





# ZENITH BANK PLC

RC: 150224



## HEAD OFFICE

 Zenith Heights, Plot 84/87 Ajose Adeogun Street,  
 P.O.Box 75315, Victoria Island, Lagos.  
 Tel: (01) 2788000, 4648000, 2928000  
 [www.zenithbank.com](http://www.zenithbank.com) | SWIFT: ZEIBNGLA

## CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2019

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

**Index**

---


<b>Index</b>	<b>Page</b>
Certification pursuant to section 60(2) of Investment and Securities Act No.29 of 2007	2
Statements of profit or loss and other comprehensive income	3 - 4
Statements of financial position	5 - 6
Statements of cash flows	7 - 8
Statements of changes in equity	9 - 10
Notes to the consolidated and separate interim financial statements	11 - 40

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

---

We the undersigned hereby certify the following with regards to our financial report for the period ended March 31, 2019 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 statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the company as of, and the periods presented in the report.
- (d) We:
  - (i) Are responsible for establishing and maintaining internal controls;
  - (ii) Have designed such internal controls to ensure that material information relating to the company and its consolidated subsidiary is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
  - (iii) Have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the reports;
  - (iv) Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- (e) We have disclosed to the auditors of the company and audit committee:
  - (i) All significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and
  - (ii) Any fraud, whether or not material, that involve management or other employees who have significant role in the company's internal controls;
- (f) We have identified in the report whether or not there were significant changes in the internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regards to significant deficiencies and material weaknesses .



---

**Peter Amangbo**

Group Managing Director/CEO

FRC/2013/ICAN/00000001310



---

**Ebenezer Onyeagwu**

Deputy Managing Director

FRC/2013/ICAN/00000003788

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

	Notes	Group			Bank		
		3 Months 31-Mar-19	3 Months 31-Mar-18	12 Months 31-Dec-18	3 Months 31-Mar-19	3 Months 31-Mar-18	12 Months 31-Dec-18
In millions of Naira							
<b>Gross earnings</b>		<b>158,111</b>	<b>169,192</b>	<b>630,344</b>	<b>134,121</b>	<b>146,496</b>	<b>538,004</b>
Interest and similar income	14	122,480	116,712	440,052	104,644	99,739	367,816
Interest and similar expense	15	(36,343)	(46,720)	(144,458)	(31,305)	(42,328)	(124,156)
<b>Net interest income</b>		<b>86,137</b>	<b>69,992</b>	<b>295,594</b>	<b>73,339</b>	<b>57,411</b>	<b>243,660</b>
Impairment charge for credit loss	16	(2,096)	(4,573)	(18,372)	(2,205)	(2,400)	(15,313)
Net interest income after impairment charge for credit losses		84,041	65,419	277,222	71,134	55,011	228,347
Net fee and commission income	17	21,315	18,640	81,814	17,280	13,252	64,124
Trading income	18	7,811	27,618	80,202	7,811	27,618	80,202
Other income	19	3,530	4,025	17,947	1,996	3,821	17,479
Amortisation of intangible assets	35	(749)	(526)	(2,399)	(690)	(475)	(2,187)
Depreciation of property and equipment	34	(4,750)	(3,889)	(16,648)	(4,147)	(3,421)	(14,625)
Personnel expenses		(18,289)	(15,566)	(68,556)	(13,941)	(12,907)	(56,657)
Operating expenses	20	(35,616)	(41,720)	(137,897)	(33,761)	(38,128)	(124,576)
<b>Profit before tax</b>		<b>57,293</b>	<b>54,001</b>	<b>231,685</b>	<b>45,682</b>	<b>44,771</b>	<b>192,107</b>
Income tax expense	21	(7,059)	(6,922)	(38,261)	(4,500)	(4,500)	(26,627)
<b>Profit after tax</b>		<b>50,234</b>	<b>47,079</b>	<b>193,424</b>	<b>41,182</b>	<b>40,271</b>	<b>165,480</b>
<b>Other comprehensive income:</b>							
<b>Items that will never be reclassified to profit or loss</b>							
Fair value movements on equity instruments		184	1,250	1,459	157	1,250	1,459
<b>Items that are or may be reclassified to profit or loss</b>							
Foreign currency translation differences		(6,785)	3,532	4,828	-	-	-
Other comprehensive income/loss for the period, net of tax		(6,601)	4,782	6,287	157	1,250	1,459
<b>Total comprehensive income for the period</b>		<b>43,633</b>	<b>51,861</b>	<b>199,711</b>	<b>41,339</b>	<b>41,521</b>	<b>166,939</b>

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

In millions of Naira	Notes	Group			Bank		
		3 Months 31-Mar-19	3 Months 31-Mar-18	12 months 31-Dec-18	3 Months 31-Mar-19	3 Months 31-Mar-18	12 months 31-Dec-18
<b>Profit attributable to:</b>							
Equity holders of the parent		50,134	47,006	193,147	41,182	40,271	165,480
Non-controlling interests		100	73	277	-	-	-
<b>Total comprehensive income attributable to:</b>							
Equity holders of the parent		43,671	51,739	199,437	41,339	41,521	166,939
Non-controlling interests		(38)	122	274	-	-	-
<b>Earnings per share attributable to equity holders of parent</b>							
Basic and diluted	22	160 k	150 k	615 k	131 k	128 k	527 k

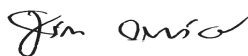
## Statements of financial position as at March 31, 2019

In millions of Naira	Note(s)	Group			Bank		
		31-Mar-19	31-Mar-18	31-Dec-18	31-Mar-19	31-Mar-18	31-Dec-18
<b>Assets</b>							
Cash and balances with central banks	23	965,833	940,981	954,416	920,336	891,926	902,073
Treasury bills	24	810,086	986,571	1,000,560	635,842	751,983	817,043
Asset pledged as collateral	25	549,270	445,896	592,935	549,270	445,896	592,935
Due from other banks	26	823,738	760,510	674,274	515,093	547,342	393,466
Derivative assets	27	87,374	65,814	88,826	87,374	65,814	88,826
Loans and advances	28	1,792,276	1,757,011	1,823,111	1,725,377	1,668,114	1,736,066
Investment securities	29	542,188	419,808	565,312	147,155	174,389	156,673
Investments in subsidiaries	30	-	-	-	34,625	34,003	34,003
Deferred tax assets	32	11,171	9,253	9,513	10,918	9,197	9,197
Other assets	33	117,445	138,634	80,948	111,364	98,726	75,910
Property and equipment	34	162,810	137,441	149,137	143,159	121,473	133,854
Intangible assets	35	16,981	13,885	16,678	15,729	12,901	15,399
<b>Total assets</b>		<b>5,879,172</b>	<b>5,675,804</b>	<b>5,955,710</b>	<b>4,896,242</b>	<b>4,821,764</b>	<b>4,955,445</b>
<b>Liabilities</b>							
Customers' deposits	36	3,571,370	3,396,182	3,690,295	2,763,881	2,681,168	2,821,066
Derivative liabilities	31	9,258	7,148	16,995	9,258	7,148	16,995
Current income tax	21	16,364	13,625	9,154	12,176	10,569	5,954
Deferred tax liabilities	32	36	-	67	-	-	-
Other liabilities	37	307,335	328,286	231,716	267,913	309,415	223,463
On-lending facilities	38	404,995	443,440	393,295	404,995	443,440	393,295
Borrowings	39	421,322	408,140	437,260	432,535	408,140	458,463
Debt securities issued	40	367,604	343,737	361,177	367,604	343,737	361,177
<b>Total liabilities</b>		<b>5,098,284</b>	<b>4,940,558</b>	<b>5,139,959</b>	<b>4,258,362</b>	<b>4,203,617</b>	<b>4,280,413</b>

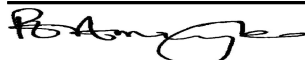
**Statement of Financial Position as at March 31, 2019**

	Note(s)	Group			Bank		
		31-Mar-19	31-Mar-18	31-Dec-18	31-Mar-19	31-Mar-18	31-Dec-18
In of Naira							
<b>Capital and reserves</b>							
Share capital	41	15,698	15,698	15,698	15,698	15,698	15,698
Share premium	42	255,047	255,047	255,047	255,047	255,047	255,047
Retained earnings		290,411	268,592	322,237	201,326	200,119	238,635
Other reserves		218,232	194,612	221,231	165,809	147,283	165,652
<b>Attributable to equity holder of the parent</b>		<b>779,388</b>	<b>733,949</b>	<b>814,213</b>	<b>637,880</b>	<b>618,147</b>	<b>675,032</b>
Non-controlling interests		1,500	1,297	1,538	-	-	-
<b>Total shareholders' equity</b>		<b>780,888</b>	<b>735,246</b>	<b>815,751</b>	<b>637,880</b>	<b>618,147</b>	<b>675,032</b>
<b>Total liabilities and equity</b>		<b>5,879,172</b>	<b>5,675,804</b>	<b>5,955,710</b>	<b>4,896,242</b>	<b>4,821,764</b>	<b>4,955,445</b>

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



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



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



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



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

**Statements of cash flows**

In millions of Naira	Note(s)	Group			Bank		
		31-Mar-19	31-Mar-18	31-Dec-18	31-Mar-19	31-Mar-18	31-Dec-18
<b>Cash flows from operating activities</b>							
Profit after tax for the year		50,234	47,079	193,424	41,182	40,271	165,480
<b>Adjustments for non-cash items:</b>							
<b>Impairment</b>							
Impairment loss on loan and advances	16	1,287	4,573	13,303	1,396	2,400	9,396
Impairment loss on Investments	16	35	-	(807)	35	-	(1,051)
Impairment loss on Contingents	16	631	-	5,337	631	-	6,441
Impairment loss on placements		91	-	-	91	-	-
Impairment loss on other assets	16	52	-	539	52	-	527
Fair value changes in trading bond	18	(1,673)	-	1,990	(1,673)	-	1,990
Depreciation of property and equipment	34	4,750	3,889	16,648	4,147	3,421	14,625
Amortisation of intangible assets	35	749	526	2,399	690	475	2,187
Dividend income	19	-	-	(1,795)	-	-	(5,395)
Net revaluation loss on debt securities issued		63	-	27,778	63	-	27,778
Interest and similar income	14	(122,480)	(142,618)	(440,052)	(104,644)	(125,645)	(367,816)
Interest and similar expense	15	36,343	46,720	144,458	31,305	42,328	124,156
Profit on sale of property and equipment	19	(23)	(122)	(259)	(16)	(122)	(241)
Tax expense	21	7,059	6,922	38,261	4,500	4,500	26,627
<b>Changes in operating assets and liabilities:</b>							
Net decrease in loans and advances		29,647	204,430	161,690	9,293	179,053	135,770
Net (increase)/decrease in other assets		(36,609)	(46,140)	3,050	(35,505)	(42,674)	(28,366)
Net (increase)/decrease in treasury bills with maturity greater than 3 months		(260,051)	44,578	(187,329)	(269,320)	144,830	(33,619)
Net (increase)/decrease in treasury bills (FVTPL)		181,296	(97,242)	37,343	(192,779)	(96,821)	37,343
Net decrease/(increase) in asset pledged as collateral		43,659	22,114	(124,925)	43,659	22,114	(124,925)
Net decrease/(increase) in debt securities		24,686	(53,428)	(203,264)	9,654	(21,125)	(5,755)
Net increase in restricted balances (cash reserves)		(5,217)	(10,531)	(58,357)	(5,217)	(10,516)	(58,386)
Net (decrease)/increase in customer deposits		(118,925)	(41,733)	252,380	310,716	(63,357)	76,541
Net increase/(decrease) in other liabilities		103,192	94,805	(16,298)	84,340	89,624	(10,860)
Net decrease/(increase) in derivative assets		1,452	(8,595)	(31,607)	1,452	(8,595)	(31,607)
Net (decrease) in derivative liabilities		(11,547)	(13,657)	(3,810)	(11,547)	(13,657)	(3,810)
		<b>(71,299)</b>	<b>61,570</b>	<b>(169,903)</b>	<b>(77,495)</b>	<b>146,504</b>	<b>(42,970)</b>
Interest received		118,537	139,618	434,846	100,870	121,621	365,125
Dividend income		-	-	1,795	-	-	5,395
Interest paid		(33,218)	(44,619)	(134,201)	(30,215)	(37,054)	(116,234)
Tax paid	21	(1,570)	-	(37,925)	-	-	(26,742)
VAT paid		(238)	-	(260)	(220)	-	(260)
<b>Net cash flows(used in)/generated from operating activities</b>		<b>12,212</b>	<b>156,569</b>	<b>94,352</b>	<b>(7,060)</b>	<b>231,071</b>	<b>184,314</b>



**Statement of Cash Flows**

In millions of Naira	Group			Bank			
	31-Mar-19	31-Mar-18	31-Dec-18	31-Mar-19	31-Mar-18	31-Dec-18	
<b>Cash flows from investing activities</b>							
Purchase of property and equipment	34	(20,674)	(8,037)	(35,712)	(13,485)	(6,679)	(30,501)
Proceeds from sale of property and equipment		2,274	129	3,490	49	129	406
Purchase of intangible assets	35	(1,020)	(1,412)	(3,928)	(1,020)	(1,288)	(3,260)
Purchase of equity securities		-	(35,429)	(34,200)	-	(35,450)	(34,200)
<b>Net cash from investing activities</b>		<b>(19,420)</b>	<b>(44,749)</b>	<b>(70,350)</b>	<b>(14,456)</b>	<b>(43,288)</b>	<b>(67,555)</b>
<b>Cash flows from financing activities</b>							
Net inflow from on-lending facilities		239,761	60,406	10,261	239,761	60,406	10,261
Net movement in borrowings		(15,938)	51,644	80,764	(25,928)	(10,839)	39,484
Inflow from debt securities issued		-	10,806	-	-	10,806	-
Dividends paid		(78,491)	-	(86,340)	(78,491)	-	(86,340)
Finance lease payments		-	-	(2,760)	-	-	(2,760)
<b>Net cash from financing activities</b>		<b>145,332</b>	<b>122,856</b>	<b>1,925</b>	<b>135,342</b>	<b>60,373</b>	<b>(39,355)</b>
<b>(Decrease)/Increase in cash and cash equivalent</b>		<b>138,124</b>	<b>234,676</b>	<b>25,927</b>	<b>113,826</b>	<b>248,156</b>	<b>77,404</b>
Cash at the beginning of the period		947,038	916,342	916,342	610,915	533,511	533,511
Effect of exchange rate movement on cash balances		(6,279)	(92)	4,769	-	-	-
<b>Cash and cash equivalent at the end of the period</b>	46	<b>1,078,883</b>	<b>1,150,926</b>	<b>947,038</b>	<b>724,741</b>	<b>781,667</b>	<b>610,915</b>

**Statements of changes in equity**

	Attributable to equity holders of the Bank							Total	Non-controlling interest	Total equity	
	Share capital	Share premium	Foreign currency translation reserve	Revaluation reserve	Statutory reserve	SMIEIS reserve	Credit risk reserve				Retained earnings
In millions of Naira											
<b>Group</b>											
<b>Balance at 1 January, 2019</b>	<b>15,698</b>	<b>255,047</b>	<b>38,514</b>	<b>9,858</b>	<b>167,520</b>	<b>3,729</b>	<b>1,610</b>	<b>322,237</b>	<b>814,213</b>	<b>1,538</b>	<b>815,751</b>
<b>Adjustment on initial application of IFRS 16</b>	-	-	-	-	-	-	-	(5)	(5)	-	(5)
<b>Restated balance at 1 January, 2019</b>	<b>15,698</b>	<b>255,047</b>	<b>38,514</b>	<b>9,858</b>	<b>167,520</b>	<b>3,729</b>	<b>1,610</b>	<b>322,232</b>	<b>814,208</b>	<b>1,538</b>	<b>815,746</b>
Profit for the period	-	-	-	-	-	-	-	50,134	50,134	100	50,234
Foreign currency translation differences	-	-	(6,647)	-	-	-	-	-	(6,647)	(138)	(6,785)
Fair value movements on equity instruments	-	-	-	184	-	-	-	-	184	-	184
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(6,647)</b>	<b>184</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,134</b>	<b>43,671</b>	<b>(38)</b>	<b>43,633</b>
Transfer between reserves	-	-	-	-	3,024	-	440	(3,464)	-	-	-
Dividends	-	-	-	-	-	-	-	(78,491)	(78,491)	-	(78,491)
<b>Balance at March 31, 2019</b>	<b>15,698</b>	<b>255,047</b>	<b>31,867</b>	<b>10,042</b>	<b>170,544</b>	<b>3,729</b>	<b>2,050</b>	<b>290,411</b>	<b>779,388</b>	<b>1,500</b>	<b>780,888</b>
<b>At January 1, 2018</b>	<b>15,698</b>	<b>255,047</b>	<b>33,683</b>	<b>8,399</b>	<b>135,686</b>	<b>3,729</b>	<b>2,342</b>	<b>365,757</b>	<b>820,341</b>	<b>1,317</b>	<b>821,658</b>
Profit for the period	-	-	-	-	-	-	-	47,001	47,001	73	47,074
Foreign currency translation differences	-	-	3,483	-	-	-	-	-	3,483	49	3,532
Fair value movements on equity instruments	-	-	-	1,250	-	-	-	-	1,250	-	1,250
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>3,483</b>	<b>1,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,001</b>	<b>51,734</b>	<b>122</b>	<b>51,856</b>
Transfer for the period	-	-	-	-	6,040	-	-	(6,040)	-	-	-
IFRS 9 transfer to loan reserve	-	-	-	-	-	-	-	(138,126)	(138,126)	(142)	(138,268)
<b>Balance at 31 March, 2018</b>	<b>15,698</b>	<b>255,047</b>	<b>37,166</b>	<b>9,649</b>	<b>141,726</b>	<b>3,729</b>	<b>2,342</b>	<b>268,592</b>	<b>733,949</b>	<b>1,297</b>	<b>735,246</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>Balance at 1 January, 2019</b>	<b>15,698</b>	<b>255,047</b>	<b>9,858</b>	<b>152,065</b>	<b>3,729</b>	-	<b>238,635</b>	<b>675,032</b>
Adjustment on initial application of IFRS 16	-	-	-	-	-	-	-	-
<b>Balance at 1 January, 2019</b>	<b>15,698</b>	<b>255,047</b>	<b>9,858</b>	<b>152,065</b>	<b>3,729</b>	-	<b>238,635</b>	<b>675,032</b>
Profit for the period	-	-	-	-	-	-	41,182	41,182
Fair value movement on equity instruments	-	-	157	-	-	-	-	157
<b>Total comprehensive income for the period</b>	-	-	<b>157</b>	-	-	-	<b>41,182</b>	<b>41,339</b>
Dividends	-	-	-	-	-	-	(78,491)	(78,491)
<b>Balance at March 31, 2019</b>	<b>15,698</b>	<b>255,047</b>	<b>10,015</b>	<b>152,065</b>	<b>3,729</b>	-	<b>201,326</b>	<b>637,880</b>
<b>Balance at January 1, 2018</b>	<b>15,698</b>	<b>255,047</b>	<b>8,399</b>	127,865	3,729	-	296,786	<b>707,524</b>
Profit for the period	-	-	-	-	-	-	40,271	40,271
Fair value movement on equity instruments	-	-	1,250	-	-	-	-	1,250
<b>Total comprehensive income for the period</b>	-	-	<b>1,250</b>	-	-	-	<b>40,271</b>	<b>41,521</b>
Transfer between reserves	-	-	-	6,040	-	-	(6,040)	-
IFRS 9 transfer to loan reserve	-	-	-	-	-	-	(130,898)	(130,898)
<b>Balance at 31 March, 2018</b>	<b>15,698</b>	<b>255,047</b>	<b>9,649</b>	<b>133,905</b>	<b>3,729</b>	-	<b>200,119</b>	<b>618,147</b>

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

---

### **1. The Bank**

Zenith Bank Plc (the "Bank") was incorporated in Nigeria under the Companies and Allied Matters Act as a private limited liability company on May 30, 1990. It was granted a banking licence in June 1990, to carry on the business of commercial banking and commenced business on June 16, 1990. The Bank was converted into a Public Limited Liability Company on May 20, 2004. The Bank's shares were listed on October 21, 2004 on the Nigerian Stock Exchange, and in August 2015, the bank was admitted into the Premium Board of the Nigerian Stock Exchange.

The principal activity of the Bank is the provision of banking and other financial services to corporate and individual customers. Such services include granting of loans and advances, corporate finance and money market activities.

The Bank has six subsidiary companies namely, Zenith Bank (Ghana) Limited, Zenith Pension Custodian (Nigeria) Limited, Zenith Bank (UK) Limited, Zenith Bank (Sierra Leone) Limited, Zenith Bank (Gambia) Limited and Zenith Nominees Limited. The results of the bank's subsidiaries have been consolidated in these 3 months period financial statements.

### **2. Condensed statement of accounting policies**

#### Interim Financial Statements

The Condensed Financial Statements of Zenith Bank PLC and its subsidiaries (together "The Group") for the period ended March 31, 2019 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 2018, 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 2018 Financial Statements)).

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

The Group has adopted the following new standards and amendments including any consequential amendments to other standards with initial date of application of January 1, 2019.

#### 2.1. Leases (IFRS 16).

The Group has adopted IFRS 16, "Leases" as issued by the IASB in July 2014 with a date of transition of 1 January 2019, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. As permitted by the transitional provision of the standard, the Group has chosen the modified retrospective approach to the application of IFRS 16. This approach allows the Group not to restate comparative financial information. Also, any difference between the lease asset and lease liability is recorded in opening retained earnings.

The major impact of the adoption of this standard is that the Group will be required to capitalise (i.e. recognize a right-of-use asset and a lease liability) all leases with the exemption of certain short-term leases and leases of low-value assets.

### **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**

Critical accounting estimates and judgements

**Notes to the Consolidated And Separate Interim Financial Statements**

---

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

**6. Dividends**

The directors did not recommend the payment of any dividend for the Group's first quarter results to March 31, 2019 (March 31, 2018: NIL).

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

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

**8. Business combinations**

There was no business combination during the period.

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

Loans and advances to customers of N211 billion which are neither past due nor impaired have been renegotiated.

**10. Correction of prior period errors**

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

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

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

**12. Litigation settlements**

There was no litigation settlement in the first quarter ended March 31, 2019 (March 31, 2018: Nil).

**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**

	Nigeria	Outside Nigeria Banking		Total	Eliminations	Consolidated
		Africa	Europe	reportable		segments
				segments		
<b>In millions of Naira</b>						
<b>March 31, 2019</b>						
Revenue:						
Derived from other business segments	134,184	15,955	5,634	155,773	(637)	155,136
Interest expense	(31,200)	(4,655)	(1,009)	(36,864)	637	(36,227)
Impairment charge for credit losses	(1,468)	165	(56)	(1,359)	-	(1,359)
Operating expenses	(52,931)	(5,290)	(1,008)	(59,229)	-	(59,229)
Profit before tax	48,585	6,175	3,561	58,321	-	58,321
Tax expense	(5,070)	(1,497)	(492)	(7,059)	-	(7,059)
<b>Profit after tax</b>	<b>43,515</b>	<b>4,678</b>	<b>3,069</b>	<b>51,262</b>	<b>-</b>	<b>51,262</b>

	Nigeria	Outside Nigeria Banking		Total	Eliminations	Consolidated
		Africa	Europe	reportable		segments
				segments		
<b>In millions of Naira</b>						
<b>March 31, 2019</b>						
Capital expenditure**	161,245	17,467	1,079	179,791	-	179,791
Identifiable assets	4,924,181	431,210	656,014	6,011,405	(131,611)	5,879,794
Identifiable liabilities	4,263,088	360,816	572,609	5,196,513	(98,229)	5,098,284

\* 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**

	Nigeria	Outside Nigeria Banking		Total reportable segments	Eliminations	Consolidated
		Africa	Europe			segments
<b>In millions of Naira</b>						
<b>March 31, 2018</b>						
Revenue:						
Derived from external customers	147,649	16,303	4,313	168,265	(700)	167,565
Derived from other business segments	1,668	-	42	1,710	(83)	1,627
<b>Total revenue*</b>	<b>149,317</b>	<b>16,303</b>	<b>4,355</b>	<b>169,975</b>	<b>(783)</b>	<b>169,192</b>
Interest expense	(42,328)	(4,929)	(243)	(47,500)	780	(46,720)
Impairment charge for credit losses	(2,400)	(1,747)	(426)	(4,573)	-	(4,573)
Operating expenses	(56,515)	(5,528)	(1,545)	(63,588)	(310)	(63,588)
Profit before tax	48,074	4,099	2,141	54,314	313	54,001
Tax expense	(5,204)	(1,447)	(271)	(6,922)	-	(6,922)
<b>Profit after tax</b>	<b>42,870</b>	<b>2,652</b>	<b>1,870</b>	<b>47,392</b>	<b>313</b>	<b>47,079</b>
<b>In millions of Naira</b>						
<b>March 31, 2018</b>						
Capital expenditure**	7,967	15,553	795	24,315	(14,866)	9,449
Identifiable assets	4,844,795	411,051	538,243	5,794,089	(118,285)	5,675,804
Identifiable liabilities	4,206,659	351,542	467,640	5,025,841	(85,283)	4,940,558

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

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

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

In millions of Naira	Group			Bank		
	3 Months 31-Mar-19	3 Months 31-Mar-18	12 Months 31-Dec-18	3 Months 31-Mar-19	3 Months 31-Mar-18	12 Months 31-Dec-18
<b>14. Interest and similar income</b>						
Loans and advances to customers	58,300	77,084	273,179	54,677	71,129	258,440
Treasury bills	42,406	24,948	100,537	35,467	17,908	64,002
Government and other bonds	16,654	12,813	52,450	11,209	10,579	38,766
Placement with banks and discount houses	4,894	1,867	13,886	3,065	123	6,608
Income on promissory notes	226	-	-	226	-	-
	<b>122,480</b>	<b>116,712</b>	<b>440,052</b>	<b>104,644</b>	<b>99,739</b>	<b>367,816</b>
<b>15. Interest and similar expense</b>						
Current accounts	3,007	2,975	10,952	2,722	2,830	10,258
Savings accounts	4,566	4,779	18,698	4,521	4,744	18,532
Time deposits	10,805	12,366	42,299	7,817	8,922	30,172
Borrowed funds	17,965	26,600	72,509	16,245	25,832	65,194
	<b>36,343</b>	<b>46,720</b>	<b>144,458</b>	<b>31,305</b>	<b>42,328</b>	<b>124,156</b>
<b>16. Impairment charge</b>						
Other financial assets	52	-	395	52	-	383
Loans and advances (See note 28)	1,287	4,573	13,303	1,396	2,400	9,396
Impairment Charge on Investments contingents	20	-	(430)	20	-	207
Impairment on placement	631	-	5,337	631	-	6,441
Treasury bills	91	-	1,938	91	-	931
Other non financial assets	9	-	(1,237)	9	-	(1,111)
Asset Pledged as Collateral	-	-	144	-	-	144
	6	-	(1,078)	6	-	(1,078)
	<b>2,096</b>	<b>4,573</b>	<b>18,372</b>	<b>2,205</b>	<b>2,400</b>	<b>15,313</b>



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

In millions of Naira	Group			Bank		
	3 Months 31-Mar-19	3 Months 31-Mar-18	12 Months 31-Dec-18	3 Months 31-Mar-19	3 Months 31-Mar-18	12 Months 31-Dec-18
<b>17. Net income on Fee and commission</b>						
Credit related fees	3,537	4,620	19,309	2,413	3,604	15,231
Commission on turnover			2,160			
Current account maintenance	5,238	4,962	18,008	4,735	4,427	18,008
Income from financial guarantee contracts issued	933	958	8,058	893	860	7,596
Fees on electronic products	8,738	3,518	20,422	8,443	3,244	19,307
Foreign currency transaction fees and commission	779	1,242	3,232	356	200	1,161
Asset based fees	1,741	2,093	7,708	-	-	-
Auction fees income	764	921	3,239	763	921	3,239
Corporate finance fees	163	333	892	98	258	449
Foreign withdrawal charges	1,324	1,079	4,518	1,324	1,079	4,518
Commission on agency and collection services	1,073	1,111	4,597	645	725	2,998
	24,290	20,837	92,143	19,670	15,318	72,507
Fees and commission expense	(2,975)	(2,197)	(10,329)	(2,390)	(2,066)	(8,383)
	<b>21,315</b>	<b>18,640</b>	<b>81,814</b>	<b>17,280</b>	<b>13,252</b>	<b>64,124</b>

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

In millions of Naira	Group			Bank		
	3 Months 31-Mar-19	3 Months 31-Mar-18	12 Months 31-Dec-18	3 Months 31-Mar-19	3 Months 31-Mar-18	12 Months 31-Dec-18
<b>18. Trading income</b>						
Derivatives (loss)/income	(6,087)	1,016	(16,783)	(6,087)	1,016	(16,783)
Treasury bill trading income	12,225	25,906	94,478	12,225	25,906	94,478
Bond trading (loss)/income	1,673	696	2,507	1,673	696	2,507
	<b>7,811</b>	<b>27,618</b>	<b>80,202</b>	<b>7,811</b>	<b>27,618</b>	<b>80,202</b>
<b>19. Other operating income</b>						
Recoveries	-	310	-	-	310	-
Income on cash handling	166	128	601	120	128	428
Provision no longer required	-	-	-	-	-	-
Dividend Income from equity instruments	-	-	1,795	-	-	5,395
Gain on disposal of property and equipment	23	122	259	16	122	241
Foreign currency revaluation gain	3,341	3,465	15,292	1,860	3,261	11,415
	<b>3,530</b>	<b>4,025</b>	<b>17,947</b>	<b>1,996</b>	<b>3,821</b>	<b>17,479</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 31-Mar-19	3 Months 31-Mar-18	12 Months 31-Dec-18	3 Months 31-Mar-19	3 Months 31-Mar-18	12 Months 31-Dec-18
<b>20. Operating expenses</b>						
Directors' emolument	183	274	1,418	48	151	735
Auditors' remuneration	173	204	822	105	158	535
Deposit insurance premium	3,090	2,722	11,500	3,090	2,722	11,500
Professional fees	812	1,320	4,149	605	1,185	3,557
Training and development	247	1,573	3,246	191	1,526	3,040
Information technology	2,836	1,335	10,137	2,668	1,195	9,418
Operating lease	677	828	3,411	563	511	2,133
Advertisement	1,819	1,622	9,612	1,717	1,576	9,204
Outsourcing services	2,613	2,292	8,672	2,613	2,292	8,672
Bank charges	955	698	4,022	817	616	3,527
Fuel and maintenance	2,202	5,854	20,908	2,109	4,723	17,168
Insurances	503	2,424	4,393	469	2,390	4,260
Licenses, registrations and subscriptions	837	1,188	3,015	747	1,103	2,521
Travel and hotel expenses	532	882	4,197	490	707	3,495
Printing and stationery	611	482	2,200	433	344	1,617
Security and cash handling	1,169	842	3,327	1,086	724	2,888
Fraud and forgery	15	248	429	15	248	429
Fines and penalties	4	-	10	4	-	10
Donations	239	435	3,101	236	431	3,065
AMCON	14,327	12,084	28,542	14,327	12,084	28,542
Telephone and postages	706	548	1,400	609	464	1,059
Corporate promotions	722	2,462	7,599	699	2,123	7,143
Research and development costs	4	-	-	-	-	-
Other expenses	340	1,408	1,787	120	855	58
	<b>35,616</b>	<b>41,725</b>	<b>137,897</b>	<b>33,761</b>	<b>38,128</b>	<b>124,576</b>

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

In millions of Naira	Group			Bank		
	3 Months 31-Mar-19	3 Months 31-Mar-18	12 Months 31-Dec-18	3 Months 31-Mar-19	3 Months 31-Mar-18	12 Months 31-Dec-18
<b>21. Taxation</b>						
<b>Major components of the tax expense</b>						
Minimum tax	962	3,929	4,052	962	3,929	4,052
<b>Current</b>						
Corporate tax	622	1,885	11,031	-	-	-
Dividend tax	3,086	-	20,673	3,086	-	20,673
Information technology tax	584	494	2,056	452	399	1,902
Education tax	84	306	77	-	172	-
Effect of tax rates in foreign jurisdictions	-	-	-	-	-	-
Prior year under/(over) provision	-	-	275	-	-	-
	<b>5,338</b>	<b>6,614</b>	<b>38,164</b>	<b>4,500</b>	<b>4,500</b>	<b>26,627</b>
Deferred tax expense (see note 33)	1,721	308	97	1,721	-	-
<b>Total tax expense</b>	<b>7,059</b>	<b>6,922</b>	<b>38,261</b>	<b>6,221</b>	<b>4,500</b>	<b>26,627</b>
b The movement in the current income tax payable balance is as follows:						
At start of the period	9,154	8,915	8,915	5,954	6,069	6,069
Tax paid	(1,570)	-	(37,925)	-	-	(26,742)
Minimum tax charge	962	3,929	4,052	962	3,929	4,052
Income tax charge	7,818	781	34,112	5,260	571	22,575
<b>At the end of the period</b>	<b>16,364</b>	<b>13,625</b>	<b>9,154</b>	<b>12,176</b>	<b>10,569</b>	<b>5,954</b>
Applicable tax rate	30 %	30 %	- %	30 %	30 %	- %

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

In millions of Naira	Group			Bank		
	3 Months 31-Mar-19	3 Months 31-Mar-18	12 Months 31-Dec-18	3 Months 31-Mar-19	3 Months 31-Mar-18	12 Months 31-Dec-18
<b>22. Earnings per share</b>						
Profit attributable to shareholders of the Bank (N'million)	50,134	47,006	193,147	41,182	40,271	165,480
Number of shares in issue at end of the period (millions)	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
Basic earnings per share	160 k	150 k	615 k	131 k	128 k	527 k

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

In millions of Naira	Group			Bank		
	31-Mar-19	31-Mar-18	31-Dec-18	31-Mar-19	31-Mar-18	31-Dec-18
<b>23. Cash and balances with central banks</b>						
Cash	70,755	116,917	148,266	57,567	102,716	133,466
Operating accounts with central banks	184,390	166,419	100,679	152,081	131,609	63,136
Mandatory reserve deposits with central bank	629,999	576,956	624,782	629,999	576,912	624,782
Cash requirement special intervention reserve	80,689	80,689	80,689	80,689	80,689	80,689
	<b>965,833</b>	<b>940,981</b>	<b>954,416</b>	<b>920,336</b>	<b>891,926</b>	<b>902,073</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)	59,797	644,898	510,313	59,801	644,477	510,313
Treasury bills (Amortized cost)	750,370	341,673	490,319	576,122	107,506	306,802
Treasury bill impairment allowance	(81)	-	(72)	(81)	-	(72)
	<b>810,086</b>	<b>986,571</b>	<b>1,000,560</b>	<b>635,842</b>	<b>751,983</b>	<b>817,043</b>
Treasury bills less than 3 months maturity	-	107,080	23,819	-	-	20,847

**25. Assets pledged as collateral**

Treasury bills pledged as collateral	5,545	268,690	5,100	5,545	268,690	5,100
Bonds pledged as collateral	-	177,206	94,046	-	177,206	94,046
Treasury bills under repurchase agreement	305,225	-	373,336	305,225	-	373,336
Bonds under repurchase agreement	238,632	-	120,579	238,632	-	120,579
Impairment on assets pledged	(132)	-	(126)	(132)	-	(126)
	<b>549,270</b>	<b>445,896</b>	<b>592,935</b>	<b>549,270</b>	<b>445,896</b>	<b>592,935</b>

The total financial assets recognised in the statement of financial position that has been pledged as collateral for liabilities as at March 31, 2019 and December 31, 2018 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		
	31-Mar-19	31-Mar-18	31-Dec-18	31-Mar-19	31-Mar-18	31-Dec-18
<b>26. Due from other banks</b>						
Current balances with banks within Nigeria	15,330	20,325	13,214	-	-	-
Current balances with banks outside Nigeria	305,736	487,089	204,724	319,001	518,831	196,384
Placements with banks and discount houses	503,727	253,096	458,305	197,114	28,511	198,013
Impairment allowance	(1,055)	-	(1,969)	(1,022)	-	(931)
	<b>823,738</b>	<b>760,510</b>	<b>674,274</b>	<b>515,093</b>	<b>547,342</b>	<b>393,466</b>
<b>27. Derivative assets</b>						
Forward contracts (fair value)	87,374	65,814	87,467	87,374	65,814	87,467
Futures contracts (fair value)	-	-	1,359	-	-	1,359
	<b>87,374</b>	<b>65,814</b>	<b>88,826</b>	<b>87,374</b>	<b>65,814</b>	<b>88,826</b>

**Non-hedging derivative assets and liabilities**

The Group enters into currency forward contracts with counterparties. On initial recognition, the Group estimates the fair value of derivatives transacted with the counterparties using valuation techniques. In many cases, all significant inputs into the valuation techniques are wholly observable-e.g with reference to similar transactions in the wholesale dealer market.

**Notes to the Consolidated And Separate Interim Financial Statements**

In Millions of Naira	Group			Bank		
	31-Mar-19	31-Mar-18	31-Dec-18	31-Mar-19	31-Mar-18	31-Dec-18
<b>28. Loans and advances to customers</b>						
Overdrafts	273,269	216,851	208,021	246,221	176,927	178,740
Term loans	1,258,450	1,375,061	1,419,276	1,208,222	1,301,294	1,353,101
On-lending facilities	403,665	442,940	385,922	403,665	442,940	385,922
Advances under finance lease	3,048	3,205	3,301	3,038	3,205	3,301
Gross loans and advances to customers	1,938,432	2,038,057	2,016,520	1,861,146	1,924,366	1,921,064
Less: Allowances for impairment	(146,156)	(281,046)	(193,409)	(135,769)	(256,252)	(184,998)
<b>Net loans and advances to customers</b>	<b>1,792,276</b>	<b>1,757,011</b>	<b>1,823,111</b>	<b>1,725,377</b>	<b>1,668,114</b>	<b>1,736,066</b>



## Notes to the Consolidated And Separate Interim Financial Statements

### 28. Loans and advances to customers (continued)

#### GROUP

In Millions of Naira				March 31,				December 31,
	12 Month ECL	Lifetime ECL Not Credit- impaired	Lifetime ECL Credit-Impaired	2019 Total	12 Month ECL	Lifetime ECL Not Credit- impaired	Lifetime ECL Credit- Impaired	2018 Total
Loans and advances to customer's at amortised cost								
Balance at 1 January	15,965	36,040	141,403	193,408	64,620	35,586	152,967	253,173
Transfer to 12-month ECL	-	-	-	-	382	(248)	(134)	-
Transfer to lifetime ECL not credit-impaired	-	-	-	-	(22,215)	22,913	(698)	-
Transfer to lifetime ECL credit-impaired	-	-	-	-	(42,298)	(46,836)	89,134	-
Net remeasurement of loss allowance	-	-	596	596	14,074	22,890	(27,128)	9,836
New financial assets originated or purchased			-	-	1,550	1,		3,467
Write-offs and recoveries			-48441	(48,441)	-	-	(73,962)	(73,962)
Foreign exchange and other movements	(98)			(98)	(148)	195	847	894
Closing balance	<b>15,867</b>	<b>36,040</b>	<b>93,558</b>	<b>145,465</b>	<b>15,965</b>	<b>36,040</b>	<b>141,403</b>	<b>193,408</b>
Gross amount	1,615,073	117,867	205,492	1,938,432	1,451,450	383,300	181,770	2,016,520

## Notes to the Consolidated And Separate Interim Financial Statements

## 28. Loans and advances to customers (continued)

In Millions of Naira	March 31, 2019				December 31, 2018			
	12 Month ECL	Lifetime ECL Not Credit- impaired	Lifetime ECL Credit-Impaired	Total	12 Month ECL	Lifetime ECL Not Credit- impaired	Lifetime ECL Credit- Impaired	Total
Loans and Advances to Customer's at Amortised Cost								
Balance at 1 January	14,092	34,233	136,673	184,998	60,761	33,245	141,832	235,838
Transfer to 12-month ECL	-	-	-	-	382	(248)	(134)	-
Transfer to lifetime ECL not credit-impaired	-	-	-	-	(22,215)	22,913	(698)	-
Transfer to lifetime ECL credit-impaired	-	-	-	-	(42,298)	(46,836)	89,134	-
Net remeasurement of Loss Allowance	-	-	705	705	15,912	23,619	(33,602)	5,929
New financial assets originated or purchased			(50,625)	(50,625)	1,550	1,		3,467
Write-offs				-	-	-	(60,236)	(60,236)
Closing Balance	<b>14,092</b>	<b>34,233</b>	<b>86,753</b>	<b>135,078</b>	<b>14,092</b>	<b>34,233</b>	<b>136,673</b>	<b>184,998</b>
Gross Amount	1,527,140	125,251	208,755	1,861,146	1,387,174	352,119	181,770	1,921,063

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

In millions of Naira	Group			Bank		
	31-Mar-19	31-Mar-18	31-Dec-18	31-Mar-19	31-Mar-18	31-Dec-18
<b>29. Investment securities</b>						
<b>(a) Analysis of investments</b>						
Debt securities	472,461	370,278	518,124	76,847	124,838	107,478
Promissory notes	20,977	-	-	20,977	-	-
Equity securities	49,917	49,530	49,760	49,917	49,551	49,760
Bonds impairment allowance	(1,167)	-	(2,572)	(586)	-	(565)
	<b>542,188</b>	<b>419,808</b>	<b>565,312</b>	<b>147,155</b>	<b>174,389</b>	<b>156,673</b>

**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	Name of company	Effective holding 2019	Effective holding 2018	Nominal share capital held 2019	Nominal share capital held 2018
Zenith Bank (UK) Limited	100.00 %	100.00 %	21,482	21,482	
Zenith Bank (Sierra Leone) Limited	99.99 %	99.99 %	2,059	2,059	
Zenith Bank (Gambia) Limited	99.96 %	99.96 %	1,038	1,038	
Zenith Pensions Custodian Limited	99.00 %	99.00 %	1,980	1,980	
Zenith Nominees	99.00 %	99.00 %	1,000	1,000	
			<b>34,625</b>	<b>34,003</b>	

**31. Derivative liabilities**

Forward Contract	9,258	15,357	6,124	9,258	15,357	6,124
Futures Contract	-	-	14,681	-	-	14,681
	<b>9,258</b>	<b>15,357</b>	<b>20,805</b>	<b>9,258</b>	<b>15,357</b>	<b>20,805</b>

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

In millions of Naira	Group			Bank		
	31-Mar-19	31-Mar-18	31-Dec-18	31-Mar-19	31-Mar-18	31-Dec-18
<b>32. Deferred tax</b>						
Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2018: 30%).						
<b>Deferred tax assets</b>						
<b>Movement in deferred tax asset</b>						
Opening balance	9,513	9,561	9,561	9,197	9,197	9,197
Movement	1,658	(308)	(48)	1,721	-	-
<b>Closing balance</b>	<b>11,171</b>	<b>9,253</b>	<b>9,513</b>	<b>10,918</b>	<b>9,197</b>	<b>9,197</b>
<b>Deferred tax liabilities</b>						
At the start of the period	67	45	51	-	-	-
Charge for the period	(31)	(45)	16	-	-	-
<b>At the close of the period</b>	<b>36</b>	<b>-</b>	<b>67</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>33. Other assets</b>						
Prepayments	32,738	33,003	20,138	30,593	30,548	18,064
Deposits for shares	-	-	-	-	-	720
Electronic card related receivables	71,116	63,583	47,256	67,071	60,960	43,395
Intercompany receivables	-	1,127	-	92	1,127	637
AGSMEIS Receivables	13,822	5,964	13,822	13,822	5,964	13,822
Receivables	1,151	40,205	1,002	1,095	5,375	530
Less: allowance for impairment	(1,382)	(5,248)	(1,270)	(1,309)	(5,248)	(1,258)
	<b>117,445</b>	<b>138,634</b>	<b>80,948</b>	<b>111,364</b>	<b>98,726</b>	<b>75,910</b>

## Notes to the Consolidated And Separate Interim Financial Statements

### 34. Property and equipment

#### Group

	Land	Buildings	Furniture and fixtures	Motor vehicles	Computer equipment	Aircraft	Leasehold improvements	Right of use leased asset	Work in progress	Total
<b>Cost</b>										
At start of the period	29,055	53,981	79,389	20,925	29,760	12,600	21,334	-	21,589	268,633
Additions	161	876	2,158	1,144	25	-	343	13,317	2,650	20,674
Disposals	-	(1,523)	(951)	(909)	(224)	-	(1,220)	-	-	(4,827)
Reclass from WIP	-	511	1,378	76	-	-	464	-	(2,429)	-
Reclassification	-	124	-	-	-	-	(124)	-	-	-
<b>At the end of the period</b>	<b>29,216</b>	<b>53,969</b>	<b>81,974</b>	<b>21,236</b>	<b>29,561</b>	<b>12,600</b>	<b>20,797</b>	<b>13,317</b>	<b>21,810</b>	<b>284,480</b>
<b>Accumulated Depreciation</b>										
At start of the period	-	6,527	51,904	15,304	27,420	1,470	16,871	-	-	119,496
Charge for the period	-	232	2,184	1,057	296	315	381	285	-	4,750
Disposals	-	-	(797)	(649)	(56)	-	(1,074)	-	-	(2,576)
Reclassification	-	63	-	-	-	-	(63)	-	-	-
<b>At the end of the period</b>	<b>-</b>	<b>6,822</b>	<b>53,291</b>	<b>15,712</b>	<b>27,660</b>	<b>1,785</b>	<b>16,115</b>	<b>285</b>	<b>-</b>	<b>121,670</b>
Net Book Amount At March 31, 2019	29,216	47,147	28,683	5,524	1,901	10,815	4,682	13,032	21,810	162,810
At 31 December, 2018	29,055	47,454	27,485	5,621	2,340	11,130	4,463	-	21,589	149,137

**Notes to the Consolidated And Separate Interim Financial Statements**
**34. Property and equipment (continued)**
**35.(b) Property and equipment**

Bank

	Land	Buildings	Furniture and fixtures	Motor vehicles	Computer equipment	Aircraft	Leasehold improvements	Right of use leased asset	Work in progress	Total
Cost										
At start of the period	29,055	43,501	75,434	18,848	26,883	12,600	17,918	-	20,163	244,402
Additions	161	476	2,158	444	25	-	343	7,228	2,650	13,485
Disposals	-	-	(163)	(74)	(9)	-	-	-	-	(246)
Reclass from WIP	-	511	1,379	76	-	-	370	-	(2,336)	-
Reclassification	-	124	-	-	-	-	(124)	-	-	-
<b>At the end of the period</b>	<b>29,216</b>	<b>44,612</b>	<b>78,808</b>	<b>19,294</b>	<b>26,899</b>	<b>12,600</b>	<b>18,507</b>	<b>7,228</b>	<b>20,477</b>	<b>257,641</b>

**Accumulated depreciation**

	Land	Buildings	Furniture and fixtures	Motor vehicles	Computer equipment	Aircraft	Leasehold improvements	Right of use leased asset	Work in progress	Total
At start of the period	-	6,207	49,261	13,929	25,328	1,470	14,353	-	-	110,548
Charge for the period	-	219	2,184	572	296	315	381	180	-	4,147
Disposals	-	-	(142)	(63)	(8)	-	-	-	-	(213)
Reclassification	-	63	-	-	-	-	(63)	-	-	-
<b>At the end of the period</b>	<b>-</b>	<b>6,489</b>	<b>51,303</b>	<b>14,438</b>	<b>25,616</b>	<b>1,785</b>	<b>14,671</b>	<b>180</b>	<b>-</b>	<b>114,482</b>
<b>Net Book Amount At March 31, 2019</b>	<b>29,216</b>	<b>38,123</b>	<b>27,505</b>	<b>4,856</b>	<b>1,283</b>	<b>10,815</b>	<b>3,836</b>	<b>7,048</b>	<b>20,477</b>	<b>143,159</b>
<b>At 31 December, 2018</b>	<b>29,055</b>	<b>37,294</b>	<b>26,176</b>	<b>4,919</b>	<b>1,554</b>	<b>11,130</b>	<b>3,563</b>	<b>-</b>	<b>20,163</b>	<b>133,854</b>

## Notes to the Consolidated And Separate Interim Financial Statements

### 35. Intangible assets

#### Computer software

	Group 31-Mar-19	Group 31-Mar-18	Group 31-Dec-18	Bank 31-Mar-19	Bank 31-Mar-18	Bank 31-Dec-18
<b>Cost</b>						
At start of the period	28,905	22,099	22,099	24,876	19,377	19,377
Exchange difference	58	10	720	-	-	-
WIP (Additions)	-	-	2,158	-	-	2,158
Additions	1,020	1,412	3,928	1,020	1,288	3,260
<b>At end of the period</b>	<b>29,983</b>	<b>23,521</b>	<b>28,905</b>	<b>25,896</b>	<b>20,665</b>	<b>24,876</b>
<b>Accumulated amortization</b>						
At start of the period	12,227	9,110	9,110	9,477	7,289	7,289
Exchange difference	26	-	717	-	-	-
Reclassification	-	-	1	-	-	1
Disposal	-	-	-	-	-	-
Charge for the period	749	526	2,399	690	475	2,187
<b>At the end of the period</b>	<b>13,002</b>	<b>9,636</b>	<b>12,227</b>	<b>10,167</b>	<b>7,764</b>	<b>9,477</b>
Carrying amount at period end	16,981	13,885	16,678	15,729	12,901	15,399

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

In millions of Naira	Group			Bank		
	31-Mar-19	31-Mar-18	31-Dec-18	31-Mar-19	31-Mar-18	31-Dec-18
<b>36. Deposits</b>						
Demand	1,746,132	1,881,821	1,934,766	1,137,884	1,383,964	1,286,187
Savings	519,463	406,781	492,206	469,088	357,953	435,291
Term	456,070	439,985	462,433	379,462	340,378	-
Domiciliary	849,705	667,595	800,890	777,447	598,873	730,772
	<b>3,571,370</b>	<b>3,396,182</b>	<b>3,690,295</b>	<b>2,763,881</b>	<b>2,681,168</b>	<b>2,452,250</b>
<b>37. Other liabilities</b>						
Settlement payables	63,670	45,532	31,511	63,454	45,425	31,346
Electronic card related payables	2,888	3,472	4,266	2,704	3,208	3,903
Amcon payable	9,542	-	9,542	9,542	-	9,542
Due to banks for clean letters of credit	21,452	69,929	22,164	49,275	69,929	50,563
Managers' cheques	18,132	13,098	13,195	17,046	12,425	-
Customer's foreign transactions payables	10,779	10,367	6,286	4,062	5,274	1,025
Off balance sheet ECL allowance	8,642	-	8,011	8,642	-	8,011
Tax collections	2,332	2,238	1,824	2,110	2,024	1,578
Sales and other collections	29,329	71,058	36,345	29,329	71,058	36,345
Deferred income on financial guarantee contracts	1,271	1,073	509	1,270	1,073	508
Unclaimed dividend	9,653	3,521	-	9,653	3,521	-
Lease liability	19,897	11,705	-	14,487	11,705	-
Customer deposits for letters of credit	41,834	81,492	41,179	41,711	81,349	41,046
Other payables	67,914	14,801	39,484	14,628	2,424	9,879
	<b>307,335</b>	<b>328,286</b>	<b>204,774</b>	<b>267,913</b>	<b>309,415</b>	<b>184,204</b>



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

In millions of Naira	Group			Bank		
	31-Mar-19	31-Mar-18	31-Dec-18	31-Mar-19	31-Mar-18	31-Dec-18
<b>38. On-lending facilities</b>						
This comprises:						
Central Bank of Nigeria (CBN) Commercial Agriculture Credit Scheme Loan	49,776	68,054	51,735	49,776	68,054	51,735
Bank of Industry (BOI) Intervention Loan	43,440	51,939	44,678	43,440	51,939	44,678
Central Bank of Nigeria (CBN) / Bank of Industry(BOI) - Power & Aviation intervention Funds	15,938	7,455	16,416	15,938	7,455	16,416
CBN MSMEDF Deposit	1,517	5,197	4,223	1,517	5,197	4,223
FGN SSB Intervention Fund	138,924	157,577	-	138,924	157,577	-
Excess Crude Loan Facility Deposit	87,056	101,312	-	87,056	101,312	-
Non-Oil Export Stimulation Facility	21,894	13,327	13,906	21,894	13,327	13,906
Real Sector Support Facility	44,447	38,579	34,276	44,447	38,579	34,276
Paddy Aggregation Scheme (Phase 2) Fund	2,003	-	-	2,003	-	-
	<b>404,995</b>	<b>443,440</b>	<b>165,234</b>	<b>404,995</b>	<b>443,440</b>	<b>165,234</b>

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

In millions of Naira	Group			Bank		
	31-Mar-19	31-Mar-18	31-Dec-18	31-Mar-19	31-Mar-18	31-Dec-18
<b>39. Borrowings</b>						
Long term borrowing comprise:						
Due to ADB	23,324	38,662	29,005	23,324	38,662	29,005
Due to KEXIM	6,158	5,261	4,726	6,158	5,261	4,726
Due to EIB	-	4,755	2,528	-	4,755	2,528
Due to PROPARCO	11,159	15,228	10,758	11,159	15,228	10,758
Due to Societe Generale	27,248	-	27,209	27,248	-	27,209
Due to AFC	-	12,234	-	-	12,234	-
Due to First Abu Dhabi Bank	36,442	-	81,217	36,442	-	81,217
Due to ABSA bank	63,678	71,255	63,175	63,678	71,255	63,175
Due to J P Morgan Chase bank	145,405	41,283	108,417	145,405	41,283	108,416
Due to Standard Bank London	36,858	63,694	36,926	36,858	63,694	36,926
Due to IFC	21,529	34,511	24,276	21,529	34,511	24,276
Due to Standard Bank South Africa	49,521	67,718	49,023	49,521	67,718	49,023
Due to Citi Global Markets	-	41,965	-	-	41,965	-
Due to British Arab Bank	-	11,574	-	-	11,574	-
Due to Zenith Bank (UK)	-	-	-	-	-	10,437
Due to Zenith Bank Ghana	-	-	-	11,213	-	10,767
	<b>421,322</b>	<b>408,140</b>	<b>437,260</b>	<b>432,535</b>	<b>408,140</b>	<b>458,463</b>
<b>40. Debt securities issued</b>						
Due to Euro bond holders	367,604	343,737	361,177	367,604	343,737	361,177
	<b>367,604</b>	<b>343,737</b>	<b>361,177</b>	<b>367,604</b>	<b>343,737</b>	<b>361,177</b>

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

In millions of Naira	Group			Bank		
	31-Mar-19	31-Mar-18	31-Dec-18	31-Mar-19	31-Mar-18	31-Dec-18
<b>41. Share capital</b>						
<b>Authorised</b>						
40,000,000,000 Ordinary shares of 50k each (March 2018:40,000,000,000)	20,000	20,000	20,000	20,000	20,000	20,000
.						
<b>Issued</b>						
31,396,493,786 ordinary shares of 50k each (March 2018:31,396,493,786)	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>

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

In millions of Naira	Group			Bank		
	31-Mar-19	31-Mar-18	31-Dec-18	31-Mar-19	31-Mar-18	31-Dec-18
<b>42. Share premium</b>						
Share premium	255,047	255,047	255,047	255,047	255,047	255,047

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

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

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

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

SMIEIS reserve: The SMIEIS reserve is maintained to comply with the Central Bank of Nigeria (CBN) requirement that all licensed banks set aside a portion of their profit after tax in a fund to be used to finance equity investments in qualifying small and medium scale enterprises. Under the terms of the guideline (amended by CBN letter dated 11 July 2006), the contributions will be 10% of profit after tax for the first 5 years and shall thereafter reduce to 5% of profit after tax. The small and medium scale industries equity investment scheme reserves are non-distributable.

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

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

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

**43. Pension contribution**

In accordance with the provisions of the Pensions Reform Act 2014, the bank and its subsidiaries commenced a contributory pension scheme in January 2005. For entities operating in Nigeria, the contribution by employees and the employing entities are 5% and 13% 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 N1,050 million and N809 million respectively (2018: N761 million and N674 million).

## Notes to the Consolidated And Separate Interim Financial Statements

---

### 44. Related party transactions

#### Parent:

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

#### Subsidiaries:

Transactions between Zenith Bank Plc and its subsidiaries, which are eliminated on consolidation are not separately disclosed in the consolidated financial statements. The Group's effective interests and investments in subsidiaries as at 31 March 2019 are shown below.

Entity	Effective holding %	Nominal share capital held
Zenith Bank (Ghana) Limited	99.42 %	7,066
Zenith Bank (UK) Limited	100.00 %	21,482
Zenith Bank (Sierra Leone) Limited	99.99 %	2,059
Zenith Bank (The Gambia ) Limited	99.96 %	1,038
<b>Domestic / non-banking subsidiaries:</b>		
Zenith Pension Custodians Limited	99.00 %	1,980
Zenith Nomi nees Limited	99.00 %	1,000
	-	<b>34,625</b>

## Notes to the Consolidated And Separate Interim Financial Statements

---

### 44. Related party transactions (continued)

#### 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

Salaries and other short-term benefits  
 Retirement benefit cost  
 Allowances

##### At end of of the period

Group 31-Mar-19	Group 31-Mar-18	Group 31-Dec-18
340	333	1,222
15	37	20
93	65	262
<b>448</b>	<b>435</b>	<b>1,504</b>

#### Loans and advances

At start of the period  
 Granted during the period  
 Repayment during the period

##### At end of of the period

199	199	199
119	170	1,016
(15)	(60)	(35)
<b>303</b>	<b>309</b>	<b>1,180</b>

## Notes to the Consolidated And Separate Interim Financial Statements

### 44. Related party transactions (continued)

#### 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 (2018: Nil). Interest earned on loans to directors for the Group and the Bank is N9.89million respectively. The mortgage loans are secured by the underlying assets. All other loans are unsecured.

<b>Group</b>					
<b>March 31, 2019</b>					
<b>In millions of Naira</b>					
<b>Name of company / Individual</b>	<b>Loans</b>	<b>Deposits</b>	<b>Interest received</b>	<b>Interest paid</b>	<b>Transaction with Zenith Bank</b>
Barrit Digital Photo Lab & Studio	52	-	5	-	-
Zenith General Insurance Company	-	470	-	2	2,185
Directors and Relatives	-	1,199	-	11	-
Cyberspace Limited	-	24	-	-	2,213
Doris Stephens Ltd	170	-	3	-	-
Quantum Fund Management	-	34	-	-	-
Ovation Ltd	-	3,322	-	-	-
<b>At end of of the period</b>	<b>222</b>	<b>5,049</b>	<b>8</b>	<b>13</b>	<b>4,398</b>

<b>Group</b>					
<b>31 March 2018</b>					
<b>In millions of Naira</b>					
<b>Name of company / Individual</b>	<b>Loans</b>	<b>Deposits</b>	<b>Interest received</b>	<b>Interest paid</b>	
Sirius Lumina Ltd	-	54	-	11	-
Institutional Quantum Beverage	-	-	10	-	-
Quantum Markets Limited	-	-	25	-	-
Quantum Markets Miscellaneous	-	-	3	-	-
Quantum Markets Visafone	-	-	6	-	-
Veritas Registrars	-	-	1,113	-	-
Cyberspace Networks Limited	-	-	832	-	-
Zenith General Insurance Co. Ltd	-	-	1,267	3	5
Zenith Trustees Limited	-	-	11	-	-
Directors' Deposits	-	-	328	1	-

## Notes to the Consolidated And Separate Interim Financial Statements

### 44. Related party transactions (continued)

At end of of the period

<b>54</b>	<b>3,595</b>	<b>15</b>	<b>5</b>
-----------	--------------	-----------	----------

Loans granted to related parties are secured by real estate and other assets of the respective borrowers. No impairment has been recognised on loans granted to related parties (2018:Nil)

### 45. Acceptances and guarantees

(a) Legal proceedings

The Bank is presently involved in 152 litigation suits in its ordinary course of business. The total amount claimed in the cases against the bank is estimated at N27.73billion (31 March 2018 N5.89 billion). The actions are being contested and the Directors are of the opinion that none of the aforementioned cases is likely to have a material adverse effect on the bank and are not aware of any other pending or threatened claims and litigations.

(b) Capital commitments

At the reporting date, the bank had capital commitments amounting to N8.47 billion (31 March 2018: N2.51 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:

<b>In millions of Naira</b>	<b>Group 31-Mar-19</b>	<b>Group 31-Mar-18</b>	<b>Group 31-Dec-18</b>	<b>Bank 31-Mar-19</b>	<b>Bank 31-Mar-18</b>	<b>Bank 31-Dec-18</b>
Performance bonds and guarantees	330,133	431,995	327,123	316,312	431,995	306,412
Usance	130,366	226,325	147,189	130,366	226,325	147,189
Letters of credit	368,372	306,428	356,939	337,172	306,428	321,754
	<b>828,871</b>	<b>964,748</b>	<b>831,251</b>	<b>783,850</b>	<b>964,748</b>	<b>775,355</b>
Pension Funds (See Note (below))	3,692,739	3,122,710	3,425,398	3,692,739	3,122,710	3,425,398

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 N3,693 billion (2018: N 3,122 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

---

### 46. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash and non-restricted balances with central banks, treasury bills and other eligible bills, operating account balances with other banks, amounts due from other banks and short-term government securities.

In millions of Naira	Group			Bank		
	31-Mar-19	31-Mar-18	31-Dec-18	31-Mar-19	31-Mar-18	31-Dec-18
Cash and balances with central banks (less restricted balances)	255,145	283,336	248,945	209,648	234,325	196,602
Treasury bills(maturing within three months)	-	107,080	23,819	-	-	20,847
Due from other banks	823,738	760,510	674,274	515,093	547,342	393,466
	<b>1,078,883</b>	<b>1,150,926</b>	<b>947,038</b>	<b>724,741</b>	<b>781,667</b>	<b>610,915</b>