

ZENITH BANK PLC

CERTIFICATION PURSUANT TO SECTION 60(2) OF INVESTMENT AND SECURITIES ACT NO. 29 OF 2007

We the undersigned hereby certify the following regards to our financial report for the quarter ended 31 March 2013 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 present 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 deficiency 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 involves 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 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.



.....
Managing Director/CEO



.....
Executive Director/CFO

ZENITH BANK PLC
STATEMENT OF DIRECTORS' RESPONSIBILITY
IN RELATION TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2013

The Directors accept responsibility for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, the Banks and Other Financial Institutions Act of Nigeria and relevant Central Bank of Nigeria regulations.

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

The Directors have made assessment of the Bank's ability to continue as a going concern and have no reason to believe that the Bank will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD
OF DIRECTORS BY:



Godwin Emeziele
Group Managing Director/CEO



Udom Emmanuel
Executive Director /CFO

Zenith Bank Plc
Statements of comprehensive income
For the period ended 31 March 2013

	Notes	Group 3 Months 31-Mar-13 N'million	Group 3 Months 31-Mar-12 N'million	Group 12 Months 31-Dec-12 N'million	Bank 3 Months 31-Mar-13 N'million	Bank 3 Months 31-Mar-12 N'million	Bank 12 Months 31-Dec-12 N'million
Gross earnings		86,977	72,352	307,082	78,271	64,324	279,042
Continuing Operations:							
Interest and similar income	16	65,534	52,826	221,318	62,658	51,787	213,230
Interest and similar expense	17	(19,924)	(14,568)	(64,561)	(19,800)	(15,308)	(65,352)
Net interest income		45,610	38,258	156,757	42,858	36,479	147,878
Impairment charge for credit losses	18	(1,535)	(1,211)	(9,099)	(1,475)	(1,387)	(7,998)
Net interest income after impairment charge for credit losses		44,075	37,047	147,658	41,383	35,092	139,880
Fee and commission income	19	12,572	10,848	50,480	10,920	10,216	44,211
Net gains on financial instruments measured at fair value through profit or loss	20	5,088	2,970	19,012	4,554	2,319	16,201
Other income	21	153	7	1,038	139	2	5,400
Share of profit/(loss) of associates	32	-	-	23	-	-	-
Amortisation of intangible assets	38	(215)	(107)	(1,059)	(190)	(76)	(624)
Operating expenses	22	(33,700)	(29,590)	(118,560)	(31,585)	(28,383)	(111,020)
Profit before minimum tax and income tax from continuing operations		27,973	21,175	98,592	25,221	19,170	94,048
Minimum tax		-	-	(2,469)	-	-	(2,469)
Income tax expense from continuing operations		(5,306)	(3,393)	2,007	(4,622)	(1,559)	4,224
Profit after tax from continuing operations		22,667	17,782	98,130	20,599	17,611	95,803
Discontinued Operations:	24						
Gross income from discontinued operations		3,630	5,702	15,234	-	-	-
Gross expenses from discontinued operations		(2,726)	(3,865)	(11,726)	-	-	-
Profit before tax from discontinued operations		904	1,837	3,508	-	-	-
Income tax expense from discontinued operations		(163)	(393)	(957)	-	-	-
Profit after tax from discontinued operations		741	1,444	2,551	-	-	-
Continued and Discontinued Operations:							
Profit for the year before minimum tax and income tax		28,877	23,012	102,100	25,221	19,170	94,048
Minimum tax		-	-	(2,469)	-	-	(2,469)
Income tax expense		(5,469)	(3,786)	1,050	(4,622)	(1,559)	4,224
Profit for the year after tax		23,408	19,226	100,681	20,599	17,611	95,803
Other comprehensive income:							
Foreign currency translation differences		(139)	(740)	(2,424)	-	-	-
Fair value movements on equity instruments		-	-	297	-	-	15
Tax effect of equity instruments at fair value		-	-	(91)	-	-	(5)
Other comprehensive income for the period, net of tax		(139)	(740)	(2,218)	-	-	10
Total comprehensive income for the period		23,269	18,486	98,463	20,599	17,611	95,813

Profit attributable to:							
Equity holders of the parent		23,207	18,997	100,147	20,599	17,611	95,803
Non controlling interest		201	229	534	-	-	-
Total comprehensive income attributable to:							
Equity holders of the parent		23,100	18,457	97,971	20,599	17,611	95,813
Non-controlling interests		169	29	492	-	-	-
Profit from continuing operations attributable to:							
Equity holders of the parent		22,643	17,765	98,044	20,599	17,611	95,803
Non controlling interests		24	17	86	-	-	-
Earnings per share for profit from total operations attributable to equity holders of parent							
Basic	25	74 k	61 k	319 k	66 k	56 k	305 k
Earnings per share for profit from continuing operations attributable to equity holders of parent							
Basic	25	72 k	57 k	312 k	66 k	56 k	305 k

Zenith Bank Plc
Statements of financial position
As at 31 March 2013

		Group 31-Mar-13 N'million	Group 31-Mar-12 N'million	Group 31-Dec-12 N'million	Bank 31-Mar-13 N'million	Bank 31-Mar-12 N'million	Bank 31-Dec-12 N'million
Assets							
Cash and balances with central banks	26	317,003	173,294	332,515	297,645	160,073	313,546
Treasury bills	27	727,990	534,523	669,164	705,360	516,329	647,474
Due from other banks	28	205,751	274,473	182,020	237,101	292,213	203,791
Loans and advances	29	1,099,327	909,466	989,814	1,007,277	861,878	895,354
Investment securities	30	261,518	293,902	299,343	216,585	254,780	256,905
Investment in subsidiaries	31	-	-	-	24,375	19,345	24,375
Investments in associates	32	419	1,822	420	462	1,822	463
Deferred tax assets	33	87	100	432	-	-	-
Other assets	34	54,405	35,848	28,665	53,279	34,183	16,814
Assets classified as held for sale	35	34,113	60,163	31,943	10,338	10,838	10,338
Investment property	36	-	7,404	-	-	7,404	-
Property and equipment	37	69,506	69,143	68,782	67,428	66,683	66,651
Intangible assets	38	1,309	1,240	1,406	1,086	1,128	1,175
Total assets		2,771,428	2,361,378	2,604,504	2,620,936	2,226,676	2,436,886
Liabilities							
Customers' deposits	39	1,994,650	1,670,856	1,929,244	1,867,132	1,580,688	1,802,008
Current income tax	23	11,152	10,015	6,577	9,693	8,744	5,071
Deferred income tax liabilities		5,584	5,963	5,584	5,573	5,954	5,573
Other liabilities	40	175,509	164,313	117,355	195,708	180,470	115,027
On-lending facilities	41	62,111	53,427	56,066	62,111	53,427	56,066
Borrowings	42	22,117	18,773	15,138	22,117	18,773	15,138
Liabilities classified as held for sale	43	14,080	40,201	11,584	-	-	-
Total liabilities		2,285,203	1,963,548	2,141,548	2,162,334	1,848,056	1,998,883
Capital and reserves							
Share capital	44	15,698	15,698	15,698	15,698	15,698	15,698
Share premium	45	255,047	255,047	255,047	255,047	255,047	255,047
Retained earnings		153,247	88,828	130,153	126,609	70,464	106,010
Other reserves		58,792	35,720	58,786	61,248	37,411	61,248
Attributable to equity holders of the parent		482,784	395,293	459,684	458,602	378,620	438,003
Non-controlling interest		3,441	2,537	3,272	-	-	-
Total shareholders' equity		486,225	397,830	462,956	458,602	378,620	438,003
Total Liabilities and equity		2,771,428	2,361,378	2,604,504	2,620,936	2,226,676	2,436,886
Acceptances and guarantees	48 (c)	1,962,771	1,329,955	1,878,255	1,929,469	1,262,927	1,797,937

Zenith Bank Plc
Statements of cash flow
For the period ended 31 March 2013

	Group 3 Months 31-Mar-13 N'million	Group 3 Months 31-Mar-12 N'million	Group 12 Months 31-Dec-12 N'million	Bank 3 Months 31-Mar-13 N'million	Bank 3 Months 31-Mar-12 N'million	Bank 12 Months 31-Dec-12 N'million
Operating activities						
Profit after tax for the year	23,408	19,226	100,681	20,599	17,611	95,803
Impairment:						
- on loans and advances	1,513	1,045	9,066	1,453	1,408	7,965
- on leases	22	-	33	22	(21)	33
- Insurance receivables	-	165	-	-	-	-
- other assets	-	(134)	1,280	-	(118)	1,280
- investment in associates	-	-	851	-	-	851
Fair value changes recognised in profit and loss	-	-	-	-	-	-
Depreciation of property and equipment	2,346	2,762	10,307	2,173	2,538	9,500
Depreciation of investment property	-	-	136	-	-	136
Amortisation of intangible assets	215	114	1,059	190	111	624
Foreign exchange losses/(gains) on operating activities	-	1,090	-	-	-	-
Dividend income	-	-	(110)	-	-	(694)
Net interest income	(45,610)	(38,258)	(156,757)	(42,858)	(36,479)	(147,878)
Share of (profit)/loss of associates	-	-	(23)	-	-	-
Profit / (loss) on sale of property and equipment	(21)	(7)	(10)	(7)	(2)	(9)
Profit on sale of investment property	-	-	(150)	-	-	(150)
Gain on disposal of subsidiary	-	-	(32)	-	-	(3,811)
Tax expense	5,469	1,949	1,419	4,622	1,559	(1,755)
	(12,658)	(12,048)	(32,250)	(13,806)	(13,393)	(38,105)
Changes in operating assets:	(166,326)	(130,156)	(230,752)	(176,579)	(164,804)	(187,310)
Loans and advances	(110,603)	(7,432)	(104,415)	(113,398)	(36,271)	(76,317)
Other assets	(25,740)	(12,269)	(4,435)	(36,465)	(17,623)	(478)
Treasury bills with maturities greater than three months	(58,826)	(105,354)	(52,524)	(57,886)	(106,110)	(47,594)
Restricted balances (cash reserves)	(8,911)	(5,101)	(73,528)	(9,150)	(4,800)	(73,081)
Net assets of subsidiary disposed	-	-	(4,479)	-	-	-
Debt securities	37,754	-	8,629	40,320	-	10,160
Changes in operating liabilities:	123,560	2,261	238,305	145,805	46,628	213,085
Customers' deposits	65,406	17,286	273,786	65,124	4,711	224,718
Other liabilities	58,154	(15,025)	(35,481)	80,681	41,917	(11,633)
Cash flows (used in)/generated from operating activities	(55,424)	(139,943)	(24,697)	(44,580)	(131,569)	(12,330)
Interest received	65,534	52,826	221,318	62,658	51,787	213,230
Interest paid	(19,924)	(14,568)	(64,561)	(19,800)	(15,308)	(65,352)
Tax paid	(782)	(6,721)	(12,799)	-	(4,521)	(10,272)
Cash flows from discontinued operations	1,710	-	(15,621)	-	-	-
Net cash flows (used in)/generated from operations	(8,886)	(108,406)	103,640	(1,722)	(99,611)	125,276

	Group 3 Months 31-Mar-13 N'million	Group 3 Months 31-Mar-12 N'million	Group 12 Months 31-Dec-12 N'million	Bank 3 Months 31-Mar-13 N'million	Bank 3 Months 31-Mar-12 N'million	Bank 12 Months 31-Dec-12 N'million
Investing activities						
Purchase of property and equipment	(3,175)	(4,294)	(11,290)	(2,956)	(4,201)	(10,477)
Purchase of intangible assets	(119)	(570)	(1,709)	(101)	-	(1,138)
Proceed from sale of property and equipment	27	191	361	13	38	212
Purchase of investment property	-	-	(37)	-	-	(37)
Proceeds from sale of investment property	-	-	7,165	-	-	7,165
Purchase of equity securities	-	(782)	-	-	-	-
Proceeds from sale of equity securities	-	521	-	-	-	-
Redemption of bonds	-	113,405	-	-	113,405	-
Purchase of bonds	-	(9,306)	-	-	(9,306)	-
Disposal of trading bonds	-	350	-	-	350	-
Disposal of associates	1	-	508	1	-	508
Dividends received	-	-	110	-	-	694
Investment in subsidiaries	-	-	-	-	-	(5,030)
Proceeds from sale of subsidiary	-	-	4,511	-	-	4,311
Cash flows from discontinued operations	557	(7,786)	(567)	-	-	-
Net cash used in investing activities	(2,709)	91,729	(948)	(3,043)	100,286	(3,792)
Financing activities						
Dividend paid to shareholders	-	-	(29,827)	-	-	(29,827)
Borrowed funds						
- inflow from long term borrowing	8,489	-	313	8,489	-	313
- repayment of long term borrowing	(1,510)	(1,833)	(6,245)	(1,510)	(1,833)	(6,245)
Inflow from On-lending facilities	6,045	-	6,696	6,045	-	6,696
Net cash used in financing activities	13,024	(1,833)	(29,063)	13,024	(1,833)	(29,063)
(Decrease)/ increase in cash and cash equivalents	1,429	(18,510)	73,629	8,259	(1,158)	92,421
Analysis of changes in cash and cash equivalents:						
Cash and cash equivalents at start of period/year	614,817	551,332	525,616	613,400	428,127	520,979
(Decrease)/ increase in cash and cash equivalents	1,429	(18,510)	73,629	8,259	(1,158)	92,421
Cash and cash equivalents from discontinued operations	(1,941)	-	18,708	-	-	-
Exchange rate movements on cash and cash equivalents	(180)	2,488	(3,136)	-	-	-
Cash and cash equivalents at start of period/year	614,125	535,310	614,817	621,659	426,969	613,400

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Zenith Bank Plc
Consolidated and Separate Statements of Changes in Equity
For the period ended 31 March 2013

Group	Share capital N'million	Share premium N'million	Retained earnings N'million	Statutory reserve N'million	SMIEIS reserve N'million	Contingency reserve N'million	Revaluation reserve (investment securities) N'million	Credit risk reserve N'million	Foreign currency translation reserve N'million	Total N'million	Non-controlling interest N'million	Total equity N'million
At 1 January 2013	15,698	255,047	130,153	45,199	3,729	997	2,285	10,243	(3,667)	459,684	3,272	462,956
Profit	-	-	23,094	-	-	113	-	-	-	23,207	201	23,408
Foreign currency translation differences	-	-	-	-	-	-	-	-	(107)	(107)	(32)	(139)
Fair value movements on equity instruments, net of tax	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the revaluation surplus	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	23,094	-	-	113	-	-	(107)	23,100	169	23,269
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries without loss of control and other changes	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2013	15,698	255,047	153,247	45,199	3,729	1,110	2,285	10,243	(3,774)	482,784	3,441	486,225
At 1 January 2012	15,698	255,047	69,602	27,123	3,729	752	-	3,478	(1,777)	373,652	2,571	376,223
Profit	-	-	19,226	-	-	31	-	-	-	19,257	17	19,274
Foreign currency translation differences	-	-	-	-	-	-	-	-	2,384	2,384	(51)	2,333
Fair value movements on equity instruments, net of tax	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	19,226	-	-	31	-	-	2,384	21,641	(34)	21,607
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from retained earnings	-	-	(6,765)	-	-	-	-	6,765	-	-	-	-
Changes in ownership interests in subsidiaries without loss of control and other changes	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2012	15,698	255,047	82,063	27,123	3,729	783	-	10,243	607	395,293	2,537	397,830

Zenith Bank Plc
Consolidated and Separate Statements of Changes in Equity
For the period ended 31 March 2013

Bank	Share Capital N'million	Share Premium N'million	Retained earnings N'million	Statutory reserve N'million	SMIEIS reserve N'million	Revaluation reserve (investment securities) N'million	Credit Risk reserve N'million	Total equity N'million
At 1 January 2013	15,698	255,047	106,010	45,198	3,729	2,078	10,243	438,003
Profit	-	-	20,599	-	-	-	-	20,599
Foreign currency translation differences	-	-	-	-	-	-	-	-
Fair value movements on equity instruments, net of tax	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	20,599	-	-	-	-	20,599
Dividends	-	-	-	-	-	-	-	-
Transfer from retained earnings	-	-	-	-	-	-	-	-
Transfer between reserves	-	-	-	-	-	-	-	-
Effect of change in accounting policy (Note)	-	-	-	-	-	-	-	-
At 31 March 2013	<u>15,698</u>	<u>255,047</u>	<u>126,609</u>	<u>45,198</u>	<u>3,729</u>	<u>2,078</u>	<u>10,243</u>	<u>458,602</u>
At 1 January 2012	15,698	255,047	52,853	30,204	3,729	-	3,478	361,009
Profit	-	-	17,611	-	-	-	-	17,611
Fair value movements on equity instruments, net of tax	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	17,611	-	-	-	-	17,611
Dividends	-	-	-	-	-	-	-	-
Transfer from retained earnings	-	-	(6,765)	-	-	-	6,765	-
Transfer between reserves	-	-	-	-	-	-	-	-
At 31 March 2012	<u>15,698</u>	<u>255,047</u>	<u>63,699</u>	<u>30,204</u>	<u>3,729</u>	<u>-</u>	<u>10,243</u>	<u>378,620</u>

Zenith Bank Plc
Notes to the financial statements
For the period ended 31 March 2013

Note 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 16 June 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.

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 eleven subsidiary companies namely, Zenith Securities Limited, Zenith General Insurance Company Limited, Zenith Bank (Ghana) Limited, Zenith Pension Custodian Limited, Zenith Bank (UK) Limited, Zenith Capital Limited, Zenith Medicare Limited, Zenith Trust Company Limited, Zenith Life Assurance Company Limited and Zenith Bank (Sierra Leone) Limited and Zenith Bank (Gambia) Limited. The results of the bank's subsidiaries have been consolidated in these financial statements except for those subsidiaries which are in the process of being sold. These subsidiaries have been carried in the group financial statements as assets and liabilities held for sale, and the results of their operations classified as profit from discontinued operations.

Note 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 first quarter ended 31 March 2013 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 2012, 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 2012 IFRS 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.

Note 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.

Note 4. Unusual items

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

Note 5. Changes in Estimates

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

Note 6. Issuance, repurchases and repayment of debts and equity securities

During the period under review, there were no issuance of debt or equity securities that resulted in an external inflow into the group.

Note 7. Dividends

The directors did not recommend the payment of any dividend for the Group's first quarter results to 31 March 2013 (31 March 2012: NIL)

Note 8. Significant events after the end of the interim period

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

Note 9. Business combinations

There was no business combination during the period.

Note 10. 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 were no restructuring during the period neither were there reversal of previous restructuring arrangements for first quarter results to 31 March 2013 (31 March 2012: NIL)

Note 11. Discontinued operations

Assets and liabilities classified as held for sale and discontinued operations represent's balances to be recovered primarily through sale, rather than through continuing operation and are subsequently measured at the lower of the carrying amount or fair value less cost to sale. On 4th February 2011, the Board of Directors decided to replace the universal banking licence currently held by the bank with a commercial banking licence that has international authorization. This is in compliance with the CBN's Regulation on the Scope of Banking Activities and Ancillary Matters 2010. The Bank has submitted a compliance plan which includes the necessary steps to exit from non-core banking activities (except the pension custodianship business). Subsequent to that decision, the Bank has divested from Zenith Registrars Limited.

Note 12. 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.

Note 13. Impairment loss of property, plant, 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.

Note 14. Litigation settlements

There was litigation settlements of 6 million Naira in the first quarter ended 31 March 2013 (31 March 2012: NIL)

Note 15. Segment Analysis

The group's operations are primarily organised on the basis of its products and services offerings which is consistent with the group's management and internal reporting structure. Its secondary segmentation is based on the geographic coverage which covers Nigeria (part of which will be discontinued), Rest of Africa (Continuing operations) and the Europe (Continuing operations).

(a) By business segment

The Group's business activities are conducted principally through four segments:

(i) Corporate, Retail Banking and Pension Custodial Services

This segment provides a broad range of banking services to a diverse group of corporations, financial institutions, investment funds, governments and individuals .

(ii) Investment Management and Securities Trading (Discontinued operations)

Provision of investment advisory, financial planning services and investment product offerings (primarily through separately managed accounts such as mutual funds and private investment funds) to a diverse group of institutions and individuals. It also includes brokerage services, financing services and securities lending services to institutional clients, including mutual funds, pension funds and to high-net-worth individuals .

(iii) General, Health and Life Insurance (Discontinued operations)

The Group's general insurance operations write substantially all lines of insurance other than title insurance while its life and health insurance operations offer a broad line of individual and group life, annuity and accident and health policies .

(iv) Others (Discontinued operations)

This segment provides funds trusteeship services. None of these individual activities or services constitutes a separate reportable segment .

Segment assets and liabilities comprise operating assets and liabilities, being the majority of the balance sheet, but exclude items such as taxation and borrowings.

Transactions between the business segments are on normal commercial terms and conditions.

Funds are ordinarily allocated between segments, resulting in funding cost transfers disclosed in operating income. Interest charged for these funds is based on the Group's cost of capital. There are no other material items of income or expense between the business segments.

Internal charges and transfer pricing adjustments have been reflected in the performance of each segment. Revenue sharing agreements are used to allocate external customer revenues to a segment on a reasonable basis.

	Nigeria			Outside Nigeria Banking						
	Corporate, Retail Banking and Pension custodial services (Continuing operations) N'million	Treasury and Investment Banking (Discontinued operations) N'million	Insurance (Discontinued operations) N'million	Africa (Continuing operations) N'million	Europe (Continuing operations) N'million	Total reportable segments N'million	All other segments (Discontinued operations) N'million	Eliminations N'million	Consolidated N'million	
3 months ended 31 March 2013										
Revenue:										
Derived from external customers	79,002	191	2,854	3,633	1,282	86,962	15	-	86,977	
Derived from other business segments	273	108	463	-	390	1,234	-	(1,234)	-	
Total revenue	79,275	299	3,317	3,633	1,672	88,196	15	(1,234)	86,977	
Interest expense	(19,800)	-	-	(787)	(569)	(21,156)	-	1,232	(19,924)	
Impairment charge for credit losses	(1,474)	-	-	(61)	0	(1,535)	-	-	(1,535)	
Operating and underwriting expenses	(32,115)	(47)	(2,479)	(1,489)	(507)	(36,637)	(6)	2	(36,641)	
Profit before tax	25,886	252	838	1,296	596	28,868	9	-	28,877	
Tax	(4,910)	-	(163)	(250)	(146)	(5,469)	-	-	(5,469)	
Profit after tax	20,976	252	675	1,046	450	23,399	9	-	23,408	
Capital expenditure	3,058	-	41	80	156	3,335	-	-	3,335	
Identifiable assets	2,630,586	9,557	23,819	89,171	171,490	2,924,623	2,462	(155,657)	2,771,428	
Identifiable liabilities	2,163,893	3,319	8,637	73,136	154,620	2,403,605	2,267	(120,669)	2,285,203	

	Nigeria			Outside Nigeria Banking					
	Corporate, Retail Banking and Pension custodial services (Continuing operations) N'million	Treasury and Investment Banking (Discontinued operations) N'million	Insurance (Discontinued operations) N'million	Africa (Continuing operations) N'million	Europe (Continuing operations) N'million	Total reportable segments N'million	All other segments (Discontinued operations) N'million	Eliminations N'million	Consolidated N'million
3 months ended 31 March 2012									
Revenue:									
Derived from external customers	65,890	79	2,692	2,890	708	72,259	93	-	72,352
Derived from other business segments	178	158	409	-	578	1,323	524	(1,847)	-
Total revenue*	66,068	237	3,101	2,890	1,286	73,582	617	(1,847)	72,352
Share of profit of associates	-	-	-	-	-	-	-	-	-
Interest expense	(15,308)	-	-	(672)	(433)	(16,413)	-	1,845	(14,568)
Impairment charge for credit losses	(1,387)	-	(55)	231	-	(1,211)	-	-	(1,211)
Operating and underwriting expenses	(29,477)	(31)	(1,952)	(1,525)	(498)	(33,483)	(80)	2	(33,561)
Profit before tax	19,896	206	1,094	924	355	22,475	537	-	23,012
Tax (expense) / write-back	(1,994)	(56)	(787)	(551)	(92)	(3,480)	(306)	-	(3,786)
Profit after tax	17,902	150	307	373	263	18,995	231	-	19,226
Capital expenditure**	3,896	-	-	341	57	4,294	-	-	4,294
Identifiable assets	2,234,039	10,414	22,755	78,888	148,589	2,494,685	27,894	(161,201)	2,361,378
Identifiable liabilities	1,849,390	4,885	12,939	65,980	138,159	2,071,353	22,377	(130,182)	1,963,548

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

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

All transactions between business segments are conducted on an arm's length basis. Internal charges and transfer pricing adjustments are reflected in the performance of each business segment.

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	Group 31-Mar-13 N'million	Group 31-Mar-12 N'million	Group 31-Dec-12 N'million	Bank 31-Mar-13 N'million	Bank 31-Mar-12 N'million	Bank 31-Dec-12 N'million
Note 16. Interest and similar income						
Inter-bank placements	1,356	582	5,031	1,657	1,065	6,170
Treasury bills	24,083	18,382	74,364	23,095	17,899	71,011
Government and other bonds	7,046	7,454	27,274	6,353	6,708	25,183
Loans and advances to customers	33,049	26,408	114,649	31,553	26,115	110,866
	65,534	52,826	221,318	62,658	51,787	213,230
Note 17. Interest and similar expense						
Current accounts	1,174	316	3,828	1,163	879	3,761
Savings accounts	473	354	1,507	459	344	1,459
Time deposits	17,824	13,276	57,998	18,012	13,889	59,408
Inter-bank takings	287	426	504	-	-	-
Borrowed funds	166	196	724	166	196	724
	19,924	14,568	64,561	19,800	15,308	65,352
Note 18. Impairment charge for credit losses						
The net impairment charge for credit losses comprises:						
Overdrafts (See note 29)	(2,325)	2,791	8,172	(1,893)	1,113	5,053
Term loans (See note 29)	2,944	(1,787)	369	2,452	295	2,387
On-lending facilities (See note 29)	894	41	525	894	-	525
Advances under finance lease (See note 29)	22	-	33	22	(21)	33
Other assets	-	166	-	-	-	-
	1,535	1,211	9,099	1,475	1,387	7,998
Note 19. Fees and commission income						
Credit related fees	2,536	2,355	9,892	2,009	1,909	7,862
Commission on turnover	7,238	6,348	27,938	7,019	6,230	27,185
Fees on electronic products	785	756	3,637	764	740	3,566
Foreign currency transaction fees and commissions	285	274	1,092	274	258	1,031
Other fees and commissions	1,728	1,115	7,921	854	1,079	4,567
	12,572	10,848	50,480	10,920	10,216	44,211
Note 20. Net gains on financial instruments measured at fair value through profit and loss						
Foreign exchange trading income	4,870	2,957	18,186	4,336	2,309	15,707
Treasury bill trading income	174	-	415	174	-	415
Bond trading income	44	13	411	44	10	79
	5,088	2,970	19,012	4,554	2,319	16,201

Foreign exchange trading income principally includes trading income on foreign denominated balances, as well as gains and losses from translated foreign currency assets and liabilities.

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Note 21. Other income						
Dividend income from equity investments	-	-	110	-	-	694
Gain on disposal of property and equipment	21	7	10	7	2	9
Gain on disposal of investment property	-	-	150	-	-	150
Gain on disposal of subsidiary	-	-	32	-	-	3,811
Income on cash handling	119	-	602	119	-	602
Rental income	13	-	134	13	-	134
	153	7	1,038	139	2	5,400

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.

Note 22. Operating expenses

Staff costs	14,197	10,102	47,200	13,491	9,582	44,565
Depreciation of property and equipment	2,346	2,770	10,307	2,173	2,573	9,500
Auditors' remuneration	93	60	320	84	45	250
Directors' emoluments	305	742	726	86	374	281
Deposit insurance premium	2,009	1,378	7,588	2,009	1,378	7,588
Professional fees	522	390	1,419	469	338	1,256
Training and development	508	193	849	486	174	782
Information technology	388	381	1,770	378	373	1,728
Operating leases	663	567	2,200	505	405	1,579
Advertisement	960	2,610	6,709	930	2,564	6,557
Bank charges	230	207	833	219	194	783
Fuel and maintenance	2,075	2,153	8,476	1,799	1,773	7,454
Insurances	323	190	1,590	310	178	1,544
Licenses, registrations and subscriptions	526	990	2,039	497	970	1,939
Travel and hotel expenses	205	231	1,021	164	153	681
Printing and stationery	215	277	1,268	165	240	1,073
Security and cash handling	4,308	3,981	9,374	4,278	3,940	9,221
Expenses on electronic products	814	286	1,242	805	281	1,216
Others	3,013	2,082	13,629	2,737	2,848	13,023
	33,700	29,590	118,560	31,585	28,383	111,020

Note 23a. Income tax expense

Corporate tax	5,158	3,005	2,648	4,387	1,935	-
Minimum tax	-	-	2,469	-	-	2,469
Information technology tax	235	1,063	940	235	262	940
Education tax	-	1,152	-	-	552	-
Current income tax - current period	5,393	5,220	6,057	4,622	2,749	3,409
Origination and reversal of temporary deferred tax differences	(87)	(1,827)	(5,595)	-	(1,190)	(5,164)
Income tax expense from continuing operations	5,306	3,393	462	4,622	1,559	(1,755)
Income tax expense from discontinued operations	163	393	957	-	-	-
Total Income tax expense	5,469	3,786	1,419	4,622	1,559	(1,755)

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b. The movement in the current income tax payable balance is as follows:						
At start of the period	6,577	13,348	13,348	5,071	11,934	11,934
Tax paid(continuing operations)	(782)	(6,721)	(12,799)	-	(4,749)	(10,272)
Tax effect of translation	(36)	(5)	(29)	-	-	-
Income tax charge (see 'a' above)	5,393	3,393	6,057	4,622	1,559	3,409
At end of the period	<u>11,152</u>	<u>10,015</u>	<u>6,577</u>	<u>9,693</u>	<u>8,744</u>	<u>5,071</u>

Note 24. Profit for the period from discontinued operations

Interest and similar income	640	1111	3066
Impairment charge for credit losses	-	(165)	(346)
Net interest income after impairment charge for credit losses	640	946	2720
Fee and commission income	142	152	810
Underwriting profit	668	1922	3934
Gross premium income	2,515	3,974	9,730
Reinsurances/ coinsurances	(464)	(657)	(2,964)
Net premiums underwritten	2,051	3,317	6,766
Commission earned	8	22	434
Claims recovered	304	439	1185
Claim expenses	(1,393)	(1,527)	(3,426)
Acquisition costs	(302)	(329)	(1,025)
Other income	21	4	9
Operating expenses	(567)	(1,187)	(3,965)
Profit before tax on discontinued operations	904	1,837	3,508
Taxation	(163)	(393)	(957)
Profit after tax on discontinued operations	741	1444	2551
Basic earnings per share (discontinued operations)	2 k	5k	8 k

Note 25. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year. Where a stock split or bonus share issue has occurred, the number of shares in issue in the prior year is adjusted to achieve comparability.

Profit attributable to shareholders of the Bank (total operations) (N'million)	<u>23,207</u>	<u>18,997</u>	<u>100,147</u>	<u>20,599</u>	<u>17,611</u>	<u>95,803</u>
Profit attributable to shareholders of the Bank (continuing operations) (N'million)	<u>22,643</u>	<u>17,765</u>	<u>98,044</u>	<u>20,599</u>	<u>17,611</u>	<u>95,803</u>
Number of shares in issue at end of the period (millions)	<u>31,396</u>	<u>31,396</u>	<u>31,396</u>	<u>31,396</u>	<u>31,396</u>	<u>31,396</u>
Weighted average number of ordinary shares in issue (millions)	<u>31,396</u>	<u>31,396</u>	<u>31,396</u>	<u>31,396</u>	<u>31,396</u>	<u>31,396</u>
Basic earnings per share (total operations)	<u>74 k</u>	<u>61 k</u>	<u>319 k</u>	<u>66 k</u>	<u>56 k</u>	<u>305 k</u>
Basic earnings per share (continuing operations)	<u>72 k</u>	<u>57 k</u>	<u>312 k</u>	<u>66 k</u>	<u>56 k</u>	<u>305 k</u>

Note 26. Cash and balances with central banks

Cash	<u>32,915</u>	<u>25,630</u>	<u>42,123</u>	<u>28,946</u>	<u>22,167</u>	<u>37,832</u>
Operating accounts with Central Banks	<u>95,041</u>	<u>35,955</u>	<u>110,256</u>	<u>79,932</u>	<u>26,570</u>	<u>96,097</u>
Mandatory reserve deposits with central banks (cash reserve)	<u>189,047</u>	<u>111,709</u>	<u>180,136</u>	<u>188,767</u>	<u>111,336</u>	<u>179,617</u>
	<u><u>317,003</u></u>	<u><u>173,294</u></u>	<u><u>332,515</u></u>	<u><u>297,645</u></u>	<u><u>160,073</u></u>	<u><u>313,546</u></u>

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.

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Note 27. Treasury bills						
Treasury bills (Amortized cost)	727,990	534,523	669,164	705,360	516,329	647,474
	727,990	534,523	669,164	705,360	516,329	647,474
Note 28. Due from other banks						
Current balances with banks within Nigeria	9,235	7,009	8,358	-	-	-
Current balances with banks outside Nigeria	156,806	174,392	131,310	234,296	258,428	191,432
Placements with banks and discount houses	39,710	93,072	42,352	2,805	33,785	12,359
	205,751	274,473	182,020	237,101	292,213	203,791
Note 29. Loans and advances to customers						
Overdrafts	321,850	308,782	270,672	300,039	306,701	252,107
Term loans	726,343	571,324	672,931	653,470	524,144	594,095
On-lending facilities	59,465	50,005	54,149	59,465	50,005	54,149
Advances under finance lease	17,471	7,175	16,774	17,215	6,338	16,440
Gross loans and advances to customers	1,125,129	937,286	1,014,526	1,030,189	887,188	916,791
Less: Allowances for impairment	(25,802)	(27,820)	(24,712)	(22,912)	(25,310)	(21,437)
Specific allowances for impairment	(10,699)	(9,313)	(10,601)	(7,974)	(8,067)	(8,368)
Collective allowance for impairment	(15,103)	(18,507)	(14,111)	(14,938)	(17,243)	(13,069)
Net loans and advances to customers	1,099,327	909,466	989,814	1,007,277	861,878	895,354
Overdrafts						
Gross overdrafts	321,850	308,782	270,672	300,039	306,701	252,107
Less: Allowances for impairment	(15,571)	(20,109)	(17,896)	(12,884)	(18,431)	(14,777)
Specific allowances for impairment	(7,970)	(8,425)	(9,713)	(5,444)	(7,546)	(7,634)
Collective allowance for impairment	(7,601)	(11,684)	(8,183)	(7,440)	(10,885)	(7,143)
Net overdrafts	306,279	288,673	252,776	287,155	288,270	237,330
Term loans						
Gross term loans	726,343	571,324	672,931	653,470	524,144	594,095
Less: Allowances for impairment	(8,374)	(7,272)	(5,875)	(8,171)	(6,461)	(5,719)
Specific allowances for impairment	(1,799)	(888)	(888)	(1,600)	(521)	(734)
Collective allowance for impairment	(6,575)	(6,384)	(4,987)	(6,571)	(5,940)	(4,985)
Net term loans	717,969	564,052	667,056	645,299	517,683	588,376
On-lending facilities						
Gross amount	59,465	50,005	54,149	59,465	50,005	54,149
Less: Allowances for impairment	(1,751)	(373)	(857)	(1,751)	(373)	(857)
Specific allowances for impairment	(930)	-	-	(930)	-	-
Collective allowance for impairment	(821)	(373)	(857)	(821)	(373)	(857)
	55,963	49,259	52,435	55,963	49,259	52,435
Advances under finance lease						
Gross amount	17,471	7,175	16,774	17,215	6,338	16,440
Less: Collective allowance for impairment	(106)	(66)	(84)	(106)	(45)	(84)
	17,365	7,109	16,690	17,109	6,293	16,356

Reconciliation of impairment allowance on loans and advances to customers:

Group	Overdrafts N'million	Term loans N'million	On-lending facilities N'million	Advances under finance lease N'million	Total N'million
Balance at 1 January 2013	17,896	5,875	857	84	24,712
Specific impairment	9,713	888	-	-	10,601
Collective impairment	8,183	4,987	857	84	14,111
Additional impairment for the period	(2,325)	2,944	894	22	1,535
Specific impairment	(1,743)	1,356	930	-	543
Collective impairment	(582)	1,588	(36)	22	992
Foreign currency translation and other adjustments	-	(445)	-	-	(445)
Write-offs	-	-	-	-	-
Balance at 31 March 2013	15,571	8,374	1,751	106	25,802
Specific impairment	7,970	1,799	930	-	10,699
Collective impairment	7,601	6,575	821	106	15,103
Balance at 1 January 2012	17,318	9,071	332	66	26,787
Specific impairment	8,721	3,687	-	-	12,408
Collective impairment	8,597	5,384	332	66	14,379
Additional impairment for the period	2,791	(1,787)	41	-	1,045
Specific impairment	(296)	(2,787)	-	-	(3,083)
Collective impairment	3,087	1,000	41	-	4,128
Foreign currency translation and other adjustments	-	(12)	-	-	(12)
Write-offs	-	-	-	-	-
Balance at 31 March 2012	20,109	7,272	373	66	27,820
Specific impairment	8,425	888	-	-	9,313
Collective impairment	11,684	6,384	373	66	18,507

**Reconciliation of impairment allowance on loans and advances to customers:
Bank**

	Overdrafts N'million	Term loans N'million	On-lending facilities N'million	Advances under finance lease N'million	Total N'million
Balance at 1 January 2013	14,777	5,719	857	84	21,437
Specific impairment	7,634	734	-	-	8,368
Collective impairment	7,143	4,985	857	84	13,069
Additional impairment for the period	(1,893)	2,452	894	22	1,475
Specific impairment	(2,190)	866	930	-	(394)
Collective impairment	297	1,586	(36)	22	1,869
Write-offs	-	-	-	-	-
Balance at 31 March 2013	12,884	8,171	1,751	106	22,912
Specific impairment	5,444	1,600	930	-	7,974
Collective impairment	7,440	6,571	821	106	14,938
Balance at 1 January 2012	17,318	6,166	373	66	23,923
Specific impairment	8,721	1,447	-	-	10,168
Collective impairment	8,597	4,719	373	66	13,755
Additional impairment for the period	1,113	295	-	(21)	1,387
Specific impairment	(1,175)	(926)	-	0	(2,101)
Collective impairment	2,288	1,221	-	(21)	3,488
Write offs	-	-	-	-	-
Balance at 31 March 2012	18,431	6,461	373	45	25,310
Specific impairment	7,546	521	-	-	8,067
Collective impairment	10,885	5,940	373	45	17,243

Advances under finance lease	Group 31-Mar-13 N'million	Group 31-Mar-12 N'million	Group 31-Dec-12 N'million	Bank 31-Mar-13 N'million	Bank 31-Mar-12 N'million	Bank 31-Dec-12 N'million
Gross investment	23,543	8,817	23,342	23,091	8,817	22,478
Less: Unearned income	(6,072)	(1,642)	(6,568)	(5,876)	(1,642)	(6,038)
Net Investment	<u>17,471</u>	<u>7,175</u>	<u>16,774</u>	<u>17,215</u>	<u>7,175</u>	<u>16,440</u>

The net investment may be analysed as follows:

No later than 1 year	1,387	428	281	1,342	428	281
Later than 1 year and no later than 5 years	16,084	6,747	16,493	15,873	6,747	16,159
	<u>17,471</u>	<u>7,175</u>	<u>16,774</u>	<u>17,215</u>	<u>7,175</u>	<u>16,440</u>

The nature of security in respect of loans and advances is as follows:

Secured against real estate	411,208	351,929	164,620	387,377	342,477	140,789
Secured by shares of quoted companies	15,701	22,452	11,217	13,150	20,197	8,666
Cash collateral, lien over fixed and floating assets, e.t.c	482,506	392,578	788,155	422,559	355,032	728,208
Unsecured	215,714	170,327	50,534	207,103	169,483	39,128
	<u>1,125,129</u>	<u>937,286</u>	<u>1,014,526</u>	<u>1,030,189</u>	<u>887,188</u>	<u>916,791</u>

Note 30. Investment securities

(a) Analysis of investments

	Group 31-Mar-13 N'million	Group 31-Mar-12 N'million	Group 31-Dec-12 N'million	Bank 31-Mar-13 N'million	Bank 31-Mar-12 N'million	Bank 31-Dec-12 N'million
Debt securities	252,113	284,512	289,938	207,180	245,390	247,500
Equity securities	9,405	9,390	9,405	9,405	9,390	9,405
	<u>261,518</u>	<u>293,902</u>	<u>299,343</u>	<u>216,585</u>	<u>254,780</u>	<u>256,905</u>

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Note 31. Investment in subsidiaries

	%	Group 31-Mar-13 N'million	Group 31-Mar-12 N'million	Group 31-Dec-12 N'million	Bank 31-Mar-13 N'million	Bank 31-Mar-12 N'million	Bank 31-Dec-12 N'million
Zenith Pensions Custodian Limited	99.00%				1,980	1,980	1,980
Zenith Bank (Ghana) Limited	98.07%	-	-	-	6,444	6,444	6,444
Zenith Bank (UK) Limited	100.00%	-	-	-	13,307	8,527	13,307
Zenith Bank (Sierra Leone) Limited	100.00%	-	-	-	1,606	1,356	1,606
Zenith Bank (Gambia) Limited	99.96%	-	-	-	1,038	1,038	1,038
		<u>-</u>	<u>-</u>	<u>-</u>	<u>24,375</u>	<u>19,345</u>	<u>24,375</u>

Note 32. Investment in associates

The Group's investments under the Small and Medium Enterprises Equity Investment Scheme ("SMEEIS") is in compliance with the Policy Guidelines for 2001 Fiscal Year (Monetary Policy Circular No. 35). The Group generally holds 20 percent or more of the voting power of the investee and is therefore presumed to have significant influence over the investee. In instances where the Group holds less than 20 percent of the voting power of the investee, the Group concluded that it has significant influence due to the Group's representation on the board of the relevant investee, with such board generally limited to a small number of board members.

	Group 31-Mar-13 N'million	Group 31-Mar-12 N'million	Group 31-Dec-12 N'million	Bank 31-Mar-13 N'million	Bank 31-Mar-12 N'million	Bank 31-Dec-12 N'million
Balance at beginning of the period	420	1,756	1,756	463	1,822	1,822
Share of profit/(loss)	-	66	23	-	-	-
Divestment	(1)	-	(508)	(1)	-	(508)
Dimunition in investment	-	-	(851)	-	-	(851)
Balance at end of the period	<u>419</u>	<u>1,822</u>	<u>420</u>	<u>462</u>	<u>1,822</u>	<u>463</u>

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.

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Group 31-Mar-13 N'million	Group 31-Mar-12 N'million	Group 31-Dec-12 N'million	Bank 31-Mar-13 N'million	Bank 31-Mar-12 N'million	Bank 31-Dec-12 N'million
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Note 33. Deferred tax assets

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2012: 30%).

Deferred income tax assets are attributable to the following items:

Deferred tax assets

Tax loss carried forward	87	100	432	-	-	-
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Deferred income tax assets are recognised for tax loss carry-forwards only to the extent that the realisation of the related tax benefit is probable.

Note 34. Other assets

Prepayments	29,145	23,802	13,971	28,401	24,768	13,467
Other receivables	29,897	17,335	19,331	29,515	14,704	7,984
Gross other assets	59,042	41,137	33,302	57,916	39,472	21,451
Less: Specific impairment	(4,637)	(5,289)	(4,637)	(4,637)	(5,289)	(4,637)
	<u>54,405</u>	<u>35,848</u>	<u>28,665</u>	<u>53,279</u>	<u>34,183</u>	<u>16,814</u>

Note 35. Assets classified as held for sale

Investment in subsidiaries	-	-	-	10,338	10,838	10,338
Cash and balances with central banks	500	500	500	-	-	-
Treasury bills	9,084	8,395	7,696	-	-	-
Due from other banks	15,951	35,521	15,398	-	-	-
Loans and advances	504	900	484	-	-	-
Reinsurance assets and insurance receivable	617	1,870	499	-	-	-
Investment securities	4,946	5,928	5,520	-	-	-
Deferred tax assets	1,065	563	1,065	-	-	-
Other assets	909	5,628	261	-	-	-
Property and equipment	495	797	474	-	-	-
Intangible assets	42	61	46	-	-	-
	<u>34,113</u>	<u>60,163</u>	<u>31,943</u>	<u>10,338</u>	<u>10,838</u>	<u>10,338</u>

Note 36. Investment property

Opening net book amount	-	7,403	7,403	-	7,403	7,403
Additions and capital improvements	-	26	37	-	26	37
Disposals	-	-	(7,440)	-	-	(7,440)
Accumulated depreciation	-	(25)	-	-	(25)	-
Closing net book amount	<u>-</u>	<u>7,404</u>	<u>-</u>	<u>-</u>	<u>7,404</u>	<u>-</u>

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37 Property and equipment

GROUP

	Land N'million	Buildings N'million	Leasehold improvement N'million	Furniture, fittings & equipment N'million	Computer equipment N'million	Motor vehicles N'million	Work in progress N'million	Total N'million
Cost								
At start of the year	16,484	18,219	12,955	34,523	20,934	13,805	17,529	134,449
Exchange difference	-	-	(43)	(9)	(69)	(53)	29	(145)
Additions	(49)	510	137	(216)	(19)	226	2,586	3,175
Disposals	-	-	-	(26)	(7)	(40)	-	(73)
At end of the year	<u>16,435</u>	<u>18,729</u>	<u>13,049</u>	<u>34,272</u>	<u>20,839</u>	<u>13,938</u>	<u>20,144</u>	<u>137,406</u>
Accumulated depreciation								
At start of the year	1,235	2,656	9,665	23,352	18,478	10,281	-	65,667
Exchange difference	-	-	(9)	4	(4)	(37)	-	(46)
Charge for the year	40	87	333	1,085	399	402	-	2,346
Disposals	-	-	-	(24)	(7)	(36)	-	(67)
At end of the year	<u>1,275</u>	<u>2,743</u>	<u>9,989</u>	<u>24,417</u>	<u>18,866</u>	<u>10,610</u>	<u>-</u>	<u>67,900</u>
Net book amount								
At 31 March 2013	<u>15,160</u>	<u>15,986</u>	<u>3,060</u>	<u>9,855</u>	<u>1,973</u>	<u>3,328</u>	<u>20,144</u>	<u>69,506</u>
At 31 December 2012	<u>15,249</u>	<u>15,563</u>	<u>3,290</u>	<u>11,171</u>	<u>2,456</u>	<u>3,524</u>	<u>17,529</u>	<u>68,782</u>

There were no impairment losses on any class of property and equipment during the year (2012 : nil)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 March 2012

37 Property and equipment

BANK	Land N'million	Buildings N'million	Leasehold improvement N'million	Furniture, fittings & equipment N'million	Computer equipment N'million	Motor vehicles N'million	Work in progress N'million	Total N'million
Cost								
At start of the year	16,484	18,130	11,177	33,284	19,937	13,012	17,188	129,212
Additions	(49)	510	92	(251)	(127)	191	2,590	2,956
Disposals	-	-	-	(26)	(7)	(40)	-	(73)
At end of the year	<u>16,435</u>	<u>18,640</u>	<u>11,269</u>	<u>33,007</u>	<u>19,803</u>	<u>13,163</u>	<u>19,778</u>	<u>132,095</u>
Accumulated depreciation								
At start of the year	1,235	2,645	8,687	22,512	17,691	9,791	-	62,561
Charge for the year	40	86	284	1,034	366	363	-	2,173
Disposals	-	-	-	(24)	(7)	(36)	-	(67)
At end of the year	<u>1,275</u>	<u>2,731</u>	<u>8,971</u>	<u>23,522</u>	<u>18,050</u>	<u>10,118</u>	<u>-</u>	<u>64,667</u>
<i>Net book amount</i>								
At 31 March 2013	<u>15,160</u>	<u>15,909</u>	<u>2,298</u>	<u>9,485</u>	<u>1,753</u>	<u>3,045</u>	<u>19,778</u>	<u>67,428</u>
At 31 December 2012	<u>15,249</u>	<u>15,485</u>	<u>2,490</u>	<u>10,772</u>	<u>2,246</u>	<u>3,221</u>	<u>17,188</u>	<u>66,651</u>

There were no impairment losses on any class of property and equipment during the year (2012 : nil)

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Note 38. Intangible assets

	Group 31-Mar-13 N'million	Group 31-Mar-12 N'million	Group 31-Dec-12 N'million	Bank 31-Mar-13 N'million	Bank 31-Mar-12 N'million	Bank 31-Dec-12 N'million
Computer software						
Cost						
At start of the year	3,661	2,032	1,969	2,981	2,386	1,843
Exchange difference	(17)	2	(17)	-	-	-
Additions	119	570	1,709	101	-	1,138
At end of the year/period	<u>3,763</u>	<u>2,604</u>	<u>3,661</u>	<u>3,082</u>	<u>2,386</u>	<u>2,981</u>
Accumulated amortization						
At start of the year	2,255	1,257	1,199	1,806	1,182	1,182
Exchange difference	(16)	-	(3)	-	-	-
Charge for the year	215	107	1,059	190	76	624
At end of the year/period	<u>2,454</u>	<u>1,364</u>	<u>2,255</u>	<u>1,996</u>	<u>1,258</u>	<u>1,806</u>
Carrying amount						
At end of the year/period	<u>1,309</u>	<u>1,240</u>	<u>1,406</u>	<u>1,086</u>	<u>1,128</u>	<u>1,175</u>

Note 39. Deposits

Demand	1,175,511	998,303	1,171,216	1,167,283	994,738	1,140,494
Savings	156,711	152,174	152,464	144,656	135,900	140,973
Term	357,356	301,946	336,927	350,233	290,304	328,965
Deposit from banks	74,290	36,891	48,580	-	-	-
Domiciliary	230,782	181,542	220,057	204,960	159,746	191,576
	<u>1,994,650</u>	<u>1,670,856</u>	<u>1,929,244</u>	<u>1,867,132</u>	<u>1,580,688</u>	<u>1,802,008</u>

Note 40. Other liabilities

Customer deposits for letters of credit	56,899	91,095	38,450	56,899	91,095	38,442
Settlement payables	5,887	3,499	2,660	5,774	3,499	2,545
Managers' cheques	15,030	16,162	14,996	14,458	15,729	14,733
Due to banks for clean letters of credit	58,397	17,042	36,300	58,397	17,042	36,300
Customers' funds for fx purchases	2,417	2,076	2,581	2,391	2,047	2,559
Tax collections	1,401	1,455	1,295	1,350	1,425	1,255
Sales and other collections	6,882	7,977	7,884	6,882	7,977	7,884
Other payables	28,596	25,007	13,189	49,557	41,656	11,309
	<u>175,509</u>	<u>164,313</u>	<u>117,355</u>	<u>195,708</u>	<u>180,470</u>	<u>115,027</u>

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	Group 31-Mar-13 N'million	Group 31-Mar-12 N'million	Group 31-Dec-12 N'million	Bank 31-Mar-13 N'million	Bank 31-Mar-12 N'million	Bank 31-Dec-12 N'million
Note 41. On-lending facilities						
This comprises:						
Central Bank of Nigeria (CBN) Commercial Agriculture Credit Scheme Loan	30,855	25,755	23,955	30,855	25,755	23,955
Bank of Industry (BOI) Intervention Loan	14,251	14,919	14,670	14,251	14,919	14,670
Central Bank of Nigeria (CBN) / Bank of Industry(BOI) - Power & Aviation intervention Funds	17,005	12,753	17,441	17,005	12,753	17,441
	<u>62,111</u>	<u>53,427</u>	<u>56,066</u>	<u>62,111</u>	<u>53,427</u>	<u>56,066</u>
Note 42. Borrowings						
Long term borrowing comprise:						
Due to FMO	-	249	-	-	249	-
Due to ADB	10,668	13,036	11,957	10,668	13,036	11,957
Due to KEXIM	4,765	-	313	4,765	-	313
Due to EIB	-	59	-	-	59	-
Due to HSBC	-	136	-	-	136	-
Due to PROPARCO	6,220	3,910	2,183	6,220	3,910	2,183
Due to Private Exporters Funding Corporation	464	1,383	685	464	1,383	685
	<u>22,117</u>	<u>18,773</u>	<u>15,138</u>	<u>22,117</u>	<u>18,773</u>	<u>15,138</u>
Note 43. Liabilities classified as held for sale						
Claims payable	638	515	425	-	-	-
Current income tax	2,147	2,497	1,782	-	-	-
Deferred income tax liabilities	560	35	552	-	-	-
Bank Overdrafts	-	853	-	-	-	-
Unclaimed dividend	-	12,305	-	-	-	-
Liabilities on insurance contracts	6,664	3,170	3,418	-	-	-
Other payables	4,071	20,826	5,407	-	-	-
	<u>14,080</u>	<u>40,201</u>	<u>11,584</u>	<u>-</u>	<u>-</u>	<u>-</u>

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Note 44. Share Capital

Authorised

40,000,000,000 ordinary shares of 50k each (2012: **40,000,000,000**)

<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
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Issued and fully paid

31,396,493,786 ordinary shares of 50k each (2012:
31,396,493,786)

<u>15,698</u>	<u>15,698</u>	<u>15,698</u>	<u>15,698</u>	<u>15,698</u>	<u>15,698</u>
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Note 45. Share Premium

There was no movement on share premium account during the period.

At start of the period

<u>255,047</u>	<u>255,047</u>	<u>255,047</u>	<u>255,047</u>	<u>255,047</u>	<u>255,047</u>
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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 from previous years 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 the profit after tax in a fund to be used to finance equity investments in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax and shall continue after the first 5 years but banks' contributions shall thereafter reduce to 5% of profit after tax. The small and medium scale industries equity investment scheme reserves are non-distributable. Transfer to this reserve is no longer required.

Contingency reserve: As required by insurance regulations, a contingency reserve is maintained for both the non-life insurance and life assurance contracts underwritten by the Group. The appropriation to contingency reserve for non-life underwriting contracts is calculated in accordance with section 21(2) and 22(1)(b) of the Insurance Act 2003. The reserve is calculated at the higher of 3% of gross premiums and 20% of net profits of the business for the year. The appropriation to contingency reserve for life underwriting contracts is calculated at the higher of 1% of the gross premium and 10% of net profits of the business for the year. The appropriations are charged to the Life Fund.

Revaluation reserve: Comprises fair value movements on equity instruments.

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

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Note 46. Pension contribution

In accordance with the provisions of the Pensions Reform Act 2004, 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 12.5% 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 N 627 million and N 576 million respectively (2012: N 649 million and N 617 million).

Note 47. 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 2013 are shown below.

Entity	'Effective holding %	Nominal share capital held N'million
Zenith Bank (Ghana) Limited	98.07	6,444
Zenith Bank (UK) Limited	100.00	13,307
Zenith Bank (Sierra Leone) Limited	99.99	1,606
Zenith Bank (Gambia) Limited	99.96	1,038
Domestic / non-banking subsidiaries:		
Zenith General Insurance Limited	80.12	3,978
Zenith Life Assurance Limited	81.61	1,632
Zenith Securities Limited	99.98	3,000
Zenith Capital Limited	99.99	2,000
Zenith Pension Custodians Limited	99.00	1,980
Zenith Trustees Limited	49.99	60
Zenith Medicare Limited	80.12	380

Key management personnel

Key management personnel is defined as the Group's executive and non-executive directors, including their close members of family 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

	Group N'million 31-Mar-13	Group N'million 31-Mar-12	Group N'million 31-Dec-12
Salaries and other short-term benefits	178	69	534
Retirement benefit cost	10	1	8
Loans and advances			
At start of the period	1,365	1,024	1,429
Granted during the period	-	51	57
Repayment during the period	(41)	(69)	(121)
At end of of the period	<u>1,324</u>	<u>1,006</u>	<u>1,365</u>
Interest earned	<u>0.34</u>	<u>53</u>	<u>50</u>

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 (2012: Nil). The mortgage loans are secured by the underlying assets. All other loans are unsecured.

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Name of company / Individual	Loans N' million	Deposits N' million	Interest received N' million	Interest paid N' million
Carpri Martins	2,700	39	108	0.3
Multibank savings and Loans	2,650	-	124	-
Visafone Communications Ltd	3,786	1	189	3
Tadop Properties Limited	-	-	-	-
Goodworks Properties Ltd	-	-	-	-
Cyberspace Limited	-	274	-	1
Cyberspace Networks Limited	-	-	-	4
At end of the period	<u>9,136</u>	<u>314</u>	<u>421</u>	<u>8.3</u>

Name of company / Individual	Loans N' million	Deposits N' million	Interest received N' million	Interest paid N' million
Carpri Martins	2,503	-	-	-
Multibank savings and Loans	2,650	-	62	-
Visafone Communications Ltd	4,716	2,903	1	18
Tadop Properties Limited	2,933	-	1,687	-
Goodworks Properties Ltd	-	-	-	-
Cyberspace Limited	-	50	-	1
Cyberspace Networks Limited	-	2	-	1
	<u>12,802</u>	<u>2,955</u>	<u>1,750</u>	<u>20</u>

Loans granted to related parties are secured over real estate and other assets of the respective borrowers. No impairment has been recognised in respect of loans granted to related parties (2012: Nil).

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Note 48. Acceptances and guarantees

(a) Legal proceedings

The Bank is presently involved in 85 litigation suits in the ordinary course of business. The total amount claimed in the cases against the Bank is estimated at N2.14 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 balance sheet date, the Bank had capital commitments amounting to N2.1 billion (2012: N1.5 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:

	Group	Group	Group	Bank	Bank	Bank
	31-Mar-13	31-Mar-12	31-Dec-12	31-Mar-13	31-Mar-12	31-Dec-12
	N'million	N'million	N'million	N'million	N'million	N'million
Performance bonds and guarantees	468,998	243,821	468,728	457,379	231,051	434,038
Usance	156,358	94,415	162,133	141,434	54,077	131,817
Letters of credit	138,978	154,432	141,021	132,219	140,512	125,709
Pension Funds (See Note (below))	1,198,437	837,287	1,106,373	1,198,437	837,287	1,106,373
	1,962,771	1,329,955	1,878,255	1,929,469	1,262,927	1,797,937

Letters of credit are agreements to lend to a customer in the future, subject to certain conditions. Such commitments are either made for a fixed period, or have no specific maturity dates, but are cancellable by the Group (as lender) subject to notice requirements. These letters of credit are provided at market-related interest rates and cannot be settled net in cash.

The amount of N 1,198.43 billion (2012: N 837 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.

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Note 49. Dividend per share

Dividend proposed(in N'million)	-	26,687	50,234	-	26,687	50,234
Number of shares in issue and ranking for dividend(in millions)	31,396	31,396	31,396	31,396	31,396	31,396
Dividend paid per share	-	85 k	160 k	-	85 k	160 k

The number of shares in issue and ranking for dividend represents the outstanding number of shares as at 31 March 2013 and 31 December 2012 respectively.

Payment of dividends is subject to withholding tax at a rate of 10%.

Note 50. 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.

	Group 31-Mar-13 N'million	Group 31-Mar-12 N'million	Group 31-Dec-12 N'million	Bank 31-Mar-13 N'million	Bank 31-Mar-12 N'million	Bank 31-Dec-12 N'million
Cash and balances with central banks (less restricted balances)	127,956	173,294	152,379	108,878	48,737	133,929
Treasury bills	280,418	87,543	280,418	275,680	86,019	275,680
Due from other banks	205,751	274,473	182,020	237,101	292,213	203,791
	614,125	535,310	614,817	621,659	426,969	613,400