 1 January	60,761	33,245	141,832	-	235,838	17,607	37,485	55,092
Net Remeasurement of Loss Allowance	(10,344)	(9,998)	31,921	-	11,579	57,371	57,873	115,244
Financial assets that have been derecognised			(15,650)		(15,650)			-
Write-offs					-	(6,535)	(7,196)	(13,731)
Closing Balance	50,417	23,247	158,103	-	231,767	68,443	88,162	156,605
Gross Amount	1,527,140	217,588	208,755		1,953,483	84,793	2,167,379	2,252,172

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-18	30-Sep-17	31-Dec-17	30-Sep-18	30-Sep-17	31-Dec-17
29. Investment securities						
(a) Analysis of investments						
Debt securities	543,112	227,236	316,850	196,489	120,846	103,713
Equity securities	49,140	15,112	14,101	49,140	15,112	14,101
Bonds impairment allowance	(1,947)	-	-	(1,947)	-	-
	590,305	242,348	330,951	243,682	135,958	117,814

30. 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.

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

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-18	30-Sep-17	31-Dec-17	30-Sep-18	30-Sep-17	31-Dec-17

31. 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.

Balance at beginning of the period	1,312	1,312	1,312	1,312	1,312	1,312
Share of profit brought forward	440	440	440	-	-	-
Diminution in investment	(1,752)	(1,752)	(1,752)	(1,312)	(1,312)	(1,312)
Balance at end of the period	-	-	-	-	-	-

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.

32. Derivative liabilities

Forward Contract	1,180	15,357	6,124	15,585	15,357	6,124
Futures Contract	14,405	-	14,681	-	-	14,681
	15,585	15,357	20,805	15,585	15,357	20,805

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-18	30-Sep-17	31-Dec-17	30-Sep-18	30-Sep-17	31-Dec-17
33. 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	13,119	9,598	6,440	12,834	9,103	9,197
Movement in deferred tax asset						
Opening balance	9,561	6,440	6,440	9,196	6,041	6,041
Movement	3,558	3,158	3,121	3,638	3,062	3,156
Closing balance	13,119	9,598	9,561	12,834	9,103	9,197
Deferred tax liabilities						
At the start of the period	18	45	45	-	-	-
Charge for the period	50	(45)	(27)	-	-	-
At the close of the period	68	-	18	-	-	-
34. Other assets						
Prepayments	24,538	22,373	15,166	21,747	20,335	13,300
Deposits for shares	-	-	-	-	650	650
Electronic card related receivables	49,832	26,664	37,397	47,706	24,634	35,462
Intercompany receivables	-	-	-	832	13,151	1,075
AGSMEIS Receivables	13,822	5,964	5,964	13,822	5,964	5,964
Receivables	8,590	20,377	39,215	2,921	4,849	4,849
Less: allowance for impairment	(743)	(5,248)	(5,248)	(730)	(5,248)	(5,248)
	96,039	70,130	92,494	86,298	64,335	56,052

Notes to the Consolidated And Separate Financial Statements

In millions of Naira

35. 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	38,814	65,565	16,916	26,077	12,600	15,780	12,015	216,243
Additions	579	14,036	11,577	3,534	2,004	-	2,523	4,005	38,258
Disposals	-	-	(900)	(972)	(121)	-	-	-	(1,993)
Reclass from WIP	-	40	21	-	-	-	3	(64)	-
Reclassification	-	-	(51)	-	(1)	-	52	-	-
Foreign exchange movements	-	643	569	1,200	1,626	-	1,524	998	6,560
At the end of the period	29,055	53,533	76,781	20,678	29,585	12,600	19,882	16,954	259,068
Accumulated Depreciation									
At start of the period	-	5,390	42,480	12,831	23,998	210	13,111	-	98,020
Charge for the period	-	750	6,286	1,737	1,511	945	1,015	-	12,244
Disposals	-	-	(876)	(919)	(84)	-	-	-	(1,879)
Reclassification	-	1	3	-	5	-	(9)	-	-
Foreign exchange movements	-	126	1,427	1,082	1,531	-	1,392	-	5,558
At the end of the period	-	6,267	49,320	14,731	26,961	1,155	15,509	-	113,943
Net Book Amount At 30 September, 2018	29,055	47,266	27,461	5,947	2,624	11,445	4,373	16,954	145,125
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 Financial Statements

In millions of Naira

35. 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	38,814	65,565	16,916	26,077	12,600	15,780	12,015	216,243
Additions	579	4,036	8,851	2,685	703	-	1,699	3,563	22,116
Disposals	-	-	(894)	(972)	(118)	-	-	-	(1,984)
Reclass from WIP	-	42	19	-	-	-	3	(64)	-
Reclassification	-	-	(51)	-	(1)	-	52	-	-
At the end of the period	29,055	42,892	73,490	18,629	26,661	12,600	17,534	15,514	236,375

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	23,998	210	13,111	-	98,020
Charge for the period	-	604	5,744	1,498	1,066	945	906	-	10,763
Disposals	-	-	(885)	(919)	(84)	-	-	-	(1,888)
Reclassification	-	1	6	-	5	-	(12)	-	-
At the end of the period	-	5,995	47,345	13,410	24,985	1,155	14,005	-	106,895
Net Book Amount At 30 September, 2018	29,055	36,897	26,145	5,219	1,676	11,445	3,529	15,514	129,480
At 31 December, 2017	28,476	33,425	23,084	4,085	2,079	12,390	2,669	2,015	118,223

Notes to the Consolidated And Separate Financial Statements

In millions of Naira

36. Intangible assets

Computer software

	Group 30-Sep-18	Group 30-Sep-17	Group 31-Dec-17	Bank 30-Sep-18	Bank 30-Sep-17	Bank 31-Dec-17
Cost						
At start of the period	22,099	11,998	11,998	19,377	9,761	9,761
Exchange difference	300	68	79	-	-	-
Reclassification	255	3,328	3,328	255	3,328	3,328
Additions	3,047	4,631	6,694	2,492	4,541	6,288
At end of the period	25,701	20,025	22,099	22,124	17,630	19,377
Accumulated depreciation						
At start of the period	9,110	7,353	7,353	7,289	5,858	5,858
Exchange difference	272	52	126	-	-	-
Reclassification	102	-	-	2	-	-
Disposal	-	-	-	-	-	-
Charge for the period	1,745	1,163	1,631	1,589	1,019	1,431
At the end of the period	11,229	8,568	9,110	8,880	6,877	7,289
Carrying amount at period end	14,472	11,457	12,989	13,244	10,753	12,088

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-18	30-Sep-17	31-Dec-17	30-Sep-18	30-Sep-17	31-Dec-17
37. Deposits						
Demand	1,810,963	1,551,285	1,812,843	1,218,042	1,240,017	1,337,839
Savings	460,837	356,853	383,045	389,639	306,979	339,488
Term	432,867	538,448	572,461	347,872	451,906	460,484
Domiciliary	570,880	615,628	669,566	494,977	554,159	606,714
	3,275,547	3,062,214	3,437,915	2,450,530	2,553,061	2,744,525
38. Other liabilities						
Settlement payables	27,121	22,593	25,296	27,029	22,584	25,198
Electronic card related payables	2,682	2,797	1,687	2,453	2,673	1,505
Due to banks for clean letters of credit	46,851	20,184	47,719	41,566	34,058	47,719
Managers' cheques	14,424	12,776	17,670	13,143	11,941	16,904
Tax collections	2,134	3,050	3,604	1,906	2,897	3,416
Sales and other collections	32,386	32,286	29,174	32,386	32,286	29,174
Deferred income on financial guarantee contracts	1,573	904	654	1,572	904	654
Unclaimed dividend	5,832	3,521	3,521	5,832	3,521	3,521
Finance lease obligation	11,921	-	12,049	11,921	-	12,049
Customer deposits for letters of credit	78,287	90,721	69,308	78,150	90,616	69,163
Customer's foreign transactions payables	26,177	5,462	9,026	19,095	2,565	6,417
Other payables	48,058	11,096	13,773	11,808	10,383	4,070
	297,446	205,390	233,481	246,861	214,428	219,790

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-18	30-Sep-17	31-Dec-17	30-Sep-18	30-Sep-17	31-Dec-17
39. On-lending facilities						
This comprises:						
Central Bank of Nigeria (CBN) Commercial Agriculture Credit Scheme Loan	62,322	78,034	57,515	62,322	78,034	57,515
Bank of Industry (BOI) Intervention Loan	46,207	50,391	49,375	46,207	50,391	49,375
Central Bank of Nigeria (CBN) / Bank of Industry(BOI) - Power & Aviation intervention Funds	13,585	8,118	7,661	13,585	8,118	7,661
CBN MSMEDF Deposit	4,421	4,258	4,011	4,421	4,258	4,011
FGN SSB Intervention Fund	140,686	145,017	142,999	140,686	145,017	142,999
Excess Crude Loan Facility Deposit	89,339	94,642	92,812	89,339	94,642	92,812
Non-Oil Export Stimulation Facility	9,042	-	-	9,042	-	-
Real Sector Support Facility	34,901	-	28,661	34,901	-	28,661
	400,503	380,460	383,034	400,503	380,460	383,034

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-18	30-Sep-17	31-Dec-17	30-Sep-18	30-Sep-17	31-Dec-17
40. Borrowings						
Long term borrowing comprise:						
Due to ADB	28,738	33,753	37,115	28,738	33,753	37,115
Due to KEXIM	6,975	6,299	5,861	6,975	6,299	5,861
Due to EIB	2,509	4,222	4,628	2,509	4,222	4,628
Due to PROPARCO	13,443	15,393	14,253	13,443	15,393	14,253
Due to SMBCE	-	58,966	-	-	58,966	-
Due to Societe Generale	27,196	-	-	27,196	-	-
Due to AFC	47,493	55,626	17,307	47,493	55,626	17,307
Due to First Abu Dhabi Bank	81,753	-	33,313	81,753	-	33,313
Due to ABSA bank	63,485	46,194	50,310	63,485	46,194	50,310
Due to J P Morgan Chase bank	84,171	22,953	33,198	84,171	22,953	33,198
Due to Standard Bank London	36,906	83,745	58,993	36,906	83,745	58,993
Due to First Rand bank	-	1,995	-	-	1,995	-
Due to IFC	23,926	28,210	28,116	23,926	3	28,116
Due to Standard Bank South Africa	49,344	-	66,723	49,344	-	66,723
Due to Citi Global Markets	-	15,890	-	-	15,890	-
Due to British Arab Bank	7,371	5,505	6,679	7,371	5,505	6,679
Due to Zenith Bank (UK)	-	-	-	10,499	7,678	8,313
Due to Zenith Bank Ghana	-	-	-	37,832	50,578	54,170
	473,310	378,751	356,496	521,641	408,800	418,979
41. Debt securities issued						
Due to Euro bond holders	369,413	312,530	332,931	369,413	312,530	332,931
	369,413	312,530	332,931	369,413	312,530	332,931

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-18	30-Sep-17	31-Dec-17	30-Sep-18	30-Sep-17	31-Dec-17
42. 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	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	15,698	15,698
Share premium	255,047	255,047	255,047	255,047	255,047	255,047
	270,745	270,745	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		
	30-Sep-18	30-Sep-17	31-Dec-17	30-Sep-18	30-Sep-17	31-Dec-17
43. 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.

44. 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 N2,738 million and N2,148 million respectively (2017: N2,738 million and N2,148 million).

Notes to the Consolidated And Separate Financial Statements

In millions of Naira

45. 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 30 September 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 Nomi nees Limited	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 30-Sep-18	Group 30-Sep-17	Group 31-Dec-17
Salaries and other short-term benefits	912	848	773
Retirement benefit cost	22	19	30
Allowances	238	138	676
At end of of the period	1,172	1,005	1,479

Notes to the Consolidated And Separate Financial Statements

In Millions of Naira	Group			Bank		
	30-Sep-18	30-Sep-17	30-Sep-17	30-Sep-18	30-Sep-17	30-Sep-17

45. Related party transactions (continued)

Loans and advances

At start of the period				930	292	954
Granted during the period				119	-	-
Repayment during the period				(17)	(106)	(24)
At end of of the period				1,032	186	930

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). Interest earned on loans to directors for the Group and the Bank are N23million and N21 million respectively. The mortgage loans are secured by the underlying assets. All other loans are unsecured.

Group					
30 September, 2018					
In millions of Naira					
Name of company / Individual	Loans	Deposits	Interest received	Interest paid	Transaction with Zenith Bank
Sirius Lumina Ltd	-	1	-	-	-
Zenith General Insurance Company	-	721	-	7	2,036
Zenith Trustee Limited	-	1	-	-	-
Directors and Relatives	-	278	2	-	-
Cyberspace Limited	-	166	-	-	3,301
Quantum Fund Management	-	65	-	-	-
At end of of the period	-	1,232	2	7	5,337

Group

Notes to the Consolidated And Separate Financial Statements

In Millions of Naira	Group			Bank		
	30-Sep-18	30-Sep-17	30-Sep-17	30-Sep-18	30-Sep-17	30-Sep-17

45. Related party transactions (continued)

31 December 2017

In millions of Naira

Name of company / Individual

	Loans	Deposits	Interest received	Interest paid
Zenith General Insurance Company	-	1,051	-	9
Zenith Trustee Limited	-	1	-	1
Directors and relatives	-	301	4	1
Quantum Fund Management	-	64	-	-
Cyberspace Networks Limited	-	692	3	-
At end of of the period	-	2,109	7	11

Loans granted to related parties are secured by real estate and other assets of the respective borrowers. No impairment has been recognised on loans granted to related parties (2017:Nil)

46. Acceptances and guarantees

(a) Legal proceedings

The Bank is presently involved in 148 litigation suits in its ordinary course of business. The total amount claimed in the cases against the bank is estimated at N25.78 billion (31 December 2018 N48.63 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 N4.45 billion (31 December 2017: N5.72 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 Financial Statements

In millions of Naira

46. Acceptances and guarantees (continued)

In millions of Naira	Group 30-Sep-18	Group 30-Sep-17	Group 31-Dec-17	Bank 30-Sep-18	Bank 30-Sep-17	Bank 31-Dec-17
Performance bonds and guarantees	664,211	492,573	492,927	488,784	453,550	445,913
Usance	77,900	219,269	141,283	77,900	219,269	141,283
Letters of credit	488,146	367,004	381,917	174,631	274,815	287,645
	1,230,257	1,078,846	1,016,127	741,315	947,634	874,841
Pension Funds (See Note (below))	3,392,344	2,768,017	2,961,650	3,392,344	2,768,017	2,961,650

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 3,392 billion (2017: N 2,961 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.

47. 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 30-Sep-18	Group 30-Sep-17	Group 31-Dec-17	Bank 30-Sep-18	Bank 30-Sep-17	Bank 31-Dec-17
Cash and balances with central banks (less restricted balances)	226,139	174,050	310,549	183,956	130,419	260,180
Treasury bills(maturing within three months)	99,900	87,356	109,990	99,900	75,421	-
Due from other banks	536,445	520,988	495,803	377,895	343,582	273,331
	862,484	782,394	916,342	661,751	549,422	533,511