



ZENITH BANK PLC
CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2017


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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 31 March 2017 that:

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



Peter Amangbo

Group Managing Director/CEO

FRC/2013/ICAN/00000001310



Ebenezer Onyeagwu

Deputy Managing Director

FRC/2013/ICAN/00000003788

Statement Of Directors' Responsibilities

In relation to the Interim financial statements for the period ended 31 March 2017

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

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

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

Signed on behalf of the board of directors by:



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



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

Statements of profit or loss and other comprehensive income

In millions of Naira	Notes	Group			Bank		
		3 Months 31-Mar-17	3 Months 31-Mar-16	12 Months 31-Dec-16	3 Months 31-Mar-17	3 Months 31-Mar-16	12 Months 31-Dec-16
Gross earnings		147,736	99,435	507,997	130,059	88,591	454,808
Interest and similar income	14	118,092	84,177	384,557	105,144	76,847	343,556
Interest and similar expense	15	(47,488)	(26,020)	(144,378)	(43,666)	(23,763)	(131,910)
Net interest income		70,604	58,157	240,179	61,478	53,084	211,646
Impairment charge for credit loss	16	(7,886)	(2,577)	(32,350)	(7,300)	(2,458)	(26,295)
Net interest income after impairment charge for credit losses		62,718	55,580	207,829	54,178	50,626	185,351
Fees and commissions income	17	21,128	15,668	68,444	17,300	12,862	55,619
Trading income/(loss)	18	7,064	(1,893)	28,398	7,051	(1,893)	28,398
Other income	19	1,452	1,483	26,598	564	775	27,235
Share of profit from associates	31	-	48	-	-	-	-
Amortisation of intangible assets	36	(282)	(341)	(1,435)	(232)	(328)	(1,375)
Depreciation of property and equipment	35	(2,723)	(2,252)	(9,679)	(2,492)	(2,039)	(8,664)
Personnel expenses	45	(18,166)	(16,885)	(69,042)	(16,239)	(15,410)	(62,235)
Operating expenses	20	(26,991)	(19,287)	(94,365)	(23,205)	(17,517)	(84,402)
Profit before tax		44,200	32,121	156,748	36,925	27,076	139,927
Income tax expense	21	(6,701)	(5,548)	(27,096)	(4,500)	(4,196)	(20,642)
Profit after tax		37,499	26,573	129,652	32,425	22,880	119,285
Other comprehensive income:							
Items that will never be reclassified to profit or loss							
Fair value movements on equity instruments		957	157	6,636	957	157	6,636
Items that are or may be reclassified to profit or loss							
Foreign currency translation differences		509	(10)	30,338	-	-	-
Other comprehensive income for the period		1,466	147	36,974	957	(2,390)	6,636
Total comprehensive income for the period		38,965	26,720	166,626	33,382	23,037	125,921

Statement of profit or loss and other comprehensive income

In millions of Naira	Notes	Group			Bank		
		3 Months 31-Mar-17	3 Months 31-Mar-16	12 months 31-Dec-16	3 Months 31-Mar-17	3 Months 31-Mar-16	12 months 31-Dec-16
Profit attributable to:							
Equity holders of the parent		37,446	26,525	129,434	32,425	22,880	119,285
Non-controlling interests		53	48	218	-	-	-
Total comprehensive income attributable to:							
Equity holders of the parent		38,926	26,671	166,236	33,382	23,037	125,921
Non-controlling interests		39	49	390	-	-	-
Earnings per share attributable to equity holders of parent							
Basic and diluted	22	119 k	84 k	412 k	103 k	73 k	380 k

Zenith Bank Plc

Consolidated and separate interim financial statements for the period ended March 31, 2017

Statements of financial position as at March 31, 2017

In millions of Naira	Note(s)	Group			Bank		
		31-Mar-17	31-Mar-16	31-Dec-16	31-Mar-17	31-Mar-16	31-Dec-16
Assets							
Cash and balances with central banks	23	604,419	638,242	669,058	565,419	614,141	627,385
Treasury bills	24	646,387	441,882	557,359	468,498	399,182	463,787
Asset pledged as collateral	25	338,996	259,303	328,343	338,996	259,303	325,575
Due from other banks	26	389,541	367,158	459,457	325,598	364,838	354,405
Derivative assets	27	19,519	5,756	82,860	19,519	5,756	82,860
Loans and advances	28	2,349,470	1,928,526	2,289,365	2,124,199	1,781,702	2,138,132
Investment securities	29	221,967	208,638	199,478	129,619	145,598	118,622
Investments in subsidiaries	30	-	-	-	33,003	33,003	33,003
Investments in associates	31	-	578	-	-	90	-
Deferred tax assets	33	6,638	5,516	6,440	6,041	5,015	6,041
Other assets	34	49,119	43,838	37,536	48,894	43,064	35,410
Property and equipment	35	105,768	89,218	105,284	93,576	82,857	94,613
Intangible assets	36	8,004	3,424	4,645	7,405	3,066	3,903
Total assets		4,739,828	3,992,079	4,739,825	4,160,767	3,737,615	4,283,736
Liabilities							
Customers' deposits	37	2,996,262	2,563,932	2,983,621	2,441,246	2,348,809	2,552,963
Derivative liabilities	32	2,027	281	66,834	2,027	281	66,834
Current income tax		13,578	7,972	8,953	11,427	6,614	6,927
Deferred tax liabilities	33	46	35	45	-	-	-
Other liabilities	38	227,372	153,724	208,680	265,881	166,866	243,736
On-lending facilities	39	360,213	306,110	350,657	360,213	306,110	350,657
Borrowings	40	296,041	237,527	263,106	329,379	237,527	292,802
Debt securities issued	41	156,431	101,425	153,464	156,431	101,425	153,464
Total liabilities		4,051,970	3,371,006	4,035,360	3,566,604	3,167,632	3,667,383

Zenith Bank Plc

Consolidated and separate interim financial statements for the period ended March 31, 2017

Statements of financial position as at March 31, 2017

In millions of Naira	Note(s)	Group			Bank		
		31-Mar-17	31-Mar-16	31-Dec-16	31-Mar-17	31-Mar-16	31-Dec-16
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	43	244,019	226,640	267,008	190,497	183,288	218,507
Other reserves	43	172,072	123,046	165,729	132,921	115,950	127,101
Attributable to equity holder of the parent		686,836	620,431	703,482	594,163	569,983	616,353
Non-controlling interests	43	1,022	642	983	-	-	-
Total shareholders' equity		687,858	621,073	704,465	594,163	569,983	616,353
Total liabilities and equity		4,739,828	3,992,079	4,739,825	4,160,767	3,737,615	4,283,736

Statements of cash flows

In millions of Naira	Note(s)	Group			Bank		
		31-Mar-17	31-Mar-16	31-Dec-16	31-Mar-17	31-Mar-16	31-Dec-16
Cash flows from operating activities							
Profit after tax for the period		37,499	26,573	129,652	32,425	22,880	119,285
Adjustments for non-cash items:							
Impairment							
Impairment loss on overdraft	16	7,610	2,400	13,786	7,300	2,400	12,811
Impairment loss on term loan		276	177	19,099	-	58	14,465
Impairment loss on on-lending		-	-	(1,336)	-	-	(1,336)
Impairment loss on leases		-	-	(13)	-	-	(13)
Impairment loss on other assets		-	-	284	-	-	278
Impairment on investment in associates		-	-	530	-	-	90
Fair value changes in trading bond		(34)	206	328	(21)	206	328
Depreciation of property and equipment		2,723	2,252	9,679	2,492	2,039	8,664
Amortisation of intangible assets		282	341	1,435	232	328	1,375
Dividend income		-	-	(349)	-	-	(3,949)
Net revaluation loss on debt securities issued		2,967	1,607	53,256	2,967	1,607	53,256
Interest and similar income		(118,092)	(84,177)	(384,557)	(105,144)	(76,847)	(343,556)
Interest and similar expense		47,488	26,020	144,378	43,666	23,763	131,910
share of (profit)/loss of associates	31	-	(48)	-	-	-	-
Profit on sale of property and equipment	19	(27)	(58)	(236)	(27)	(57)	(172)
Tax expenses		6,701	5,548	27,096	4,500	4,196	20,642
		(12,607)	(19,159)	13,032	(11,610)	(19,427)	14,078
Changes in operating assets and liabilities:							
Net (increase)/decrease in Loans and advances		(67,947)	69,310	(298,548)	6,633	76,008	(283,807)
Net (increase)/decrease in Other assets		(11,583)	(21,064)	(15,046)	(13,484)	(21,391)	(14,015)
Net (increase)/decrease in Treasury bills with maturity greater than 3 months		85,466	(64,047)	(111,193)	91,101	(68,461)	(63,608)
Net (increase)/decrease in treasury bills (FVTPL)		(53,626)	-	(20,683)	(53,625)	-	(20,683)
Net (increase)/decrease in asset pledged as collateral		(10,653)	5,748	(63,292)	(13,421)	5,017	(61,255)
Net (increase)/decrease in investment securities		(21,532)	-	18,337	(10,040)	-	38,410
Net (increase)/decrease in Restricted balances (cash reserves)		513	(90,009)	(124,630)	881	(89,962)	(124,563)
Net (increase)/decrease in Debt securities		-	4,645	-	-	5,283	-
Net (increase)/decrease in Customer deposits		12,641	4,009	420,498	(111,717)	13,753	215,326
Net (increase)/decrease in Other liabilities		18,780	(50,857)	4,047	23,666	(45,289)	31,312
Net (increase)/decrease in derivative assets		63,341	2,725	(74,379)	63,341	2,725	(74,379)
Net (increase)/decrease in derivative liabilities		(64,807)	(103)	66,450	(64,807)	(103)	66,450
		(62,014)	(158,802)	(185,407)	(93,082)	(141,847)	(276,734)

Statements of cash flows

In millions of Naira	Note(s)	Group			Bank		
		31-Mar-17	31-Mar-16	31-Dec-16	31-Mar-17	31-Mar-16	31-Dec-16
Interest received		103,945	73,185	345,410	93,006	65,855	312,529
Dividends received		-	-	349	-	-	3,949
Interest paid		(33,059)	(23,981)	(139,139)	(30,532)	(21,724)	(127,290)
Tax paid	21	(261)	(856)	(22,444)	-	-	(17,159)
VAT paid		(1,061)	(481)	(429)	(1,061)	(481)	(212)
Net cash flows(used in)/generated from operating activities		7,550	(110,935)	(1,660)	(31,669)	(98,197)	(104,917)
Cash flows from investing activities							
Purchase of property and equipment	35	(7,113)	(4,604)	(27,421)	(4,686)	(3,728)	(22,737)
Proceeds from sale of property and equipment		125	76	603	112	76	360
Purchase of intangible assets	36	(587)	(675)	(2,417)	(587)	(641)	(2,066)
Purchase of equity securities		-	(142)	-	-	(157)	-
Proceeds from sale of equity securities		-	-	681	-	-	-
Net cash from/(used) in investing activities		(7,575)	(5,345)	(28,554)	(5,161)	(4,450)	(24,443)
Cash flows from financing activities							
Net inflow from on-lending facilities		9,556	19,229	63,776	9,556	19,229	63,776
Borrowings							
- inflow from long term borrowing		32,935	148	82,017	35,141	148	104,043
-repayment of long term borrowing		-	(21,483)	(77,773)	-	(30,732)	(79,352)
Repayment of debt securities issued interest		-	-	390	-	-	390
Dividends paid		(55,572)	-	(56,514)	(55,572)	-	(56,514)
Net cash from/(used) in financing activities		(13,081)	(2,106)	11,896)	(10,875)	(11,355)	32,343)
(Decrease)/Increase in cash and cash equivalent		(13,106)	(118,386)	(18,318)	(47,705)	(114,002)	(97,017)
Cash at the beginning of the year		727,399	709,714	709,714	566,358	663,375	663,375
Effect of exchange rate movement on cash balances		(68)	(71)	36,003	-	-	-
Cash and cash equivalent at the end of the period/year	48	714,225	591,257	727,399	518,653	549,373	566,358

Statements of changes in equity

	Attributable to equity holders of the Bank								Total	Non-controlling interest	Total equity
	Share capital	Share premium	Foreign currency translation reserve	Revaluation reserve	Statutory reserve	SMIEIS reserve	Credit risk reserve	Retained earnings			
In millions of Naira											
Group											
At January 01, 2017	15,698	255,047	28,465	10,950	112,114	3,729	10,471	267,008	703,482	983	704,465
Profit for the period	-	-	-	-	4,863	-	-	32,583	37,446	53	37,499
Foreign currency translation differences	-	-	523	-	-	-	-	-	523	(14)	509
Fair value movements on equity instruments	-	-	-	957	-	-	-	-	957	-	957
Total comprehensive income for the period	-	-	523	957	4,863	-	-	32,583	38,926	39	38,965
Dividends	-	-	-	-	-	-	-	(55,572)	(55,572)	-	(55,572)
At March 31, 2017	15,698	255,047	28,988	11,907	116,977	3,729	10,471	244,019	686,836	1,022	687,858
At January 01, 2016	15,698	255,047	(1,701)	4,314	93,093	3,729	23,465	200,115	593,760	593	594,353
Profit for the period	-	-	-	-	-	-	-	123,407	123,407	218	123,625
Transfer between reserves	-	-	-	-	19,021	-	(12,994)	-	6,027	-	6,027
Foreign currency translation differences	-	-	30,166	-	-	-	-	-	30,166	172	30,338
Fair value movements on equity instruments	-	-	-	6,636	-	-	-	-	6,636	-	6,636
Total comprehensive income for the period	-	-	30,166	6,636	19,021	-	(12,994)	123,407	166,236	390	166,626
Dividends	-	-	-	-	-	-	-	(56,514)	(56,514)	-	(56,514)
At December 31, 2016	15,698	255,047	28,465	10,950	112,114	3,729	10,471	267,008	703,482	983	704,465

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								
At January 01, 2017	15,698	255,047	10,950	104,293	3,729	8,129	218,507	616,353
Profit for the period	-	-	-	4,863	-	-	27,562	32,425
Fair value movement on equity instruments	-	-	957	-	-	-	-	957
Total comprehensive income for the period	-	-	957	4,863	-	-	27,562	33,382
Dividends	-	-	-	-	-	-	(55,572)	(55,572)
At March 31, 2017	15,698	255,047	11,907	109,156	3,729	8,129	190,497	594,163
At January 01, 2016	15,698	255,047	4,314	86,400	3,729	21,350	160,408	546,946
Profit for the period	-	-	-	-	-	-	114,613	114,613
Transfer between reserves	-	-	-	17,893	-	(13,221)	4,672	4,672
Fair value movement on equity instruments	-	-	6,636	-	-	-	-	6,636
Total comprehensive income for the period	-	-	6,636	17,893	-	(13,221)	119,285	125,921
Dividends	-	-	-	-	-	-	(56,514)	(56,514)
At December 31, 2016	15,698	255,047	10,950	104,293	3,729	8,129	223,179	616,353

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 five subsidiary companies namely, Zenith Bank (Ghana) Limited, Zenith Pension Custodian (Nigeria) Limited, Zenith Bank (UK) Limited, Zenith Bank (Sierra Leone) Limited and Zenith Bank (Gambia) Limited. The results of the bank's subsidiaries have been consolidated in these first quarter 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 first quarter ended 31 March 2017 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 2016, 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 2016 Financial Statements).

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

There were no changes to the accounting policies adopted by the group during the period in the preparation of its quarterly report.

3. Seasonality of operations

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

4. Unusual items

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

5. Changes in Estimates

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

6. Dividends

The directors did not recommend the payment of any dividend for the Group's first quarter results to 31 March 2017 (31 March 2016: NIL).

Notes to the consolidated and separate interim financial statements

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

No reversals of provision for restructuring were made in the Group's books in the current period as there was no restructuring during the period neither were there reversal of previous restructuring arrangements for the first quarter results to 31 March 2017 (31 March 2016: NIL).

10. Correction of prior period errors

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

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

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

12. Litigation settlements

There was litigation settlement of N1.3 million in the first quarter ended 31 March 2017 (31 March 2016: N1.5 million).

13. Segment

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

Notes to the consolidated and separate interim financial statements

In millions of Naira

	Nigeria	Outside Nigeria Africa	Europe	Total reportable segments	Eliminations	Consolidated
In millions of Naira March 31, 2017						
Revenue:						
Derived from external customers	127,881	10,577	3,559	142,017	1,897	143,914
Derived from other business segments	676	-	36	712	(712)	-
Total revenue*	128,557	10,577	3,595	142,729	1,185	143,914
Interest expense	(43,666)	(4,033)	(499)	(48,198)	710	(47,488)
Impairment charge for credit losses	(7,300)	(310)	(276)	(7,886)	-	(7,886)
Admin and operating expenses	(43,575)	(3,412)	(1,256)	(48,243)	(918)	(49,161)
Profit before tax	34,016	2,822	1,564	38,402	(977)	39,379
Tax expense	(5,073)	(1,284)	(344)	(6,701)	-	(6,701)
Profit after tax	28,943	1,538	1,220	31,701	(977)	32,678

	Nigeria	Outside Nigeria Africa	Europe	Total reportable segments	Eliminations	Consolidated
In millions of Naira March 31, 2017						
Capital expenditure**	6,288	1,106	306	7,700	-	7,700
Identifiable assets	4,180,125	274,510	350,531	4,805,166	(73,026)	4,732,140
Identifiable liabilities	3,572,882	219,160	229,793	4,021,835	26,268	4,048,103

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

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

Notes to the consolidated and separate interim financial statements

In millions of Naira

	Nigeria Enter Segment	Outside Nigeria Enter Segment	Banking Enter Segment	Total reportable segments	Eliminations	Consolidated
In millions of Naira						
31 March 2016						
Revenue:						
Derived from external customers	90,199	7,496	2,278	99,973	(538)	99,435
Share of profit of associates	-	-	-	-	48	48
Interest expense	(23,763)	(2,231)	(565)	(26,559)	539	(26,020)
Impairment charge for credit losses	(2,458)	-	(119)	(2,577)	-	(2,577)
Operating expenses	(35,712)	(2,147)	(906)	(38,765)	-	(38,765)
Profit before tax	28,266	3,118	688	32,072	(49)	32,121
Tax expense	(4,472)	(904)	(172)	(5,548)	-	(5,548)
Profit after tax	23,794	2,214	516	26,524	(49)	26,573

	Nigeria Enter Segment	Outside Nigeria Enter Segment	Banking Enter Segment	Total reportable segments	Eliminations	Consolidated
In millions of Naira						
31 March 2016						
Capital expenditure**	4,772	350	157	5,279	-	5,279
Identifiable assets	3,755,685	151,623	214,672	4,121,980	(129,902)	3,992,078
Identifiable liabilities	3,169,150	123,690	176,234	3,469,074	(98,068)	3,371,006

* 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-17	3 Months 31-Mar-16	12 Months 31-Dec-16	3 Months 31-Mar-17	3 Months 31-Mar-16	12 Months 31-Dec-16
14. Interest and similar income						
Inter-bank placement	968	156	2,289	147	165	1,089
Treasury bills	26,927	11,643	60,187	21,110	9,063	44,347
Government and other bonds	11,388	12,668	48,730	10,303	11,977	45,286
Loans and advances to customers	78,809	59,710	273,351	73,584	55,642	252,834
	118,092	84,177	384,557	105,144	76,847	343,556
15. Interest and similar expense						
Current accounts	1,792	685	4,125	1,667	648	3,808
Savings accounts	4,189	2,542	12,516	4,137	2,525	12,379
Borrowed funds	8,659	6,288	33,368	8,074	5,945	31,734
Time deposits	32,848	16,505	94,369	29,788	14,645	83,989
	47,488	26,020	144,378	43,666	23,763	131,910
16. Impairment charge						
Other financial assets	-	-	284	-	-	278
Overdrafts (See note 28)	7,610	2,400	13,786	7,300	2,400	12,811
Term loans (See note 28)	276	177	19,099	-	58	14,465
On-lending facilities (See note 28)	-	-	(1,336)	-	-	(1,336)
Advances under finance lease (See note 28)	-	-	(13)	-	-	(13)
Investment in Associates	-	-	530	-	-	90
	7,886	2,577	32,350	7,300	2,458	26,295

Notes to the Consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	3 Months 31-Mar-17	3 Months 31-Mar-16	12 Months 31-Dec-16	3 Months 31-Mar-17	3 Months 31-Mar-16	12 Months 31-Dec-16
17. Fees and commission income						
Credit related fees	3,218	2,930	18,512	2,526	2,198	16,214
Commission on turnover	411	-	934	-	-	-
Current Account Maintenance	9,160	5,406	17,374	9,160	5,146	16,863
Income from financial guarantee contracts issued	1,301	846	2,997	1,230	791	2,574
Fees on electronic products	1,424	1,704	10,687	1,157	1,598	9,954
Foreign currency transaction fees and commissions	393	351	1,724	270	290	1,156
Asset management fees	1,840	1,360	6,224	-	-	-
Auction fees income	271	57	772	271	57	772
Corporate finance fees	1,165	1,804	2,123	1,091	1,778	2,064
Foreign withdrawal charges	721	621	3,004	721	621	3,004
Commission on agency and collection services	1,224	589	4,093	874	383	3,018
	21,128	15,668	68,444	17,300	12,862	55,619
18. Trading income						
Foreign exchange trading (loss)/income	238	(2,299)	20,077	238	(2,299)	20,077
Treasury bill trading income	6,792	612	8,649	6,792	612	8,649
Bond trading (loss)/income	34	(206)	(328)	21	(206)	(328)
	7,064	(1,893)	28,398	7,051	(1,893)	28,398
19. Other income						
Income on cash handling	101	85	426	101	86	426
Gain on disposal of equity securities	-	-	-	-	-	-
Dividend Income from equity instruments	-	-	349	-	-	3,949
Gain on disposal of property and equipment	27	58	236	27	57	172
Foreign currency revaluation gain	1,324	1,340	25,587	436	632	22,688
	1,452	1,483	26,598	564	775	27,235

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-17	3 Months 31-Mar-16	12 Months 31-Dec-16	3 Months 31-Mar-17	3 Months 31-Mar-16	12 Months 31-Dec-16
20. Operating expenses						
Directors' emolument	233	122	1,057	95	60	404
Auditors' remuneration	128	143	626	105	105	486
Deposit insurance premium	2,700	2,400	10,393	2,700	2,400	10,393
AMCON	5,355	4,688	18,752	5,355	4,688	18,752
Advertisement	960	1,006	4,991	897	970	4,801
Bank charges	458	345	1,461	411	323	1,331
Donations	859	968	2,564	858	967	2,557
Telephone and postages	393	351	1,530	304	304	1,277
Corporate promotions	506	360	2,450	484	339	2,323
Fines and penalties	-	-	16	-	-	16
Information technology	2,388	1,289	5,856	2,277	1,199	5,425
Fraud and forgery	24	7	33	24	7	33
Professional fees	690	454	3,323	619	402	2,957
Insurances	616	319	1,907	586	298	1,799
Operating lease	915	693	3,288	571	508	2,077
Expenses on electronic products	875	551	3,818	795	528	3,661
Printing and stationery	460	350	1,627	346	275	1,227
Fuel and maintenance	5,561	2,574	14,021	3,877	1,987	10,911
Security and cash handling	806	708	3,322	711	672	3,060
Licenses, registrations and subscriptions	470	395	1,770	407	305	1,573
Training and development	854	958	3,215	812	919	3,012
Travel and hotel expenses	513	341	2,998	359	237	2,513
Other expenses	1,227	265	5,347	612	24	3,814
	26,991	19,287	94,365	23,205	17,517	84,402

Notes to the Consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	3 Months 31-Mar-17	3 Months 31-Mar-16	12 Months 31-Dec-16	3 Months 31-Mar-17	3 Months 31-Mar-16	12 Months 31-Dec-16
21. Taxation						
Major components of the tax expense						
Current						
Corporate tax	6,701	5,548	12,726	4,500	4,196	6,530
Excess dividend tax	-	-	12,909	-	-	12,909
Information technology tax	-	-	1,448	-	-	1,385
Education tax	-	-	1,009	-	-	917
Effect of tax rates in foreign jurisdictions	-	-	-	-	-	-
Prior year over provision	-	-	(189)	-	-	(189)
Total income tax expense	6,701	5,548	27,903	4,500	4,196	21,552
Deferred tax expense (see note 33)	-	-	(807)	-	-	(910)
Total tax expense	6,701	5,548	27,096	4,500	4,196	20,642
(b) The movement in the current income tax payable balance is as follows:						
At start of the period	8,953	3,579	3,579	6,927	2,534	2,534
Tax paid	(261)	(856)	(22,444)	-	-	(17,159)
Tax effect of translation	(1,815)	(192)	(85)	-	-	-
Income tax charge	6,701	5,441	27,903	4,500	4,080	21,552
At the end of the period	13,578	7,972	8,953	11,427	6,614	6,927
Applicable tax rate	30 %	30 %	30 %	30 %	30 %	30 %

Notes to the Consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	3 Months 31-Mar-17	3 Months 31-Mar-16	12 Months 31-Dec-16	3 Months 31-Mar-17	3 Months 31-Mar-16	12 Months 31-Dec-16
22. Earnings per share						
Profit attributable to shareholders of the Bank (N'million)	37,446	26,525	129,434	32,425	22,880	119,285
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	119 k	84 k	412 k	103 k	73 k	380 k

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	31-Mar-17	31-Mar-16	31-Dec-16	31-Mar-17	31-Mar-16	31-Dec-16
23. Cash and balances with central banks						
Cash	15,257	82,372	36,953	6,529	77,182	24,342
Operating accounts with Central Banks	61,491	62,307	103,921	31,764	43,553	75,036
Mandatory reserve deposits with central bank	446,982	493,563	447,495	446,437	493,406	447,318
Cash Requirement Special Intervention Reserve	80,689	-	80,689	80,689	-	80,689
	604,419	638,242	669,058	565,419	614,141	627,385
Mandatory reserve deposits with central banks represents a percentage of customers' deposits (prescribed from time to time by the central bank) which are not available for daily use. For the purposes of the Statement of cashflow, this balance is excluded from cash and cash equivalents.						
24. Treasury bills						
Treasury bills (FVTPL)	128,007	56,132	74,381	128,006	56,132	74,381
Treasury bills (Amortized cost)	518,380	385,750	482,978	340,492	343,050	389,406
	646,387	441,882	557,359	468,498	399,182	463,787
Treasury bills less than 3 months maturity	247,936	79,420	127,068	154,762	63,800	112,575
25. Assets pledged as collateral						
Treasury bills pledged as collateral	5,173	-	2,768	5,173	-	-
Bonds pledged as collateral	190,072	97,202	76,428	190,072	97,202	76,428
Treasury bills under repurchase agreement	143,751	51,000	113,544	143,751	51,000	113,544
Bonds under repurchase agreement	-	111,101	135,603	-	111,101	135,603
	338,996	259,303	328,343	338,996	259,303	325,575

The total financial assets recognised in the statement of financial position that has been pledged as collateral for liabilities as at 31 March 2017 and 31 March 2016 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-17	31-Mar-16	31-Dec-16	31-Mar-17	31-Mar-16	31-Dec-16
26. Due from other banks						
Current balances with banks within Nigeria	16,485	16,823	12,344	-	-	-
Current balances with banks outside Nigeria	253,917	273,985	291,254	303,882	320,183	336,868
Placements with banks and discount houses	119,139	76,350	155,859	21,716	44,655	17,537
	389,541	367,158	459,457	325,598	364,838	354,405
27. Derivative assets						
Forward contracts (fair value)	19,519	5,756	82,860	19,519	5,756	82,860
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.						
28. Loans and advances to customers						
Overdrafts	657,294	509,656	591,219	620,684	477,062	551,798
Term loans	1,405,604	1,153,200	1,417,860	1,201,256	1,032,443	1,289,864
On-lending facilities	359,864	301,453	345,940	359,864	301,453	345,940
Advances under finance lease	5,093	9,145	5,790	4,787	8,860	5,622
Gross loans and advances to customers	2,427,855	1,973,454	2,360,809	2,186,591	1,819,818	2,193,224
Less: Allowances for impairment	(78,385)	(44,928)	(71,444)	(62,392)	(38,116)	(55,092)
Specific allowances for impairment	(32,809)	(22,282)	(32,896)	(17,607)	(16,116)	(17,607)
Collective allowance for impairment	(45,576)	(22,646)	(38,548)	(44,785)	(22,000)	(37,485)
Net loans and advances to customers	2,349,470	1,928,526	2,289,365	2,124,199	1,781,702	2,138,132

Zenith Bank Plc

Consolidated and separate interim financial statements for the period ended March 31, 2017

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	31-Mar-17	31-Mar-16	31-Dec-16	31-Mar-17	31-Mar-16	31-Dec-16
Overdrafts						
Gross Overdrafts	657,294	509,656	591,219	620,684	477,062	551,798
Less: Allowances for impairment	(37,115)	(20,745)	(30,567)	(29,545)	(15,712)	(22,245)
Specific allowances for impairment	(14,257)	(9,860)	(14,737)	(7,478)	(5,473)	(7,478)
Collective allowance for impairment	(22,858)	(10,885)	(15,830)	(22,067)	(10,239)	(14,767)
Net Overdrafts	620,179	488,911	560,652	591,139	461,350	529,553
Term loans						
Gross Term loans	1,405,604	1,153,200	1,417,860	1,201,256	1,032,443	1,289,864
Less: Allowances for impairment	(39,865)	(21,429)	(39,472)	(31,442)	(19,651)	(31,443)
Specific allowances for impairment	(18,552)	(12,421)	(18,159)	(10,129)	(10,643)	(10,129)
Collective allowance for impairment	(21,313)	(9,008)	(21,313)	(21,313)	(9,008)	(21,314)
Net Term loans	1,365,739	1,131,771	1,378,388	1,169,814	1,012,792	1,258,421
On-lending facilities						
Gross On-lending facilities	359,864	301,453	345,940	359,864	301,453	345,940
Less: Allowances for impairment	(1,337)	(2,673)	(1,337)	(1,337)	(2,673)	(1,337)
Collective allowance for impairment	(1,337)	(2,673)	(1,337)	(1,337)	(2,673)	(1,337)
Net On-lending facilities	358,527	298,780	344,603	358,527	298,780	344,603
Advances under finance lease						
Gross Advances under finance lease	5,093	9,145	5,790	4,787	8,860	5,622
Less: Allowances for impairment - collective	(67)	(80)	(67)	(67)	(80)	(67)
Net Advances under finance lease	5,026	9,065	5,723	4,720	8,780	5,555

Notes to the consolidated and separate interim financial statements

In millions of Naira

Reconciliation of impairment allowance on loans and advances to customers

Group	Overdrafts	Term loans	On-lending facilities	Advances under finance lease	Total
Balance at 1 January 2017	30,568	39,472	1,337	67	71,444
Specific impairment	14,738	18,158	-	-	32,896
Collective impairment	15,830	21,314	1,337	67	38,548
Additional impairment for the period	7,610	276	-	-	7,886
Specific impairment	9,650	-	-	-	9,650
Collective impairment	(2,040)	276	-	-	(1,764)
Foreign currency translation and other adjustments	(161)	117	-	-	(44)
Write-offs	(901)	-	-	-	(901)
Balance at 31 March 2017	37,116	39,865	1,337	67	78,385
Specific impairment	14,258	18,552	-	-	32,810
Collective impairment	22,858	21,313	1,337	67	45,575
Balance at January 01, 2016	18,880	21,310	2,673	80	42,943
Specific impairment	10,088	12,302	-	-	22,390
Collective impairment	8,792	9,008	2,673	80	20,553
Additional impairment for the period	2,400	177	-	-	2,577
Specific impairment	-	177	-	-	177
Collective impairment	2,400	-	-	-	2,400
Foreign currency translation and other adjustments	(51)	(57)	-	-	(108)
Write-offs	(484)	-	-	-	(484)
Balance at 31 March 2016	20,745	21,430	2,673	80	44,928
Specific impairment	9,860	12,422	-	-	22,282
Collective impairment	10,885	9,008	2,673	80	22,646

Notes to the consolidated and separate interim financial statements

In millions of Naira

Bank

	Overdrafts	Term loans	On-lending facilities	Advances under finance lease	Total
Balance at January 01, 2017	22,245	31,443	1,337	67	55,092
Specific impairment	7,478	10,129	-	-	17,607
Collective impairment	14,767	21,314	1,337	67	37,485
Additional impairment for the period	7,300	-	-	-	7,300
Specific impairment	9,550	-	-	-	9,550
Collective impairment	(2,250)	-	-	-	(2,250)
Balance at March 31, 2017	29,545	31,443	1,337	67	62,392
Specific impairment	7,478	10,130	-	-	17,608
Collective impairment	22,067	21,313	1,337	67	44,784
Balance at January 01, 2016	13,312	19,651	2,673	80	35,716
Specific impairment	5,474	10,642	-	-	16,116
Collective impairment	7,838	9,009	2,673	80	19,600
Additional impairment for the period	2,400	58	-	-	2,458
Specific impairment	1,178	-	-	-	1,178
Collective impairment	1,222	58	-	-	1,280
Write-offs	-	(58)	-	-	(58)
Balance at 31 March 2016	15,712	19,651	2,673	80	38,116
Specific impairment	5,473	10,643	-	-	16,116
Collective impairment	10,239	9,008	2,673	80	22,000

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	31-Mar-17	31-Mar-16	31-Dec-16	31-Mar-17	31-Mar-16	31-Dec-16
(c) Advances under finance leases						
Gross investment	5,286	10,292	5,896	4,880	9,967	5,728
Less: Unearned income	(151)	(1,147)	(106)	(145)	(1,107)	(106)
Net Investment	5,135	9,145	5,790	4,735	8,860	5,622
The net investment may be analysed as follows:						
No later than 1 year	-	1,356	-	-	1,142	-
Later than 1 year and no later than 5 years	5,135	7,789	5,790	4,735	7,718	5,622
	5,135	9,145	5,790	4,735	8,860	5,622
(d) The nature of security in respect of loans and advances is as follows:						
Secured against real estate	124,769	143,639	98,000	116,190	131,129	95,990
Secured by shares of quoted companies	66,023	7,251	52,333	60,332	7,209	52,332
Cash collateral, lien over fixed and floating assets,	1,332,900	922,521	1,180,353	1,217,343	887,708	1,157,333
Unsecured	904,162	900,042	1,030,123	792,726	793,772	887,569
	2,427,854	1,973,453	2,360,809	2,186,591	1,819,818	2,193,224
29. Investment securities						
(a) Analysis of investments						
Debt securities (measured at amortised cost)	204,358	197,799	173,124	112,010	135,426	92,268
Debt securities (measured at FVTPL)	-	-	9,702	-	-	9,702
Equity securities (measured at FVOCI)	17,609	10,839	16,652	17,609	10,172	16,652
	221,967	208,638	199,478	129,619	145,598	118,622

Notes to the consolidated and separate interim financial statements

In millions of Naira

30. Interests in subsidiaries including consolidated structured entities

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

Bank

Name of company	Effective	Effective	Nominal share	Nominal share
	holding 2017	holding 2016	capital held 2017	capital held 2016
Zenith Bank (Ghana) Limited	- %	98.07 %	6,444	6,444
Zenith Bank (UK) Limited	- %	100.00 %	21,482	21,482
Zenith Bank (Sierra Leone) Limited	- %	99.99 %	2,059	2,059
Zenith Bank (Gambia) Limited	- %	99.96 %	1,038	1,038
Zenith Pensions Custodian Limited	- %	99.00 %	1,980	1,980
			33,003	33,003

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	31-Mar-17	31-Mar-16	31-Dec-16	31-Mar-17	31-Mar-16	31-Dec-16
31. Investments in associates						
The Group's investments under the Small and Medium Enterprises Equity Investment Scheme ("SMEEIS") complies with the Policy Guidelines for 2001 Fiscal Year (Monetary Policy Circular No. 35). The Group generally holds 20 percent or more of the voting power of the investee and is therefore presumed to have significant influence over the investee. In instances where the Group holds less than 20 percent of the voting power of the investee, the Group concluded that it has significant influence due to the Group's representation on the board of the relevant investee, with such board generally limited to a small number of board members.						
Balance at beginning of the period	-	1,312	1,312	-	1,312	1,312
Share of profit brought forward	-	440	440	-	-	-
Share of profit for the period	-	48	-	-	-	-
Diminution in investment	-	(1,222)	(1,752)	-	(1,222)	(1,312)
Balance at end of the period	-	578	-	-	90	-

The financial statements used in applying the equity method may be as of a date or for a period that is different from the Group due to practical difficulties preventing the associate from producing coterminous figures in time for the Group's reporting period.

There were no published price quotations for any associates of the Group. Furthermore, there are no significant restrictions on the ability of associates to transfer funds to the Group in the form of cash dividends or repayment of loans and advances.

32. Derivative liabilities

Derivative liabilities	2,027	281	66,834	2,027	281	66,834
	2,027	281	66,834	2,027	281	66,834

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	31-Mar-17	31-Mar-16	31-Dec-16	31-Mar-17	31-Mar-16	31-Dec-16
33. Deferred tax						
Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2016: 30%).						
Deferred tax assets						
At the start of the period	6,440	5,607	5,607	6,041	5,131	5,131
Charge for the period	(46)	(132)	661	-	(116)	910
Foreign exchange differences	244	41	172	-	-	-
At the close of the period	6,638	5,516	6,440	6,041	5,015	6,041
Deferred tax liabilities						
At the start of the period	19	19	19	-	-	-
Charge for the period	27	16	26	-	-	-
At the close of the period	46	35	45	-	-	-
34. Other assets						
Prepayments	27,273	22,771	14,759	25,326	21,171	13,075
Deposits for shares	-	-	-	650	650	650
Electronic card related receivables	22,512	21,449	10,533	22,610	20,848	8,207
Intercompany receivables	-	-	-	968	777	929
Receivables	4,588	4,588	17,498	4,588	4,588	17,797
Less: Specific impairment	(5,254)	(4,970)	(5,254)	(5,248)	(4,970)	(5,248)
	49,119	43,838	37,536	48,894	43,064	35,410

Notes to the consolidated and separate interim financial statements

In millions of Naira

35. Property and equipment

Group	Land	Buildings	Furniture and fixtures	Motor vehicles	Computer Equipment	Leasehold improvements	Work in progress	Total
Cost								
At start of the period	25,015	35,030	52,398	18,473	26,667	16,084	27,039	200,706
Additions	101	376	2,820	281	84	3,451	-	7,113
Disposals	-	-	(142)	(472)	(5)	(4)	(48)	(671)
Reclassification/Transfer from WIP		100	100	-	64	-	(3,432)	(3,147)
Reclassification between assets	2	7	23	-	2	(34)	-	-
Foreign exchange movements	-	-	(145)	(59)	-	-	(859)	(1,063)
At the end of the period	25,139	35,513	55,054	18,223	26,812	19,497	22,700	202,938
Accumulated Depreciation								
At start of the period	1,949	4,723	38,602	12,601	23,943	13,604	-	95,422
Charge for the period	63	182	1,218	614	444	202	-	2,723
Disposals	-	-	(101)	(465)	(4)	(3)	-	(573)
Reclassification	-	(2)	4	-	-	(2)	-	-
Foreign exchange movements	1	(6)	(94)	(25)	(158)	(120)	-	(402)
At the end of the period	2,013	4,897	39,629	12,725	24,225	13,681	-	97,170
Net Book Amount At March 31, 2017	23,126	30,616	15,425	5,498	2,587	5,816	22,700	105,768
At December 31, 2016	23,066	30,307	13,796	5,872	2,724	2,480	27,039	105,284

Notes to the consolidated and separate interim financial statements

In millions of Naira

35.(b) Property and equipment

Bank

	Land	Buildings	Furniture and fixtures	Motor vehicles	Computer Equipment	Leasehold improvements	Work in progress	Total
Cost								
At start of the period	25,015	34,670	50,280	16,933	25,248	13,862	18,963	184,971
Additions	101	374	2,747	197	34	168	1,065	4,686
Disposals	-	-	(101)	(464)	(4)	(3)	(48)	(620)
Reclassification/transfer from WIP	21	100	100	-	64	-	(3,432)	(3,147)
Reclassification between class	2	7	23	-	2	(34)	-	-
At the end of the period	25,139	35,151	53,049	16,666	25,344	13,993	16,548	185,890

Accumulated depreciation

	Land	Buildings	Furniture and fixtures	Motor vehicles	Computer Equipment	Leasehold improvements	Work in progress	Total
At start of the period	1,949	4,689	37,098	11,616	22,746	12,258	-	90,356
Charge for the period	63	173	1,203	553	330	170	-	2,492
Disposals	-	-	(98)	(430)	(4)	(3)	-	(535)
Reclassification between class	-	(2)	4	-	-	(2)	-	-
At the end of the period	2,012	4,860	38,207	11,739	23,072	12,423	-	92,313
Net Book Amount At March 31, 2017	23,127	30,291	14,842	4,927	2,272	1,570	16,548	93,576
At December 31, 2016	23,065	29,982	13,182	5,317	2,500	1,604	18,963	94,613

Notes to the consolidated and separate interim financial statements

In millions of Naira

36. Intangible assets

Computer software

	Group 31-Mar-17	Group 31-Mar-16	Group 31-Dec-16	Bank 31-Mar-17	Bank 31-Mar-16	Bank 31-Dec-16
Cost						
At start of the period	11,998	8,761	8,761	9,761	7,236	7,236
Exchange difference	(93)	(45)	410	-	-	-
Reclassification	3,147	-	460	3,147	-	459
Disposal	-	-	(50)	-	-	-
Additions	587	675	2,417	587	641	2,066
At end of the period	15,639	9,391	11,998	13,495	7,877	9,761
Accumulated depreciation						
At start of the period	7,353	5,521	5,521	5,858	4,483	4,483
Exchange difference	-	105	442	-	-	-
Disposal	-	-	(45)	-	-	-
Charge for the period	282	341	1,435	232	328	1,375
At the end of the period	7,635	5,967	7,353	6,090	4,811	5,858
Carrying amount at period end	8,004	3,424	4,645	7,405	3,066	3,903

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	31-Mar-17	31-Mar-16	31-Dec-16	31-Mar-17	31-Mar-16	31-Dec-16
37. Deposits						
Demand	1,580,778	1,318,627	1,463,144	1,198,846	1,195,659	1,215,533
Savings	362,231	274,715	358,951	307,529	249,860	285,250
Term	511,163	534,756	555,547	445,754	504,856	502,418
Domiciliary	542,090	435,834	605,979	489,117	398,434	549,762
	2,996,262	2,563,932	2,983,621	2,441,246	2,348,809	2,552,963
38. Other liabilities						
Settlement payables	29,459	16,774	35,962	29,406	16,765	35,898
Electronic card related payables	2,203	530	1,580	1,963	432	1,458
Due to banks for clean letters of credit	11,743	30,827	9,720	64,017	51,271	57,077
Managers' cheques	13,568	12,591	13,724	13,000	11,978	12,952
Tax collections	2,647	2,063	2,495	2,511	1,975	2,358
Sales and other collections	6,857	12,143	11,594	6,857	12,143	11,594
Deferred income on financial guarantee contracts	906	472	906	906	472	906
Unclaimed dividend	3,521	3,208	2,932	3,521	3,208	2,932
Provision for claims	8,404	9,766	8,404	8,404	9,766	8,404
Customer deposits for letters of credit	108,610	52,565	104,631	108,415	52,484	104,530
Customer's foreign transactions payables	16,758	5,796	6,914	12,785	3,142	3,827
Other payables	22,696	6,989	9,818	14,096	3,230	1,800
	227,372	153,724	208,680	265,881	166,866	243,736

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	31-Mar-17	31-Mar-16	31-Dec-16	31-Mar-17	31-Mar-16	31-Dec-16
39. On-lending facilities						
This comprises:						
Central Bank of Nigeria (CBN) Commercial Agriculture Credit Scheme Loan	41,235	38,866	40,908	41,235	38,866	40,908
Bank of Industry (BOI) Intervention Loan	52,645	56,708	53,919	52,645	56,708	53,919
Central Bank of Nigeria (CBN) / Bank of Industry(BOI) - Power & Aviation intervention Funds	9,022	10,837	9,476	9,022	10,837	9,476
CBN MSMEDF Deposit	15,281	1,445	1,665	15,281	1,445	1,665
FGN SSB Intervention Fund	145,965	128,793	147,170	145,965	128,793	147,170
Excess Crude Loan Facility Deposit	96,065	69,461	97,519	96,065	69,461	97,519
	360,213	306,110	350,657	360,213	306,110	350,657
40. Borrowings						
Long term borrowing comprise:						
Due to ADB	38,692	24,772	38,924	38,692	24,772	38,924
Due to KEXIM	4,985	7,835	4,066	4,985	7,835	4,066
Due to EIB	5,293	4,766	6,370	5,293	4,766	6,370
Due to PROPARCO	17,478	13,906	17,205	17,478	13,906	17,205
Due to CITIBANK	-	7,463	-	-	7,463	-
Due to Citi Global Markets	15,509	-	15,362	15,509	-	15,362
Due to ABSA bank	46,093	39,060	45,985	46,093	39,060	45,985
Due to J P Morgan Chase bank	22,984	14,554	22,908	22,984	14,554	22,908
Due to Standard Bank	68,463	48,670	71,541	68,463	48,670	71,541
Due to First Rand bank	3,419	6,574	5,114	3,419	6,574	5,114
Due to Commerzbank	-	50,325	-	-	50,325	-
Due to IFC	28,176	17,014	31,016	28,176	17,014	31,016
Due to British Arab Bank	4,685	2,588	4,615	4,685	2,588	4,615
Due to Zenith Bank (UK)	-	-	-	7,687	-	7,670
Due to Zenith Bank Ghana	-	-	-	25,650	-	22,026
Due to AFC	40,265	-	-	40,265	-	-
	296,041	237,527	263,106	329,379	237,527	292,802

Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	31-Mar-17	31-Mar-16	31-Dec-16	31-Mar-17	31-Mar-16	31-Dec-16
41. Debt securities issued						
Due to euro bond holders	156,431	101,425	153,464	156,431	101,425	153,464
	156,431	101,425	153,464	156,431	101,425	153,464
42. Share capital						
Authorised						
40,000,000,000 Ordinary shares of 50k each (2016: 40,000,000,000)	20,000	20,000	20,000	20,000	20,000	20,000
.						
Issued						
31,396,493,786 ordinary shares of 50k each (March 2016:31,396,493,786)	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
43. Share premium, retained earnings and other reserves						
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.

Notes to the consolidated and separate interim financial statements

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

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

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

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

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

44. Pension contribution

In accordance with the provisions of the Pensions Reform Act 2014, the bank and its subsidiaries commenced a contributory pension scheme in January 2005. For entities operating in Nigeria, the contribution by employees and the employing entities are 2.5% and 15.5% respectively of the employees' basic salary, housing and transport allowances. Entities operating outside Nigeria contribute in line with the relevant pension laws in their jurisdictions. The contribution by the group and the bank during the period were N898 million and N706 million respectively (2016: N869 million and N756 million).

45. Personnel expenses

Compensation for the staff are as follows:

In millions of Naira	Group 31-Mar-17	Group 31-Mar-16	Group 31-Dec-16	Bank 31-Mar-17	Bank 31-Mar-16	Bank 31-Dec-16
Salaries and wages	15,847	15,588	60,536	14,071	14,240	54,365
Other staff costs	1,421	428	4,982	1,462	414	4,901
Pension contribution	898	869	3,524	706	756	2,969
	18,166	16,885	69,042	16,239	15,410	62,235

Notes to the consolidated and separate interim financial statements

In millions of Naira

46. 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 2017 are shown below.

Entity	Effective holding %	Normal share capital held
Zenith Bank (Ghana) Limited	98.07 %	6,444
Zenith Bank (UK) Limited	100.00 %	21,482
Zenith Bank (Sierra Leone) Limited	99.99 %	2,059
Zenith Bank (The Gambia) Limited	99.96 %	1,038
Domestic / non-banking subsidiaries:		
Zenith Pension Custodians Limited	99.00 %	1,980
	-	33,003

Key management personnel

Key management personnel is defined as the Group's executive and non-executive directors, including their family members and any entity over which they exercise control. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Group.

Key management compensation In millions of Naira

	Group 31-Mar-17	Group 31-Mar-16	Group 31-Dec-16
Salaries and other short-term benefits	150	116	403
Retirement benefit cost	6	6	625
Fees and sitting allowances	77	-	29

Notes to the consolidated and separate interim financial statements

In millions of Naira

	233	122	1,057
Loans and advances			
At start of the period	292	559	559
Repayment during the period	(73)	(14)	(267)
At end of of the period	219	545	292

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 (2016: Nil). The mortgage loans are secured by the underlying assets. All other loans are unsecured.

Group
31 March 2017

In millions of Naira

Name of company / Individual

	Loans	Deposits	Interest received	Interest paid
Zenith General Insurance Company	-	661	-	1
Zenith Trustee Limited	-	5	-	-
Directors and Relatives	-	190	-	1
Quantum Fund Management	-	18	-	-
At end of of the period	-	874	-	2

Group
31 March 2016

In millions of Naira

Name of company / Individual

	Loans	Deposits	Interest received	Interest paid
Visafone Communications Ltd	-	1,032	-	-
Quantum Fund Management	-	70	-	1
At end of of the period	-	1,102	-	1

Notes to the consolidated and separate interim financial statements

In millions of Naira

Loans granted to related parties are secured by real estate and other assets of the respective borrowers. No impairment has been recognised of loans granted to related parties (2016:Nil)

Notes to the consolidated and separate interim financial statements

In millions of Naira

47. Acceptances and guarantees

(a) Legal proceedings

The Bank is presently involved in 121 litigation suits in its ordinary course of business. The total amount claimed in the cases against the bank is estimated at N14.32 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 N3.11 billion (31 December, 2016: N6.5 billion) in respect of authorized and contracted capital projects.

(c) Confirmed credits and other obligations on behalf of customers

In the normal course of business the group is a party to financial instruments with off-balance sheet risk. These instruments are issued to meet the credit and other financial requirements of customers. The contractual amounts of the off-balance sheet financial instruments are:

In millions of Naira	Group 31-Mar-17	Group 31-Mar-16	Group 31-Dec-16	Bank 31-Mar-17	Bank 31-Mar-16	Bank 31-Dec-16
Performance bonds and guarantees	558,010	599,965	560,704	558,010	560,892	513,832
Usance	134,043	101,583	98,761	134,043	101,583	98,761
Letters of credit	265,197	176,423	311,681	265,197	151,399	215,839
Pension Funds (See Note (below))	2,450,662	2,047,789	2,362,349	2,450,662	2,047,789	2,362,349
	3,407,912	2,925,760	3,333,495	3,407,912	2,861,663	3,190,781

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

The amount of N 2,262 billion (31 December, 2016 : N 2,362 billion) represents the full amount of the bank's guarantee for the assets held by its subsidiary, Zenith Pensions Custodian Limited under the latter's custodial business as required by the National Pensions Commission.

Notes to the consolidated and separate interim financial statements

In millions of Naira

48. Cash and cash equivalents

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

In millions of Naira	Group	Group	Group	Bank	Bank	Bank
	31-Mar-17	31-Mar-16	31-Dec-16	31-Mar-17	31-Mar-16	31-Dec-16
Cash and balances with central banks (less restricted balances)	76,748	144,679	140,874	38,293	120,735	99,378
Treasury bills(maturing within three months)	247,936	79,420	127,068	154,762	63,800	112,575
Due from other banks	389,541	367,158	459,457	325,598	364,838	354,405
	714,225	591,257	727,399	518,653	549,373	566,358

Notes to the consolidated and separate interim financial statements
