





ZENITH BANK PLC

RC: 150224



HEAD OFFICE

 Zenith Heights, Plot 84/87 Ajose Adeogun Street,
 P. O. Box 75315, Victoria Island, Lagos.
 Tel: (01) 2787000, 2927000, 4647000
 www.zenithbank.com | SWIFT: ZEIBNGLA

CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2020

THE BOARD

Chairman: Jim Ovia, CON

Group Managing Director/CEO: Ebenezer Onyeagwu | **Deputy Managing Director:** Adaora Urneoji

Executive Directors: Ahmed Umar Shuaib | Temitope Fasoranti | Dennis Olisa | Henry Oroh

Non-Executives: Mr. Jeffrey Efeyini | Prof. Chukuka Enwemeka | Prof. Oyewusi Ibidapo-Obe | Mr. Gabriel Ukpeh | Engr. Mustafa Bello | Dr. Al-Mujtaba Abubakar

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

We the undersigned hereby certify the following with regards to our financial report for the period ended September 30, 2020 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) Omission of 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 bank 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 bank 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 bank'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 bank and audit committee:
 - (i) All significant deficiencies in the design or operation of internal controls which would adversely affect the bank's ability to record, process, summarize and report financial data and have identified for the bank'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 bank'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 .



Ebenezer Onyeagwu

Group Managing Director/CEO

FRC/2013/ICAN/00000003788



Mukhtar Adam, PhD

Chief Financial Officer

FRC/2013/MULTI/00000003196

Statements of profit or loss and other comprehensive income

In millions of Naira	Notes	Group				Bank			
		3 Months 30-Sep-20	9 Months 30-Sep-20	9 Months 30-Sep-19	12 Months 31-Dec-19	3 Months 30-Sep-20	9 Months 30-Sep-20	9 Months 30-Sep-19	12 Months 31-Dec-19
Gross earnings		162,887	508,975	491,268	662,251	142,709	434,109	418,132	564,687
Interest and similar income	15	101,866	318,820	321,938	415,563	81,437	257,768	265,935	339,310
Interest and similar expense	16	(34,096)	(93,641)	(107,311)	(148,532)	(28,682)	(77,968)	(91,119)	(126,237)
Net interest income		67,770	225,179	214,627	267,031	52,755	179,800	174,816	213,073
Impairment charge	17	(1,185)	(25,108)	(18,259)	(24,032)	(3,002)	(23,144)	(14,956)	(23,393)
Net interest income after impairment charge		66,585	200,071	196,368	242,999	49,753	156,656	159,860	189,680
Net fee and commission income	18	25,620	59,123	73,847	100,106	21,284	44,171	61,279	83,641
Trading income	19	30,985	89,817	66,856	117,798	34,966	93,763	66,842	117,772
Other income	20	397	24,548	16,053	14,216	1,084	22,413	13,043	10,838
Depreciation of property and equipment	35	(6,262)	(18,733)	(14,907)	(21,436)	(5,442)	(16,744)	(13,189)	(18,887)
Amortisation of intangible assets	36	(597)	(2,375)	(2,287)	(3,078)	(693)	(2,102)	(2,089)	(2,795)
Personnel expenses		(21,057)	(59,925)	(57,065)	(77,858)	(16,639)	(46,426)	(44,933)	(62,038)
Operating expenses	21	(32,512)	(115,243)	(102,682)	(129,453)	(32,007)	(105,800)	(94,986)	(118,191)
Profit before tax		63,159	177,283	176,183	243,294	52,306	145,931	145,827	200,020
Income tax expense	22	(7,670)	(17,968)	(25,460)	(34,451)	(6,500)	(9,725)	(17,655)	(22,017)
Profit after tax		55,489	159,315	150,723	208,843	45,806	136,206	128,172	178,003
Other comprehensive income:									
Items that will never be reclassified to profit or loss									
Fair value movements on equity instruments		1,284	11,054	402	13,870	1,284	11,054	402	13,870
Fair value movements on debt securities		2,971	1,041	(9)	452	-	-	-	-
Items that are or may be reclassified to profit or loss									
Foreign currency translation differences		(344)	8,955	(6,434)	(8,498)	-	-	-	-
Other comprehensive income/loss for the period, net of tax		3,911	21,050	(6,041)	5,824	1,284	11,054	402	13,870
Total comprehensive income for the period		59,400	180,365	144,682	214,667	47,090	147,260	128,574	191,873

Statements of profit or loss and other comprehensive income

In millions of Naira	Notes	Group				Bank			
		3 Months 30-Sep-20	9 Months 30-Sep-20	9 Months 30-Sep-19	12 Months 31-Dec-19	3 Months 30-Sep-20	9 Months 30-Sep-20	9 Months 30-Sep-19	12 Months 31-Dec-19
Profit attributable to:									
Equity holders of the parent		55,458	159,150	150,601	208,693	45,806	136,206	128,172	178,003
Non-controlling interests		31	165	122	150	-	-	-	-
Total comprehensive income attributable to:									
Equity holders of the parent		59,390	180,186	144,599	214,577	47,090	147,260	128,574	191,873
Non-controlling interests		10	179	83	90	-	-	-	-
Earnings per share attributable to equity holders of parent									
Basic and diluted (Naira)	23	1.77	5.07	4.80	6.65	1.46	4.34	4.08	5.67

Statements of financial position as at September 30, 2020

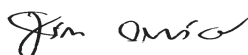
In millions of Naira	Note(s)	Group			Bank		
		30-Sep-20	30-Sep-19	31-Dec-19	30-Sep-20	30-Sep-19	31-Dec-19
Assets							
Cash and balances with central banks	24	1,799,136	913,830	936,278	1,720,196	858,013	879,449
Treasury bills	25	1,058,712	854,328	991,393	888,729	671,382	822,449
Asset pledged as collateral	26	261,585	558,320	431,728	261,585	558,320	431,728
Due from other banks	27	810,700	685,211	707,103	613,559	420,922	482,070
Derivative assets	28	56,676	86,183	92,722	56,676	86,183	92,722
Loans and advances	29	2,710,967	2,043,012	2,305,565	2,599,195	1,962,463	2,239,472
Investment securities	30	909,918	491,984	591,097	309,430	188,725	189,358
Investments in subsidiaries	31	-	-	-	34,625	34,625	34,625
Deferred tax assets	33	11,948	12,013	11,885	11,444	11,223	11,223
Other assets	34	152,042	140,941	77,395	143,664	110,690	71,412
Property and equipment	35	186,680	176,182	185,216	166,010	158,404	165,456
Intangible assets	36	14,901	16,440	16,497	13,399	15,171	15,109
Total assets		7,973,265	5,978,444	6,346,879	6,818,512	5,076,121	5,435,073
Liabilities							
Customers' deposits	37	5,224,564	3,951,829	4,262,289	4,381,248	3,205,137	3,486,887
Derivative liabilities	32	19,496	10,587	14,762	19,496	10,587	14,762
Current income tax	22	15,965	9,059	9,711	13,398	4,595	6,627
Deferred tax liabilities	33	1	23	25	-	-	-
Other liabilities	38	687,503	265,874	363,764	566,825	247,046	386,061
On-lending facilities	39	386,394	400,472	392,871	386,394	400,472	392,871
Borrowings	40	562,675	429,166	322,479	570,480	453,053	329,778
Debt securities issued	41	42,326	39,533	39,092	42,326	39,533	39,092
Total liabilities		6,938,924	5,106,543	5,404,993	5,980,167	4,360,423	4,656,078

Statement of Financial Position as at September 30, 2020

In millions of Naira	Note(s)	Group			Bank		
		30-Sep-20	30-Sep-19	31-Dec-19	30-Sep-20	30-Sep-19	31-Dec-19
Capital and reserves							
Share capital	42	15,698	15,698	15,698	15,698	15,698	15,698
Share premium	43	255,047	255,047	255,047	255,047	255,047	255,047
Retained earnings		459,318	362,330	412,948	329,893	259,672	302,028
Other reserves		303,345	238,079	257,439	237,707	185,281	206,222
Attributable to equity holder of the parent		1,033,408	871,154	941,132	838,345	715,698	778,995
Non-controlling interests		933	747	754	-	-	-
Total shareholders' equity		1,034,341	871,901	941,886	838,345	715,698	778,995
Total liabilities and equity		7,973,265	5,978,444	6,346,879	6,818,512	5,076,121	5,435,073

The unaudited financial statements were approved by the Board of Directors for issue on 22 October, 2020 and signed on its behalf by:

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



Ebenezer Onyeagwu (Group Managing Director and Chief Executive)
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		
		30-Sep-20	30-Sep-19	31-Dec-19	30-Sep-20	30-Sep-19	31-Dec-19
Cash flows from operating activities							
Profit after tax for the period/year		159,315	150,723	208,843	136,206	128,172	178,003
Adjustments for non-cash items:							
Impairment							
Impairment loss on loan and advances	17	20,862	20,356	27,754	18,898	17,053	27,148
Treasury bills, Investment securities, Assets pledged and due from Banks impairment loss/(reversal)	16	1,493	(119)	(908)	1,493	(119)	(928)
Off balance sheet Impairment loss/(reversal)	16	1,539	(2,545)	(2,473)	1,539	(2,545)	(2,473)
On other assets Impairment loss/(reversal)	16	1,214	567	(341)	1,214	567	(354)
Unrealised fair value changes in trading bond, bills and derivatives	18	(31,832)	(5,418)	(10,905)	(31,832)	(5,418)	(10,905)
Depreciation of property and equipment	34	18,733	14,907	21,436	16,744	13,189	18,887
Amortisation of intangible assets	35	2,375	2,287	3,078	2,102	2,089	2,795
Dividend income	19	(3,600)	(1,932)	(1,932)	(3,600)	(5,532)	(5,532)
Net revaluation loss on debt securities issued		-	6,148	5,949	-	6,148	5,949
Interest income	14	(318,820)	(321,938)	(415,563)	(257,768)	(265,935)	(339,310)
Interest expense	15	93,641	107,311	148,532	77,968	91,119	126,237
Prepaid expenses		40,206	-	-	36,592	-	-
Foreign exchange revaluation (gain)/loss		(2,197)	-	-	(5,824)	-	-
Profit on sale of property and equipment	20	(307)	(176)	(147)	(304)	(184)	(152)
Profit on sale of investment		(901)	-	-	(901)	-	-
Tax expense	22	17,968	25,460	34,451	9,725	17,655	22,017
Changes in operating assets and liabilities:							
Net (increase) in loans and advances		(376,374)	(127,576)	(492,717)	(329,911)	(129,868)	(513,382)
Net (increase) in other assets		(116,329)	(60,614)	3,863	(110,555)	(35,355)	(4,853)
Net decrease in treasury bills with maturity greater than 3 months		42,010	141,320	194,352	45,804	143,678	183,300
Net decrease in treasury bills (FVTPL) including bills pledged		60,896	(18,899)	(197,798)	58,117	(18,855)	(197,801)
Net (increase) in investment securities including bonds pledged		(238,008)	(40,402)	162,834	(43,277)	(170,565)	153,488
Net increase in restricted balances (cash reserves)		(804,589)	(118,839)	(55,479)	(804,589)	(118,839)	(55,479)
Net (increase) in due from banks with maturity greater than three months		(25,405)	-	(223,413)	(27,066)	-	(223,413)
Net increase in customer deposits		958,705	261,534	564,135	892,402	384,071	664,555
Net increase in other liabilities		509,338	23,211	128,845	368,375	17,232	159,395
		9,933	55,366	102,396	51,552	67,758	187,192
Interest received		286,808	321,937	407,104	225,756	265,934	335,518
Dividend received		3,600	1,932	1,932	3,600	5,532	5,532
Interest paid		(92,301)	(107,311)	(135,575)	(76,684)	(80,119)	(114,398)
Tax paid	22	(11,304)	(27,522)	(36,689)	(2,678)	(20,975)	(23,751)
Net cash flows(used in)/generated from operating activities		196,736	244,402	339,168	201,546	238,130	390,093

Statement of Cash Flows

	Group			Bank			
	30-Sep-20	30-Sep-19	31-Dec-19	30-Sep-20	30-Sep-19	31-Dec-19	
In millions of Naira							
Cash flows from investing activities							
Purchase of property and equipment	35	(20,321)	(47,341)	(62,333)	(18,311)	(37,860)	(50,901)
Proceeds from sale of property and equipment		1,650	5,565	2,976	1,533	305	530
Purchase of intangible assets	36	(610)	(1,978)	(2,118)	(357)	(1,861)	(1,539)
Purchase of equity securities		-	-	(50)	-	-	(50)
Proceeds from sale of investments		901	-	-	901	-	-
Net cash from investing activities		(18,380)	(43,754)	(61,525)	(16,234)	(39,416)	(51,960)
Cash flows from financing activities							
Net inflow from on-lending facilities		(6,225)	27,177	(424)	(6,225)	27,177	(424)
Net movement in borrowings		32,966	18,175	(114,781)	31,546	29,835	(128,685)
Repayment and repurchase of debt securities issued		-	(321,644)	(340,358)	-	(321,644)	(340,358)
Dividends paid		(87,910)	(87,910)	(87,910)	(87,910)	(87,910)	(87,910)
Lease liability principal payment		(1,000)	(1,840)	(2,196)	(442)	(1,840)	(2,196)
Acquisition of additional interest in Zenith Bank Ghana		-	(622)	(622)	-	(622)	(622)
Net cash from financing activities		(62,169)	(366,664)	(546,291)	(63,031)	(355,004)	(560,195)
Increase in cash and cash equivalent		116,187	(166,016)	(268,648)	122,281	(156,290)	(222,062)
Cash at the beginning of the period		670,715	947,038	947,038	388,853	610,915	610,915
Effect of exchange rate movement on cash balances		1,252	(6,291)	(7,675)	939	-	-
Cash and cash equivalent at the end of the period	47	788,154	774,731	670,715	512,073	454,625	388,853

Statements of changes in equity

	Attributable to equity holders of the Bank								Non-controlling interest	Total equity	
	Share capital	Share premium	Foreign currency translation reserve	Revaluation reserve	Statutory reserve	SMEIS reserve	Credit risk reserve	Retained earnings			
In millions of Naira											
Group											
Balance at 1 January, 2020	15,698	255,047	30,076	24,180	197,395	3,729	2,059	412,948	941,132	754	941,886
Profit for the period	-	-	-	-	-	-	-	159,150	159,150	165	159,315
Foreign currency translation differences	-	-	8,941	-	-	-	-	-	8,941	14	8,955
Fair value movements on equity instruments	-	-	-	11,054	-	-	-	-	11,054	-	11,054
Fair value movements on debt securities	-	-	-	1,041	-	-	-	-	1,041	-	1,041
Total comprehensive income for the period	-	-	8,941	12,095	-	-	-	159,150	180,186	179	180,365
Transfer between reserves	-	-	-	-	24,666	-	204	(24,870)	-	-	-
Dividends	-	-	-	-	-	-	-	(87,910)	(87,910)	-	(87,910)
Transactions with non-controlling interest	-	-	-	-	-	-	-	-	-	-	-
Balance at September 30, 2020	15,698	255,047	39,017	36,275	222,061	3,729	2,263	459,318	1,033,408	933	1,034,341
Balance at 1 January, 2019	15,698	255,047	38,514	9,858	167,520	3,729	1,610	322,237	814,213	1,538	815,751
Profit for the period	-	-	-	-	-	-	-	150,601	150,601	122	150,723
Foreign currency translation differences	-	-	(6,395)	-	-	-	-	-	(6,395)	(39)	(6,434)
Fair value movements on debt securities	-	-	-	(9)	-	-	-	-	(9)	-	(9)
Fair value movements on equity instruments	-	-	-	402	-	-	-	-	402	-	402
Total comprehensive income for the period	-	-	(6,395)	393	-	-	-	150,601	144,599	83	144,682
Transfer between reserves	-	-	-	-	22,401	-	449	(22,850)	-	-	-
Dividends	-	-	-	-	-	-	-	(87,910)	(87,910)	-	(87,910)
Acquisition of NCI without change in control	-	-	-	-	-	-	-	252	252	(874)	(622)
Balance at 30 September, 2019	15,698	255,047	32,119	10,251	189,921	3,729	2,059	362,330	871,154	747	871,901

Consolidated and separate statements of changes in equity

In millions of Naira

	Share capital	Share premium	Revaluation reserve	Statutory reserve	SMIEIS reserve	Credit risk reserve	Retained earnings	Total equity
Bank								
Balance at 1 January, 2020	15,698	255,047	23,728	178,765	3,729	-	302,028	778,995
Profit for the period	-	-	-	-	-	-	136,206	136,206
Fair value movement on equity instruments	-	-	11,054	-	-	-	-	11,054
Total comprehensive income for the period	-	-	11,054	-	-	-	136,206	147,260
Transfer between reserves	-	-	-	20,431	-	-	(20,431)	-
Dividends	-	-	-	-	-	-	(87,910)	(87,910)
Balance at September 30, 2020	15,698	255,047	34,782	199,196	3,729	-	329,893	838,345
Balance as at 1 January, 2019	15,698	255,047	9,858	152,065	3,729	-	238,637	675,034
Profit for the period	-	-	-	-	-	-	128,172	128,172
Fair value movement on equity instruments	-	-	402	-	-	-	-	402
Total comprehensive income for the period	-	-	402	-	-	-	128,172	128,574
Transfer between reserves	-	-	-	19,227	-	-	(19,227)	-
Dividends	-	-	-	-	-	-	(87,910)	(87,910)
Balance at 30 September, 2019	15,698	255,047	10,260	171,292	3,729	-	259,672	715,698

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 Pensions Custodian Limited, Zenith Bank (UK) Limited, Zenith Bank (Sierra Leone) Limited, Zenith Bank (Gambia) Limited and Zenith Nominees Limited. The results of the bank's subsidiaries have been consolidated in these 9 months period financial statements.

2. Condensed statement of accounting policies

Interim Financial Statements

The Condensed Financial Statements of Zenith Bank Plc and its subsidiaries (together "The Group") for the period ended September 30, 2020 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 2019, 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 December 31, 2019 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 period. However, global and national events and occurrences may affect the Group's operations depending on the extent of relationship these events and occurrences have with the operations.

4. Unusual items

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

5. Changes in estimates

Critical accounting estimates and judgements

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial period. 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 results to September 30, 2020.

(September 30, 2019: NIL).

Notes to the Consolidated And Separate Interim Financial Statements

7. Significant events after the end of the interim period

A) Material Disclosures on the impact of COVID 19

The Covid-19 Pandemic has been well managed in the bank. However, great uncertainty surrounds the scale and trajectory of the pandemic in the world. The occurrence of a second wave in Europe and the United States and concerns about a potential second wave in African countries are fueling further uncertainty about the persistence and spread of the virus.

In response to the fears of a second wave of Covid-19 outbreak in Nigeria, Zenith Bank continues to drive and ensure a clear directive to its staff on observance of all health protocols in the branches and Head office and also clear communication in accordance with its robust Business Continuity Plan. Our business continuity activities are constantly being reviewed and strengthened to reflect the current and potential impacts of Covid-19 pandemic.

B) Impact of EndSARS on the bank's business operation

In line with ISO 22301 Standards, the bank has a robust documented Business Continuity Plan for various scenarios, which cover all forms of undesired events in the form of civil unrest, fire, flood, robbery, infectious diseases, unexpected breakdown of systems, networks etc. This plan ensures that the bank recover from disasters resulting in the partial or total loss of IT infrastructure and applications to normal business operations, in a timely, effective and efficient manner. The business continuity test is conducted at least once in a year. The process is driven at a committee level but ably championed by the Risk Management Group. In October 2020, Nigeria experienced series of protest from Nigerian youths channeled mainly towards reform of the Nigerian Police. The seemingly peaceful protest later went violent. Consequently, some public, private and business interests were impacted. Some of the bank's properties were vandalized in the process. The Bank has carried out an assessment to quantify the impact of the vandalization on its business. Based on the outcome of the impact assessment, we conclude that the vandalization would not have material impact on the business operations and going concern of the bank.

8. Business combinations

There was no business combination during the period.

9. Restructuring and reversals of restructuring provisions

Cummulative loans and advances to customers of N527 billion (31 December, 2019: N452 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.

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

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

12. Litigation settlements

There was litigation settlement in the period September 30, 2020 amounting to N33.31million (September 30, 2019: N67.91million).

13. Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) Zenith Bank Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Bank's securities. The Policy is periodically reviewed by the Board and updated. The Bank has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period under review.

14. 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 reportable segments	Eliminations	Consolidated
		Africa	Europe			
In millions of Naira						
September 30, 2020						
Revenue:						
Derived from external customers	437,266	53,893	17,816	508,975	-	508,975
Derived from other business segments	4,327	48	-	4,375	(4,375)	-
Total revenue*	441,593	53,941	17,816	513,350	(4,375)	508,975
Interest expense	(77,968)	(13,436)	(3,012)	(94,416)	775	(93,641)
Impairment charge for credit losses	(23,144)	(365)	(1,599)	(25,108)	-	(25,108)
Operating expenses	(188,154)	(16,780)	(7,609)	(212,543)	(400)	(212,943)
Profit before tax	152,327	23,360	5,596	181,283	4,000	177,283
Tax expense	(11,408)	(5,429)	(1,131)	(17,968)	-	(17,968)
Profit after tax	140,919	17,931	4,465	163,315	4,000	159,315
In millions of Naira						
September 30, 2020						
Capital expenditure**	179,391	19,187	2,386	200,964	-	200,964
Identifiable assets	6,845,460	527,566	743,345	8,116,371	(139,304)	7,973,265
Identifiable liabilities	5,983,017	421,402	639,185	7,043,604	(104,680)	6,938,924

* 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	Eliminations	Consolidated
		Africa	Europe	reportable		segments
In millions of Naira						
September 30, 2019						
Revenue:						
Derived from external customers	420,230	53,026	18,012	491,268	-	491,268
Derived from other business segments	5,588	-	-	5,588	(5,588)	-
Total revenue*	425,818	53,026	18,012	496,856	(5,588)	491,268
Interest expense	(91,119)	(15,107)	(3,073)	(109,299)	1,988	(107,311)
Impairment charge for credit losses	(14,956)	(773)	(2,530)	(18,259)	-	(18,259)
Operating expenses	(167,946)	(16,108)	(5,061)	(189,115)	(400)	(134,088)
Profit before tax	151,797	21,038	7,348	180,183	4,000	176,183
Tax expense	(19,450)	(4,798)	(1,212)	(25,460)	-	(25,460)
Profit after tax	132,347	16,240	6,136	154,723	4,000	150,723
In millions of Naira						
December 31, 2019						
Capital expenditure**	52,440	3,337	1,334	57,111	-	57,111
Identifiable assets	5,461,929	471,819	616,824	6,550,572	(203,693)	6,346,879
Identifiable liabilities	4,659,475	375,101	523,610	5,558,186	(153,193)	5,404,993

* 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-20	9 Months 30-Sep-20	9 Months 30-Sep-19	12 Months 31-Dec-19	3 Months 30-Sep-20	9 Months 30-Sep-20	9 Months 30-Sep-19	12 Months 31-Dec-19
15. Interest and similar income								
Loans and advances to customers	61,019	189,386	175,178	232,946	57,535	178,881	165,383	220,210
Treasury bills	12,009	40,392	74,273	81,108	6,527	22,690	52,331	52,127
Government and other bonds	21,124	60,643	49,293	68,497	10,716	31,218	30,719	41,947
Commercial Papers	229	365	234	367	229	365	234	367
Placement with banks and discount houses	5,620	22,274	19,207	26,897	4,565	18,854	13,515	18,911
Income on promissory notes	1,865	5,760	3,753	5,748	1,865	5,760	3,753	5,748
	101,866	318,820	321,938	415,563	81,437	257,768	265,935	339,310
16. Interest and similar expense								
Current accounts	3,593	8,600	8,613	11,624	2,798	6,663	7,764	10,387
Savings accounts	6,119	18,741	18,211	21,625	6,056	18,564	18,046	21,394
Time deposits	8,073	32,986	31,338	47,334	5,134	24,128	22,848	35,041
Borrowed funds	16,311	33,314	49,149	67,949	14,694	28,613	42,461	59,415
	34,096	93,641	107,311	148,532	28,682	77,968	91,119	126,237
17. Impairment charge								
Other non-financial assets	2	45	(45)	(377)	2	45	(45)	(377)
Loans and advances (See note 29)	891	20,862	20,356	27,754	2,800	18,898	17,053	27,148
Impairment Charge on Investments securities	33	693	185	(27)	33	693	185	(27)
Off balance sheet	73	1,539	(2,545)	(2,473)	73	1,539	(2,545)	(2,473)
Impairment on placement	10	201	(304)	(789)	10	201	(304)	(789)
Treasury bills	123	143	(9)	(35)	7	143	(9)	(55)
Other financial assets	31	1,169	621	36	55	1,169	621	23
Asset Pledged as Collateral	22	456	-	(57)	22	456	-	(57)
	1,185	25,108	18,259	24,032	3,002	23,144	14,956	23,393

Notes to the Consolidated and separate interim financial statements

In millions of Naira	Group				Bank			
	3 Months 30-Sep-20	9 Months 30-Sep-20	9 Months 30-Sep-19	12 Months 31-Dec-19	3 Months 30-Sep-20	9 Months 30-Sep-20	9 Months 30-Sep-19	12 Months 31-Dec-19
18. Net income on Fee and commission								
Credit related fees	4,043	13,106	14,262	21,879	3,540	9,610	11,796	20,046
Current account maintenance	6,520	17,045	15,821	21,674	5,845	15,276	14,332	19,623
Income from financial guarantee contracts issued	1,667	5,121	2,600	3,202	1,573	4,751	2,352	2,921
Fees on electronic products	9,527	18,464	35,324	42,511	9,165	17,420	34,351	41,162
Foreign currency transaction fees and commission	552	1,510	2,385	3,725	355	869	950	1,233
Asset based fees	2,175	7,031	5,925	7,849	-	-	-	-
Auction fees income	126	322	2,001	2,381	126	322	2,001	2,381
Corporate finance fees	117	340	411	536	39	75	222	278
Foreign withdrawal charges	2,368	5,834	4,283	6,021	2,368	5,834	4,283	6,021
Commission on agency and collection services	2,544	7,017	3,409	4,896	2,211	6,008	2,025	3,102
	29,639	75,790	86,421	114,674	25,222	60,165	72,312	96,767
Fees and commission expense	(4,019)	(16,667)	(12,574)	(14,568)	(3,938)	(15,994)	(11,033)	(13,126)
	25,620	59,123	73,847	100,106	21,284	44,171	61,279	83,641

Notes to the Consolidated and separate interim financial statements

In millions of Naira	Group				Bank			
	3 Months 30-Sep-20	9 Months 30-Sep-20	9 Months 30-Sep-19	12 Months 31-Dec-19	3 Months 30-Sep-20	9 Months 30-Sep-20	9 Months 30-Sep-19	12 Months 31-Dec-19
19. Trading income								
Derivatives (loss)/income	466	(13,106)	(18,291)	(7,427)	466	(13,106)	(18,291)	(7,427)
Treasury bill trading income	25,819	91,516	79,729	114,320	29,800	95,462	79,715	114,294
Bond trading income	4,700	11,407	5,418	10,905	4,700	11,407	5,418	10,905
	30,985	89,817	66,856	117,798	34,966	93,763	66,842	117,772
20. Other operating income								
Loan recoveries	1,561	2,568	-	-	1,561	2,568	-	-
Income on cash handling	79	209	472	597	54	124	324	400
Gain on disposal of equity investment	-	891	-	-	-	891	-	-
Dividend Income from equity instruments	-	-	1,932	1,932	-	3,600	5,532	5,532
Gain on disposal of property and equipment	205	307	176	147	202	304	184	152
Foreign currency revaluation gain	(1,448)	20,573	13,473	11,540	(733)	14,926	7,003	4,754
	397	24,548	16,053	14,216	1,084	22,413	13,043	10,838

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-20	9 Months 30-Sep-20	9 Months 30-Sep-19	12 Months 31-Dec-19	3 Months 30-Sep-20	9 Months 30-Sep-20	9 Months 30-Sep-19	12 Months 31-Dec-19
21. Operating expenses								
Directors' emolument	290	871	1,752	2,448	180	574	1,314	1,512
Auditors' remuneration	209	573	553	892	75	285	344	590
Deposit insurance premium	3,455	10,365	9,674	12,898	3,455	10,365	9,674	12,898
Professional fees	1,286	3,178	3,080	4,377	1,144	2,736	2,499	3,427
Training and development	108	1,048	1,817	2,439	68	904	1,590	2,136
Information technology	6,812	14,881	7,288	9,846	6,873	13,210	6,663	9,071
Operating lease	255	584	1,450	1,313	126	182	924	859
Advertisement	2,362	6,013	5,168	7,908	2,309	5,822	4,813	7,433
Outsourcing services	2,851	8,676	8,814	11,762	2,851	8,676	8,814	11,762
Bank charges	2,631	4,543	3,441	4,563	2,441	4,030	3,017	3,968
Fuel and maintenance	3,998	12,029	8,155	14,429	4,201	9,743	6,449	11,822
Insurances	428	1,360	1,490	1,977	388	1,242	1,385	1,836
Licenses, registrations and subscriptions	2,145	3,850	2,636	3,449	1,983	3,314	2,267	2,883
Travel and hotel expenses	543	1,493	1,910	2,751	354	905	1,683	2,340
Printing and stationery	614	1,688	1,722	2,402	458	1,193	1,234	1,642
Security and cash handling	935	2,750	2,933	3,824	827	2,421	2,628	3,419
Fines and penalties	-	-	2	21	-	-	2	21
Donations	477	3,009	1,445	2,751	470	2,893	1,425	2,729
AMCON	-	30,948	28,654	28,654	-	30,948	28,654	28,654
Telephone and postages	1,203	2,295	2,807	3,609	1,084	1,983	2,485	3,195
Corporate promotions	867	2,376	3,484	5,847	843	2,317	3,391	5,687
Other expenses	1,043	2,713	4,407	1,293	1,877	2,057	3,731	307
	32,512	115,243	102,682	129,453	32,007	105,800	94,986	118,191

Notes to the Consolidated and separate interim financial statements

In millions of Naira	Group				Bank			
	3 Months 30-Sep-20	9 Months 30-Sep-20	9 Months 30-Sep-19	12 Months 31-Dec-19	3 Months 30-Sep-20	9 Months 30-Sep-20	9 Months 30-Sep-19	12 Months 31-Dec-19
22. Taxation								
Major components of the tax expense								
Minimum tax	647	2,171	3,063	-	647	2,171	3,063	-
Current								
Corporate tax	434	8,061	7,634	12,770	-	-	-	-
Dividend tax	-	-	15,175	22,105	-	-	15,175	22,053
Prior period under provision	5,000	5,000	-	-	5,000	5,000	-	-
Information technology tax	545	1,483	1,544	1,980	545	1,483	1,443	1,980
Education tax	503	1,285	70	-	503	1,285	-	-
Effect of tax rates in foreign jurisdictions	-	-	-	-	-	-	-	-
Police trust fund levy	2	7	-	10	2	7	-	10
Total income tax expense	7,131	18,007	27,486	36,865	6,697	9,946	19,681	24,043
Deferred tax expense	539	(39)	(2,026)	(2,414)	(197)	(221)	(2,026)	(2,026)
Total tax expense	7,670	17,968	25,460	34,451	6,500	9,725	17,655	22,017

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

At start of the period		9,711	9,154	9,154		6,627	5,954	5,954
Tax paid		(11,753)	(27,581)	(36,308)		(3,175)	(21,040)	(23,370)
Minimum tax charge		2,171	3,063	-		2,171	3,063	-
Income tax charge		15,836	24,423	36,865		7,775	16,618	24,043
At the end of the period		15,965	9,059	9,711		13,398	4,595	6,627

Notes to the Consolidated and separate interim financial statements

In millions of Naira	Group				Bank			
	3 Months 30-Sep-20	9 Months 30-Sep-20	9 Months 30-Sep-19	12 Months 31-Dec-19	3 Months 30-Sep-20	9 Months 30-Sep-20	9 Months 30-Sep-19	12 Months 31-Dec-19
23. Earnings per share								
Profit attributable to shareholders of the Bank (N'million)	55,458	159,150	150,601	208,693	45,806	136,206	128,172	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	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 (Naira)	1.77	5.07	4.80	6.65	1.46	4.34	4.08	5.67

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-20	30-Sep-19	31-Dec-19	30-Sep-20	30-Sep-19	31-Dec-19
24. Cash and balances with central banks						
Cash	137,423	19,537	55,255	116,967	5,244	39,417
Operating accounts with central banks	96,174	69,983	120,073	37,690	28,459	79,082
Mandatory reserve deposits with central bank	1,484,850	743,621	680,261	1,484,850	743,621	680,261
Cash requirement special intervention reserve	80,689	80,689	80,689	80,689	80,689	80,689
	1,799,136	913,830	936,278	1,720,196	858,013	879,449

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.

25. Treasury bills

Treasury bills (FVTPL)	783,822	529,212	708,111	786,604	529,168	708,114
Treasury bills (Amortized cost)	275,596	325,180	283,845	102,285	142,277	114,352
Treasury bill (Amortized cost) impairment allowance	(706)	(64)	(563)	(160)	(63)	(17)
	1,058,712	854,328	991,393	888,729	671,382	822,449
Treasury bills less than 3 months maturity	-	-	11,697	-	-	11,697

26. Assets pledged as collateral

Treasury bills pledged as collateral	1,886	1,850	-	1,886	1,850	-
Bonds pledged as collateral	76,609	131,995	105,135	76,609	131,995	105,135
Treasury bills under repurchase agreement	59,230	312,041	198,611	59,230	312,041	198,611
Bonds under repurchase agreement	124,385	112,560	128,051	124,385	112,560	128,051
Assets pledged impairment allowance	(525)	(126)	(69)	(525)	(126)	(69)
	261,585	558,320	431,728	261,585	558,320	431,728

The total financial assets recognised in the statement of financial position that has been pledged as collateral for liabilities as at September 30, 2020 and 31 December, 2019 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-20	30-Sep-19	31-Dec-19	30-Sep-20	30-Sep-19	31-Dec-19
27. Due from other banks						
Current balances with banks within Nigeria	106	12,229	8,155	-	-	-
Current balances with banks outside Nigeria	233,568	243,950	171,410	163,249	168,469	154,654
Placements with banks and discount houses	577,368	429,660	527,680	450,652	253,080	327,558
Placement Impairment allowance	(342)	(628)	(142)	(342)	(627)	(142)
	810,700	685,211	707,103	613,559	420,922	482,070
28. Derivative assets						
Forward contracts (fair value)	38,079	86,183	91,204	38,079	86,183	91,204
Futures contracts (fair value)	18,597	-	1,518	18,597	-	1,518
	56,676	86,183	92,722	56,676	86,183	92,722

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		
	30-Sep-20	30-Sep-19	31-Dec-19	30-Sep-20	30-Sep-19	31-Dec-19
29. Loans and advances to customers						
Overdrafts	306,502	239,337	212,548	289,998	208,413	194,020
Term loans	2,016,823	1,519,402	1,766,787	1,914,590	1,457,161	1,713,607
On-lending facilities	563,283	446,195	483,024	563,283	446,195	483,024
Gross loans and advances to customers	2,886,608	2,204,934	2,462,359	2,767,871	2,111,769	2,390,651
Less: Allowances for impairment	(175,641)	(161,922)	(156,794)	(168,676)	(149,306)	(151,179)
Net loans and advances to customers	2,710,967	2,043,012	2,305,565	2,599,195	1,962,463	2,239,472

Notes to the Consolidated And Separate Interim Financial Statements

29. Loans and advances to customers (continued)

GROUP

In Millions of Naira	12 Month ECL	Lifetime ECL Not Credit- impaired	Lifetime ECL Credit-Impaired	September 30, 2020 Total	12 Month ECL	Lifetime ECL Not Credit- impaired	Lifetime ECL Credit- Impaired	31 December 2019 Total
Loans and advances to customer's at amortised cost								
Balance at 1 January	29,621	16,083	111,089	156,793	15,965	36,040	141,403	193,408
Transfer to 12-month ECL	(16,590)	1,174	15,416	-	5,235	(4,855)	(380)	-
Transfer to lifetime ECL not credit-impaired	198	(11,983)	11,785	-	(7,486)	7,564	(78)	-
Transfer to lifetime ECL credit-impaired	387	-	(387)	-	(2,078)	(36,022)	38,100	-
Net remeasurement of loss allowance	38,775	11,707	(29,620)	20,862	17,985	13,356	(3,587)	27,754
New financial assets originated or purchased	-	-	-	-	-	-	-	-
Write-offs and recoveries	-	-	(2,115)	(2,115)	-	-	(60,971)	(60,971)
Foreign exchange and other movements	-	-	101	101	-	-	(3,398)	(3,398)
Closing balance	52,391	16,981	106,269	175,641	29,621	16,083	111,089	156,793
Gross amount	2,117,218	550,483	218,907	2,886,608	2,113,588	180,754	168,017	2,462,359

Notes to the Consolidated And Separate Interim Financial Statements

29. Loans and advances to customers (continued)

BANK

In Millions of Naira	12 Month ECL	Lifetime ECL Not Credit- impaired	Lifetime ECL Credit-Impaired	September 30, 2020 Total	12 Month ECL	Lifetime ECL Not Credit- impaired	Lifetime ECL Credit- Impaired	31 December 2019 Total
Loans and Advances to Customer's at Amortised Cost								
Balance at 1 January	27,143	14,276	109,760	151,179	14,092	34,233	136,673	184,998
Transfer to 12-month ECL	(16,590)	1,174	15,416	-	5,236	(4,856)	(380)	-
Transfer to lifetime ECL not credit-impaired	198	(11,983)	11,785	-	(7,486)	7,564	(78)	-
Transfer to lifetime ECL credit-impaired	387	-	(387)	-	(2,078)	(36,021)	38,099	-
Net remeasurement of loss allowance	35,308	13,393	(29,803)	18,898	4,774	12,658	(4,455)	12,977
New financial assets originated or purchased	-	-	-	-	12,605	-	-	14,171
Write-offs			(1,401)	(1,401)	-	-	(60,967)	(60,967)
Closing Balance	46,446	16,860	105,370	168,676	27,143	14,276	109,760	151,179
Gross Amount	2,030,129	527,840	209,902	2,767,871	2,052,919	176,053	161,679	2,390,651

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-20	30-Sep-19	31-Dec-19	30-Sep-20	30-Sep-19	31-Dec-19
30. Investment securities						
(a) Analysis of investments						
Debt securities measured at amortised cost	766,027	403,926	234,857	165,526	100,077	113,959
Debt securities FVPL	55,090	34,319	12,257	55,090	34,319	12,257
Debt Securities FVOCI	-	-	280,854	-	-	-
Commercial papers measured at amortised cost	15,312	4,866	-	15,312	4,866	-
Equity securities	74,733	50,213	63,680	74,733	50,213	63,680
Impairment allowance (Debt securities measured at amortised cost only)	(1,244)	(1,340)	(551)	(1,231)	(750)	(538)
	909,918	491,984	591,097	309,430	188,725	189,358

31. Interests in subsidiaries including consolidated structured entities

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

Name of company	Effective	Effective	Nominal share	Nominal share
	holding	holding	capital held	capital held
	30-Sep-20	31-Dec-19	30-Sep-20	31-Dec-19
Zenith Bank (Ghana) Limited	99.42 %	99.42 %	7,066	7,066
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
			34,625	34,625

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-20	30-Sep-19	31-Dec-19	30-Sep-20	30-Sep-19	31-Dec-19
32. Derivative liabilities						
Forward Contract	1,361	10,587	13,622	1,361	10,587	13,622
Futures Contract	18,135	-	1,140	18,135	-	1,140
	19,496	10,587	14,762	19,496	10,587	14,762
33. Deferred tax						
Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2019: 30%).						
Deferred tax assets						
Movement in deferred tax asset						
At the start of the period	11,885	9,513	9,513	11,223	9,197	9,197
Charge for the period	63	2,500	2,372	221	2,026	2,026
At the close of the period	11,948	12,013	11,885	11,444	11,223	11,223
Deferred tax liabilities						
At the start of the period	25	67	67	-	-	-
Charge for the period	(24)	(44)	(42)	-	-	-
At the close of the period	1	23	25	-	-	-

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-20	30-Sep-19	31-Dec-19	30-Sep-20	30-Sep-19	31-Dec-19
34. Other assets						
Prepayments and other non-financial asset	25,669	28,217	13,814	21,697	26,205	10,342
Deposits for shares	-	-	-	720	720	720
Electronic card related receivables	95,226	65,717	42,019	90,694	62,897	38,555
Intercompany receivables	-	-	-	331	219	210
AGSMEIS Receivables	30,996	22,096	22,096	30,996	22,096	22,096
Receivables	2,326	26,802	426	1,343	386	392
Less: allowance for impairment	(2,175)	(1,891)	(960)	(2,117)	(1,833)	(903)
	152,042	140,941	77,395	143,664	110,690	71,412

Notes to the Consolidated And Separate Interim Financial Statements

35. 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
Cost										
At start of the period	34,668	60,740	94,296	23,387	37,098	12,600	25,016	18,138	17,201	323,144
Additions	1,289	1,854	4,325	3,185	1,619	-	538	2,972	4,973	20,755
Disposals	-	(1)	(1,750)	(1,579)	(943)	-	(1,100)	-	-	(5,373)
Reclass from WIP	-	1,277	384	97	67	-	379	-	(2,204)	-
Reclassification	40	(70)	130	-	(11)	-	(89)	-	-	-
Foreign exchange movements	-	189	183	110	149	-	-	154	-	785
At the end of the period	35,997	63,989	97,568	25,200	37,979	12,600	24,744	21,264	19,970	339,311
Accumulated Depreciation										
At start of the period	-	7,646	60,898	17,212	29,253	2,730	18,740	1,449	-	137,928
Charge for the period	-	937	8,632	3,454	3,391	945	555	819	-	18,733
Disposals	-	-	(1,644)	(1,501)	(880)	-	(5)	-	-	(4,030)
Reclassification	-	71	59	-	189	-	(319)	-	-	-
At the end of the period	-	8,654	67,945	19,165	31,953	3,675	18,971	2,268	-	152,631
Net book amount at September 30, 2020	35,997	55,335	29,623	6,035	6,026	8,925	5,773	18,996	19,970	186,680
At 31 December, 2019	34,668	53,094	33,398	6,175	7,845	9,870	6,276	16,689	17,201	185,216

Notes to the Consolidated And Separate Interim Financial Statements

35. 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	34,668	51,667	90,399	21,191	34,410	12,600	20,033	11,650	16,691	293,309
Additions	1,289	1,753	4,325	3,229	501	-	538	2,459	4,433	18,527
Disposals	-	(1)	(1,262)	(1,734)	(15)	-	(9)	-	-	(3,021)
Reclass from WIP	-	1,172	384	46	19	-	379	-	(2,000)	-
Reclassification	57	(70)	130	-	(11)	-	(89)	(17)	-	-
At the end of the period	36,014	54,521	93,976	22,732	34,904	12,600	20,852	14,092	19,124	308,815
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	-	7,187	58,128	15,802	26,907	2,730	15,911	1,188	-	127,853
Charge for the period	-	780	8,365	2,175	2,373	945	1,375	731	-	16,744
Disposals	-	-	(1,200)	(574)	(15)	-	(3)	-	-	(1,792)
Reclassification	-	66	44	-	(1)	-	(109)	-	-	-
At the end of the period	-	8,033	65,337	17,403	29,264	3,675	17,174	1,919	-	142,805
Net book amount at September 30, 2020	36,014	46,488	28,639	5,329	5,640	8,925	3,678	12,173	19,124	166,010
At 31 December, 2019	34,668	44,480	32,271	5,389	7,503	9,870	4,122	10,462	16,691	165,456

Notes to the Consolidated And Separate Interim Financial Statements

36. Intangible assets

Computer software

	Group 30-Sep-20	Group 30-Sep-19	Group 31-Dec-19	Bank 30-Sep-20	Bank 30-Sep-19	Bank 31-Dec-19
Cost						
At start of the period	32,472	28,905	28,905	27,381	24,876	24,876
Exchange difference	607	667	867	-	-	-
WIP (disposal)/addition	35	-	582	35	-	966
Additions	610	1,978	2,118	357	1,861	1,539
At end of the period	33,724	31,550	32,472	27,773	26,737	27,381
Accumulated amortization						
At start of the period	15,975	12,227	12,227	12,272	9,477	9,477
Exchange difference	473	596	670	-	-	-
Reclassification from PPE	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Charge for the period	2,375	2,287	3,078	2,102	2,089	2,795
At the end of the period	18,823	15,110	15,975	14,374	11,566	12,272
Carrying amount at end of the period	14,901	16,440	16,497	13,399	15,171	15,109

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-20	30-Sep-19	31-Dec-19	30-Sep-20	30-Sep-19	31-Dec-19
37. Deposits						
Demand	2,670,365	1,764,671	1,985,020	2,019,135	1,225,135	1,422,508
Savings	1,081,698	527,026	614,297	1,045,871	503,086	588,454
Term	442,162	467,228	495,714	326,385	358,300	379,627
Domiciliary	1,030,339	1,192,904	1,167,258	989,857	1,118,616	1,096,298
	5,224,564	3,951,829	4,262,289	4,381,248	3,205,137	3,486,887
38. Other liabilities						
Settlement payables	70,625	47,774	99,225	70,492	47,760	99,269
Electronic card related payables	4,867	1,404	13,065	4,628	1,106	12,951
AMCON payable	5,725	7,634	7,634	5,725	7,634	7,634
Due to banks for clean letters of credit	-	30,153	20,259	-	65,388	63,309
Managers' cheques	15,307	13,254	13,777	14,371	12,442	13,095
Customer's foreign transactions payables	67,669	11,420	16,088	8,840	3,227	6,007
Off balance sheet ECL allowance	7,077	5,466	5,538	7,077	5,466	5,538
Tax and other collection accounts	10,646	1,030	2,018	10,340	753	1,832
Sales and other collections	329,497	20,407	80,243	329,495	20,407	80,243
Deferred income on financial guarantee contracts	1,354	795	4,626	1,344	794	4,513
Unclaimed dividend	28,035	16,907	25,588	28,035	16,907	25,588
Lease liability	22,208	21,298	22,194	16,035	16,701	16,297
Customer deposits for letters of credit	29,776	41,709	22,315	64,358	41,584	46,354
Other payables	94,717	46,623	31,194	6,085	6,877	3,431
	687,503	265,874	363,764	566,825	247,046	386,061

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-20	30-Sep-19	31-Dec-19	30-Sep-20	30-Sep-19	31-Dec-19
39. On-lending facilities						
This comprises:						
Central Bank of Nigeria (CBN) Commercial Agriculture Credit Scheme Loan	43,269	54,504	40,666	43,269	54,504	40,666
Bank of Industry (BOI) Intervention Loan	36,469	41,064	39,827	36,469	41,064	39,827
Central Bank of Nigeria (CBN) / Bank of Industry(BOI) - Power & Aviation intervention Funds	7,006	15,089	14,590	7,006	15,089	14,590
CBN MSMEDF Deposit	1,133	1,366	1,353	1,133	1,366	1,353
FGN SSB Intervention Fund	135,051	137,269	135,869	135,051	137,269	135,869
Excess Crude Loan Facility Deposit	82,066	84,645	83,302	82,066	84,645	83,302
Non-Oil Export Stimulation Facility	23,597	19,897	21,139	23,597	19,897	21,139
Real Sector Support Facility	42,627	44,134	43,689	42,627	44,134	43,689
Paddy Aggregation Scheme (Phase 2) Fund	1,997	2,504	2,500	1,997	2,504	2,500
Creative Industry Financing Initiative	251	-	74	251	-	74
Maize Aggregation Scheme	4,024	-	4,006	4,024	-	4,006
Accelerated Agricultural Development Scheme	8,904	-	5,856	8,904	-	5,856
	386,394	400,472	392,871	386,394	400,472	392,871

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-20	30-Sep-19	31-Dec-19	30-Sep-20	30-Sep-19	31-Dec-19
40. Borrowings						
Long term borrowing comprise:						
Due to ADB	6,099	17,211	17,681	6,099	17,211	17,681
Due to KEXIM	3,462	15,416	22,877	3,462	15,416	22,877
Due to PROPARCO	3,603	8,386	5,884	3,603	8,386	5,884
Due to Societe Generale	-	54,473	55,433	-	54,474	55,433
Due to AFC	63,383	37,025	-	63,383	37,025	-
Due to banks for clean letters of credit	188,915	-	-	190,841	-	-
Due to ABSA bank	96,601	63,594	82,352	96,601	63,594	82,352
Due to J P Morgan Chase bank	23,353	87,248	36,534	23,353	87,248	36,534
Due to Standard Bank London	-	63,834	-	-	63,834	-
Due to AFREXIM	77,183	-	-	77,183	-	-
Due to IFC	51,539	18,217	18,813	51,539	18,217	18,813
Due to Standard Bank South Africa	29,103	27,459	27,635	29,103	27,459	27,635
Due to Goldman Sach	-	36,303	36,950	-	36,303	36,950
Due to Mashreq	19,434	-	18,320	19,434	-	18,320
Due to Zenith Bank (UK)	-	-	-	-	14,629	-
Due to Zenith Bank Ghana	-	-	-	5,879	9,257	7,299
	562,675	429,166	322,479	570,480	453,053	329,778
41. Debt securities issued						
Due to Euro bond holders	42,326	39,533	39,092	42,326	39,533	39,092
	42,326	39,533	39,092	42,326	39,533	39,092

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-20	30-Sep-19	31-Dec-19	30-Sep-20	30-Sep-19	31-Dec-19
42. Share capital						
Authorised						
40,000,000,000 Ordinary shares of 50k each (September 2019:40,000,000,000)	20,000	20,000	20,000	20,000	20,000	20,000
.						
Issued						
31,396,493,786 ordinary shares of 50k each (September 2019:31,396,493,786)	15,698	15,698	15,698	15,698	15,698	15,698
Issued						
Ordinary	15,698	15,698	15,698	15,698	15,698	15,698
Share premium	255,047	255,047	255,047	255,047	255,047	255,047
	270,745	270,745	270,745	270,745	270,745	270,745

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-20	30-Sep-19	31-Dec-19	30-Sep-20	30-Sep-19	31-Dec-19
43. Share premium						
Share premium	255,047	255,047	255,047	255,047	255,047	255,047

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

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

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

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

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

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

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

Statutory reserve for credit risk: the CBN requires the Bank to create a reserve for the difference between impairment 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 8% and 10% 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 N2.82 billion and N2.01 billion respectively (2019: N3.92 billion and N2.94 billion).

Notes to the Consolidated And Separate Interim Financial Statements

45. Related party transactions

Parent:

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

Subsidiaries:

Transactions between Zenith Bank Plc and its subsidiaries, which are eliminated on consolidation are not separately disclosed in the consolidated financial statements. The Group's effective interests and investments in subsidiaries as at September 30, 2020 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
Domestic / non-banking subsidiaries:		
Zenith Pension Custodians Limited	99.00 %	1,980
Zenith Nomi nees Limited	99.00 %	1,000
	-	34,625

Notes to the Consolidated And Separate Interim Financial Statements

45. 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 30-Sep-20	Group 30-Sep-19	Group 31-Dec-19
1,100	1,075	1,226
43	925	919
155	-	405
1,298	2,000	2,550

Loans and advances

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

At end of of the period

1,844	1,180	1,180
12	1,045	1,010
28	(483)	(426)
1,884	1,742	1,764

Notes to the Consolidated And Separate Interim Financial Statements

45. 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. Interest earned on loans to directors for the Group and the Bank is N32 million. The mortgage loans are secured by the underlying assets. All other loans are unsecured.

Group					
September 30, 2020					
In millions of Naira					
Name of company / Individual	Loans	Deposits	Interest received	Interest paid	Transaction with Zenith Bank
Sirius Lumina Ltd	-	1	-	-	-
Zenith General Insurance Company	-	1,344	-	-	413
Zenith Trustee Limited	-	1	-	-	-
Directors Deposits	1,786	1,088	15	2	-
Cyberspace Network	-	1	-	-	503
Quantum Fund Management	-	67	-	-	-
Ovation Ltd	-	1,893	-	-	-
At end of of the period	1,786	4,395	15	2	916
Group					
30 June 2019					
In millions of Naira					
Name of company / Individual	Loans	Deposits	Interest received	Interest paid	
Sirius Lumina Ltd	-	3	-	-	-
Zenith General Insurance Co. Ltd	-	-	968	-	-
Directors and relatives	-	-	1,660	-	-
Cyberspace Limited	-	-	226	-	-
Doris Stephens Ltd	-	-	-	-	-
Quantum Fund Management	-	-	32	-	-
At end of of the period	3	2,886	-	-	-

Loans granted to related parties are secured by real estate and other assets of the respective borrowers.

Notes to the Consolidated And Separate Interim Financial Statements

46. Acceptances and guarantees

(a) Legal proceedings

The Bank is presently involved in 232 litigation suits in its ordinary course of business. The total amount claimed in the cases against the Bank is estimated at N44 billion (31 December 2019 N27 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 N6.6 billion (31 December 2019: N5.5 billion) in respect of authorized and contracted capital projects.

Notes to the Consolidated And Separate Interim Financial Statements

46. Acceptances and guarantees (continued)

(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:

In millions of Naira	Group 30-Sep-20	Group 30-Sep-19	Group 31-Dec-19	Bank 30-Sep-20	Bank 30-Sep-19	Bank 31-Dec-19
Performance bonds and guarantees	432,906	333,340	363,922	395,918	320,683	261,495
Usance	152,464	175,233	79,318	103,142	125,983	79,318
Letters of credit	265,732	572,343	545,174	194,841	503,847	413,656
	851,102	1,080,916	988,414	693,901	950,513	754,469
Assets under custody (See Note (below))	5,328,912	3,962,861	5,174,795	5,328,912	3,962,861	5,174,795

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 N5,329 billion (December 2019: N 5,175 billion) represents the full amount of the bank's guarantee for the assets held by its subsidiary, Zenith Pensions Custodian Limited and Zenith Nominees Limited under both companies custodial business as required by the National Pensions Commission.

Notes to the Consolidated And Separate Interim Financial Statements

47. Cash and cash equivalents

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

In millions of Naira	Group 30-Sep-20	Group 30-Sep-19	Group 31-Dec-19	Bank 30-Sep-20	Bank 30-Sep-19	Bank 31-Dec-19
Cash and balances with central banks (less restricted balances)	233,597	89,520	175,328	154,657	33,703	118,499
Treasury bills(maturing within three months)	-	-	11,697	-	-	11,697
Due from other banks	554,557	685,211	483,690	357,416	420,922	258,657
	788,154	774,731	670,715	512,073	454,625	388,853