



ZENITH BANK PLC AND SUBSIDIARY COMPANIES
CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014

Zenith Bank Plc and Subsidiary Companies
Consolidated and separate interim financial statements for the period ended 30 September 2014

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Zenith Bank Plc and Subsidiary Companies
Consolidated and separate interim financial statements for the period ended 30 September 2014

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

We the undersigned hereby certify the following regards to our financial report for the period ended 30 September 2014 that:

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



Peter Amangbo

Group Managing Director/CEO

FRC/2013/ICAN/00000001310



Ebenezer Onyeagwu

Executive Director

FRC/2013/ICAN/00000003788

Zenith Bank Plc and Subsidiary Companies

Consolidated and separate interim financial statements for the period ended 30 September 2014

Statements of comprehensive income

	Notes	Group				Bank			
		3 Months 30-Sep-14	9 Months 30-Sep-14	9 Months 30-Sep-13	12 months 31-Dec-13	3 Months 30-Sep-14	9 Months 30-Sep-14	9 Months 30-Sep-13	12 months 31-Dec-13
		N. million	N. million	N. million	N. million	N. million	N. million	N. million	N. million
Gross earnings		88,979	273,738	255,299	351,470	78,897	253,466	225,345	311,275
Continuing operations:									
Interest and similar income	16	73,487	213,011	190,968	260,059	65,178	192,376	179,357	243,852
Interest and similar expense	17	(20,863)	(69,644)	(51,989)	(70,796)	(17,739)	(63,994)	(50,810)	(68,471)
Net interest income		52,624	143,367	138,979	189,263	47,439	128,382	128,547	175,381
Impairment charge for credit losses	18	(1,934)	(4,882)	(5,939)	(11,067)	(1,920)	(4,720)	(5,314)	(9,907)
Net interest income after impairment charge for credit losses		50,690	138,485	133,040	178,196	45,519	123,662	123,233	165,474
Fees and commissions income	19	8,751	34,855	36,490	52,550	5,761	28,098	31,363	47,116
Net gains on financial instruments measured at fair value through profit or loss	20	6,268	24,170	15,525	21,787	7,484	25,094	14,012	19,580
Other income	21	473	1,378	640	754	474	7,898	613	727
Share of profit /(loss) of associates		-	324	-	118	-	-	-	-
Amortisation of Intangible assets		(134)	(522)	(606)	(951)	(177)	(507)	(528)	(844)
Depreciation of property and equipment		(2,573)	(6,942)	(7,216)	(9,766)	(2,351)	(6,401)	(6,653)	(9,015)
Personnel expenses		(17,065)	(50,311)	(39,088)	(59,952)	(15,974)	(47,190)	(36,672)	(56,864)
Operating expenses	22	(17,451)	(54,619)	(58,689)	(76,527)	(15,093)	(49,436)	(55,347)	(72,066)
Profit before minimum tax and income tax from continuing operations		28,959	86,818	80,096	106,209	25,643	81,218	70,021	94,108
Income tax expense from continuing operations		(5,358)	(15,772)	(12,815)	(11,958)	(4,094)	(13,000)	(10,709)	(8,031)
Minimum tax		-	-	-	(2,663)	-	-	-	(2,663)
Profit after tax from continuing operations		23,601	71,046	67,281	91,588	21,549	68,218	59,312	83,414
Discontinued Operations:									
Gross income from discontinued operations		-	-	11,676	16,320	-	-	-	-
Gross expenses from discontinued operations		-	-	(8,735)	(11,932)	-	-	-	-
Profit before tax from discontinued operations		-	-	2,941	4,388	-	-	-	-
Income tax expense from discontinued operations		-	-	(471)	(658)	-	-	-	-
Profit after tax from discontinued operations		-	-	2,470	3,730	-	-	-	-

Zenith Bank Plc and Subsidiary Companies

Consolidated and separate interim financial statements for the period ended 30 September 2014

Statement of comprehensive income

	Group				Bank			
	3 Months 30-Sep-14	9 Months 30-Sep-14	9 Months 30-Sep-13	12 months 31-Dec-13	3 Months 30-Sep-14	9 Months 30-Sep-14	9 Months 30-Sep-13	12 months 31-Dec-13
Notes	N. million	N. million	N. million	N. million	N. million	N. million	N. million	N. million
Continued and Discontinued Operations:								
Profit for the year before tax expense	28,959	86,818	83,037	110,597	25,643	81,218	70,021	94,108
Income tax expense	(5,358)	(15,772)	(13,286)	(15,279)	(4,094)	(13,000)	(10,709)	(10,694)
Profit for the year after tax	23,601	71,046	69,751	95,318	21,549	68,218	59,312	83,414
Other comprehensive income:								
Items that will never be reclassified to profit or loss								
Fair value movements on equity instruments	-	-	(11)	549	-	-	-	549
Related tax credit / (expense)	-	-	-	890	-	-	-	890
Fair value movements on equity instruments - discontinued operations	-	-	-	(225)	-	-	-	-
Items that are or may be reclassified to profit or loss								
Foreign currency translation differences	7,945	3,481	(356)	(2,070)	-	-	-	-
Effective portion of changes in fair value of cash flow hedges	-	-	-	2,771	-	-	-	-
Related tax expense	-	-	-	(760)	-	-	-	-
Other comprehensive income for the period, net of tax	7,945	3,481	(367)	1,155	-	-	-	1,439
Total comprehensive income for the period	31,546	74,527	69,384	96,473	21,549	68,218	59,312	84,853
Profit attributable to:								
Equity holders of the parent	23,577	70,923	69,193	94,576	21,549	68,218	59,312	83,414
Non-controlling interests	24	123	558	742	-	-	-	-
Total comprehensive income attributable to:								
Equity holders of the parent	31,510	74,497	68,854	95,746	21,549	68,218	59,312	84,853
Non-controlling interests	36	30	530	727	-	-	-	-

Zenith Bank Plc and Subsidiary Companies

Consolidated and separate interim financial statements for the period ended 30 September 2014

Statement of comprehensive income

		Group				Bank			
		3 Months 30-Sep-14	9 Months 30-Sep-14	9 Months 30-Sep-13	12 months 31-Dec-13	3 Months 30-Sep-14	9 Months 30-Sep-14	9 Months 30-Sep-13	12 months 31-Dec-13
	Notes	N. million	N. million	N. million	N. million	N. million	N. million	N. million	N. million
Profit from continuing operations attributable to:									
Equity holders of the parent		23,577	70,923	67,178	91,411	21,549	68,218	59,312	83,414
Non-controlling interest		24	123	103	177	-	-	-	-
Earnings per share for profit from total operations attributable to equity holders of parent									
Basic and diluted	25	75 k	226 k	220 k	301 k	69 k	217 k	189 k	266 k
Earnings per share for profit from continuing operations attributable to equity holders of parent									
Basic and diluted	25	75 k	226 k	214 k	291 k	69 k	217 k	189 k	266 k

Zenith Bank Plc and Subsidiary Companies

Consolidated and separate interim financial statements for the period ended 30 September 2014

Statements of financial position as at 30 September 2014

		Group			Bank		
	Note(s)	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million
Assets							
Cash and balances with central banks	26	556,330	535,092	603,851	533,825	518,324	587,793
Treasury bills	27	445,485	464,899	586,441	377,952	404,295	572,598
Due from other banks	28	426,165	284,343	256,729	424,907	314,720	249,524
Derivative assets held for risk management	29	1,970	-	2,681	-	-	-
Loans and advances	30	1,526,109	1,108,872	1,251,355	1,389,341	988,762	1,126,559
Investment securities	31	319,372	273,626	303,125	223,950	228,442	212,523
Investments in subsidiaries	32	-	-	-	24,827	24,375	24,375
Investments in associates	33	548	227	165	90	270	90
Deferred tax assets	34	36	389	749	-	-	-
Other assets	35	59,653	85,255	36,238	41,819	83,362	31,415
Assets classified as held for sale		-	27,806	30,454	-	5,889	4,749
Property and equipment	36	70,951	70,777	69,410	69,094	68,583	67,364
Intangible assets	37	2,014	1,475	1,935	1,739	1,218	1,703
Total assets		3,408,633	2,852,761	3,143,133	3,087,544	2,638,240	2,878,693
Liabilities							
Customers' deposits	38	2,309,614	2,033,971	2,276,755	2,034,058	1,858,019	2,079,862
Current income tax		1,778	1,864	7,017	95	598	5,266
Deferred income tax liabilities	34	482	5,578	678	-	5,573	-
Other liabilities	39	274,698	227,162	215,643	269,366	234,328	201,265
On-lending facilities	40	92,176	61,041	59,528	92,176	61,041	59,528
Borrowings	41	205,953	31,600	60,150	205,953	31,600	60,150
Liabilities classified as held for sale		-	9,036	14,111	-	-	-
Total liabilities		2,884,701	2,370,252	2,633,882	2,601,648	2,191,159	2,406,071

Zenith Bank Plc and Subsidiary Companies

Consolidated and separate interim financial statements for the period ended 30 September 2014

Statements of financial position as at 30 September 2014

		Group			Bank		
	Note(s)	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million
Capital and reserves							
Share capital	43	15,698	15,698	15,698	15,698	15,698	15,698
Share premium		255,047	255,047	255,047	255,047	255,047	255,047
Retained earnings		176,856	148,858	161,144	139,952	115,088	126,678
Other reserves		75,834	59,160	73,347	75,199	61,248	75,199
Attributable to equity holder of the parent		523,435	478,763	505,236	485,896	447,081	472,622
Non-controlling interests		497	3,746	4,015	-	-	-
Total shareholders' equity		523,932	482,509	509,251	485,896	447,081	472,622
Total liabilities and equity		3,408,633	2,852,761	3,143,133	3,087,544	2,638,240	2,878,693

Zenith Bank Plc and Subsidiary Companies

Consolidated and separate interim financial statements for the period ended 30 September 2014

Statements of cash flows

	Group			Bank			
	Note(s)	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million
Cash flows from operating activities							
Profit after tax for the period		71,046	69,751	95,318	68,218	59,312	83,414
Adjustments for:							
Depreciation of property and equipment		6,942	7,216	9,766	6,401	6,653	9,015
Amortisation of intangible assets		522	606	951	507	528	844
Profit on sale of property and equipment		(201)	(158)	(151)	(197)	(131)	(124)
share of (profit)/loss of associates		(324)	-	(118)	-	-	-
Dividend income		(421)	(303)	(303)	(421)	(303)	(303)
Interest received		(213,011)	(190,968)	(260,059)	(192,376)	(179,357)	(243,852)
Interest and similar expense		69,644	51,989	70,796	63,994	50,810	68,471
Fair value adjustments		-	-	(64)	-	-	(39)
Impairment							
-Impairment on loans and leases		4,882	5,939	11,067	4,720	5,314	9,907
-Investment in associates		-	190	371	-	190	371
Gain on disposal of subsidiaries		(510)	-	-	(7,033)	-	-
Tax expenses		15,772	13,286	15,279	13,000	10,709	10,694
Changes in operating assets and liabilities:							
Other assets		(23,419)	(56,590)	(7,573)	(10,404)	(66,548)	(14,601)
Debt securities		(17,712)	27,718	(3,716)	(16,060)	28,463	45,670
Loans and advances		(275,102)	(124,733)	(272,085)	(262,782)	(98,722)	(241,112)
Treasury bills with maturity greater than 3 months		(24,195)	209,622	157,139	11,523	216,021	151,982
Restricted balances (cash reserves)		(42,931)	(158,979)	(168,557)	(42,931)	(159,444)	(169,009)
Other liabilities		59,055	109,807	98,288	68,101	119,301	86,238
Net asset of disposed subsidiary		(16,343)	-	-	-	-	-
Customer deposits		32,859	104,727	347,511	(45,804)	56,011	277,854
		(353,447)	69,120	93,860	(341,544)	48,807	75,420
Interest received		213,011	190,968	260,059	192,376	179,357	243,852
Interest paid		(69,644)	(51,989)	(70,796)	(63,994)	(50,810)	(68,471)
Tax paid		(19,251)	(17,591)	(19,724)	(16,924)	(15,182)	(15,182)
Cash flows from discontinued operations		(11,078)	(2,012)	2,180	-	-	-
Net cash flows(used in)/generated from operating activities		(240,409)	188,496	265,579	(230,086)	162,172	235,619

Zenith Bank Plc and Subsidiary Companies

Consolidated and separate interim financial statements for the period ended 30 September 2014

Statements of cash flows

		Group			Bank		
	Note(s)	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million
Cash flows from investing activities							
Purchase of property and equipment	36	(8,810)	(9,114)	(10,772)	(8,174)	(8,593)	(9,826)
Proceeds from sale of property and equipment		411	168	218	240	139	163
Proceed from sale of subsidiaries		9,995	-	-	9,995	-	-
Purchase of intangible assets	37	(625)	(670)	(1,421)	(543)	(571)	(1,313)
Purchase of equity securities		-	-	(700)	-	-	(700)
Proceeds from sale of associate		-	-	2	-	-	2
Net asset held for sale		-	-	-	-	-	5,589
Investment in associates		-	3	-	-	3	-
Net cash flows of discontinued operations		3,970	541	1,845	-	4,449	-
Dividend received		421	303	303	421	303	303
Net cash from/(used) in investing activities		5,362	(8,769)	(10,525)	1,939	(4,270)	(5,782)
Cash flows from financing activities							
On-lending facilities		32,649	4,975	3,462	32,649	4,975	3,462
Borrowings							
- inflow from long term borrowing		149,303	21,631	50,209	149,303	21,631	50,209
- repayment of long term borrowing		(3,500)	(5,169)	(5,197)	(3,500)	(5,169)	(5,197)
Dividends paid		(54,945)	(50,234)	(50,234)	(54,944)	(50,234)	(50,234)
Net cash from changes in ownership interest in subsidiaries		3,512	-	56	-	-	-
Net cash from/(used) in financing activities		127,019	(28,797)	(1,704)	123,508	(28,797)	(1,760)
(Decrease)/Increase in cash and cash equivalent		(108,028)	150,930	253,350	(104,639)	129,105	228,077
Cash at the beginning of the period		866,721	614,817	614,817	841,477	613,400	613,400
Cash and cash equivalents from discontinued operations		23,451	3,069	143	-	-	-
Effect of exchange rate movement on cash balances		(1,580)	(2,721)	(1,589)	-	-	-
Cash and cash equivalent at the end of the period/year	50	780,564	766,095	866,721	736,838	742,505	841,477

Zenith Bank Plc and Subsidiary Companies

Consolidated and separate interim financial statements for the period ended 30 September 2014

Consolidated and separate statements of changes in equity

	Share capital	Share premium	Total share capital	Foreign currency translation reserve	Hedging reserve	Revaluation reserve	Statutory reserve	SMIEIS reserve	Credit risk reserve	Contingency reserve	Retained earnings	Total	Non-controlling interest	Total equity
	N. million	N. million	N. million	N. million	N. million	N. million	N. million	N. million	N. million	N. million	N. million	N. million	N. million	N. million
Group														
At 01 January 2014	15,698	255,047	270,745	(5,683)	1,972	3,499	57,762	3,729	10,697	1,371	161,144	505,236	4,015	509,251
Profit for the period	-	-	-	-	-	-	-	-	-	-	70,923	70,923	123	71,046
Other comprehensive income	-	-	-	3,574	-	-	-	-	-	-	-	3,574	(93)	3,481
Total comprehensive income for the period	-	-	-	3,574	-	-	-	-	-	-	70,923	74,497	30	74,527
Transfer between reserves	-	-	-	-	-	-	-	-	266	-	(266)	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	(54,945)	(54,945)	-	(54,945)
Disposal of subsidiaries	-	-	-	-	-	18	-	-	-	(1,371)	-	(1,353)	(3,548)	(4,901)
At 30 September 2014	15,698	255,047	270,745	(2,109)	1,972	3,517	57,762	3,729	10,963	-	176,856	523,435	497	523,932
At 01 January 2013	15,698	255,047	270,745	(3,667)	-	2,285	45,199	3,729	10,243	997	130,153	459,684	3,272	462,956
Profit for the period	-	-	-	-	-	-	12,563	-	-	374	81,639	94,576	742	95,318
Other comprehensive income	-	-	-	(2,016)	1,972	1,214	-	-	-	-	-	1,170	(15)	1,155
Total comprehensive income for the period	-	-	-	(2,016)	1,972	1,214	12,563	-	-	374	81,639	95,746	727	96,473
Transfer between reserves	-	-	-	-	-	-	-	-	454	-	(454)	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	(50,234)	(50,234)	-	(50,234)
Changes in ownership interest - control not lost	-	-	-	-	-	-	-	-	-	-	40	40	16	56
At 31 December 2013	15,698	255,047	270,745	(5,683)	1,972	3,499	57,762	3,729	10,697	1,371	161,144	505,236	4,015	509,251

Zenith Bank Plc and Subsidiary Companies

Consolidated and separate interim financial statements for the period ended 30 September 2014

Consolidated and separate statements of changes in equity

	Share capital	Share premium	Total share capital	Foreign currency translation reserve	Hedging reserve	Revaluation reserve	Statutory reserve	SMIEIS reserve	Credit risk reserve	Contingency reserve	Retained earnings	Total	Non- controlling interest	Total equity
	N. million	N. million	N. million	N. million	N. million	N. million	N. million	N. million	N. million	N. million	N. million	N. million	N. million	N. million
Bank														
At 01 January 2014	15,698	255,047	270,745	-	-	3,517	57,710	3,729	10,243	-	126,678	472,622	-	472,622
Profit for the period	-	-	-	-	-	-	-	-	-	-	68,218	68,218	-	68,218
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	68,218	68,218	-	68,218
Dividends	-	-	-	-	-	-	-	-	-	-	(54,944)	(54,944)	-	(54,944)
At 30 September 2014	15,698	255,047	270,745	-	-	3,517	57,710	3,729	10,243	-	139,952	485,896	-	485,896
At 01 January 2013	15,698	255,047	270,745	-	-	2,078	45,198	3,729	10,243	-	106,010	438,003	-	438,003
Profit for the period	-	-	-	-	-	-	-	-	-	-	83,414	83,414	-	83,414
Other comprehensive income	-	-	-	-	-	1,439	-	-	-	-	-	1,439	-	1,439
Total comprehensive income for the period	-	-	-	-	-	1,439	-	-	-	-	83,414	84,853	-	84,853
Transfer between reserves	-	-	-	-	-	-	12,512	-	-	-	(12,512)	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	(50,234)	(50,234)	-	(50,234)
At 31 December 2013	15,698	255,047	270,745	-	-	3,517	57,710	3,729	10,243	-	126,678	472,622	-	472,622

Zenith Bank Plc and Subsidiary Companies

Consolidated and separate interim financial statements for the period ended 30 September 2014

1. The Bank

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

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

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

2. Condensed statement of accounting policies

Interim Financial Statements

The Condensed Financial Statements of Zenith Bank PLC and its subsidiaries (together "The Group") for the third quarter ended 30 September 2014 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 2013, 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 2013 IFRS Financial Statements)).

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

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

3. Seasonality of operations

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

4. Unusual items

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

5. Changes in Estimates

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

6. Issuance, repurchases and repayment of debts and equity securities

During the period under review, Eurobond debt securities were issued that resulted in an external inflow into the Group.

7. Dividends

The directors did not recommend the payment of any dividend for the Group's third quarter results to 30 September 2014 (30 September 2013: NIL).

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8. 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.

9. Business combinations

There was no business combination during the period.

10. Restructuring and reversals of restructuring provisions

No reversals of provision for restructuring were made in the Group's books in the current period as there were no restructuring during the period neither were there reversal of previous restructuring arrangements for third quarter results to 30 September 2014 (30 September 2013: NIL).

11. Discontinued operations

Assets and liabilities classified as held for sale and discontinued operations represent balances to be recovered primarily through sale, rather than through continuing operation and are subsequently measured at the lower of the carrying amount or fair value less cost of sale. On 4th February 2011, the Board of Directors decided to replace the universal banking licence currently held by the bank with a commercial banking licence that has international authorization. This is in compliance with the CBN's Regulation on the Scope of Banking Activities and Ancillary Matters 2010. The Bank has submitted a compliance plan which includes the necessary steps to exit from non-core banking activities (except the pension custodianship business). Subsequent to that decision, the Bank has divested from Zenith Registrars Limited in 2012 and in March 2014, divestments from Zenith General Insurance Limited, Zenith Life Assurance Limited, Zenith Capital Limited and Zenith Securities limited were concluded.

12. 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.

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

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

14. Litigation settlements

There was litigation settlements of 101 million Naira in the third quarter ended 30 September 2014 (30 September 2013: N22 million).

15. Segment

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

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Figures in Naira million

	Nigeria	Outside Nigeria Africa	Europe	Total reportable segments	Eliminations	Consolidated
In millions of Naira						
30 September 2014						
Revenue:						
Derived from external customers	258,286	15,868	5,082	279,236	-	279,236
Derived from other business segments	1,034	-	2,776	3,810	(9,308)	(5,498)
Total revenue*	259,320	15,868	7,858	283,046	(9,308)	273,738
Interest expense	(65,775)	(4,689)	(3,692)	(74,156)	3,810	(70,346)
Impairment charge for credit losses	(4,535)	(185)	(162)	(4,882)	-	(4,882)
Operating and underwriting expenses	(105,672)	(4,321)	(1,699)	(111,692)	-	(111,692)
Profit before tax	83,338	6,673	2,305	92,316	5,498	86,818
Tax expense	(13,553)	(551)	(559)	(15,772)	-	(15,772)
	69,785	6,122	1,746	76,544	5,498	71,046

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Figures in Naira million

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

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

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

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Figures in Naira million

	Corporate retail and pension custodian services (continued operations)	Nigeria All Discontinued operations	Insurance (Discontinued operations)	Outside Nigeria Africa (continuing operations)	Banking Europe (continuing operations)	Total reportable segments	Total other segments (Discontinued operations)	Total reportable segments	Eliminations	Consolidated
In millions of Naira										
September 30, 2013										
Revenue:										
Derived from external customers	227,743	354	9,644	13,537	3,990	255,268	31	255,299	-	255,299
Derived from other business segments	857	239	1,408	-	1,924	4,428	-	4,428	(4,428)	-
Total revenue*	228,600	593	11,052	13,537	5,914	259,696	31	259,727	(4,428)	255,299
Interest expense	(50,810)	-	-	(3,097)	(2,510)	(56,417)	-	(56,417)	4,428	(51,989)
Impairment charge for credit losses	(5,314)	-	(212)	(625)	-	(6,151)	-	(6,151)	-	(6,151)
Operating and underwriting expenses	(99,330)	(262)	(8,246)	(4,699)	(1,570)	(114,107)	(15)	(114,122)	-	(114,122)
Profit before tax	73,146	331	2,594	5,116	1,834	83,021	16	83,037	-	83,037
Tax expense	(11,644)	(80)	(385)	(713)	(458)	(13,280)	(5)	(13,285)	-	(13,285)
	61,502	251	2,209	4,403	1,376	69,741	11	69,752	-	69,752

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Figures in Naira million

	Corporate retail and pension custodian services (continued operations)	Nigeria All Discontinued operations	Insurance (Discontinued operations)	Outside Nigeria Africa (continuing operations)	Banking Europe (continuing operations)	Total reportable segments	Total other segments (Discontinued operations)	Total reportable segments	Eliminations	Consolidated
In millions of Naira September 30, 2013										
Capital expenditure**	9,247	-	209	441	96	9,784	209	9,993	-	9,993
Identifiable assets	2,648,210	3,506	25,764	137,488	208,579	2,994,277	29,270	3,023,547	(170,786)	2,852,761
Identifiable liabilities	2,192,464	464	9,023	119,203	189,620	2,501,287	9,487	2,510,774	(140,522)	2,370,252

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

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

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	Group				Bank			
	3 Months 30-Sep-14 N. million	9 Months 30-Sep-14 N. million	9 Months 30-Sep-13 N. million	12 months 31-Dec-13 N. million	3 Months 30-Sep-14 N. mil	9 Months 30-Sep-14 N. million	9 Months 30- Sep-13 N. million	12 months 31-Dec-13 N. million

16. Interest and similar income

Government and other bonds	8,315	25,016	23,023	35,947	6,163	18,283	18,891	26,322
Inter-bank placement	1,937	4,271	2,897	4,655	2,635	6,774	4,701	7,468
Loans and advances to customers	52,185	141,814	101,194	141,729	46,678	130,518	94,837	133,755
Treasury bills	11,050	41,910	63,854	77,728	9,702	36,801	60,928	76,307
	73,487	213,011	190,968	260,059	65,178	192,376	179,357	243,852

17. Interest and similar expense

Current accounts	951	2,969	3,301	4,223	935	2,919	3,262	4,159
Borrowed funds	2,305	4,611	704	1,458	2,305	4,611	704	1,458
Savings accounts	1,422	3,871	2,668	3,825	1,409	3,830	2,627	3,772
Inter-bank takings	188	2,645	1,418	2,478	-	-	-	-
Time deposits	15,997	55,548	43,898	58,812	13,090	52,634	44,217	59,082
	20,863	69,644	51,989	70,796	17,739	63,994	50,810	68,471

18. Impairment charge

Overdrafts	1,934	4,789	4,856	8,059	1,920	4,720	4,952	6,899
Term loans	-	93	1,210	2,774	-	-	488	2,774
On-lending facilities	-	-	(143)	179	-	-	(143)	179
Advances under finance lease	-	-	16	55	-	-	17	55
	1,934	4,882	5,939	11,067	1,920	4,720	5,314	9,907

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	Group				Bank			
	3 Months 30-Sep-14 N. million	9 Months 30-Sep-14 N. million	9 Months 30-Sep-13 N. million	12 months 31-Dec-13 N. million	3 Months 30-Sep-14 N. mil	9 Months 30-Sep-14 N. million	9 Months 30- Sep-13 N. million	12 months 31-Dec-13 N. million
19. Fees and commission income								
Credit related fees	1,584	6,595	7,987	11,206	932	4,680	4,712	9,033
Commission on turnover	4,584	17,649	18,081	27,033	3,791	16,920	19,335	26,076
Income from financial guarantee contracts issued	550	1,938	1,916	2,525	531	1,801	1,745	2,304
Fees on electronic products	163	1,234	1,955	2,509	105	1,106	1,887	2,411
Foreign currency transaction fees and commissions	367	1,051	872	1,329	329	929	848	1,167
Other fees and commissions	1,503	6,388	5,679	7,948	73	2,662	2,836	6,125
	8,751	34,855	36,490	52,550	5,761	28,098	31,363	47,116
20. Net gains on financial instruments measured at fair value through profit or loss								
Foreign exchange trading income	5,882	22,902	14,871	20,945	7,098	23,826	13,358	18,763
Treasury bill trading income	275	1,068	616	778	275	1,068	616	778
Bond trading income	111	200	38	64	111	200	38	39
	6,268	24,170	15,525	21,787	7,484	25,094	14,012	19,580
21. Other income								
Rental income	-	15	-	73	-	15	-	73
Income on cash handling	107	231	179	227	107	232	179	227
Gain on disposal of subsidiary	-	510	-	-	-	7,033	-	-
Dividend Income from equity instruments	321	421	303	303	321	421	303	303
Gain on disposal of property and equipment	45	201	158	151	46	197	131	124
	473	1,378	640	754	474	7,898	613	727

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.

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	Group				Bank			
	3 Months 30-Sep-14 N. million	9 Months 30-Sep-14 N. million	9 Months 30-Sep-13 N. million	12 months 31-Dec-13 N. million	3 Months 30-Sep-14 N. mil	9 Months 30-Sep-14 N. million	9 Months 30- Sep-13 N. million	12 months 31-Dec-13 N. million
22. Operating expenses								
Auditors' remuneration	113	362	259	420	105	315	234	329
Directors' emolument	134	232	555	675	115	170	292	429
Deposit insurance premium	2,300	6,901	6,088	8,279	2,300	6,901	6,088	8,279
AMCON	3,598	10,795	10,000	17,553	3,598	10,795	10,000	17,553
Advertisement	1,073	3,512	2,597	3,370	1,038	3,424	2,499	3,241
Bank charges	173	998	976	1,166	136	913	908	1,025
Fines and penalties	6	6	-	-	6	6	-	-
Information technology	992	2,326	1,369	3,389	932	2,168	1,345	3,154
Insurances	333	962	999	1,335	318	920	957	1,280
Operating lease	606	1,894	1,843	2,496	464	1,455	1,363	1,882
Professional fees	957	2,005	1,471	1,891	885	1,766	1,295	1,621
Expenses on electronic products	238	2,142	2,073	2,954	202	2,055	2,026	2,892
Printing and stationery	198	680	933	1,148	154	535	756	948
Fuel and maintenance	1,501	6,138	6,368	9,472	1,024	4,337	5,893	8,604
Security and cash handling	2,351	7,608	9,536	12,609	2,315	7,499	9,440	12,480
Licenses, registrations and subscriptions	580	1,915	1,828	2,383	536	1,812	1,733	2,242
Training and development	257	1,567	1,097	1,421	229	1,470	1,043	1,339
Travel and hotel expenses	357	1,029	830	1,154	258	746	585	824
Other expenses	1,684	3,547	9,867	4,812	478	2,149	8,890	3,944
	17,451	54,619	58,689	76,527	15,093	49,436	55,347	72,066

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	Group				Bank			
	3 Months 30-Sep-14 N. million	9 Months 30-Sep-14 N. million	9 Months 30-Sep-13 N. million	12 months 31-Dec-13 N. million	3 Months 30-Sep-14 N. mil	9 Months 30-Sep-14 N. million	9 Months 30- Sep-13 N. million	12 months 31-Dec-13 N. million

23. Taxation

Major components of the tax expense

Minimum tax	-	-	-	2,663	-	-	-	2,663
Current								
Corporate tax	5,358	15,772	12,112	4,363	4,094	13,000	10,009	-
Excess dividend tax	-	-	-	11,773	-	-	-	11,773
Information technology tax	-	-	700	941	-	-	700	941
Origination and reversal of temporary deferred tax differences	-	-	3	(5,119)	-	-	-	(4,683)
Discontinued tax	-	-	471	658	-	-	-	-
Total tax expense	5,358	15,772	13,286	15,279	4,094	13,000	10,709	10,694

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

	Group 30-Sept-14 N.million	Group 30-Sept-13 N.million	Group 31-Dec-13 N.million	Bank 30-Sept-14 N.million	Bank 30-Sept-13 N.million	Bank 30-Dec-13 N.million
At start of the period	7,017	6,577	6,577	5,266	5,071	5,071
Tax paid(continuing operations)	(19,251)	(17,111)	(18,690)	(16,924)	(15,182)	(15,182)
Tax effect of translation	(513)	(414)	(610)	-	-	-
Minimum tax charge	-	-	2,663	-	-	2,663
Income tax charge	15,722	12,812	17,077	13,000	10,709	12,714
Prior period over provision	(1,247)	-	-	(1,247)	-	-
At the end of the period	1,728	1,864	7,017	95	598	5,266

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	Group				Bank			
	3 Months 30-Sep-14 N. million	9 Months 30-Sep-14 N. million	9 Months 30-Sep-13 N. million	12 months 31-Dec-13 N. million	3 Months 30-Sep-14 N. mil	9 Months 30-Sep-14 N. million	9 Months 30- Sep-13 N. million	12 months 31-Dec-13 N. million

24. Profit for the period from discontinued operations

Interest and similar income	-	-	-	2,349
Impairment charge for credit losses	-	-	-	(109)
Net interest income after impairment charge for credit losses	-	-	-	2,240
Fee and commission income	-	-	-	253
Underwriting profit	-	-	-	4,270
Gross premium income	-	-	-	10,527
Reinsurances/ coinsurances	-	-	-	(2,550)
Net premiums underwritten	-	-	-	7,977
Commission earned	-	-	-	644
Claims recovered	-	-	-	2,367
Claim expenses	-	-	-	(5,208)
Acquisition costs	-	-	-	(1,344)
Transfer to/ (from) profit and loss	-	-	-	(166)
Other income	-	-	-	180
Operating expenses	-	-	-	(2,555)
Profit before tax on discontinued operations	-	-	-	4,388
Taxation	-	-	-	(658)
Profit after tax on discontinued operations	-	-	-	3,730

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	Group				Bank			
	3 Months 30-Sep-14 N. million	9 Months 30-Sep-14 N. million	9 Months 30-Sep-13 N. million	12 months 31-Dec-13 N. million	3 Months 30-Sep-14 N. mil	9 Months 30-Sep-14 N. million	9 Months 30- Sep-13 N. million	12 months 31-Dec-13 N. million
25. Earnings per share								
Profit attributable to shareholders of the Bank (total operations) (N'million)	23,607	71,046	69,193	94,576	21,549	68,218	59,312	83,414
Profit attributable to shareholders of the Bank (continuing operations) (N'million)	23,577	70,923	67,178	91,411	21,549	68,218	59,312	83,414
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 (total operations)	75 k	226 k	220 k	301 k	69 k	217 k	189 k	266 k
Basic earnings per share (continuing operations)	75 k	226 k	214 k	291 k	69 k	217 k	189 k	266 k

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	Group			Bank		
	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million
26. Cash and balances with central banks						
Cash	51,572	29,946	44,512	47,480	25,545	38,521
Operating accounts with Central Banks	113,144	166,031	210,646	94,788	153,718	200,646
Mandatory reserve deposits with central bank	391,614	339,115	348,693	391,557	339,061	348,626
	556,330	535,092	603,851	533,825	518,324	587,793

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.

27. Treasury bills

Treasury bills (FVTPL)	12,204	-	-	12,204	-	-
Treasury bills (Amortized cost)	433,281	464,899	586,441	365,748	404,295	572,598
	445,485	464,899	586,441	377,952	404,295	572,598

The following treasury bills have maturities less than three months and are classified as cash and cash equivalents for purposes of the statements of cash flows

Treasury bills less than 3 months maturity	189,683	285,773	354,834	169,663	248,522	352,786
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28. Due from other banks

Current balances with banks within Nigeria	41	10,425	11,384	-	-	-
Current balances with banks outside Nigeria	230,871	248,041	109,791	273,613	314,683	152,267
Placements with banks and discount houses	195,253	25,877	135,554	151,294	37	97,257
	426,165	284,343	256,729	424,907	314,720	249,524

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	Group			Bank		
	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million
29. Derivative assets held for risk management						
Effective portion of changes in fair value of cash flow hedges	1,970	-	2,681	-	-	-
30. Loans and advances to customers						
Overdrafts	472,725	348,214	351,642	448,863	325,151	321,361
Term loans	981,243	724,653	858,389	865,991	624,912	761,183
On-lending facilities	87,738	53,016	52,693	87,738	53,016	52,693
Advances under finance lease	13,418	14,625	13,398	13,287	14,297	13,141
Gross loans and advances to customers	1,555,124	1,140,508	1,276,122	1,415,879	1,017,376	1,148,378
Less: Allowances for impairment	(29,015)	(31,636)	(24,767)	(26,538)	(28,614)	(21,819)
Specific allowances for impairment	(6,969)	(12,295)	(7,972)	(4,963)	(9,771)	(5,600)
Collective allowance for impairment	(22,046)	(19,341)	(16,795)	(21,575)	(18,843)	(16,219)
Net loans and advances to customers	1,526,109	1,108,872	1,251,355	1,389,341	988,762	1,126,559
Overdrafts						
Gross Overdrafts	472,725	348,214	351,642	448,863	325,151	321,361
Less: Allowances for impairment	(22,265)	(24,001)	(15,634)	(19,789)	(20,978)	(12,890)
Specific allowances for impairment	(5,324)	(10,933)	(5,867)	(3,318)	(8,409)	(3,695)
Collective allowance for impairment	(16,942)	(13,068)	(9,767)	(16,471)	(12,569)	(9,195)
Net Overdrafts	450,459	324,213	336,008	429,074	304,173	308,471

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	Group			Bank		
	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million
Term loans						
Gross Term loans	981,243	724,653	858,389	865,991	624,912	761,184
Less: Allowances for impairment	(6,286)	(6,821)	8,280	(6,286)	(6,821)	(8,076)
Specific allowances for impairment	(1,645)	(1,183)	(1,926)	(1,645)	(1,183)	(1,726)
Collective allowance for impairment	(4,641)	(5,638)	(6,354)	(4,641)	(5,638)	(6,350)
Net Term loans	974,957	717,832	850,109	859,705	618,091	753,108
On-lending facilities						
Gross On-lending facilities	87,738	53,016	52,693	87,738	53,016	52,693
Less: Allowances for impairment	(397)	(714)	(714)	(397)	(714)	(714)
Specific allowances for impairment	-	(179)	(179)	-	(179)	(179)
Collective allowance for impairment	(397)	(535)	(535)	(397)	(535)	(535)
Net On-lending facilities	87,341	52,302	51,979	87,341	52,302	51,979
Advances under finance lease						
Gross Advances under finance lease	13,418	14,625	13,398	13,287	14,297	13,141
Less: Allowances for impairment - collective	(66)	(100)	(139)	(66)	(101)	(139)
Net Advances under finance lease	13,352	14,525	13,259	13,221	14,196	13,002

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Figures in Naira million

Reconciliation of impairment allowance on loans and advances to customers

Group	Overdrafts	Term loans	On-lending facilities	Advances under finance lease	Total
Balance at 01 January 2014	15,839	8,076	714	139	24,768
Specific impairment	5,887	1,726	179	-	7,792
Collective impairment	9,952	6,350	535	139	16,976
Additional impairment for the period	4,789	93	-	-	4,882
Specific impairment	1,472	198	-	-	1,670
Collective impairment	3,317	(105)	-	-	3,212
Amounts recovered during the year impairment no longer required	2,783	-	-	-	2,783
Foreign currency translation and other adjustments	(192)	(94)	-	-	(286)
Write-offs	(953)	(1,788)	(317)	(73)	(3,131)
Balance at 30 September 2014	22,266	6,287	397	66	29,016
Specific impairment	5,324	1,645	-	-	6,969
Collective impairment	16,942	4,642	397	66	22,047

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Balance at 01 January 2013	17,896	5,875	857	84	-	-	24,712
Specific impairment	9,713	888	-	-	-	-	10,601
Collective impairment	8,183	4,987	857	84	-	-	14,111
Additional impairment for the period	4,856	1,210	(143)	16	-	-	5,939
Specific impairment	(29)	559	179	-	-	-	709
Collective impairment	4,885	651	(322)	16	-	-	5,230
Amounts recovered during the year impairment no longer required	1,265	-	-	-	-	-	1,265
Foreign currency translation and other adjustments	-	(264)	-	-	-	-	(264)
Write-offs	(16)	-	-	-	-	-	(16)
Balance at 30 September 2013	24,001	6,821	714	100	-	-	31,636
Specific impairment	10,933	1,183	179	-	-	-	12,295
Collective impairment	13,068	5,638	535	100	-	-	19,341

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Bank

	Overdrafts	Term loans	On-lending facilities	Advances under finance lease	Total
	N. million	N. million	N. million	N. million	N. million
Balance at 01 January 2014	12,890	8,076	714	139	21,819
Specific impairment	3,695	1,726	179	-	5,600
Collective impairment	9,195	6,350	535	139	16,219
Additional impairment for the period	4,720	-	-	-	4,720
Collective impairment	4,720	-	-	-	4,720
Amounts recovered during the year impairment no longer required	2,555	-	-	-	2,555
Write-offs	(376)	(1,789)	(317)	(73)	(2,555)
Balance at 30 September 2014	19,789	6,287	397	66	26,539
Specific impairment	3,318	1,645	-	-	4,963
Collective impairment	16,471	4,641	397	66	21,575
Balance at 1 January 2013	14,777	5,719	857	84	21,437
Specific impairment	7,634	734	-	-	8,368
Collective impairment	7,143	4,985	857	84	13,069
Additional impairment for the period	4,952	488	(143)	17	5,314
Specific impairment	(474)	(165)	179	-	(460)
Collective impairment	5,426	653	(322)	17	5,774
Amounts recovered during the year impairment no longer required	1,265	614	-	-	1,879
Write-offs	(16)	-	-	-	(16)
Balance at 30 September 2013	20,978	6,821	714	101	28,614
Specific impairment	8,409	1,183	179	-	9,771
Collective impairment	12,569	5,638	535	101	18,843

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	Group			Bank		
	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million
30(c) Advances under finance leases						
Gross investment	17,586	20,832	19,381	17,414	20,335	19,058
Less: Unearned income	(4,168)	(6,207)	(5,983)	(4,127)	(6,038)	(5,917)
Net Investment	13,418	14,625	13,398	13,287	14,297	13,141
The net investment may be analysed as follows:						
No later than 1 year	1,406	1,387	2,177	2,084	1,342	2,062
Later than 1 year and no later than 5 years	12,012	13,238	11,221	11,203	12,955	11,079
	13,418	14,625	13,398	13,287	14,297	13,141
30(d) The nature of security in respect of loans and advances is as follows:						
Secured against real estate	216,159	185,062	177,379	187,874	176,583	152,379
Secured by shares of quoted companies	39,584	15,736	32,482	21,554	12,736	17,482
Cash collateral, lien over fixed and floating assets,	1,021,729	870,512	838,422	972,076	795,034	788,422
Unsecured	277,652	69,198	227,839	234,376	33,023	190,095
	1,555,124	1,140,508	1,276,122	1,415,880	1,017,376	1,148,378
31. Investment securities						
(a) Analysis of investments						
Debt securities	300,205	264,221	292,471	204,890	219,037	201,869
Equity securities	19,167	9,405	10,654	19,060	9,405	10,654
	319,372	273,626	303,125	223,950	228,442	212,523

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32. 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	% holding 2014	% holding 2013	Carrying amount 2014	Carrying amount 2013
Zenith Bank (Ghana) Limited	98.07 %	98.07 %	6,444	6,444
Zenith Bank (UK) Limited	100.00 %	100.00 %	13,307	13,307
Zenith Bank (Sierra Leone) Limited	99.99 %	99.99 %	2,058	1,606
Zenith Bank (The Gambia) Limited	99.96 %	99.96 %	1,038	1,038
Zenith Pensions Custodian Limited	99.00 %	99.00 %	1,980	1,980
Total	-	-	24,827	24,375

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	Group			Bank		
	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million
33. Investments in associates						
The Group's investments under the Small and Medium Enterprises Equity Investment Scheme ("SMEEIS") compiles 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	1,822	420	1,822	1,822	463	1,822
Share of profit/(loss) b/f	75	-	(43)	-	-	-
Share of profit/(loss)	324	-	118	-	-	-
Additions	59	-	-	-	-	-
Disposals	(510)	(3)	(510)	(510)	(3)	(510)
Dimunition in investment	(1,222)	(190)	(1,222)	(1,222)	(190)	(1,222)
Balance at end of the period	548	227	165	90	270	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.

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	Group			Bank		
	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million
34. Deferred tax						
Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 30% (2013: 30%).						
Deferred income tax assets and liabilities are attributable to the following items:						
Deferred tax liability						
Deferred income tax	(482)	(5,578)	(678)	-	(5,573)	-
Deferred tax asset						
Tax loss carried forward	36	389	749	-	-	-
The Group's exposure to deferred tax primarily relates to timing differences						
in the recognition of depreciation, capital allowances on fixed assets, other assets						
other provisions and general provisions.						
35. Other assets						
Prepayments	47,293	34,841	14,265	31,589	33,882	13,064
Other receivables	16,997	55,051	26,610	14,867	54,117	22,988
Gross other assets	64,290	89,892	40,875	46,456	87,999	36,052
Less: Specific impairment	(4,637)	(4,637)	(4,637)	(4,637)	(4,637)	(4,637)
	59,653	85,255	36,238	41,819	83,362	31,415

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36. 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	16,470	20,762	38,036	15,264	22,423	13,506	16,869	143,330
Additions	1,162	1,317	1,870	1,480	360	443	2,178	8,810
Disposals	-	(2)	(171)	(378)	(54)	(2)	-	(607)
Transfers	17	35	12	5	(14)	(55)	-	-
Foreign exchange movements	-	(91)	(200)	(143)	(298)	(545)	(164)	(1,441)
At the end of the period	17,649	22,021	39,547	16,228	22,417	13,347	18,883	150,092
Accumulated Depreciation								
At start of the period	1,352	3,076	27,523	10,872	20,213	10,884	-	73,920
Charge for the period	126	323	2,999	1,570	1,083	841	-	6,942
Disposals	-	-	(65)	(276)	(54)	(2)	-	(397)
Transfers	-	66	(6)	3	(2)	(61)	-	-
Foreign exchange movements	-	(3)	(323)	(168)	(298)	(532)	-	(1,324)
At the end of the period	1,478	3,462	30,128	12,001	20,942	11,130	-	79,141
Net Book Amount At 30 September 2014	16,171	18,559	9,419	4,227	1,475	2,217	18,883	70,951
At 31 December 2013	15,118	17,686	10,513	4,392	2,210	2,622	16,869	69,410

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Figures in Naira million

36. Property and equipment (continued)

Bank	Land	Buildings	Furniture and fixtures	Motor vehicles	Computer equipment	Leasehold improvements	Work in progress	Total
Cost								
At start of the period	16,470	20,419	36,804	14,450	21,394	11,689	16,654	137,880
Additions	1,162	1,317	1,826	1,290	179	344	2,056	8,174
Disposals	-	(2)	(171)	(295)	(4)	(2)	-	(474)
Transfers	17	35	12	4	(14)	(54)	-	-
At the end of the period	17,649	21,769	38,471	15,449	21,555	11,977	18,710	145,580
Accumulated depreciation								
	Land	Buildings	Furniture and fixtures	Motor vehicles	Computer equipment	Leasehold improvements	Work in progress	Total
At start of the period	1,352	3,062	26,594	10,373	19,394	9,741	-	70,516
Charge for the period	126	322	2,861	1,406	938	748	-	6,401
Disposals	-	-	(161)	(264)	(4)	(2)	-	(431)
Transfers	-	65	(5)	3	(2)	(61)	-	-
At the end of the period	1,478	3,449	29,289	11,518	20,326	10,426	-	76,486
Net Book Amount At 30 September 2014	16,171	18,320	9,182	3,931	1,229	1,551	18,710	69,094
At 31 December 2013	15,118	17,357	10,210	4,077	2,000	1,948	16,654	67,364

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37. Intangible assets

Computer software

	Group 30-Sep-14	Group 30-Sep-13	Group 31-Dec-13	Bank 30-Sep-14	Bank 30-Sep-13	Bank 31-Dec-13
Cost						
At start of the year	5,159	3,661	3,661	4,353	2,981	2,981
Exchange difference	47	22	18	-	-	-
Reclassification	-	-	59	-	-	59
Additions	625	670	1,421	543	571	1,313
At end of the year/period	5,831	4,353	5,159	4,896	3,552	4,353
Accumulated depreciation						
At start of the year	3,224	2,255	2,255	2,650	1,806	1,806
Exchange difference	71	17	18	-	-	-
Charge for the year	522	606	951	507	528	844
At the end of the year	3,817	2,878	3,224	3,157	2,334	2,650
Carrying amount at year end	2,014	1,475	1,935	1,739	1,218	1,703

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	Group			Bank		
	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million
38. Deposits						
Demand	1,240,736	1,279,021	1,293,778	1,050,398	1,149,811	1,229,706
Savings	212,800	168,593	192,281	176,034	157,433	174,184
Term	425,520	294,356	439,466	406,276	285,416	419,751
Deposit from banks	-	-	64,335	-	-	-
Domiciliary	430,558	292,001	286,895	401,350	265,359	256,221
	2,309,614	2,033,971	2,276,755	2,034,058	1,858,019	2,079,862
39. Other liabilities						
Settlement payables	10,137	7,827	14,094	10,040	7,814	13,841
Due to banks for clean letters of credit	90,328	74,045	98,743	90,328	74,045	98,743
Managers' cheques	13,430	14,533	13,063	13,036	14,241	12,659
Customers' funds for foreign currency purchases	3,151	3,104	2,963	3,138	3,074	2,927
Tax collections	983	1,766	1,336	924	1,722	1,289
Sales and other collections	6,736	25,034	19,272	6,736	25,034	19,272
Deferred income on financial guarantee contracts	349	-	389	349	-	349
Customer deposits for letters of credit	117,422	69,059	32,276	117,427	69,049	32,276
Other payables	32,162	31,794	33,507	27,388	39,349	19,909
	274,698	227,162	215,643	269,366	234,328	201,265
40. On-lending facilities						
This comprises:						
Central Bank of Nigeria (CBN) Commercial Agriculture Credit Scheme Loan	29,871	31,855	29,905	29,871	31,855	29,905
Bank of Industry (BOI) Intervention Loan	48,625	13,585	14,417	48,625	13,585	14,417
Central Bank of Nigeria (CBN) / Bank of Industry(BOI) - Power & Aviation intervention Funds	13,680	15,601	15,206	13,680	15,601	15,206
	92,176	61,041	59,528	92,176	61,041	59,528

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	Group			Bank		
	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million
41. Borrowings						
Long term borrowing comprise:						
Due to ADB	22,573	7,473	7,445	22,573	7,473	7,445
Due to EIB	4,459	-	4,331	4,459	-	4,331
Due to ICICI	28,523	-	-	28,523	-	-
Due to PROPARCO	13,319	5,936	13,264	13,319	5,936	13,264
Due to Commerzbank	8,137	-	-	8,137	-	-
Due to KEXIM	8,600	2,020	3,440	8,600	2,020	3,440
Due to SCB	12,376	16,171	15,876	12,376	16,171	15,876
Due to CITIBANK	16,406	-	15,794	16,406	-	15,794
Due to Multi-Borrowings	8,210	-	-	8,210	-	-
Due to Eurobond	83,350	-	-	83,350	-	-
	205,953	31,600	60,150	205,953	31,600	60,150
42. Liabilities classified as held for sale						
Claims payable	-	948	2,084	-	-	-
Current income tax	-	1,773	1,405	-	-	-
Deferred income tax liabilities	-	552	295	-	-	-
Other payables	-	4,872	4,053	-	-	-
Liabilities on insurance contracts	-	891	6,274	-	-	-
	-	9,036	14,111	-	-	-

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	Group			Bank		
	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million
43. Share capital						
Authorised						
40,000,000,000 ordinary shares of 50k each (2013:40,000,000,000)	20,000	20,000	20,000	20,000	20,000	20,000
.						
Issued and fully paid						
31,396,493,786 ordinary shares of 50k each (2013:31,396,493,786)	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
44. Share premium						
Share premium	255,047	255,047	255,047	255,047	255,047	255,047
There was no movement on share premium account during the period.						
At start of the period	255,047	255,047	255,047	255,047	255,047	255,047

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

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

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

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

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

Contingency reserve: As required by insurance regulations, a contingency reserve is maintained for both the non-life insurance and life assurance contracts underwritten by the Group. The appropriation to contingency reserve for non-life underwriting contracts is calculated in accordance with section 21(2) and 22(1)(b) of the Insurance Act 2003. The reserve is calculated as the higher of 3% of gross premiums or 20% of net profits of the business for the year. The appropriation to contingency reserve for life underwriting contracts is calculated as the higher of 1% of the gross premium or 10% of net profits of the business for the year. The appropriations are charged to the Life Fund.

Revaluation reserve: Comprises fair value movements on equity instruments.

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

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

45. 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 N 1,405 million and N 1,350 million respectively (2013: N 1,274 million and N 1,172 million).

46. Related party transactions

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

Parent:

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

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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 2014 are shown below.

Entity	Effective holding %	Normal share capital held N. million
Zenith Bank (Ghana) Limited	98.07 %	6,444
Zenith Bank (UK) Limited	100.00 %	13,307
Zenith Bank (Sierra Leone) Limited	99.99 %	2,057
Zenith Bank (The Gambia) Limited	99.96 %	1,038
Domestic / non-banking subsidiaries:		
Zenith Pension Custodians Limited	99.00 %	1,980
	-	24,826

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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

	Group 30-Sep-14 N.million	Group 30-Sep-13 N.million	Group 31-Dec-13 N.million
Salaries and other short-term benefits	185	428	534
Retirement benefit cost	4	16	10
	189	444	544

Loans and advances

At start of the period	888	1,365	1,159
Granted during the period	-	89	83
Repayment during the period	(65)	(72)	(354)
At end of of the period	823	1,382	888

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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 (2013: Nil). The mortgage loans are secured by the underlying assets. All other loans are unsecured.

September 2014

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

September 2013

Name of company / Individual	Loans	Deposits	Interest received	Interest paid
Carpri Martins	1,800	-	186	-
Multibank savings and Loans	1,576	-	211	-
Visafone Communications Ltd	2,576	824	384	4
Quantum Fund Management	7,917	643	106	1
Cyberspace Limited	-	205	-	4
At end of of the period	13,869	1,672	887	9

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 (2013:Nil)

47. Acceptances and guarantees

(a) Legal proceedings

The Bank is presently involved in 105 litigation suits in its ordinary course of business. The total amount claimed in the cases against the bank is estimated at N6.3 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.

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(b) Capital commitments

At the balance sheet date, the bank had capital commitments amounting to N1,729 million (2013: N2,210 million) in respect of authorized and contracted capital projects.

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

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

	Group 30-Sep-14 N.million	Group 30-Sep-13 N.million	Group 31-Dec-13 N.million	Bank 30-Sep-14 N.million	Bank 30-Sep-14 N.million	Bank 30-Sep-13 N.million
Performance bonds and guarantees	668,171	520,252	648,847	655,760	512,926	632,167
Usance	146,918	162,536	167,520	146,918	145,656	147,067
Letters of credit	168,308	125,832	170,516	134,748	121,795	153,033
Pension Funds (See Note (below))	1,674,120	1,335,132	1,469,865	1,674,120	1,335,132	1,469,865
	2,657,517	2,143,752	2,456,748	2,611,546	2,115,509	2,402,132

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

The amount of N 1,674.12 billion (2013: N 1,335.13 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.

Zenith Bank Plc and Subsidiary Companies

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Notes to the consolidated and separate interim financial statements

	Group			Bank		
	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million	30-Sep-14 N. million	30-Sep-13 N. million	31-Dec-13 N. million
48. Dividend per share						
Dividend paid / proposed(in N'million)	-	-	54,944	-	-	54,944
Number of shares in issue and ranking for dividend(in millions)	31,396	31,396	31,396	31,396	31,396	31,396
Dividend paid per share (in kobo)	-	-	175	-	-	160

The number of shares in issue and ranking for dividend represents the outstanding number of shares as at 30 September 2014 and 31 December 2013 respectively.

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

49. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

50. Cash and cash equivalents

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

Cash and balances with central banks (less restricted balances)	164,716	195,977	255,158	142,268	179,263	239,167
Treasury bills(maturing within three months)	189,683	285,775	354,834	169,663	248,522	352,786
Due from other banks	426,165	284,343	256,729	424,907	314,720	249,524
	780,564	766,095	866,721	736,838	742,505	841,477