



**ZENITH BANK PLC**  
CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

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

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

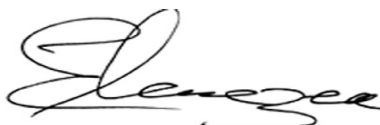


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**Peter Amangbo**

Group Managing Director/CEO

FRC/2013/ICAN/00000001310



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**Ebenezer Onyeagwu**

Deputy Managing Director

FRC/2013/ICAN/00000003788

## **Statement Of Directors' Responsibilities**

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



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



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**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 30-Sep-17	9 Months 30-Sep-17	9 Months 30-Sep-16	12 Months 31-Dec-16	3 Months 30-Sep-17	9 Months 30-Sep-17	9 Months 30-Sep-16	12 Months 31-Dec-16
Gross earnings		150,826	531,266	380,352	507,997	134,520	478,931	342,121	454,808
Interest and similar income	14	99,532	361,789	285,674	384,557	87,571	323,947	255,195	343,556
Interest and similar expense	15	(37,002)	(160,297)	(95,857)	(144,378)	(33,487)	(149,185)	(86,851)	(131,910)
Net interest income		62,530	201,492	189,817	240,179	54,084	174,762	168,344	211,646
Impairment charge for credit loss	16	(4,655)	(47,053)	(21,858)	(32,350)	(2,424)	(39,673)	(15,780)	(26,295)
Net interest income after impairment charge for credit losses		57,875	154,439	167,959	207,829	51,660	135,089	152,564	185,351
Fee and Commission income	17	33,268	71,021	46,282	68,444	29,626	58,840	36,706	55,619
Trading income	18	16,491	81,809	16,410	28,398	16,491	81,809	16,228	28,398
Other income	19	1,535	16,647	31,986	26,598	832	14,335	33,992	27,235
Amortisation of intangible assets	36	(407)	(1,163)	(1,069)	(1,435)	(364)	(1,019)	(1,028)	(1,375)
Depreciation of property and equipment	35	(3,130)	(8,660)	(7,091)	(9,679)	(2,751)	(7,783)	(6,302)	(8,664)
Personnel expenses		(17,530)	(53,740)	(54,911)	(69,042)	(15,509)	(47,803)	(49,152)	(62,235)
Operating expenses	20	(27,733)	(107,801)	(82,979)	(94,365)	(24,586)	(98,294)	(75,000)	(84,402)
Profit before tax		60,369	152,552	116,587	156,748	55,399	135,174	108,008	139,927
Income tax expense	21	(6,451)	(23,317)	(21,201)	(27,096)	(4,594)	(17,873)	(16,818)	(20,642)
<b>Profit after tax</b>		<b>53,918</b>	<b>129,235</b>	<b>95,386</b>	<b>129,652</b>	<b>50,805</b>	<b>117,301</b>	<b>91,190</b>	<b>119,285</b>
<b>Other comprehensive income:</b>									
<b>Items that will never be reclassified to profit or loss</b>									
Fair value movements on equity instruments		1,893	(1,540)	5,453	6,636	1,893	(1,540)	5,453	6,636
<b>Items that are or may be reclassified to profit or loss</b>									
Foreign currency translation differences		396	(1,048)	22,230	30,338	-	-	-	-
Other comprehensive income for the period		2,289	(2,588)	27,683	36,974	1,893	(1,540)	5,453	6,636
<b>Total comprehensive income for the period</b>		<b>56,207</b>	<b>126,647</b>	<b>123,069</b>	<b>166,626</b>	<b>52,698</b>	<b>115,761</b>	<b>96,643</b>	<b>125,921</b>

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

In millions of Naira	Notes	Group				Bank			
		3 Months 30-Sep-17	9 Months 30-Sep-17	9 Months 30-Sep-16	12 months 31-Dec-16	3 Months 30-Sep-17	9 Months 30-Sep-17	9 Months 30-Sep-16	12 months 31-Dec-16
<b>Profit attributable to:</b>									
Equity holders of the parent		53,856	129,050	95,237	129,434	50,805	117,301	91,190	119,285
Non-controlling interests		62	185	149	218	-	-	-	-
<b>Total comprehensive income attributable to:</b>									
Equity holders of the parent		56,139	126,472	122,715	166,236	52,698	115,761	96,643	125,921
Non-controlling interests		68	175	354	390	-	-	-	-
<b>Earnings per share attributable to equity holders of parent</b>									
Basic and diluted	22	172 k	411 k	303 k	412 k	162 k	374 k	290 k	380 k

## Statements of financial position as at September 30, 2017

In millions of Naira	Note(s)	Group			Bank		
		30-Sep-17	30-Sep-16	31-Dec-16	30-Sep-17	30-Sep-16	31-Dec-16
<b>Assets</b>							
Cash and balances with central banks	23	767,394	555,891	669,058	723,744	523,118	627,385
Treasury bills	24	718,964	424,399	557,359	609,141	343,274	463,787
Asset pledged as collateral	25	455,875	354,481	328,343	454,606	354,481	325,575
Due from other banks	26	520,988	455,823	459,457	343,582	295,775	354,405
Derivative assets	27	63,508	99,100	82,860	63,508	99,100	82,860
Loans and advances	28	2,155,749	2,425,318	2,289,365	2,038,475	2,231,318	2,138,132
Investment securities	29	242,348	184,266	199,478	135,958	69,834	118,622
Investments in subsidiaries	30	-	-	-	33,003	33,003	33,003
Deferred tax assets	33	9,598	7,103	6,440	9,103	6,354	6,041
Other assets	34	70,130	39,243	37,536	64,335	38,226	35,410
Property and equipment	35	115,807	100,176	105,284	102,757	89,861	94,613
Intangible assets	36	11,457	3,885	4,645	10,753	3,328	3,903
<b>Total assets</b>		<b>5,131,818</b>	<b>4,649,685</b>	<b>4,739,825</b>	<b>4,588,965</b>	<b>4,087,672</b>	<b>4,283,736</b>
<b>Liabilities</b>							
Customers' deposits	37	3,062,214	2,691,985	2,983,621	2,553,061	2,220,315	2,552,963
Derivative liabilities	32	15,357	74,996	66,834	15,357	74,996	66,834
Current income tax	21	9,426	5,608	8,953	7,430	3,404	6,927
Deferred tax liabilities	33	-	46	45	-	-	-
Other liabilities	38	205,390	302,512	208,680	214,428	318,252	243,736
On-lending facilities	39	380,460	336,123	350,657	380,460	336,123	350,657
Borrowings	40	378,751	389,704	263,106	437,007	389,704	292,802
Debt securities issued	41	312,530	157,803	153,464	312,530	157,803	153,464
<b>Total liabilities</b>		<b>4,364,128</b>	<b>3,958,777</b>	<b>4,035,360</b>	<b>3,920,273</b>	<b>3,500,597</b>	<b>3,667,383</b>

**Statement of Financial Position as at September 30, 2017**

In millions of Naira	Note(s)	Group			Bank		
		2017	2016	2016	2017	2016	2016
<b>Capital and reserves</b>							
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		312,673	220,304	267,008	256,956	182,069	218,507
Other reserves		183,114	198,912	165,729	140,991	134,261	127,101
<b>Attributable to equity holder of the parent</b>		<b>766,532</b>	<b>689,961</b>	<b>703,482</b>	<b>668,692</b>	<b>587,075</b>	<b>616,353</b>
Non-controlling interests		1,158	947	983	-	-	-
<b>Total shareholders' equity</b>		<b>767,690</b>	<b>690,908</b>	<b>704,465</b>	<b>668,692</b>	<b>587,075</b>	<b>616,353</b>
<b>Total liabilities and equity</b>		<b>5,131,818</b>	<b>4,649,685</b>	<b>4,739,825</b>	<b>4,588,965</b>	<b>4,087,672</b>	<b>4,283,736</b>

Approved by the Board of Directors for issue on 19 October, 2017 and signed on its behalf by:

Jim Ovia (Chairman)  
FRC/2013/CIBN/00000002406

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

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

Stanley Amuchie (Chief Financial Officer)  
FRC/2013/MULTI/00000001063



**Statements of cash flows**

In millions of Naira	Note(s)	Group			Bank		
		30-Sep-17	30-Sep-16	31-Dec-16	30-Sep-17	30-Sep-16	31-Dec-16
<b>Cash flows from operating activities</b>							
Profit after tax for the period		129,235	95,386	129,652	117,301	91,190	119,285
<b>Adjustments for non-cash items:</b>							
Impairment							
Impairment loss on overdraft	16	5,199	9,394	13,786	3,290	9,084	12,811
Impairment loss on term loan		41,902	10,526	19,099	36,431	4,758	14,465
Impairment loss on on-lending		-	1,838	(1,336)	-	1,838	(1,336)
Impairment loss on leases		(48)	100	(13)	(48)	100	(13)
Impairment loss on investment in associates		-	-	530	-	-	90
Impairment loss on other assets		-	-	284	-	-	278
Fair value changes in trading bond		(140)	295	328	(140)	295	328
Depreciation of property and equipment		8,660	7,091	9,679	7,783	6,302	8,664
Amortisation of intangible assets		1,163	1,069	1,435	1,019	1,028	1,375
Dividend income		(833)	(527)	(349)	(833)	(4,487)	(3,949)
Interest and similar income		(361,789)	(285,674)	(384,557)	(323,947)	(255,195)	(343,556)
Interest and similar expense		160,297	95,857	144,378	149,185	86,851	131,910
Profit on sale of property and equipment	19	(108)	(148)	(236)	(108)	(132)	(172)
Tax expense	21	23,317	21,201	27,096	17,873	16,818	20,642
<b>Changes in operating assets and liabilities:</b>							
Net (increase)/decrease in Loans and advances		87,752	(440,887)	(298,548)	59,984	(374,193)	(283,807)
Net (increase)/decrease in Other assets		(32,594)	(16,469)	(15,046)	(28,925)	(16,553)	(14,015)
Net (increase)/decrease in Treasury bills with maturity greater than 3 months		(201,317)	(46,564)	(111,193)	(182,508)	(12,553)	(63,608)
Net (increase)/decrease in treasury bills (FVTPL)		-	-	(20,683)	-	-	(20,683)
Net (increase)/decrease in asset pledged as collateral		(127,532)	(89,430)	(63,292)	(129,031)	(90,161)	(61,255)
Net (increase)/decrease in Debt securities		(44,270)	33,647	18,337	(18,735)	86,312	38,410
Net (increase)/decrease in Restricted balances (cash reserves)		(65,160)	(66,122)	(124,630)	(65,318)	(66,148)	(124,563)
Net (increase)/decrease in Customer deposits		78,593	131,802	420,498	98	(115,001)	215,326
Net (increase)/decrease in Other liabilities		(1,606)	97,913	4,047	(27,730)	106,008	31,312
Net (increase)/decrease in derivative assets		19,352	(90,619)	(74,379)	19,352	(90,619)	(74,379)
Net (increase)/decrease in derivative liabilities		(51,477)	74,612	66,450	(51,477)	74,612	66,450
		<b>(331,404)</b>	<b>(455,709)</b>	<b>(238,663)</b>	<b>(416,484)</b>	<b>(539,846)</b>	<b>(329,990)</b>
Interest received		361,789	252,226	345,410	323,947	221,746	312,529
Interest paid		(160,297)	(82,558)	(139,139)	(149,185)	(73,552)	(127,290)
Tax paid	21	(26,408)	(20,719)	(22,444)	(20,432)	(17,171)	(17,159)
VAT paid		(1,684)	(1,795)	(429)	(1,578)	(1,795)	(212)
<b>Net cash flows(used in)/generated from operating activities</b>		<b>(158,004)</b>	<b>(308,555)</b>	<b>(55,265)</b>	<b>(263,732)</b>	<b>(410,618)</b>	<b>(162,122)</b>

**Statement of Cash Flows**

	Note(s)	Group			Bank		
		30-Sep-17 N. million	30-Sep-16 N. million	31-Dec-16 N. million	30-Sep-17 N. million	30-Sep-16 N. million	31-Dec-16 N. million
<b>Cash flows from investing activities</b>							
Purchase of property and equipment	35	(21,401)	(18,350)	(27,421)	(19,304)	(15,075)	(22,737)
Proceeds from sale of property and equipment		(2,127)	223	603	155	207	360
Purchase of intangible assets	36	(4,631)	(1,678)	(2,417)	(4,541)	(1,581)	(2,066)
Proceeds from sale of equity securities		-	-	681	-	-	-
Write off_ Investment in associates		-	440	-	-	-	-
Dividend received		833	527	349	833	4,487	3,949
<b>Net cash from/(used) in investing activities</b>		<b>(27,326)</b>	<b>(18,838)</b>	<b>(28,205)</b>	<b>(22,857)</b>	<b>(11,962)</b>	<b>(20,494)</b>
<b>Cash flows from financing activities</b>							
Net inflow from on-lending facilities		29,803	49,242	63,776	29,803	49,242	63,776
Borrowings							
- inflow from long term borrowing		115,645	130,842	82,017	144,206	121,593	104,043
-repayment of long term borrowing		-	-	(77,773)	-	-	(79,352)
Inflow from debt securities issued		159,066	57,985	53,646	159,066	57,985	53,646
Dividends paid		(63,422)	(56,514)	(56,514)	(63,422)	(56,514)	(56,514)
<b>Net cash from/(used) in financing activities</b>		<b>241,092</b>	<b>181,555</b>	<b>65,152</b>	<b>269,653</b>	<b>172,306</b>	<b>85,599</b>
<b>(Decrease)/Increase in cash and cash equivalent</b>		<b>55,762</b>	<b>(145,838)</b>	<b>(18,318)</b>	<b>(16,936)</b>	<b>(250,274)</b>	<b>(97,017)</b>
Cash at the beginning of the period		727,399	709,714	709,714	566,358	663,375	663,375
Effect of exchange rate movement on cash balances		(767)	57,582	36,003	-	-	-
<b>Cash and cash equivalent at the end of the period/year</b>	48	<b>782,394</b>	<b>621,458</b>	<b>727,399</b>	<b>549,422</b>	<b>413,101</b>	<b>566,358</b>

## Statements of changes in equity

	Attributable to equity holders of the Bank								Total	Non-controlling interest	Total equity
	Share capital	Share premium	Foreign currency translation reserve	Revaluation reserve	Statutory reserve	SMIEIS reserve	Credit risk reserve	Retained earnings			
In millions of Naira											
<b>Group</b>											
<b>Balance at 1 January, 2017</b>	<b>15,698</b>	<b>255,047</b>	<b>28,465</b>	<b>10,950</b>	<b>112,114</b>	<b>3,729</b>	<b>10,471</b>	<b>267,008</b>	<b>703,482</b>	<b>983</b>	<b>704,465</b>
Profit for the period	-	-	-	-	-	-	-	129,050	129,050	185	129,235
Foreign currency translation differences	-	-	(1,038)	-	-	-	-	-	(1,038)	(10)	(1,048)
Fair value movements on equity instruments	-	-	-	(1,540)	-	-	-	-	(1,540)	-	(1,540)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(1,038)</b>	<b>(1,540)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>129,050</b>	<b>126,472</b>	<b>175</b>	<b>126,647</b>
Transfer for the period	-	-	-	-	18,133	5,964	(4,134)	(19,963)	-	-	-
Dividends	-	-	-	-	-	-	-	(63,422)	(63,422)	-	(63,422)
<b>Balance at September 30, 2017</b>	<b>15,698</b>	<b>255,047</b>	<b>27,427</b>	<b>9,410</b>	<b>130,247</b>	<b>9,693</b>	<b>6,337</b>	<b>312,673</b>	<b>766,532</b>	<b>1,158</b>	<b>767,690</b>
<b>At January 1, 2016</b>	<b>15,698</b>	<b>255,047</b>	<b>(1,701)</b>	<b>4,314</b>	<b>93,093</b>	<b>3,729</b>	<b>23,465</b>	<b>200,115</b>	<b>593,760</b>	<b>593</b>	<b>594,353</b>
Profit for the period	-	-	-	-	-	-	-	129,434	129,434	218	129,652
Foreign currency translation differences	-	-	30,166	-	-	-	-	-	30,166	172	30,338
Fair value movements on equity instruments	-	-	-	6,636	-	-	-	-	6,636	-	6,636
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>30,166</b>	<b>6,636</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>129,434</b>	<b>166,236</b>	<b>390</b>	<b>166,626</b>
Transfer between reserves	-	-	-	-	19,021	-	(12,994)	(6,027)	-	-	-
Dividends	-	-	-	-	-	-	-	(56,514)	(56,514)	-	(56,514)
<b>Balance at 31 December, 2016</b>	<b>15,698</b>	<b>255,047</b>	<b>28,465</b>	<b>10,950</b>	<b>112,114</b>	<b>3,729</b>	<b>10,471</b>	<b>267,008</b>	<b>703,482</b>	<b>983</b>	<b>704,465</b>

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

In millions of Naira	Share capital	Share premium	Revaluation reserve	Statutory reserve	SMIEIS reserve	Credit risk reserve	Retained earnings	Total equity
<b>Bank</b>								
<b>Balance at 1 January, 2017</b>	<b>15,698</b>	<b>255,047</b>	<b>10,950</b>	<b>104,293</b>	<b>3,729</b>	<b>8,129</b>	<b>218,507</b>	<b>616,353</b>
Profit for the period	-	-	-	-	-	-	117,301	117,301
Fair value movement on equity instruments	-	-	(1,540)	-	-	-	-	(1,540)
<b>Total comprehensive income for the period</b>	-	-	<b>(1,540)</b>	-	-	-	<b>117,301</b>	<b>115,761</b>
Transfer between reserves	-	-	-	17,595	5,964	(8,129)	(15,430)	-
Dividends	-	-	-	-	-	-	(63,422)	(63,422)
<b>Balance at September 30, 2017</b>	<b>15,698</b>	<b>255,047</b>	<b>9,410</b>	<b>121,888</b>	<b>9,693</b>	-	<b>256,956</b>	<b>668,692</b>
<b>Balance at January 1, 2016</b>	<b>15,698</b>	<b>255,047</b>	4,314	86,400	3,729	21,350	160,408	<b>546,946</b>
Profit for the period	-	-	-	-	-	-	119,285	119,285
Fair value movement on equity instruments	-	-	6,636	-	-	-	-	6,636
<b>Total comprehensive income for the period</b>	-	-	<b>6,636</b>	-	-	-	<b>119,285</b>	<b>125,921</b>
Transfer between reserves	-	-	-	17,893	-	(13,221)	(4,672)	-
Dividends	-	-	-	-	-	-	(56,514)	(56,514)
<b>Balance at 31 December, 2016</b>	<b>15,698</b>	<b>255,047</b>	<b>10,950</b>	<b>104,293</b>	<b>3,729</b>	<b>8,129</b>	<b>218,507</b>	<b>616,353</b>

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

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**1. The Bank**

Zenith Bank Plc (the "Bank") was incorporated in Nigeria under the Companies and Allied Matters Act as a private limited liability company on May 30, 1990. It was granted a banking licence in June 1990, to carry on the business of commercial banking and commenced business on June 16, 1990. The Bank was converted into a Public Limited Liability Company on May 20, 2004. The Bank's shares were listed on October 21, 2004 on the Nigerian Stock Exchange, 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 third 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 third quarter ended 30 September 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 third quarter results to 30 September 2017 (30 September 2016: NIL).

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

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

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

**8. Business combinations**

There was no business combination during the period.

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

No reversals of provision for restructuring were made in the Group's books in the current period as there was no restructuring during the period neither were there reversal of previous restructuring arrangements for the third quarter results to 30 September 2017 (30 September 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 N1.8 million in the third quarter ended 30 September 2017 (30 September 2016: N2.1 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
<b>In millions of Naira September 30, 2017</b>						
Revenue:						
Derived from external customers	475,740	36,968	10,154	522,862	-	522,862
Derived from other business segments	2,219	-	22	2,241	(2,241)	-
<b>Total revenue*</b>	<b>477,959</b>	<b>36,968</b>	<b>10,176</b>	<b>525,103</b>	<b>(2,241)</b>	<b>522,862</b>
Interest expense	(140,694)	(12,383)	(1,057)	(154,134)	2,241	(151,893)
Impairment charge for credit losses	(39,673)	(1,909)	(5,471)	(47,053)	-	(47,053)
Operating expenses	(156,664)	(10,756)	(4,038)	(171,458)	-	(171,458)
Profit before tax	140,928	11,920	(390)	152,458	-	152,458
Tax expense	(19,632)	(3,771)	86	(23,317)	-	(23,317)
<b>Profit after tax</b>	<b>121,296</b>	<b>8,149</b>	<b>(304)</b>	<b>129,141</b>	<b>-</b>	<b>129,141</b>

	Nigeria	Outside Nigeria Africa	Europe	Total reportable segments	Eliminations	Consolidated
<b>In millions of Naira September 30, 2017</b>						
Capital expenditure**	20,568	2,766	2,698	26,032	-	26,032
Identifiable assets	4,610,917	319,849	417,933	5,348,699	(216,882)	5,131,817
Identifiable liabilities	3,922,618	266,237	359,149	4,548,004	(183,876)	4,364,128

\* 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	Outside Nigeria Africa	Banking Europe	Total reportable segments	Eliminations	Consolidated
<b>In millions of Naira</b>						
<b>30 September 2016</b>						
Revenue:						
Derived from external customers	342,342	27,422	11,481	381,245	-	381,245
Derived from other business segments	4,854	-	-	4,854	(5,747)	(893)
<b>Total revenue*</b>	<b>347,196</b>	<b>27,422</b>	<b>11,481</b>	<b>386,099</b>	<b>(5,747)</b>	<b>380,352</b>
Interest expense	(86,851)	(8,415)	(2,378)	(97,644)	1,787	(95,857)
Impairment charge for credit losses	(15,780)	(311)	(5,767)	(21,858)	-	(21,858)
Operating expenses	(127,926)	(8,298)	(4,016)	(140,240)	(682)	(140,240)
Profit before tax	116,639	10,398	(680)	126,357	4,642	121,715
Tax expense	(18,176)	(3,195)	170	(21,201)	-	(21,201)
<b>Profit after tax</b>	<b>98,463</b>	<b>7,203</b>	<b>(510)</b>	<b>105,156</b>	<b>4,642</b>	<b>100,514</b>

	Nigeria	Outside Nigeria Africa	Banking Europe	Total reportable segments	Eliminations	Consolidated
<b>In millions of Naira</b>						
<b>30 September 2016</b>						
Capital expenditure**	16,747	3,436	359	20,542	(514)	20,028
Identifiable assets	4,107,906	259,602	479,974	4,847,482	(189,669)	4,657,813
Identifiable liabilities	3,511,782	209,300	392,557	4,113,639	(157,594)	3,956,045

\* 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 Sep-17	30-9 Months Sep-17	30-9 Months Sep-16	12 Months 31-Dec-16	3 Months Sep-17	30-9 Months Sep-17	30-9 Months Sep-16	12 Months 31-Dec-16
<b>14. Interest and similar income</b>								
Loans and advances to customers	62,413	240,999	208,449	273,351	58,851	227,255	192,003	252,834
Treasury bills	25,004	84,332	37,349	60,187	19,401	67,243	27,023	44,347
Government and other bonds	10,203	32,245	38,442	48,730	9,240	29,023	35,082	45,286
Advances under finance lease	1,912	4,213	1,434	2,289	79	426	1,087	1,089
	<b>99,532</b>	<b>361,789</b>	<b>285,674</b>	<b>384,557</b>	<b>87,571</b>	<b>323,947</b>	<b>255,195</b>	<b>343,556</b>
<b>15. Interest and similar expense</b>								
Current accounts	2,913	6,755	2,528	4,125	2,763	6,316	2,289	3,808
Savings accounts	4,320	12,270	10,404	12,516	4,289	12,139	10,314	12,379
Time deposits	15,365	107,985	56,266	94,370	12,454	98,684	49,144	83,989
Borrowed funds	14,404	33,287	26,659	33,367	13,981	32,046	25,104	31,734
	<b>37,002</b>	<b>160,297</b>	<b>95,857</b>	<b>144,378</b>	<b>33,487</b>	<b>149,185</b>	<b>86,851</b>	<b>131,910</b>
<b>16. Impairment charge</b>								
Other financial assets	-	-	-	284	-	-	-	278
Overdrafts (See note 28)	2,575	5,199	9,394	13,786	2,400	3,290	9,084	12,811
Term loans (See note 28)	2,080	41,902	10,526	19,099	24	36,431	4,758	14,465
On-lending facilities (See note 28)	-	-	1,838	(1,336)	-	-	1,838	(1,336)
Advances under finance lease (See note 28)	-	(48)	100	(13)	-	(48)	100	(13)
Other assets	-	-	-	530	-	-	-	90
	<b>4,655</b>	<b>47,053</b>	<b>21,858</b>	<b>32,350</b>	<b>2,424</b>	<b>39,673</b>	<b>15,780</b>	<b>26,295</b>

## Notes to the Consolidated and separate interim financial statements

In millions of Naira	Group				Bank			
	3 Months 30-9 Sep-17	Months 30-9 Sep-17	Months 30-9 Sep-16	12 Months 31-Dec-16	3 Months 30-9 Sep-17	Months 30-9 Sep-17	Months 30-9 Sep-16	12 Months 31-Dec-16
<b>17. Fees and commission income</b>								
Credit related fees	5,234	13,861	10,193	18,512	4,577	11,870	8,312	16,214
Current account maintenance	19,457	28,584	13,651	18,308	19,067	27,392	12,619	16,863
Income from financial guarantee contracts issued	869	3,018	2,729	2,997	770	2,786	2,445	2,574
Fees on electronic products	3,062	8,442	3,096	10,687	2,854	7,807	2,660	9,954
Foreign currency transaction fees and commission	443	2,152	1,194	1,724	267	1,128	839	1,156
Asset based fees	2,068	5,832	4,718	6,224	-	-	-	-
Auction fees income	580	1,280	570	772	580	1,280	570	772
Corporate finance fees	521	1,394	4,986	2,123	617	1,327	4,873	2,064
Foreign withdrawal charges	779	2,343	2,731	3,004	779	2,343	2,731	3,004
Commission on agency and collection services	255	4,115	2,414	4,093	115	2,907	1,657	3,018
	<b>33,268</b>	<b>71,021</b>	<b>46,282</b>	<b>68,444</b>	<b>29,626</b>	<b>58,840</b>	<b>36,706</b>	<b>55,619</b>
<b>18. Trading income</b>								
Foreign exchange trading income/(loss)	(17,634)	28,788	11,780	20,077	(17,634)	28,788	11,598	20,077
Treasury bill trading income	34,054	52,881	4,925	8,649	34,054	52,881	4,925	8,649
Bond trading income/(loss)	71	140	(295)	(328)	71	140	(295)	(328)
	<b>16,491</b>	<b>81,809</b>	<b>16,410</b>	<b>28,398</b>	<b>16,491</b>	<b>81,809</b>	<b>16,228</b>	<b>28,398</b>
<b>19. Other operating income</b>								
Income on cash handling	96	303	296	426	96	303	296	426
Provision no longer required	-	8,404	-	-	-	8,404	-	-
Dividend Income from equity instruments	-	833	527	349	-	833	4,487	3,949
Gain on disposal of property and equipment	71	108	148	236	71	108	132	172
Foreign currency revaluation gain	1,368	6,999	31,015	25,587	665	4,687	29,077	22,688
	<b>1,535</b>	<b>16,647</b>	<b>31,986</b>	<b>26,598</b>	<b>832</b>	<b>14,335</b>	<b>33,992</b>	<b>27,235</b>

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

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

In millions of Naira	Group				Bank			
	3 Months 30-9 Sep-17	Months 30-9 Sep-17	Months 30- Sep-16	12 Months 31-Dec-16	3 Months 30-9 Sep-17	Months 30-9 Sep-17	Months 30- Sep-16	12 Months 31-Dec-16
<b>20. Operating expenses</b>								
Directors' emolument	335	1,005	497	1,057	79	237	204	404
Auditors' remuneration	209	472	451	626	158	375	322	486
Deposit insurance premium	3,262	8,762	7,794	10,393	3,262	8,762	7,794	10,393
AMCON	-	21,419	18,752	18,752	-	21,419	18,752	18,752
Advertisement	958	6,829	4,306	4,991	914	6,667	4,161	4,801
Bank charges	139	1,520	1,042	1,461	83	1,370	975	1,331
Donations	575	2,035	1,689	2,564	572	2,030	1,684	2,557
Telephone and postages	246	1,783	1,108	1,530	175	1,555	897	1,277
Corporate promotions	1,266	3,296	1,412	2,450	1,225	3,197	1,341	2,323
Fines and penalties	-	-	16	16	-	-	16	16
Information technology	2,359	8,640	4,587	5,856	2,211	8,233	4,270	5,425
Fraud and forgery	14	42	18	33	14	42	18	33
Professional fees	937	2,723	2,558	3,323	845	2,470	2,343	2,957
Insurances	303	1,977	1,354	1,907	272	1,885	1,270	1,799
Operating lease	835	2,703	2,507	3,288	528	1,681	1,566	2,077
Expenses on electronic products	1,164	4,215	1,646	3,818	1,094	4,008	1,539	3,661
Printing and stationery	210	1,606	1,180	1,627	81	1,234	897	1,227
Fuel and maintenance	4,513	14,432	10,002	14,021	3,582	11,504	6,987	10,911
Security and cash handling	187	3,851	2,310	3,322	108	3,603	2,120	3,060
Licenses, registrations and subscriptions	291	1,702	1,202	1,770	209	1,476	1,021	1,573
Training and development	269	4,159	2,583	3,215	205	3,970	2,411	3,012
Travel and hotel expenses	1,465	5,139	1,852	2,998	1,294	4,637	1,433	2,513
Other expenses	8,196	9,491	14,113	5,347	7,675	7,939	12,979	3,814
	<b>27,733</b>	<b>107,801</b>	<b>82,979</b>	<b>94,365</b>	<b>24,586</b>	<b>98,294</b>	<b>75,000</b>	<b>84,402</b>

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

In millions of Naira	Group				Bank				
	3 Months 30-9 Sep-17	Months 30-9 Sep-17	Months 30- Sep-16	12 Months 31-Dec-16	3 Months 30-9 Sep-17	Months 30-9 Sep-17	Months 30- Sep-16	12 Months 31-Dec-16	
<b>21. Taxation</b>									
<b>Major components of the tax expense</b>									
<b>Current</b>									
Corporate tax	6,451	9,016	6,738	12,726	4,594	3,922	4,280	6,530	
Excess dividend tax	-	11,546	12,720	12,909	-	11,546	12,720	12,909	
Information technology tax	-	1,487	530	1,448	-	1,337	489	1,385	
Education tax	-	256	579	1,009	-	164	552	917	
Effect of tax rates in foreign jurisdictions	-	802	2,026	-	-	-	-	-	
Prior year over provision	-	3,966	-	(189)	-	3,966	-	(189)	
<b>Total income tax expense</b>	<b>6,451</b>	<b>27,073</b>	<b>22,593</b>	<b>27,903</b>	<b>4,594</b>	<b>20,935</b>	<b>18,041</b>	<b>21,552</b>	
Deferred tax expense (see note 33)	-	(3,756)	(1,392)	(807)	-	(3,062)	(1,223)	(910)	
<b>Total tax expense</b>	<b>6,451</b>	<b>23,317</b>	<b>21,201</b>	<b>27,096</b>	<b>4,594</b>	<b>17,873</b>	<b>16,818</b>	<b>20,642</b>	
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		(26,408)	(20,719)	(22,444)		(20,432)	(17,171)	(17,159)	
Tax effect of translation		(192)	155	(85)		-	-	-	
Income tax charge		27,073	22,593	27,903		20,935	18,041	21,552	
<b>At the end of the period</b>		<b>9,426</b>	<b>5,608</b>	<b>8,953</b>		<b>-</b>	<b>3,404</b>	<b>6,927</b>	
Applicable tax rate			30 %	30 %		- %	30 %	30 %	- %

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

In millions of Naira	Group				Bank			
	3 Months Sep-17	30-9 Months Sep-17	30-9 Months Sep-16	12 Months 31-Dec-16	3 Months Sep-17	30-9 Months Sep-17	30-9 Months Sep-16	12 Months 31-Dec-16
<b>22. Earnings per share</b>								
Profit attributable to shareholders of the Bank (N'million)	53,856	129,050	95,237	129,434	50,805	117,301	91,190	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	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	172 k	411 k	303 k	412 k	162 k	374 k	290 k	380 k

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

In millions of Naira	Group			Bank		
	30-Sep-17	30-Sep-16	31-Dec-16	30-Sep-17	30-Sep-16	31-Dec-16
<b>23. Cash and balances with central banks</b>						
Cash	68,475	42,038	36,953	57,048	33,671	24,342
Operating accounts with Central Banks	105,575	44,177	103,921	73,371	19,855	75,036
Mandatory reserve deposits with central bank	512,655	388,987	447,495	512,636	388,903	447,318
Cash Requirement Special Intervention Reserve	80,689	80,689	80,689	80,689	80,689	80,689
	<b>767,394</b>	<b>555,891</b>	<b>669,058</b>	<b>723,744</b>	<b>523,118</b>	<b>627,385</b>

Mandatory reserve deposits with central banks represents a percentage of customers' deposits (prescribed from time to time by the central bank) which are not available for daily use. For the purposes of the Statement of cashflow, this balance is excluded from cash and cash equivalents.

**24. Treasury bills**

Treasury bills (FVTPL)	518,404	94,955	74,381	518,404	94,955	74,381
Treasury bills (Amortized cost)	200,560	329,444	482,978	90,737	248,319	389,406
	<b>718,964</b>	<b>424,399</b>	<b>557,359</b>	<b>609,141</b>	<b>343,274</b>	<b>463,787</b>
Treasury bills less than 3 months maturity	87,356	79,420	127,068	75,421	63,800	112,575

**25. Assets pledged as collateral**

Treasury bills pledged as collateral	700	-	2,768	-	-	-
Bonds pledged as collateral	43,510	243,410	76,428	42,941	243,410	76,428
Treasury bills under repurchase agreement	316,422	111,071	113,544	316,422	111,071	113,544
Bonds under repurchase agreement	95,243	-	135,603	95,243	-	135,603
	<b>455,875</b>	<b>354,481</b>	<b>328,343</b>	<b>454,606</b>	<b>354,481</b>	<b>325,575</b>

The total financial assets recognised in the statement of financial position that has been pledged as collateral for liabilities as at 30 September 2017 and 30 September 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		
	30-Sep-17	30-Sep-16	31-Dec-16	30-Sep-17	30-Sep-16	31-Dec-16
<b>26. Due from other banks</b>						
Current balances with banks within Nigeria	16,260	14,610	12,344	-	-	-
Current balances with banks outside Nigeria	302,200	192,733	291,254	334,073	260,941	336,868
Placements with banks and discount houses	201,528	248,480	155,859	8,509	34,834	17,537
Due from other banks under repurchase agreement	1,000	-	-	1,000	-	-
	<b>520,988</b>	<b>455,823</b>	<b>459,457</b>	<b>343,582</b>	<b>295,775</b>	<b>354,405</b>
<b>27. Derivative assets</b>						
Forward contracts (fair value)	63,508	99,100	82,860	63,508	99,100	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.						
<b>28. Loans and advances to customers</b>						
Overdrafts	587,089	631,016	591,219	550,605	570,446	551,798
Term loans	1,310,658	1,512,394	1,417,860	1,207,330	1,360,532	1,289,864
On-lending facilities	370,973	340,239	345,940	370,973	340,239	345,940
Advances under finance lease	4,337	6,984	5,790	4,332	6,715	5,622
Gross loans and advances to customers	2,273,057	2,490,633	2,360,809	2,133,240	2,277,932	2,193,224
Less: Allowances for impairment	(117,308)	(65,315)	(71,444)	(94,765)	(46,614)	(55,092)
Specific allowances for impairment	(50,202)	(27,799)	(32,896)	(28,538)	(10,159)	(17,607)
Collective allowance for impairment	(67,106)	(37,516)	(38,548)	(66,227)	(36,455)	(37,485)
<b>Net loans and advances to customers</b>	<b>2,155,749</b>	<b>2,425,318</b>	<b>2,289,365</b>	<b>2,038,475</b>	<b>2,231,318</b>	<b>2,138,132</b>

## Zenith Bank Plc

Consolidated And Separate Interim Financial Statements for the period ended September 30, 2017

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

In millions of Naira	Group			Bank		
	30-Sep-17	30-Sep-16	31-Dec-16	30-Sep-17	30-Sep-16	31-Dec-16
<b>28. Loans and advances to customers (continued)</b>						
<b>Overdrafts</b>						
Gross Overdrafts	587,089	631,016	591,219	550,605	570,446	551,798
Less: Allowances for impairment	(34,471)	(26,939)	(30,568)	(25,535)	(18,516)	(22,245)
Specific allowances for impairment	(15,535)	(14,754)	(14,737)	(7,478)	(7,392)	(7,478)
Collective allowance for impairment	(18,936)	(12,185)	(15,830)	(18,057)	(11,124)	(14,767)
<b>Net Overdrafts</b>	<b>552,618</b>	<b>604,077</b>	<b>560,652</b>	<b>525,070</b>	<b>551,930</b>	<b>529,553</b>
<b>Term loans</b>						
Gross Term loans	1,310,658	1,512,394	1,417,860	1,207,330	1,360,532	1,289,864
Less: Allowances for impairment	(81,481)	(33,685)	(39,472)	(67,874)	(23,406)	(31,443)
Specific allowances for impairment	(34,667)	(13,045)	(18,159)	(21,060)	(2,766)	(10,129)
Collective allowance for impairment	(46,814)	(20,640)	(21,313)	(46,814)	(20,640)	(21,314)
<b>Net Term loans</b>	<b>1,229,177</b>	<b>1,478,709</b>	<b>1,378,388</b>	<b>1,139,456</b>	<b>1,337,126</b>	<b>1,258,421</b>
<b>On-lending facilities</b>						
Gross On-lending facilities	370,973	340,239	345,940	370,973	340,239	345,940
Less: Allowances for impairment	(1,337)	(4,511)	(1,337)	(1,337)	(4,511)	(1,337)
Collective allowance for impairment	(1,337)	(4,511)	(1,337)	(1,337)	(4,511)	(1,337)
<b>Net On-lending facilities</b>	<b>369,636</b>	<b>335,728</b>	<b>344,603</b>	<b>369,636</b>	<b>335,728</b>	<b>344,603</b>
<b>Advances under finance lease</b>						
Gross Advances under finance lease	4,337	6,984	5,790	4,332	6,715	5,622
Less: Allowances for impairment - collective	(19)	(180)	(67)	(19)	(180)	(67)
<b>Net Advances under finance lease</b>	<b>4,318</b>	<b>6,804</b>	<b>5,723</b>	<b>4,313</b>	<b>6,535</b>	<b>5,555</b>



## Notes to the Consolidated And Separate Interim Financial Statements

In millions of Naira

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

#### 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	3,903	42,009	-	(48)	45,864
Collective impairment	3,903	42,009	-	(48)	45,864
<b>Balance at September 30, 2017</b>	<b>34,471</b>	<b>81,481</b>	<b>1,337</b>	<b>19</b>	<b>117,308</b>
Specific impairment	15,535	34,667	-	-	50,202
Collective impairment	18,936	46,814	1,337	19	67,106
Balance at January 1, 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	9,394	10,526	1,838	100	21,858
Specific impairment	2,063	177	-	-	2,240
Collective impairment	7,331	10,349	1,838	100	19,618
Write-backs	69	-	-	-	69
Foreign currency translation and other adjustments	2,544	2,852	-	-	5,396
Write-offs	(3,948)	(1,003)	-	-	(4,951)
<b>Balance at 30 September, 2016</b>	<b>26,939</b>	<b>33,685</b>	<b>4,511</b>	<b>180</b>	<b>65,315</b>
Specific impairment	14,754	13,045	-	-	27,799
Collective impairment	12,185	20,640	4,511	180	37,516

## Notes to the Consolidated And Separate Interim Financial Statements

In millions of Naira

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

## Bank

	Overdrafts	Term loans	On-lending facilities	Advances under finance lease	Total
Balance at 1 January, 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	3,290	36,431	-	(48)	39,673
Collective impairment	3,290	36,431	-	(48)	39,673
<b>Balance at September 30, 2017</b>	<b>25,535</b>	<b>67,874</b>	<b>1,337</b>	<b>19</b>	<b>94,765</b>
Specific impairment	7,478	21,060	-	-	28,538
Collective impairment	18,057	46,814	1,337	19	66,227
Balance at January 1, 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	9,084	4,758	1,838	100	15,780
Specific impairment	963	-	-	-	963
Collective impairment	8,121	4,758	1,838	100	14,817
Amounts recovered during the year impairment no longer required	69	-	-	-	69
Write-offs	(3,948)	(1,003)	-	-	(4,951)
<b>Balance at 30 September, 2016</b>	<b>18,517</b>	<b>23,406</b>	<b>4,511</b>	<b>180</b>	<b>46,614</b>
Specific impairment	7,392	2,766	-	-	10,158
Collective impairment	11,125	20,640	4,511	180	36,456

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

In millions of Naira	Group			Bank		
	30-Sep-17	30-Sep-16	31-Dec-16	30-Sep-17	30-Sep-16	31-Dec-16
<b>28. Loans and advances to customers (continued)</b>						
<b>(c) Advances under finance leases</b>						
Gross investments	4,337	8,984	5,896	4,332	6,715	5,728
Less: Unearned income	(71)	(53)	(106)	(59)	(1,107)	(106)
	<b>4,266</b>	<b>8,931</b>	<b>5,790</b>	<b>4,273</b>	<b>5,608</b>	<b>5,622</b>
<b>The net investment may be analysed as follows:</b>						
No later than 1 year	-	-	-	-	1,142	-
Later than 1 year and no later than 5 years	4,266	6,931	5,790	4,273	7,718	5,622
	<b>4,266</b>	<b>6,931</b>	<b>5,790</b>	<b>4,273</b>	<b>8,860</b>	<b>5,622</b>
<b>(d) The nature of security in respect of loans and advances is as follows:</b>						
Secured against real estate	94,357	158,778	98,000	93,365	129,922	95,990
Secured by shares of quoted companies	50,388	6,057	52,333	50,901	5,817	52,332
Cash collateral, lien over fixed and floating assets	1,138,479	1,451,565	1,180,353	1,127,180	1,384,452	1,157,333
Unsecured	989,833	874,233	1,030,123	861,794	757,741	887,569
	<b>2,273,057</b>	<b>2,490,633</b>	<b>2,360,809</b>	<b>2,133,240</b>	<b>2,277,932</b>	<b>2,193,224</b>
<b>29. Investment securities</b>						
<b>(a) Analysis of investments</b>						
Debt securities	227,236	168,797	182,826	120,846	54,365	101,970
Equity securities	15,112	15,469	16,652	15,112	15,469	16,652
	<b>242,348</b>	<b>184,266</b>	<b>199,478</b>	<b>135,958</b>	<b>69,834</b>	<b>118,622</b>

## Notes to the Consolidated And Separate Interim Financial Statements

In millions of Naira

### 30. Interests in subsidiaries including consolidated structured entities

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

#### Group

Name of company	Effective holding 2017	Effective holding 2016	Nominal share capital held 2017	Nominal share capital held 2016
Zenith Bank (Ghana) Limited	98.07 %	98.07 %	6,444	6,444
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
			<u>33,003</u>	<u>33,003</u>

## Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-17	30-Sep-16	31-Dec-16	30-Sep-17	30-Sep-16	31-Dec-16
<b>31. Investments in associates</b>						
The Group's investments under the Small and Medium Enterprises Equity Investment Scheme ("SMEEIS") complies with the Policy Guidelines for 2001 Fiscal Year (Monetary Policy Circular No. 35). The Group generally holds 20 percent or more of the voting power of the investee and is therefore presumed to have significant influence over the investee. In instances where the Group holds less than 20 percent of the voting power of the investee, the Group concluded that it has significant influence due to the Group's representation on the board of the relevant investee, with such board generally limited to a small number of board members.						
Balance at beginning of the period	1,312	1,312	1,312	1,312	1,312	1,312
Share of profit brought forward	440	440	440	-	-	-
Diminution in investment	(1,752)	(1,752)	(1,752)	(1,312)	(1,312)	(1,312)
<b>Balance at end of the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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

**32. Derivative liabilities**

Derivative liabilities	15,357	74,996	66,834	15,357	74,996	66,834
	<b>15,357</b>	<b>74,996</b>	<b>66,834</b>	<b>15,357</b>	<b>74,996</b>	<b>66,834</b>

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

In millions of Naira	Group			Bank		
	30-Sep-17	30-Sep-16	31-Dec-16	30-Sep-17	30-Sep-16	31-Dec-16
<b>33. Deferred tax</b>						
Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2016: 30%).						
<b>Deferred tax asset</b>						
Tax loss carried forward	9,598	7,103	6,440	9,103	6,354	6,041
<b>Deferred tax liabilities</b>						
Charge for the period	-	46	45	-	-	-
<b>34. Other assets</b>						
Prepayments	22,373	20,476	14,759	20,335	18,578	13,075
Deposits for shares	-	-	-	650	650	650
Electronic card related receivables	26,664	19,427	10,533	24,634	18,761	8,207
Intercompany receivables	-	-	-	13,151	897	929
AGSMEIS Receivables	5,964	-	-	5,964	-	-
Receivables	20,377	4,588	17,498	4,849	4,588	17,797
Less: Specific impairment	(5,248)	(5,248)	(5,254)	(5,248)	(5,248)	(5,248)
	<b>70,130</b>	<b>39,243</b>	<b>37,536</b>	<b>64,335</b>	<b>38,226</b>	<b>35,410</b>

## Notes to the Consolidated And Separate Interim Financial Statements

In millions of Naira

## 35. Property and equipment

## Group

	Land	Buildings	Furniture and fixtures	Motor vehicles	Computer equipment	Leasehold improvements	Work in progress	Total
<b>Cost</b>								
At start of the period	25,015	35,030	52,398	18,473	26,667	16,084	27,039	200,706
Additions	1,826	2,893	11,581	828	1,774	1,277	1,222	21,401
Disposals	-	-	(369)	898	(16)	(6)	-	507
Reclassification	2,002	7,553	259	(1,633)	50	(50)	(12,434)	(4,253)
Foreign exchange movements	(1)	(8)	(181)	2	47	(242)	25	(358)
Write-off against cost	(1,949)	-	-	-	-	-	-	(1,949)
<b>At the end of the period</b>	<b>26,893</b>	<b>45,468</b>	<b>63,688</b>	<b>18,568</b>	<b>28,522</b>	<b>17,063</b>	<b>15,852</b>	<b>216,054</b>
<b>Accumulated Depreciation</b>								
At start of the period	1,949	4,723	38,602	12,601	23,943	13,604	-	95,422
Charge for the period	-	566	4,064	1,733	1,536	761	-	8,660
Disposals	-	-	(356)	(858)	(508)	(6)	-	(1,728)
Reclassification	-	(2)	22	-	190	(210)	-	-
Foreign exchange movements	-	4	(10)	12	(100)	(64)	-	(158)
Write-off against cost	(1,949)	-	-	-	-	-	-	(1,949)
<b>At the end of the period</b>	<b>-</b>	<b>5,291</b>	<b>42,322</b>	<b>13,488</b>	<b>25,061</b>	<b>14,085</b>	<b>-</b>	<b>100,247</b>
Net Book Amount At September 30, 2017	26,893	40,177	21,366	5,080	3,461	2,978	15,852	115,807
At 31 December, 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. Property and equipment (continued)

## 35.(b) Property and equipment

Bank

	Land	Buildings	Furniture and fixtures	Motor vehicles	Computer equipment	Leasehold improvements	Work in progress	Total
<b>Cost</b>								
At start of the period	25,014	34,671	50,280	16,933	25,248	13,862	18,963	184,971
Additions	1,825	2,633	10,955	823	680	1,223	1,165	19,304
Disposals	-	-	(364)	(899)	(16)	(6)	-	(1,285)
Reclassification	2,003	452	256	20	52	(50)	(6,062)	(3,329)
Write-off against cost	(1,949)	-	-	-	-	-	-	(1,949)
<b>At the end of the period</b>	<b>26,893</b>	<b>37,756</b>	<b>61,127</b>	<b>16,877</b>	<b>25,964</b>	<b>15,029</b>	<b>14,066</b>	<b>197,712</b>
<b>Accumulated depreciation</b>								
	Land	Buildings	Furniture and fixtures	Motor vehicles	Computer equipment	Leasehold improvements	Work in progress	Total
At start of the period	1,949	4,689	37,099	11,616	22,747	12,258	-	90,358
Charge for the period	-	528	4,041	1,634	1,019	561	-	7,783
Disposals	-	-	(357)	(858)	(17)	(6)	-	(1,238)
Reclassification	-	(2)	22	-	(10)	(10)	-	-
Write-off against cost	(1,949)	-	-	-	-	-	-	(1,949)
<b>At the end of the period</b>	<b>-</b>	<b>5,215</b>	<b>40,805</b>	<b>12,392</b>	<b>23,739</b>	<b>12,803</b>	<b>-</b>	<b>94,954</b>
<b>Net Book Amount At September 30, 2017</b>	<b>26,893</b>	<b>32,541</b>	<b>20,322</b>	<b>4,485</b>	<b>2,225</b>	<b>2,226</b>	<b>14,066</b>	<b>102,757</b>
<b>At 31 December, 2016</b>	<b>23,065</b>	<b>29,982</b>	<b>13,181</b>	<b>5,317</b>	<b>2,501</b>	<b>1,604</b>	<b>18,963</b>	<b>94,613</b>



## Notes to the Consolidated And Separate Interim Financial Statements

In millions of Naira

### 36. Intangible assets

#### Computer software

	Group 30-Sep-17	Group 30-Sep-16	Group 31-Dec-16	Bank 30-Sep-17	Bank 30-Sep-16	Bank 31-Dec-16
<b>Cost</b>						
At start of the period	11,998	8,761	8,761	9,761	7,236	7,236
Exchange difference	68	36	410	-	-	-
Reclassification	3,328	-	460	3,328	22	459
Disposal	-	-	(50)	-	-	-
Additions	4,631	1,678	2,417	4,541	1,581	2,066
<b>At end of the period</b>	<b>20,025</b>	<b>10,475</b>	<b>11,998</b>	<b>17,630</b>	<b>8,839</b>	<b>9,761</b>
<b>Accumulated depreciation</b>						
At start of the period	7,353	5,521	5,521	5,858	4,483	4,483
Exchange difference	52	-	442	-	-	-
Reclassification	-	-	-	-	-	-
Disposal	-	-	(45)	-	-	-
Charge for the period	1,163	1,069	1,435	1,019	1,028	1,375
<b>At the end of the period</b>	<b>8,568</b>	<b>6,590</b>	<b>7,353</b>	<b>6,877</b>	<b>5,511</b>	<b>5,858</b>
Carrying amount at period end	11,457	3,885	4,645	10,753	3,328	3,903

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

In millions of Naira	Group			Bank		
	30-Sep-17	30-Sep-16	31-Dec-16	30-Sep-17	30-Sep-16	31-Dec-16
<b>37. Deposits</b>						
Demand	1,551,285	1,366,035	1,463,144	1,240,017	1,068,176	1,215,533
Savings	356,853	331,375	358,951	306,979	259,442	285,250
Term	538,448	447,039	555,547	451,906	398,370	502,418
Domiciliary	615,628	547,536	605,979	554,159	494,327	549,762
	<b>3,062,214</b>	<b>2,691,985</b>	<b>2,983,621</b>	<b>2,553,061</b>	<b>2,220,315</b>	<b>2,552,963</b>
<b>38. Other liabilities</b>						
Settlement payables	22,593	37,318	35,962	22,584	37,160	35,898
Electronic card related payables	2,797	1,861	1,580	2,673	1,687	1,458
Due to banks for clean letters of credit	20,184	85,003	9,720	34,058	124,198	57,077
Managers' cheques	12,776	13,212	13,724	11,941	12,192	12,952
Tax collections	3,050	3,063	2,495	2,897	2,924	2,358
Sales and other collections	32,286	11,069	11,594	32,286	11,069	11,594
Deferred income on financial guarantee contracts	904	93	906	904	93	906
Unclaimed dividend	3,521	2,932	2,932	3,521	2,932	2,932
Provision for claims	-	9,766	8,404	-	9,766	8,404
Customer deposits for letters of credit	90,721	95,964	104,631	90,616	95,747	104,530
Customer's foreign transactions payables	5,462	5,082	6,914	2,565	2,186	3,827
Other payables	11,096	37,149	9,818	10,383	18,298	1,800
	<b>205,390</b>	<b>302,512</b>	<b>208,680</b>	<b>214,428</b>	<b>318,252</b>	<b>243,736</b>

## Notes to the consolidated and separate interim financial statements

In millions of Naira	Group			Bank		
	30-Sep-17	30-Sep-16	31-Dec-16	30-Sep-17	30-Sep-16	31-Dec-16
<b>39. On-lending facilities</b>						
This comprises:						
Central Bank of Nigeria (CBN) Commercial Agriculture Credit Scheme Loan	78,034	34,402	40,908	78,034	34,402	40,908
Bank of Industry (BOI) Intervention Loan	50,391	54,873	53,919	50,391	54,873	53,919
Central Bank of Nigeria (CBN) / Bank of Industry(BOI) - Power & Aviation intervention Funds	8,118	9,930	9,476	8,118	9,930	9,476
CBN MSMEDF Deposit	4,258	1,578	1,665	4,258	1,578	1,665
FGN SSB Intervention Fund	145,017	137,362	147,170	145,017	137,362	147,170
Excess Crude Loan Facility Deposit	94,642	97,978	97,519	94,642	97,978	97,519
	<b>380,460</b>	<b>336,123</b>	<b>350,657</b>	<b>380,460</b>	<b>336,123</b>	<b>350,657</b>
<b>40. Borrowings</b>						
Long term borrowing comprise:						
Due to ADB	33,753	38,642	38,924	33,753	38,642	38,924
Due to KEXIM	6,299	5,691	4,066	6,299	5,691	4,066
Due to EIB	4,222	6,356	6,370	4,222	6,356	6,370
Due to PROPARCO	15,393	19,566	17,205	15,393	19,566	17,205
Due to SMBCE	58,966	113,141	-	58,966	113,141	-
Due to CITIBANK	-	3,855	-	-	3,855	-
Due to AFC	55,626	-	-	55,626	-	-
Due to ABSA bank	46,194	64,021	45,985	46,194	64,021	45,985
Due to J P Morgan Chase bank	22,953	56,574	22,908	22,953	56,574	22,908
Due to Standard Bank	83,745	49,962	71,541	83,745	49,962	71,541
Due to First Rand bank	1,995	-	5,114	1,995	-	5,114
Due to IFC	28,210	20,034	31,016	28,210	20,034	31,016
Due to Citi Global Markets	15,890	-	15,362	15,890	-	15,362
Due to British Arab Bank	5,505	2,613	4,615	5,505	2,613	4,615
Due to Zenith Bank (Uk)	-	9,249	-	7,678	9,249	7,670
Due to Zenith Bank Ghana	-	-	-	50,578	-	22,026
	<b>378,751</b>	<b>389,704</b>	<b>263,106</b>	<b>437,007</b>	<b>389,704</b>	<b>292,802</b>

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

In millions of Naira	Group			Bank		
	30-Sep-17	30-Sep-16	31-Dec-16	30-Sep-17	30-Sep-16	31-Dec-16
<b>41. Debt securities issued</b>						
Due to euro bond holders	312,530	157,803	153,464	312,530	157,803	153,464
	<b>312,530</b>	<b>157,803</b>	<b>153,464</b>	<b>312,530</b>	<b>157,803</b>	<b>153,464</b>
<b>42. Share capital</b>						
<b>Authorised</b>						
40,000,000,000 Ordinary shares of 50k each (September 2016:40,000,000,000)	20,000	20,000	20,000	20,000	20,000	20,000
.						
<b>Issued</b>						
31,396,493,786 ordinary shares of 50k each (September 2015:31,396,493,786)	15,698	15,698	15,698	15,698	15,698	15,698
<b>Issued</b>						
Ordinary	15,698	15,698	15,698	15,698	15,698	15,698
Share premium	255,047	255,047	255,047	255,047	255,047	255,047
	<b>270,745</b>	<b>270,745</b>	<b>270,745</b>	<b>270,745</b>	<b>270,745</b>	<b>270,745</b>

## Zenith Bank Plc

Consolidated And Separate Interim Financial Statements for the period ended September 30, 2017

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

In millions of Naira	Group			Bank		
	30-Sep-17	30-Sep-16	31-Dec-16	30-Sep-17	30-Sep-16	31-Dec-16
<b>43. Share premium</b>						
Share premium	255,047	255,047	255,047	255,047	255,047	255,047

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

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

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

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

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

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

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

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

#### 44. Pension contribution

In accordance with the provisions of the Pensions Reform Act 2014, the bank and its subsidiaries commenced a contributory pension scheme in January 2005. For entities operating in Nigeria, the contribution by employees and the employing entities are 2.5% and 15.5% respectively of the employees' basic salary, housing and transport allowances. Entities operating outside Nigeria contribute in line with the relevant pension laws in their jurisdictions. The contribution by the group and the bank during the period were N2,738 million and N2,148 million respectively (2016: N2,726 million and N2,246 million).

## Notes to the Consolidated And Separate Interim Financial Statements

In millions of Naira

### 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 30 September 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
<b>Domestic / non-banking subsidiaries:</b>		
Zenith Pension Custodians Limited	99.00 %	1,980
	-	<b>33,003</b>

#### Key management personnel

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

#### Key management compensation

##### In millions of Naira

Salaries and other short-term benefits  
Retirement benefit cost  
Allowances

##### At end of of the period

	Group 30-Sep-17	Group 30-Sep-16	Group 31-Dec-16
Salaries and other short-term benefits	848	327	403
Retirement benefit cost	19	18	625
Allowances	138	152	29
	<b>1,005</b>	<b>497</b>	<b>1,057</b>

## Notes to the Consolidated And Separate Interim Financial Statements

In millions of Naira

### 45. Related party transactions (continued)

#### Loans and advances

At start of the period	292	559	559
Granted during the period	-	2	-
Repayment during the period	(106)	(323)	(267)
<b>At end of of the period</b>	<b>186</b>	<b>238</b>	<b>292</b>

#### Interest earned

Loans to key management personnel include mortgage loans and other personal loans which are given under terms that are no more favourable than those given to other staff. No impairment has been recognised in respect of loans granted to key management (2016: Nil). Interest earned on loans to directors for the Group and the Bank are N23million and N21 million respectively. The mortgage loans are secured by the underlying assets. All other loans are unsecured.

#### Group

30 September 2017

In millions of Naira

Name of company / Individual

	Loans	Deposits	Interest received	Interest paid
Sirius Lumina Ltd	88	8	14	-
Barrit Digital Photo Lab & Studio	68	-	7	-
Zenith General Insurance Company	-	873	-	6
Zenith Trustee Limited	-	261	-	1
Directors and Relatives	-	145	4	2
Doris Stephens Ltd	189	2	19	-
Quantum Fund Management	-	19	-	-
<b>At end of of the period</b>	<b>345</b>	<b>1,308</b>	<b>44</b>	<b>9</b>

#### Group

30 September 2016

In millions of Naira

## Notes to the Consolidated And Separate Interim Financial Statements

In millions of Naira

### 45. Related party transactions (continued)

Name of company / Individual	Loans	Deposits	Interest received	Interest paid
Zenith General Insurance Company	-	335	-	-
Zenith Trustee Limited	-	48	-	-
Directors and relatives	-	362	-	-
Quantum Fund Management	-	49	-	-
<b>At end of of the period</b>	<b>-</b>	<b>794</b>	<b>-</b>	<b>-</b>

Loans granted to related parties are secured by real estate and other assets of the respective borrowers. No impairment has been recognised of loans granted to related parties (2015:Nil)

### 46. Acceptances and guarantees

#### (a) Legal proceedings

The Bank is presently involved in 110 litigation suits in its ordinary course of business. The total amount claimed in the cases against the bank is estimated at N9.76 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 N6.09 billion (2016: N3.24 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:



## Notes to the Consolidated And Separate Interim Financial Statements

In millions of Naira

### 46. Acceptances and guarantees (continued)

In millions of Naira	Group 30-Sep-17	Group 30-Sep-16	Group 31-Dec-16	Bank 30-Sep-17	Bank 30-Sep-16	Bank 31-Dec-16
Performance bonds and guarantees	492,573	541,715	560,704	453,550	509,628	513,832
Usance	219,269	132,400	98,761	219,269	132,400	98,761
Letters of credit	367,004	275,879	311,681	274,815	218,433	215,839
Pension Funds (See Note (below))	2,768,017	2,261,789	2,362,349	2,768,017	2,261,850	2,362,349
	<b>3,846,863</b>	<b>3,211,783</b>	<b>3,333,495</b>	<b>3,715,651</b>	<b>3,122,311</b>	<b>3,190,781</b>

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

The amount of N 2,767 billion (2016: N 2,261 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.

### 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-17	Group 30-Sep-16	Group 31-Dec-16	Bank 30-Sep-17	Bank 30-Sep-16	Bank 31-Dec-16
Cash and balances with central banks (less restricted balances)	174,050	86,215	140,874	130,419	53,526	99,378
Treasury bills(maturing within three months)	87,356	79,420	127,068	75,421	63,800	112,575
Due from other banks	520,988	455,823	459,457	343,582	295,775	354,405
	<b>782,394</b>	<b>621,458</b>	<b>727,399</b>	<b>549,422</b>	<b>413,101</b>	<b>566,358</b>

## Notes to the Consolidated And Separate Interim Financial Statements

In millions of Naira

### 47. Cash and cash equivalents (continued)

### 48. Comparative

During the period, the directors of the Bank became aware that its obligation to the Assets Management Company of Nigeria (AMCON) represents a levy which should be charged against the income statement in line with International Financial Reporting Interpretation Committee (IFRIC) 21 Levies. Consequently, the Bank adopted this accounting treatment to recognise this payment as an outright expense and not as a prepayment.

Prior period comparatives for period ended 30 September 2016 have also been adjusted to reflect this principle, as presented in the notes below:

#### (1) Restated Profit After Tax

##### In millions of Naira

Profit After Tax

less: Write-off of unamortised AMCON levy

	Group 30-Sep-16	Bank 31-Dec-16
	100,074	95,878
	(4,688)	(4,688)
	<b>95,386</b>	<b>91,190</b>

#### (II) Restated Operating expenses

##### In millions of Naira

Operating expense

less: Write-off of unamortised AMCON levy

	Group 30-Sep-16	Bank 31-Dec-16
	78,291	70,312
	4,688	4,688
	<b>82,979</b>	<b>75,000</b>

#### (III) Net effect on changes in operating assets and liabilities

##### In millions of Naira

Operating expense

Add: unamortised portion of AMCON levy included in other assets

#### Restated cashflow changes

	(21,157)	(21,241)
	4,688	4,688
	<b>(16,469)</b>	<b>(16,553)</b>