



**ZENITH BANK PLC**  
CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

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

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We the undersigned hereby certify the following regards to our financial report for the period ended 30 September 2015 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 effect 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 .



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**Peter Amangbo**

Group Managing Director/CEO

FRC/2013/ICAN/00000001310



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**Ebenezer Onyeagwu**

Executive Director

FRC/2013/ICAN/00000003788

**Statement Of Directors' Responsibility**

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**In relation to the Interim financial statements for the period ended 30 September 2015**

The Directors accept responsibility for the preparation of interim 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:**



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**Peter Amangbo**  
Group Managing Director/CEO  
FRC/2013/ICAN/00000001310



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**Ebenezer Onyeagwu**  
Executive 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-15	9 Months 30-Sep-15	9 Months 30-Sep-14	12 Months 31-Dec-14	3 Months 30-Sep-15	9 Months 30-Sep-15	9 Months 30-Sep-14	12 Months 31-Dec-14
<b>Gross earnings</b>		<b>107,771</b>	<b>336,853</b>	<b>273,738</b>	<b>403,343</b>	<b>98,178</b>	<b>311,749</b>	<b>253,466</b>	<b>372,015</b>
<b>Continuing operations:</b>									
Interest and similar income	14	80,514	256,737	213,011	313,422	73,809	233,890	192,376	285,171
Interest and similar expense	15	(31,752)	(95,337)	(69,644)	(106,919)	(29,951)	(89,150)	(63,994)	(99,439)
<b>Net interest income</b>		<b>48,762</b>	<b>161,400</b>	<b>143,367</b>	<b>206,503</b>	<b>43,858</b>	<b>144,740</b>	<b>128,382</b>	<b>185,732</b>
Impairment charge for credit losses	16	(2,524)	(9,725)	(4,882)	(13,064)	(2,400)	(8,792)	(4,720)	(12,392)
<b>Net interest income after impairment charge for credit losses</b>		<b>46,238</b>	<b>151,675</b>	<b>138,485</b>	<b>193,439</b>	<b>41,458</b>	<b>135,948</b>	<b>123,662</b>	<b>173,340</b>
Fees and commissions income	17	17,859	54,500	49,919	70,512	15,094	46,570	44,009	60,825
Trading income	18	3,927	15,914	9,183	15,877	3,927	15,914	9,183	15,865
Other income	19	5,471	9,702	1,373	3,532	5,348	15,375	7,898	10,154
Share of profit /(loss)of associates	31	-	206	324	138	-	-	-	-
Amortisation of Intangible assets	36	(249)	(851)	(522)	(728)	(239)	(826)	(507)	(704)
Depreciation of property and equipment	35	(2,070)	(7,137)	(6,942)	(9,087)	(1,869)	(6,559)	(6,401)	(8,417)
Personnel expenses		(17,918)	(52,296)	(50,311)	(72,320)	(16,572)	(48,251)	(47,190)	(67,848)
Operating expenses	20	(21,407)	(67,661)	(54,691)	(81,567)	(19,778)	(63,018)	(49,436)	(75,366)
<b>Profit before minimum tax and income tax</b>		<b>31,851</b>	<b>104,052</b>	<b>86,818</b>	<b>119,796</b>	<b>27,369</b>	<b>95,153</b>	<b>81,218</b>	<b>107,849</b>
Income tax expense	21	(1,944)	(20,965)	(15,772)	(20,341)	(900)	(17,910)	(13,000)	(15,370)
<b>Profit after tax</b>		<b>29,907</b>	<b>83,087</b>	<b>71,046</b>	<b>99,455</b>	<b>26,469</b>	<b>77,243</b>	<b>68,218</b>	<b>92,479</b>

**Statement of profit or loss and other comprehensive income**

In millions of Naira	Notes	Group				Bank			
		3 Months 30-Sep-15	9 Months 30-Sep-15	9 Months 30-Sep-14	12 months 31-Dec-14	3 Months 30-Sep-15	9 Months 30-Sep-15	9 Months 30-Sep-14	12 months 31-Dec-14
<b>Other comprehensive income:</b>									
<b>Items that will never be reclassified to profit or loss</b>									
Fair value movements on equity instruments		-	(2,390)	-	2,549	-	(2,390)	-	2,549
<b>Items that are or may be reclassified to profit or loss</b>									
Foreign currency translation differences		3,016	958	3,481	3,282	-	-	-	-
Effective portion of changes in fair value of cash flow hedges		-	-	-	(2,771)	-	-	-	-
Related tax expense		-	-	-	760	-	-	-	-
Other comprehensive income for the period, net of tax		3,016	(1,432)	3,481	3,820	-	(2,390)	-	2,549
<b>Total comprehensive income for the period</b>		<b>32,923</b>	<b>81,655</b>	<b>74,527</b>	<b>103,275</b>	<b>26,469</b>	<b>74,853</b>	<b>68,218</b>	<b>95,028</b>
<b>Profit attributable to:</b>									
Equity holders of the parent		29,922	83,022	70,923	99,275	26,469	77,243	68,218	92,479
Non-controlling interests		(15)	65	123	180	-	-	-	-
<b>Total comprehensive income attributable to:</b>									
Equity holders of the parent		32,885	81,639	74,497	103,146	26,469	74,853	68,218	95,028
Non-controlling interests		38	16	30	129	-	-	-	-
<b>Earnings per share for profit from total operations attributable to equity holders of parent</b>									
Basic and diluted	22	95 k	264 k	226 k	316 k	84 k	246 k	217 k	295 k

## Zenith Bank Plc

Consolidated and separate interim financial statements for the period ended 30 September 2015

### Statements of financial position as at 30 September 2015

In millions of Naira	Note(s)	Group			Bank		
		30-Sep-15	30-Sep-14	31-Dec-14	30-Sep-15	30-Sep-14	31-Dec-14
<b>Assets</b>							
Cash and balances with central banks	23	565,124	556,330	752,580	539,448	533,825	728,291
Treasury bills	24	356,853	438,555	295,397	326,597	371,022	253,414
Asset pledged as collateral	25	263,027	6,930	151,746	263,027	6,930	151,746
Due from other banks	26	472,590	426,165	506,568	455,743	424,907	470,139
Derivative assets	27	15,790	1,970	17,408	15,790	-	16,896
Loans and advances	28	1,841,392	1,526,109	1,729,507	1,711,351	1,389,341	1,580,250
Investment securities	29	205,484	319,372	200,079	132,074	223,950	92,832
Investments in subsidiaries	30	-	-	-	33,003	24,827	33,003
Investments in associates	31	508	548	302	90	90	90
Deferred tax assets	33	3,790	36	6,449	3,458	-	6,333
Other assets	34	38,349	59,653	21,455	36,318	41,819	19,393
Property and equipment	35	76,275	70,951	71,571	71,564	69,094	69,531
Intangible assets	36	2,677	2,014	2,202	2,281	1,739	1,901
<b>Total assets</b>		<b>3,841,859</b>	<b>3,408,633</b>	<b>3,755,264</b>	<b>3,590,744</b>	<b>3,087,544</b>	<b>3,423,819</b>
<b>Liabilities</b>							
Customers' deposits	37	2,521,828	2,309,614	2,537,311	2,302,045	2,034,058	2,265,262
Derivative liabilities	32	333	-	6,073	333	-	6,073
Current income tax	21	3,627	1,778	10,042	2,335	95	7,709
Deferred income tax liabilities	33	36	482	-	-	-	-
Other liabilities	38	300,524	274,698	289,858	317,253	269,366	272,726
On-lending facilities	39	105,752	92,176	68,344	105,752	92,176	68,344
Borrowings	40	237,049	122,603	198,066	237,049	122,603	198,066
Debt Securities issued	41	101,209	83,350	92,932	101,209	83,350	92,932
<b>Total liabilities</b>		<b>3,270,358</b>	<b>2,884,701</b>	<b>3,202,626</b>	<b>3,065,976</b>	<b>2,601,648</b>	<b>2,911,112</b>

## Zenith Bank Plc

Consolidated and separate interim financial statements for the period ended 30 September 2015

### Statements of financial position as at 30 September 2015

In millions of Naira	Note(s)	Group			Bank		
		30-Sep-15	30-Sep-14	31-Dec-14	30-Sep-15	30-Sep-14	31-Dec-14
<b>Capital and reserves</b>							
Share capital	42	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
Retained earnings		203,891	176,856	183,396	165,058	139,952	150,342
Other reserves		96,297	75,834	97,945	88,965	75,199	91,620
<b>Attributable to equity holder of the parent</b>		<b>570,933</b>	<b>523,435</b>	<b>552,086</b>	<b>524,768</b>	<b>485,896</b>	<b>512,707</b>
Non-controlling interests		568	497	552	-	-	-
<b>Total shareholders' equity</b>		<b>571,501</b>	<b>523,932</b>	<b>552,638</b>	<b>524,768</b>	<b>485,896</b>	<b>512,707</b>
<b>Total liabilities and equity</b>		<b>3,841,859</b>	<b>3,408,633</b>	<b>3,755,264</b>	<b>3,590,744</b>	<b>3,087,544</b>	<b>3,423,819</b>



**Statements of cash flows**

In millions of Naira	Note(s)	Group			Bank		
		30-Sep-15	30-Sep-14	31-Dec-14	30-Sep-15	30-Sep-14	31-Dec-14
<b>Cash flows from operating activities</b>							
Profit after tax for the period		83,087	71,046	99,455	77,243	68,218	92,479
<b>Adjustments for non-cash items:</b>							
Impairment							
Impairment loss on overdraft		6,128	4,882	10,929	5,750	4,720	10,257
Impairment loss on term loan		3,607	-	2,145	3,052	-	2,145
Impairment loss on on-lending		-	-	-	-	-	-
Impairment loss on leases		(10)	-	(10)	(10)	-	(10)
Fair value adjustments		(58)	-	(336)	(58)	-	(336)
Depreciation of property and equipment		7,137	6,942	9,087	6,559	6,401	8,417
Amortisation of intangible assets		851	522	728	826	507	704
Dividend income		(525)	(421)	(455)	(4,485)	(421)	(455)
Interest and similar income		(256,737)	(213,011)	(313,422)	(233,890)	(192,376)	(285,170)
Interest and similar expense		95,337	69,644	106,919	89,150	63,994	99,439
share of (profit)/loss of associates		(206)	(324)	(138)	-	-	-
Profit on sale of property and equipment		(41)	(200)	(153)	(30)	(197)	(151)
Gain on disposal of subsidiaries		(1,616)	(510)	(510)	(1,616)	(7,033)	(7,033)
Tax expenses		20,965	15,772	20,341	17,910	13,000	15,370
<b>Changes in operating assets and liabilities:</b>							
Net (increase)/decrease in Loans and advances		(121,305)	(275,102)	(491,401)	(139,893)	(262,782)	(466,083)
Net (increase)/decrease in Other assets		(16,894)	(23,419)	14,783	(16,925)	(10,404)	12,022
Net (increase)/decrease in Treasury bills with maturity greater than 3 months		(156,689)	(24,195)	144,001	(157,358)	11,523	140,966
Net (increase)/decrease in asset pledged as collateral		(111,281)	-	(144,816)	(111,281)	-	(144,816)
Net (increase)/decrease in Debt securities		(1,118)	(17,712)	104,823	(43,171)	(16,060)	122,736
Net (increase)/decrease in Restricted balances (cash reserves)		64,529	(42,931)	(159,453)	64,690	(42,931)	(159,449)
Net asset of disposed subsidiary		-	(16,343)	(16,343)	-	-	-
Net (increase)/decrease in Customer deposits		(15,483)	32,859	260,556	36,783	(45,804)	185,400
Net (increase)/decrease in Other liabilities		10,666	59,055	74,215	44,527	68,101	71,478
Net (increase)/decrease in derivative assets		1,618	-	(14,727)	1,106	-	(16,896)
Net (increase)/decrease in derivative liabilities		(5,740)	-	6,073	(5,740)	-	6,073
		<b>(393,778)</b>	<b>(353,446)</b>	<b>(287,709)</b>	<b>(366,861)</b>	<b>(341,544)</b>	<b>(312,913)</b>
Interest received		256,737	213,011	313,422	233,890	192,376	285,171
Interest paid		(95,337)	(69,644)	(106,919)	(89,150)	(63,994)	(99,439)
Tax paid		(25,173)	(19,251)	(23,649)	(20,408)	(16,924)	(19,260)
Cash flows from discontinued operations		-	(11,078)	(11,078)	-	-	-
<b>Net cash flows(used in)/generated from operating activities</b>		<b>(257,551)</b>	<b>(240,408)</b>	<b>(115,933)</b>	<b>(242,529)</b>	<b>(230,086)</b>	<b>(146,441)</b>

**Statements of cash flows**

In millions of Naira	Note(s)	Group			Bank		
		30-Sep-15	30-Sep-14	31-Dec-14	30-Sep-15	30-Sep-14	31-Dec-14
<b>Cash flows from investing activities</b>							
Purchase of property and equipment	35	(11,593)	(8,810)	(12,232)	(8,648)	(8,174)	(10,701)
Proceeds from sale of property and equipment		98	411	232	86	240	252
Proceed from sale of subsidiaries		-	9,995	-	-	9,995	-
Purchase of intangible assets	36	(1,533)	(625)	(947)	(1,206)	(544)	(902)
Purchase of equity securities		(7,763)	-	685	-	-	685
Proceeds from sale of equity securities		3,212	-	-	3,212	-	-
Investment in subsidiaries		-	-	-	-	-	(8,628)
Proceed from sale of subsidiaries		-	-	10,935	-	-	10,935
Net cash flows of discontinued operations		-	3,970	3,970	-	-	-
Dividend received		525	421	455	4,485	421	455
<b>Net cash from/(used) in investing activities</b>		<b>(17,054)</b>	<b>5,362</b>	<b>3,098</b>	<b>(2,071)</b>	<b>1,938</b>	<b>(7,904)</b>
<b>Cash flows from financing activities</b>							
Net inflow from on-lending facilities		37,408	32,649	8,816	37,408	32,649	8,816
Borrowings							
- inflow from long term borrowing		83,526	149,303	149,626	83,526	149,303	149,626
-repayment of long term borrowing		(44,543)	(3,500)	(11,710)	(44,543)	(3,500)	(11,710)
Inflow from debt securities issued		8,277	-	92,932	8,277	-	92,932
Dividends paid		(62,792)	(54,943)	(54,943)	(62,792)	(54,943)	(54,943)
Net cash from changes in ownership interest in subsidiaries		-	3,512	3,548	-	-	-
<b>Net cash from/(used) in financing activities</b>		<b>21,876</b>	<b>127,021</b>	<b>188,269</b>	<b>21,876</b>	<b>123,509</b>	<b>184,721</b>
<b>(Decrease)/Increase in cash and cash equivalent</b>		<b>(252,729)</b>	<b>(108,025)</b>	<b>75,434</b>	<b>(222,724)</b>	<b>(104,639)</b>	<b>30,376</b>
Cash at the beginning of the		965,723	866,721	866,721	871,853	841,477	841,477
Cash and cash equivalents from discontinued operations		-	23,451	23,451	-	-	-
Effect of exchange rate movement on cash balances		591	(1,583)	117	-	-	-
<b>Cash and cash equivalent at the end of the period/year</b>	48	<b>713,585</b>	<b>780,564</b>	<b>965,723</b>	<b>649,129</b>	<b>736,838</b>	<b>871,853</b>

**Consolidated and separate 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	Hedging reserve	Revaluation reserve	Statutory reserve	SMIEIS reserve	Credit risk reserve	Contingency reserve	Retained earnings			
In millions of Naira													
<b>Group</b>													
<b>At 01 January 2015</b>	<b>15,698</b>	<b>255,047</b>	<b>(2,389)</b>	-	<b>6,066</b>	<b>78,267</b>	<b>3,729</b>	<b>12,272</b>	-	<b>183,396</b>	<b>552,086</b>	<b>552</b>	<b>552,638</b>
Profit for the	-	-	-	-	-	-	-	-	-	83,022	83,022	65	83,087
Foreign currency translation differences	-	-	1,007	-	-	-	-	-	-	-	1,007	(49)	958
Effective portion of changes in fair value of cash flow hedges net of tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value movements on equity instruments, net of tax	-	-	-	-	(2,390)	-	-	-	-	-	(2,390)	-	(2,390)
<b>Total comprehensive income for the</b>	<b>-</b>	<b>-</b>	<b>1,007</b>	<b>-</b>	<b>(2,390)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,022</b>	<b>81,639</b>	<b>16</b>	<b>81,655</b>
Transfer between reserves	-	-	-	-	-	7,616	-	(7,881)	-	265	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	(62,792)	(62,792)	-	(62,792)
Changes in ownership interest - control not lost	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>At 30 September 2015</b>	<b>15,698</b>	<b>255,047</b>	<b>(1,382)</b>	-	<b>3,676</b>	<b>85,883</b>	<b>3,729</b>	<b>4,391</b>	-	<b>203,891</b>	<b>570,933</b>	<b>568</b>	<b>571,501</b>
<b>At 01 January 2014</b>	<b>15,698</b>	<b>255,047</b>	<b>(5,683)</b>	<b>1,972</b>	<b>3,499</b>	<b>57,762</b>	<b>3,729</b>	<b>10,697</b>	<b>1,371</b>	<b>161,144</b>	<b>505,236</b>	<b>4,015</b>	<b>509,251</b>
Profit for the	-	-	-	-	-	13,872	-	-	-	85,403	99,275	180	99,455
Foreign currency translation differences	-	-	3,294	-	-	-	-	-	-	-	3,294	(12)	3,282
Effective portion of changes in fair value of cash flow hedges net of tax	-	-	-	(1,972)	-	-	-	-	-	-	(1,972)	(39)	(2,011)
Fair value movements on equity instruments, net of tax	-	-	-	-	2,549	-	-	-	-	-	2,549	-	2,549
<b>Total comprehensive income for the</b>	<b>-</b>	<b>-</b>	<b>3,294</b>	<b>(1,972)</b>	<b>2,549</b>	<b>13,872</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,403</b>	<b>103,146</b>	<b>129</b>	<b>103,275</b>
Transfer between reserves	-	-	-	-	-	6,633	-	1,575	-	(8,208)	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	(54,943)	(54,943)	-	(54,943)
Changes in ownership interest - control not lost	-	-	-	-	-	-	-	-	-	-	-	(44)	(44)
Business combinations	-	-	-	-	18	-	-	-	(1,371)	-	(1,353)	(3,548)	(4,901)
<b>At 31 December 2014</b>	<b>15,698</b>	<b>255,047</b>	<b>(2,389)</b>	-	<b>6,066</b>	<b>78,267</b>	<b>3,729</b>	<b>12,272</b>	-	<b>183,396</b>	<b>552,086</b>	<b>552</b>	<b>552,638</b>

**Consolidated and separate statements of changes in equity**

In millions of Naira	Share capital	Share premium	Revaluation reserve	Statutory reserve	SMIEIS reserve	Credit risk reserve	Retained earnings	Total equity
<b>Bank</b>								
<b>At 01 January 2015</b>	<b>15,698</b>	<b>255,047</b>	<b>6,066</b>	<b>71,582</b>	<b>3,729</b>	<b>10,243</b>	<b>150,342</b>	<b>512,707</b>
Profit for the	-	-	-	-	-	-	77,243	77,243
Fair value movement on equity instruments net of tax	-	-	(2,390)	-	-	-	-	(2,390)
<b>Total comprehensive income for the</b>	<b>-</b>	<b>-</b>	<b>(2,390)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77,243</b>	<b>74,853</b>
Transfer between reserves	-	-	-	7,616	-	(7,881)	265	-
Dividends	-	-	-	-	-	-	(62,792)	(62,792)
<b>At 30 September 2015</b>	<b>15,698</b>	<b>255,047</b>	<b>3,676</b>	<b>79,198</b>	<b>3,729</b>	<b>2,362</b>	<b>165,058</b>	<b>524,768</b>
<b>At 01 January 2014</b>	<b>15,698</b>	<b>255,047</b>	3,517	57,710	3,729	10,243	126,678	<b>472,622</b>
Profit for the	-	-	-	13,872	-	-	78,607	92,479
Fair value movement on equity instruments net of tax	-	-	2,549	-	-	-	-	2,549
<b>Total comprehensive income for the</b>	<b>-</b>	<b>-</b>	<b>2,549</b>	<b>13,872</b>	<b>-</b>	<b>-</b>	<b>78,607</b>	<b>95,028</b>
Dividends	-	-	-	-	-	-	(54,943)	(54,943)
<b>At 31 December 2014</b>	<b>15,698</b>	<b>255,047</b>	<b>6,066</b>	<b>71,582</b>	<b>3,729</b>	<b>10,243</b>	<b>150,342</b>	<b>512,707</b>

**Notes to the consolidated and separate interim financial statements**

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**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.

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 five subsidiary companies namely, Zenith Bank (Ghana) Limited, Zenith Pension Custodian Limited, Zenith Bank (UK) Limited, Zenith Bank (Sierra Leone) Limited and Zenith Bank (Gambia) Limited. The results of the bank's subsidiaries have been consolidated in these 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 third quarter ended 30 September 2015 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 2014, 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 2014 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.

**3. Seasonality of operations**

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

**4. Unusual items**

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

**5. Changes in Estimates**

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

**6. Dividends**

The directors did not recommend the payment of any dividend for the Group's third quarter results to 30 September 2015 (30 September 2014: NIL).

**Notes to the consolidated and separate interim financial statements**

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**7. Significant events after the end of the interim period**

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

**8. Business combinations**

There was no business combination during the period.

**9. Restructuring and reversals of restructuring provisions**

No reversals of provision for restructuring were made in the Group's books in the current period as there were no restructuring during the period neither were there reversal of previous restructuring arrangements for third quarter results to 30 September 2015 (30 September 2014: NIL).

**10. Correction of prior period errors**

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

**11. Impairment loss of property, 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.

**12. Litigation settlements**

There was litigation settlements of N18.9 million in the third quarter ended 30 September 2015 (30 September 2014: N101 million).

**13. Segment**

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

Notes to the consolidated and separate interim financial statements

In millions of Naira

	Nigeria	Outside Nigeria		Total reportable segments	Eliminations	Consolidated
		Africa	Europe			
<b>In millions of Naira</b>						
<b>30 September 2015</b>						
Revenue:						
Derived from external customers	313,443	19,854	2,688	335,985	(8,202)	327,783
Derived from other business segments	3,486	-	5,584	9,070	-	9,070
<b>Total revenue*</b>	<b>316,929</b>	<b>19,854</b>	<b>8,272</b>	<b>345,055</b>	<b>(8,202)</b>	<b>336,853</b>
Share of profit of associates	-	-	-	-	206	206
Interest expense	(89,150)	(6,748)	(3,679)	(99,577)	4,240	(95,337)
Impairment charge for credit losses	(8,793)	(378)	(554)	(9,725)	-	(9,725)
Operating expenses	(119,305)	(6,199)	(2,441)	(127,945)	-	(127,945)
Profit before tax	99,681	6,529	1,598	107,808	3,756	104,052
Tax expense	(19,236)	(1,330)	(399)	(20,965)	-	(20,965)
	<b>80,445</b>	<b>5,199</b>	<b>1,199</b>	<b>86,843</b>	<b>3,756</b>	<b>83,087</b>

**Notes to the consolidated and separate interim financial statements**

In millions of Naira

	Nigeria	Outside Nigeria		Total reportable segments	Eliminations	Consolidated
		Africa	Europe			
<b>In millions of Naira</b>						
<b>30 September 2015</b>						
Capital expenditure**	9,854	3,094	178	13,126	-	13,126
Identifiable assets	3,605,932	149,538	248,877	4,004,347	(162,488)	3,841,859
Identifiable liabilities	3,067,384	122,746	210,812	3,400,942	(130,584)	3,270,358

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

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



Notes to the consolidated and separate interim financial statements

In millions of Naira

	Nigeria Corporate retail and pension custodian services (continued operations)	Outside Nigeria Banking Africa (continuing operations)	Europe (continuing operations)	Total reportable segments	Eliminations	Consolidated
<b>In millions of Naira</b>						
<b>30 September 2014</b>						
Revenue:						
Derived from external customers	258,286	15,868	5,082	279,236	-	279,236
Derived from other business segments	1,034	-	2,776	3,810	(9,308)	(5,498)
<b>Total revenue*</b>	<b>259,320</b>	<b>15,868</b>	<b>7,858</b>	<b>283,046</b>	<b>(9,308)</b>	<b>273,738</b>
Interest expense	(65,073)	(4,689)	(3,692)	(73,454)	3,810	(69,644)
Impairment charge for credit losses	(4,535)	(185)	(162)	(4,882)	-	(4,882)
Operating expenses	(106,374)	(4,321)	(1,699)	(112,394)	-	(112,394)
Profit before tax	83,338	6,673	2,305	92,316	5,498	86,818
Tax expense	(13,553)	(1,660)	(559)	(15,772)	-	(15,772)
	<b>69,785</b>	<b>5,013</b>	<b>1,746</b>	<b>76,544</b>	<b>5,498</b>	<b>71,046</b>

**Notes to the consolidated and separate interim financial statements**

In millions of Naira

	Nigeria Corporate retail and pension custodian services (continued operations)	Outside Nigeria Africa (continuing operations)	Banking Europe (continuing operations)	Total reportable segments	Eliminations	Consolidated
<b>In millions of Naira</b>						
<b>30 September 2014</b>						
Capital expenditure**	8,809	498	128	9,435	-	9,435
Identifiable assets	3,102,260	198,193	278,637	3,579,090	(170,457)	3,408,633
Identifiable liabilities	2,603,080	178,872	248,947	3,030,899	(146,198)	2,884,701

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

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

**Notes to the Consolidated and separate interim financial statements**

In millions of Naira	Group				Bank			
	3 Months 30-Sep-15	9 Months 30-Sep-15	9 Months 30-Sep-14	12 Months 31-Dec-14	3 Months 30-Sep-15	9 Months 30-Sep-15	9 Months 30-Sep-14	12 Months 31-Dec-14
<b>14. Interest and similar income</b>								
Inter-bank placement	1,245	6,401	4,271	10,026	1,091	5,902	6,774	13,266
Treasury bills	11,761	39,301	41,910	56,463	12,511	35,425	36,801	47,781
Government and other bonds	8,404	22,622	25,016	31,997	7,354	16,459	18,283	23,583
Derivative held for risk management	-	-	-	1,972	-	-	-	-
Loans and advances to customers	59,104	188,413	141,814	212,964	52,853	176,104	130,518	200,541
	<b>80,514</b>	<b>256,737</b>	<b>213,011</b>	<b>313,422</b>	<b>73,809</b>	<b>233,890</b>	<b>192,376</b>	<b>285,171</b>
<b>15. Interest and similar expense</b>								
Current accounts	1,267	3,771	2,969	4,020	1,232	3,667	2,919	3,940
Savings accounts	2,768	8,131	3,871	6,183	2,751	8,085	3,830	6,128
Borrowed funds	4,595	9,927	4,611	8,527	4,595	9,927	4,611	8,527
Inter-bank takings	388	1,150	2,645	5,643	-	-	-	-
Time deposits	22,734	72,358	55,548	82,546	21,373	67,471	52,634	80,844
	<b>31,752</b>	<b>95,337</b>	<b>69,644</b>	<b>106,919</b>	<b>29,951</b>	<b>89,150</b>	<b>63,994</b>	<b>99,439</b>
<b>16. Impairment charge</b>								
Overdrafts (See note 28)	2,463	6,128	4,882	10,929	2,400	5,750	4,720	10,257
Term loans (See note 28)	61	3,607	-	2,145	-	3,052	-	2,145
Advances under finance lease (See note 28)	-	(10)	-	(10)	-	(10)	-	(10)
	<b>2,524</b>	<b>9,725</b>	<b>4,882</b>	<b>13,064</b>	<b>2,400</b>	<b>8,792</b>	<b>4,720</b>	<b>12,392</b>

**Notes to the Consolidated and separate interim financial statements**

In millions of Naira	Group				Bank			
	3 Months 30-Sep-15	9 Months 30-Sep-15	9 Months 30-Sep-14	12 Months 31-Dec-14	3 Months 30-Sep-15	9 Months 30-Sep-15	9 Months 30-Sep-14	12 Months 31-Dec-14
<b>17. Fees and commission income</b>								
Credit related fees	4,624	12,360	11,234	16,251	3,975	10,642	9,320	13,664
Commission on turnover	6,088	18,713	20,249	27,165	5,816	17,912	19,520	26,168
Income from financial guarantee contracts issued	691	2,022	2,138	2,776	619	1,758	2,001	2,559
Fees on electronic products	906	2,335	1,759	2,686	792	2,055	1,606	2,391
Foreign currency transaction fees and commissions	309	1,040	1,256	1,718	230	785	929	1,231
Asset based fees	1,305	3,902	3,193	4,345	-	-	-	-
Auction fees income	111	994	1,177	3,065	111	994	1,177	3,065
Corporate finance fees	2,250	6,894	3,348	6,001	2,176	6,703	3,198	5,797
Foreign withdrawal charges	609	4,325	1,216	4,903	609	4,325	1,216	4,903
Other fees and commissions	966	1,915	4,349	1,602	766	1,396	5,042	1,047
	<b>17,859</b>	<b>54,500</b>	<b>49,919</b>	<b>70,512</b>	<b>15,094</b>	<b>46,570</b>	<b>44,009</b>	<b>60,825</b>
<b>18. Trading income</b>								
Foreign exchange trading income	(968)	4,421	7,914	14,074	(968)	4,421	7,914	14,062
Treasury bill trading income	4,926	11,435	1,069	1,467	4,926	11,435	1,069	1,467
Bond trading income	(31)	58	200	336	(31)	58	200	336
	<b>3,927</b>	<b>15,914</b>	<b>9,183</b>	<b>15,877</b>	<b>3,927</b>	<b>15,914</b>	<b>9,183</b>	<b>15,865</b>
<b>19. Other income</b>								
Rental income	-	-	15	-	-	-	15	-
Income on cash handling	59	197	125	246	59	197	125	246
Gain on disposal of subsidiary	598	1,616	510	510	598	1,616	7,033	7,033
Dividend Income from equity instruments	-	525	421	455	-	4,485	421	455
Gain on disposal of property and equipment	30	41	200	153	26	30	197	151
Foreign currency revaluation gain	4,784	7,323	102	2,168	4,665	9,047	107	2,269
	<b>5,471</b>	<b>9,702</b>	<b>1,373</b>	<b>3,532</b>	<b>5,348</b>	<b>15,375</b>	<b>7,898</b>	<b>10,154</b>

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

**Notes to the Consolidated and separate interim financial statements**

In millions of Naira	Group				Bank			
	3 Months 30-Sep-15	9 Months 30-Sep-15	9 Months 30-Sep-14	12 Months 31-Dec-14	3 Months 30-Sep-15	9 Months 30-Sep-15	9 Months 30-Sep-14	12 Months 31-Dec-14
<b>20. Operating expenses</b>								
Auditors' remuneration	144	372	362	460	115	315	315	391
Directors' emolument	17	493	182	630	15	148	170	425
Deposit insurance premium	2,366	6,993	6,901	9,375	2,366	6,993	6,901	9,375
AMCON	4,280	12,839	10,795	14,393	4,280	12,839	10,795	14,393
Advertisement	726	2,457	3,412	4,543	696	2,385	3,424	4,419
Bank charges	453	1,153	999	853	435	1,073	913	753
Telephone and postages	336	1,127	555	820	336	1,127	555	820
Corporate promotions	333	928	936	1,746	333	928	936	1,746
Information technology	682	2,566	2,326	3,368	596	2,342	2,168	3,126
Insurances	349	1,005	962	1,287	330	952	920	1,225
Operating lease	653	2,009	1,894	2,529	490	1,508	1,455	1,928
Professional fees	474	992	2,005	2,671	443	906	1,766	2,347
Expenses on electronic products	851	3,178	1,320	4,218	812	3,070	1,234	4,532
Printing and stationery	412	1,050	680	956	344	833	535	736
Fuel and maintenance	810	5,956	7,663	10,629	676	5,214	4,337	8,812
Security and cash handling	809	5,638	7,608	10,373	760	5,515	7,499	10,224
Licenses, registrations and subscriptions	794	2,147	1,915	2,457	730	2,000	1,812	2,323
Training and development	630	1,785	1,567	2,322	573	1,637	1,470	2,215
Travel and hotel expenses	366	1,004	1,029	1,348	280	721	746	989
Other expenses	5,922	13,969	1,580	6,589	5,168	12,512	1,485	4,587
	<b>21,407</b>	<b>67,661</b>	<b>54,691</b>	<b>81,567</b>	<b>19,778</b>	<b>63,018</b>	<b>49,436</b>	<b>75,366</b>

Notes to the Consolidated and separate interim financial statements

In millions of Naira	Group				Bank			
	3 Months 30-Sep-15	9 Months 30-Sep-15	9 Months 30-Sep-14	12 Months 31-Dec-14	3 Months 30-Sep-15	9 Months 30-Sep-15	9 Months 30-Sep-14	12 Months 31-Dec-14

21. Taxation

Major components of the tax expense

Current

Corporate tax	1,944	7,494	15,772	8,512	900	3,788	13,000	4,174
Excess dividend tax	-	11,445	-	13,299	-	11,445	-	13,299
Information technology tax	-	701	-	1,068	-	671	-	1,068
Education tax	-	614	-	826	-	575	-	826
Origination and reversal of temporary deferred tax differences	-	1,980	-	(5,700)	-	2,876	-	(6,333)
CGT on Subsidiary disposal	-	-	-	708	-	-	-	708
Prior year over provision	-	(1,269)	-	1,628	-	(1,445)	-	1,628
<b>Total tax expense</b>	<b>1,944</b>	<b>20,965</b>	<b>15,772</b>	<b>20,341</b>	<b>900</b>	<b>17,910</b>	<b>13,000</b>	<b>15,370</b>

During the period, the Bank was liable to excess dividend tax of N16.48 billion, representing 30% of N54.9 billion dividend paid as the Nigerian tax laws requires companies to pay tax calculated at 30% of the higher of taxable profit and dividend paid. For the 2014 financial year, income tax payable based on taxable profit was N4.17 billion. Therefore, total income tax paid based on dividend in 2015 was N15.62 billion, which was net of Tax credits amounting to N0.86 billion. The difference between income tax payable assessed on dividend and income tax payable assessed on taxable profit amounted to N11.45 billion which was charged as tax expense in 2015 financial statements.

b The movement in the current income tax payable balance is as follows:

	Group 30-Sep-15 N.million	Group 30-Sep-14 N.million	Group 31-Dec-14 N.million	Bank 30-Sep-15 N.million	Bank 30-Sep-14 N.million	Bank 31-Dec-14 N.million
At start of the period	10,042	7,017	7,017	7,709	5,266	5,266
Tax paid	(25,173)	(19,251)	(23,649)	(20,408)	(16,924)	(19,260)
Tax effect of translation	(227)	(463)	633	-	-	-
Income tax charge	18,985	15,722	26,041	15,034	13,000	21,703
Prior period over provision	-	(1,247)	-	-	(1,247)	-
<b>At the end of the period</b>	<b>3,627</b>	<b>1,778</b>	<b>10,042</b>	<b>2,335</b>	<b>95</b>	<b>7,709</b>

**Notes to the Consolidated and separate interim financial statements**

In millions of Naira	Group				Bank			
	3 Months 30-Sep-15	9 Months 30-Sep-15	9 Months 30-Sep-14	12 Months 31-Dec-14	3 Months 30-Sep-15	9 Months 30-Sep-15	9 Months 30-Sep-14	12 Months 31-Dec-14
<b>22. Earnings per share</b>								
Profit attributable to shareholders of the Bank (N'million)	29,922	83,022	70,923	99,275	26,469	77,243	68,218	92,479
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	95 k	264 k	226 k	316 k	84 k	246 k	217 k	295 k

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-15	30-Sep-14	31-Dec-14	30-Sep-15	30-Sep-14	31-Dec-14
<b>23. Cash and balances with central banks</b>						
Cash	72,243	51,572	70,084	67,755	47,480	63,792
Operating accounts with Central Banks	49,264	113,144	174,350	28,308	94,788	156,424
Mandatory reserve deposits with central bank	443,617	391,614	508,146	443,385	391,557	508,075
	<b>565,124</b>	<b>556,330</b>	<b>752,580</b>	<b>539,448</b>	<b>533,825</b>	<b>728,291</b>

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)	128,403	12,204	1,162	128,816	12,204	1,162
Treasury bills (Amortized cost)	228,450	426,351	294,235	197,781	358,818	252,252
	<b>356,853</b>	<b>438,555</b>	<b>295,397</b>	<b>326,597</b>	<b>371,022</b>	<b>253,414</b>
Treasury bills less than 3 months maturity	119,488	189,683	214,721	97,323	169,663	181,498

25. Assets pledged as collateral

Treasury bills	44,474	6,930	85,601	44,474	6,930	85,601
Government bonds	218,553	-	66,145	218,553	-	66,145
	<b>263,027</b>	<b>6,930</b>	<b>151,746</b>	<b>263,027</b>	<b>6,930</b>	<b>151,746</b>

The total financial assets recognised in the statement of financial position that has been pledged as collateral for liabilities as at 30 September, 2015 and 30 September, 2014 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-15	30-Sep-14	31-Dec-14	30-Sep-15	30-Sep-14	31-Dec-14
<b>26. Due from other banks</b>						
Current balances with banks within Nigeria	1,241	41	54	-	-	-
Current balances with banks outside Nigeria	311,047	230,871	274,380	356,137	273,613	322,216
Placements with banks and discount houses	160,302	195,253	232,134	99,606	151,294	147,923
	<b>472,590</b>	<b>426,165</b>	<b>506,568</b>	<b>455,743</b>	<b>424,907</b>	<b>470,139</b>
<b>27. Derivative assets</b>						
Derivative assets	15,790	1,970	17,408	15,790	-	16,896

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.

During the period, various forward contracts entered into by the Bank generated net gains which were recognized in the statement of comprehensive income. These net gains related to the fair value of the forward contracts, producing derivative assets and liabilities.

Derivative assets held for risk management purposes

Zenith Bank (Ghana) Limited used cross-currency swaps to hedge its foreign currency risks arising from its indebtedness in foreign currency. Included in the derivative assets is the fair value of the swap derivative at the reporting date.

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-15	30-Sep-14	31-Dec-14	30-Sep-15	30-Sep-14	31-Dec-14
<b>28. Loans and advances to customers</b>						
Overdrafts	606,141	472,920	493,463	566,862	448,863	451,318
Term loans	1,158,599	981,049	1,171,848	1,064,137	865,991	1,061,373
On-lending facilities	102,611	87,738	80,024	102,611	87,738	80,024
Advances under finance lease	12,264	13,418	13,000	11,839	13,287	12,866
Gross loans and advances to customers	1,879,615	1,555,125	1,758,335	1,745,449	1,415,879	1,605,581
Less: Allowances for impairment	(38,223)	(29,016)	(28,828)	(34,098)	(26,538)	(25,331)
Specific allowances for impairment	(12,663)	(6,970)	(10,065)	(9,155)	(4,963)	(7,480)
Collective allowance for impairment	(25,560)	(22,046)	(18,763)	(24,943)	(21,575)	(17,851)
<b>Net loans and advances to customers</b>	<b>1,841,392</b>	<b>1,526,109</b>	<b>1,729,507</b>	<b>1,711,351</b>	<b>1,389,341</b>	<b>1,580,250</b>
<b>Overdrafts</b>						
Gross Overdrafts	606,141	472,920	493,463	566,862	448,863	451,318
Less: Allowances for impairment	(25,739)	(22,265)	(19,943)	(22,171)	(19,789)	(16,445)
Specific allowances for impairment	(6,548)	(5,324)	(7,372)	(3,597)	(3,318)	(4,787)
Collective allowance for impairment	(19,191)	(16,941)	(12,571)	(18,574)	(16,471)	(11,659)
<b>Net Overdrafts</b>	<b>580,402</b>	<b>450,655</b>	<b>473,520</b>	<b>544,691</b>	<b>429,074</b>	<b>434,872</b>
<b>Term loans</b>						
Gross Term loans	1,158,599	981,049	1,171,848	1,064,137	865,991	1,061,373
Less: Allowances for impairment	(12,041)	(6,288)	(8,432)	(11,484)	(6,286)	(8,432)
Specific allowances for impairment	(6,115)	(1,646)	(2,693)	(5,558)	(1,645)	(2,693)
Collective allowance for impairment	(5,926)	(4,642)	(5,739)	(5,926)	(4,641)	(5,739)
<b>Net Term loans</b>	<b>1,146,558</b>	<b>974,761</b>	<b>1,163,416</b>	<b>1,052,653</b>	<b>859,705</b>	<b>1,052,941</b>

**Notes to the consolidated and separate interim financial statements**

In millions of Naira	Group			Bank		
	30-Sep-15	30-Sep-14	31-Dec-14	30-Sep-15	30-Sep-14	31-Dec-14
<b>On-lending facilities</b>						
Gross On-lending facilities	102,611	87,738	80,024	102,611	87,738	80,024
Less: Allowances for impairment	(397)	(397)	(397)	(397)	(397)	(397)
Collective allowance for impairment	(397)	(397)	(397)	(397)	(397)	(397)
<b>Net On-lending facilities</b>	<b>102,214</b>	<b>87,341</b>	<b>79,627</b>	<b>102,214</b>	<b>87,341</b>	<b>79,627</b>
<b>Advances under finance lease</b>						
Gross Advances under finance lease	12,264	13,418	13,000	11,839	13,287	12,866
Less: Allowances for impairment - collective	(46)	(66)	(56)	(46)	(66)	(56)
<b>Net Advances under finance lease</b>	<b>12,218</b>	<b>13,352</b>	<b>12,944</b>	<b>11,793</b>	<b>13,221</b>	<b>12,810</b>

## Notes to the consolidated and separate interim financial statements

In millions of Naira

### Reconciliation of impairment allowance on loans and advances to customers

Group	Overdrafts	Term loans	On-lending facilities	Advances under finance lease	Total
Balance at 1 January 2015	19,943	8,432	397	56	28,828
Specific impairment	7,372	2,693	-	-	10,065
Collective impairment	12,571	5,739	397	56	18,763
Additional impairment for the period	6,128	3,607	-	(10)	9,725
Specific impairment	572	2,865	-	-	3,437
Collective impairment	5,556	742	-	(10)	6,288
Foreign currency translation and other adjustments	(308)	3	-	-	(305)
Write-offs	(25)	-	-	-	(25)
<b>Balance at 30 September 2015</b>	<b>25,738</b>	<b>12,042</b>	<b>397</b>	<b>46</b>	<b>38,223</b>
Specific impairment	6,548	2,693	-	-	9,241
Collective impairment	14,370	5,739	397	46	20,552
Balance at 01 January 2014	15,839	8,076	714	139	24,768
Specific impairment	5,887	1,726	179	-	7,792
Collective impairment	9,952	6,350	535	139	16,976
Additional impairment for the period	4,789	93	-	-	4,882
Specific impairment	1,472	198	-	-	1,670
Collective impairment	3,317	(105)	-	-	3,212
Write-backs	2,783	-	-	-	2,783
Foreign currency translation and other adjustments	(192)	(94)	-	-	(286)
Write-offs	(953)	(1,788)	(317)	(73)	(3,131)
<b>Balance at 30 September 2014</b>	<b>22,266</b>	<b>6,287</b>	<b>397</b>	<b>66</b>	<b>29,016</b>
Specific impairment	5,324	1,645	-	-	6,969
Collective impairment	16,942	4,642	397	66	22,047

## Notes to the consolidated and separate interim financial statements

In millions of Naira

## Bank

	Overdrafts	Term loans	On-lending facilities	Advances under finance lease	Total
Balance at 01 January 2015	16,446	8,432	397	56	25,331
Specific impairment	4,787	2,693	-	-	7,480
Collective impairment	11,659	5,739	397	56	17,851
Additional impairment for the period	5,750	3,052	-	(10)	8,792
Specific impairment	(1,188)	2,832	-	-	1,644
Collective impairment	6,938	220	-	(10)	7,148
Write-offs	(25)	-	-	-	(25)
<b>Balance at 30 September 2015</b>	<b>22,171</b>	<b>11,484</b>	<b>397</b>	<b>46</b>	<b>34,098</b>
Specific impairment	3,597	5,558	-	-	9,155
Collective impairment	18,573	5,926	397	46	24,942
Balance at 1 January 2014	12,890	8,076	714	139	21,819
Specific impairment	3,695	1,726	179	-	5,600
Collective impairment	9,195	6,350	535	139	16,219
Additional impairment for the period	4,720	-	-	-	4,720
Specific impairment	-	-	-	-	-
Collective impairment	4,720	-	-	-	4,720
Amounts recovered during the year impairment no longer required	2,555	-	-	-	2,555
Write-offs	(376)	(1,789)	(317)	(73)	(2,555)
<b>Balance at 30 September 2014</b>	<b>19,789</b>	<b>6,287</b>	<b>397</b>	<b>66</b>	<b>26,539</b>
Specific impairment	3,318	1,645	-	-	4,963
Collective impairment	16,471	4,642	397	66	21,576

**Notes to the consolidated and separate interim financial statements**

In millions of Naira	Group			Bank		
	30-Sep-15	30-Sep-14	31-Dec-14	30-Sep-15	30-Sep-14	31-Dec-14
<b>(c) Advances under finance leases</b>						
Gross investment	14,978	17,617	14,978	14,824	17,357	14,824
Less: Unearned income	(2,271)	(5,621)	(1,978)	(2,225)	(5,567)	(1,958)
Net Investment	12,707	11,996	13,000	12,599	11,790	12,866
<b>The net investment may be analysed as follows:</b>						
No later than 1 year	1,903	1,159	1,947	1,885	1,122	1,925
Later than 1 year and no later than 5 years	10,804	10,837	11,053	10,714	10,668	10,941
	12,707	11,996	13,000	12,599	11,790	12,866
<b>(d) The nature of security in respect of loans and advances is as follows:</b>						
Secured against real estate	245,851	216,159	215,506	245,851	187,874	214,165
Secured by shares of quoted companies	5,739	39,584	4,814	5,739	21,554	4,814
Cash collateral, lien over fixed and floating assets,	1,453,087	1,021,729	1,016,830	1,453,087	972,076	867,594
Unsecured	174,938	277,653	521,185	40,772	234,375	519,008
	<b>1,879,615</b>	<b>1,555,125</b>	<b>1,758,335</b>	<b>1,745,449</b>	<b>1,415,879</b>	<b>1,605,581</b>
<b>29. Investment securities</b>						
<b>(a) Analysis of investments</b>						
Debt securities	187,662	300,205	186,544	122,697	204,890	79,469
Equity securities	17,822	19,167	13,535	9,377	19,060	13,363
	<b>205,484</b>	<b>319,372</b>	<b>200,079</b>	<b>132,074</b>	<b>223,950</b>	<b>92,832</b>

**Notes to the consolidated and separate interim financial statements**

In millions of Naira

**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.

Group Entity	Effective	Effective	Nominal share	Nominal share
	holding % 2015	holding % 2014	capital held 2015	capital held 2014
Zenith Bank (Ghana) Limited	98.07 %	98.07 %	6,444	6,444
Zenith Bank (UK) Limited	100.00 %	100.00 %	21,482	13,307
Zenith Bank (Sierra Leone) Limited	99.99 %	99.99 %	2,059	2,058
Zenith Bank (Gambia) Limited	99.96 %	99.96 %	1,038	1,038
Zenith Pensions Custodian Limited	99.00 %	99.00 %	1,980	1,980

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-15	30-Sep-14	31-Dec-14	30-Sep-15	30-Sep-14	31-Dec-14
<b>31. Investments in associates</b>						
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	1,822	1,822	1,312	1,822	1,822
Share of profit b/f	212	75	74	-	-	-
Share of profit	206	324	138	-	-	-
Additions	-	59	-	-	-	-
Disposals	-	(510)	(510)	-	(510)	(510)
Diminution in investment	(1,222)	(1,222)	(1,222)	(1,222)	(1,222)	(1,222)
<b>Balance at end of the period</b>	<b>508</b>	<b>548</b>	<b>302</b>	<b>90</b>	<b>90</b>	<b>90</b>

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**

Derivative liabilities	333	-	6,073	333	-	6,073
	<b>333</b>	<b>-</b>	<b>6,073</b>	<b>333</b>	<b>-</b>	<b>6,073</b>
Classified as:						
Current	333	-	6,073	333	-	6,073
Non-current	-	-	-	-	-	-
	<b>333</b>	<b>-</b>	<b>6,073</b>	<b>333</b>	<b>-</b>	<b>6,073</b>



**Notes to the consolidated and separate interim financial statements**

In millions of Naira	Group			Bank		
	30-Sep-15	30-Sep-14	31-Dec-14	30-Sep-15	30-Sep-14	31-Dec-14
<b>33. Deferred tax</b>						
Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2014: 30%).						
Deferred income tax assets and liabilities are attributable to the following items:						
The Group's exposure to deferred tax primarily relates to timing differences in the recognition of depreciation, capital allowances on fixed assets, other assets other provisions and general provisions.						
Deferred tax liability	(36)	-	-	-	-	-
Deferred tax asset	3,790	723	6,449	3,458	-	6,333
<b>Total net deferred tax asset</b>	<b>3,754</b>	<b>723</b>	<b>6,449</b>	<b>3,458</b>	<b>-</b>	<b>6,333</b>
<b>34. Other assets</b>						
Prepayments	24,240	47,293	13,214	22,831	31,589	12,317
Electronic card related receivables	13,506	11,303	5,475	12,171	9,174	3,928
Intercompany receivables	-	-	-	715	1,175	403
Other receivables	603	1,057	2,766	601	(119)	2,745
Gross other receivables	5,240	4,519	7,403	5,238	4,518	7,382
Less: Specific impairment	(4,637)	(4,637)	(4,637)	(4,637)	(4,637)	(4,637)
	<b>38,349</b>	<b>59,653</b>	<b>21,455</b>	<b>36,318</b>	<b>41,819</b>	<b>19,393</b>

Notes to the consolidated and separate interim financial statements

In millions of Naira

35. Property and equipment

Group

	Land	Buildings	Furniture and fixtures	Motor vehicles	Computer equipment	Leasehold improvements	Work in progress	Total
<b>Cost</b>								
At start of the period	17,657	22,574	40,545	15,847	22,918	13,687	18,790	152,018
Additions	1,757	1,849	2,574	334	918	788	3,373	11,593
Disposals	-	(1)	(315)	(1,955)	(25)	-	-	(2,296)
Transfers	100	(130)	194	-	-	(12)	(152)	-
Foreign exchange movements	-	(97)	(146)	(28)	(69)	(15)	355	-
<b>At the end of the period</b>	<b>19,514</b>	<b>24,195</b>	<b>42,852</b>	<b>14,198</b>	<b>23,742</b>	<b>14,448</b>	<b>22,366</b>	<b>161,315</b>
<b>Accumulated Depreciation</b>								
At start of the period	1,521	3,574	30,621	11,880	21,308	11,543	-	80,447
Charge for the period	137	387	3,466	1,381	861	905	-	7,137
Disposals	-	-	(309)	(1,905)	(25)	-	-	(2,239)
Transfers	-	(5)	4	-	-	1	-	-
Foreign exchange movements	1	(48)	(139)	(71)	(51)	3	-	(305)
<b>At the end of the period</b>	<b>1,659</b>	<b>3,908</b>	<b>33,643</b>	<b>11,285</b>	<b>22,093</b>	<b>12,452</b>	<b>-</b>	<b>85,040</b>
Net Book Amount At 30 September 2015	17,855	20,287	9,209	2,913	1,649	1,996	22,366	76,275
At 31 December 2014	16,136	19,000	9,924	3,967	1,610	2,144	18,790	71,571

## Notes to the consolidated and separate interim financial statements

In millions of Naira

## 35.(b) Property and equipment

Bank

	Land	Buildings	Furniture and fixtures	Motor vehicles	Computer Equipment	Leasehold improvements	Work in progress	Total
Cost								
At start of the period	17,657	22,272	39,321	14,944	21,884	12,145	18,545	146,768
Additions	1,757	1,786	2,471	243	788	614	989	8,648
Disposals	-	(1)	(315)	(1,955)	(25)	-	-	(2,296)
Transfers	100	(130)	45	-	(3)	(12)	-	-
<b>At the end of the period</b>	<b>19,514</b>	<b>23,927</b>	<b>41,522</b>	<b>13,232</b>	<b>22,644</b>	<b>12,747</b>	<b>19,534</b>	<b>153,120</b>

## Accumulated depreciation

	Land	Buildings	Furniture and fixtures	Motor vehicles	Computer Equipment	Leasehold improvements	Work in progress	Total
At start of the period	1,521	3,556	29,650	11,290	20,548	10,672	-	77,237
Charge for the period	138	338	3,259	1,260	744	820	-	6,559
Disposals	-	-	(309)	(1,906)	(25)	-	-	(2,240)
Transfers	-	(5)	4	-	-	1	-	-
<b>At the end of the period</b>	<b>1,659</b>	<b>3,889</b>	<b>32,604</b>	<b>10,644</b>	<b>21,267</b>	<b>11,493</b>	<b>-</b>	<b>81,556</b>
<b>Net Book Amount At 30 September 2015</b>	<b>17,855</b>	<b>20,038</b>	<b>8,918</b>	<b>2,588</b>	<b>1,377</b>	<b>1,254</b>	<b>19,534</b>	<b>71,564</b>
<b>At 31 December 2014</b>	<b>16,136</b>	<b>18,716</b>	<b>9,671</b>	<b>3,654</b>	<b>1,336</b>	<b>1,473</b>	<b>18,545</b>	<b>69,531</b>

## Notes to the consolidated and separate interim financial statements

In millions of Naira

## 36. Intangible assets

## Computer software

	Group 30-Sep-15	Group 30-Sep-14	Group 31-Dec-14	Bank 30-Sep-15	Bank 30-Sep-14	Bank 31-Dec-14
<b>Cost</b>						
At start of the year	6,142	5,159	5,159	5,255	4,353	4,353
Exchange difference	79	47	36	-	-	-
Additions	1,533	625	947	1,206	543	902
<b>At end of the year/period</b>	<b>7,754</b>	<b>5,831</b>	<b>6,142</b>	<b>6,461</b>	<b>4,896</b>	<b>5,255</b>
<b>Accumulated depreciation</b>						
At start of the year	3,940	3,224	3,224	3,354	2,650	2,650
Exchange difference	286	71	(12)	-	-	-
Charge for the year	851	522	728	826	507	704
<b>At the end of the year</b>	<b>5,077</b>	<b>3,817</b>	<b>3,940</b>	<b>4,180</b>	<b>3,157</b>	<b>3,354</b>
<b>Carrying amount at year end</b>	<b>2,677</b>	<b>2,014</b>	<b>2,202</b>	<b>2,281</b>	<b>1,739</b>	<b>1,901</b>

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-15	30-Sep-14	31-Dec-14	30-Sep-15	30-Sep-14	31-Dec-14
<b>37. Deposits</b>						
Demand	1,248,955	1,240,736	1,292,394	1,114,612	1,050,398	1,102,904
Savings	229,396	212,800	213,435	208,413	176,034	191,097
Term	470,323	425,520	461,551	443,275	406,276	432,871
Domiciliary	573,154	430,558	569,931	535,745	401,350	538,390
	<b>2,521,828</b>	<b>2,309,614</b>	<b>2,537,311</b>	<b>2,302,045</b>	<b>2,034,058</b>	<b>2,265,262</b>
<b>38. Other liabilities</b>						
Settlement payables	17,264	10,138	5,685	17,249	10,042	5,182
Electronic card related payables	552	1,499	1,805	539	1,490	1,811
Due to banks for clean letters of credit	118,344	90,328	130,680	118,344	90,328	130,680
Managers' cheques	12,691	13,430	12,156	11,883	13,036	11,833
Tax collections	2,482	984	1,553	2,396	924	1,473
Sales and other collections	10,898	6,736	9,029	10,898	6,736	9,029
Deferred income on financial guarantee contracts	387	349	254	387	349	254
Customer deposits for letters of credit	119,535	117,422	84,878	119,683	117,427	84,847
Customer's foreign transactions payables	10,747	19,820	11,608	8,872	17,176	10,326
Other payables	7,624	13,992	32,210	27,002	11,858	17,291
	<b>300,524</b>	<b>274,698</b>	<b>289,858</b>	<b>317,253</b>	<b>269,366</b>	<b>272,726</b>
<b>39. On-lending facilities</b>						
This comprises:						
Central Bank of Nigeria (CBN) Commercial Agriculture Credit Scheme Loan	34,500	29,871	23,943	34,500	29,871	23,943
Bank of Industry (BOI) Intervention Loan	58,613	48,625	30,947	58,613	48,625	30,947
Central Bank of Nigeria (CBN) / Bank of Industry(BOI) - Power & Aviation intervention Funds	11,771	13,680	13,203	11,771	13,680	13,203
CBN MSMEDF Deposit	868	-	251	868	-	251
	<b>105,752</b>	<b>92,176</b>	<b>68,344</b>	<b>105,752</b>	<b>92,176</b>	<b>68,344</b>

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-15	30-Sep-14	31-Dec-14	30-Sep-15	30-Sep-14	31-Dec-14
<b>40. Borrowings</b>						
Long term borrowing comprise:						
Due to ADB	24,744	22,573	25,672	24,744	22,573	25,672
Due to EIB	5,397	4,459	5,111	5,397	4,459	5,111
Due to PROPARCO	14,140	13,319	14,053	14,140	13,319	14,053
Due to Commerzbank	106,744	16,347	55,172	106,744	16,347	55,172
Due to KEXIM	3,862	8,600	5,632	3,862	8,600	5,632
Due to SCB	20,850	12,376	13,977	20,850	12,376	13,977
Due to CITIBANK	12,369	16,406	18,710	12,369	16,406	18,710
Due to ABSA bank	13,196	28,523	18,637	13,196	28,523	18,637
Due to J P Morgan Chase bank	20,847	-	27,955	20,847	-	27,955
Due to First Rand bank	-	-	8,981	-	-	8,981
Due to SCB	-	-	4,166	-	-	4,166
Due to IFC	14,900	-	-	14,900	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	<b>237,049</b>	<b>122,603</b>	<b>198,066</b>	<b>237,049</b>	<b>122,603</b>	<b>198,066</b>
<b>41. Debt securities issued</b>						
Due to euro bond holders	101,209	83,350	92,932	101,209	83,350	92,932
	<b>101,209</b>	<b>83,350</b>	<b>92,932</b>	<b>101,209</b>	<b>83,350</b>	<b>92,932</b>

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-15	30-Sep-14	31-Dec-14	30-Sep-15	30-Sep-14	31-Dec-14
<b>42. Share capital</b>						
<b>Authorised</b>						
40,000,000,000 ordinary shares of 50k each (2014: 40,000,000,000)	20,000	20,000	20,000	20,000	20,000	20,000
.						
<b>Issued</b>						
31,396,493,786 ordinary shares of 50k each (2014:31,396,493,786)	15,698	15,698	15,698	15,698	15,698	15,698
<b>Issued</b>						
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
	<b>270,745</b>	<b>270,745</b>	<b>270,745</b>	<b>270,745</b>	<b>270,745</b>	<b>270,745</b>
<b>43. Share premium</b>						
Share premium	255,047	255,047	255,047	255,047	255,047	255,047
There was no movement on share premium account during the period.						
At start of the period	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 from previous years which have not been reclassified to the other reserves noted below.

## **Notes to the consolidated and separate interim financial statements**

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**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.

**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 as the higher of 3% of gross premiums or 20% of net profits of the business for the year. The appropriation to contingency reserve for life underwriting contracts is calculated as the higher of 1% of the gross premium or 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 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 N2,636 million and N2,299 million respectively (2014: N1,405 million and N1,350 million).



## Notes to the consolidated and separate interim financial statements

In millions of Naira

### 45. Related party transactions

Zenith Bank (UK) Limited is a wholly owned subsidiary of the Bank.

#### 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 2015 are shown below.

Entity	Effective holding %	Norminal 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
<b>Domestic / non-banking subsidiaries:</b>		
Zenith Pension Custodians Limited	99.00 %	1,980
	-	<b>33,003</b>

### 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-15	Group 30-Sep-14	Group 31-Dec-14
Salaries and other short-term benefits	404	185	414
Retirement benefit cost	25	4	11
	<b>429</b>	<b>189</b>	<b>425</b>

Notes to the consolidated and separate interim financial statements

In millions of Naira

**Loans and advances**

At start of the period	787	888	888
Granted during the period	-	-	6
Repayment during the period	(52)	(65)	(107)
<b>At end of of the period</b>	<b>735</b>	<b>823</b>	<b>787</b>

**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 (2014: Nil). The mortgage loans are secured by the underlying assets. All other loans are unsecured.

**Group**

**30 September 2015**

**In millions of Naira**

**Name of company / Individual**

	<b>Loans</b>	<b>Deposits</b>	<b>Interest received</b>	<b>Interest paid</b>
Quantum Fund Management	4,637	-	67	-

**Group**

**30 September 2014**

**In millions of Naira**

**Name of company / Individual**

	<b>Loans</b>	<b>Deposits</b>	<b>Interest received</b>	<b>Interest paid</b>
Visafone Communications Ltd	2,635	111	106	11
Quantum Fund Management	8,081	430	269	6
<b>At end of of the period</b>	<b>10,716</b>	<b>541</b>	<b>375</b>	<b>17</b>

Loans granted to related parties are secured by real estate and other assets of the respective borrowers. No impairment has been recognised of loans granted to related parties (2014:Nil)

**46. Acceptances and guarantees**

(a) Legal proceedings

## Notes to the consolidated and separate interim financial statements

In millions of Naira

The Bank is presently involved in 110 litigation suits in its ordinary course of business. The total amount claimed in the cases against the bank is estimated at N6.6 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 N3,674 million (2014: N1,729 million) 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:

<b>In millions of Naira</b>	<b>Group 30-Sep-15</b>	<b>Group 30-Sep-14</b>	<b>Group 31-Dec-14</b>	<b>Bank 30-Sep-15</b>	<b>Bank 30-Sep-14</b>	<b>Bank 31-Dec-14</b>
Performance bonds and guarantees	566,484	668,171	627,458	532,929	655,760	603,520
Usance	148,154	146,918	156,791	148,154	146,918	156,791
Letters of credit	256,159	168,308	216,634	196,611	134,748	156,511
Pension Funds (See Note (below))	1,923,786	1,674,120	1,732,565	1,923,786	1,674,120	1,732,565
	<b>2,894,583</b>	<b>2,657,517</b>	<b>2,733,448</b>	<b>2,801,480</b>	<b>2,611,546</b>	<b>2,649,387</b>

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 1,923.77 billion (2014: N 1,674.12 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.

**Notes to the consolidated and separate interim financial statements**

In millions of Naira	Group			Bank		
	30-Sep-15	30-Sep-14	31-Dec-14	30-Sep-15	30-Sep-14	31-Dec-14
<b>47. Dividend per share</b>						
Dividend paid / proposed( in N'million)	7,849	-	54,943	7,849	-	54,943
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 (in kobo)	25	-	175	-	25	175

The number of shares in issue and ranking for dividend represents the outstanding number of shares as at 30 September 2015 and 31 December 2014 respectively.

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

**48. 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.

Cash and balances with central banks (less restricted balances)	121,507	164,716	244,434	96,063	142,268	220,216
Treasury bills(maturing within three months)	119,488	189,683	214,721	97,323	169,663	181,498
Due from other banks	472,590	426,165	506,568	455,743	424,907	470,139
	<b>713,585</b>	<b>780,564</b>	<b>965,723</b>	<b>649,129</b>	<b>736,838</b>	<b>871,853</b>