



ZENITH BANK PLC

Zenith Heights, Plot 87, Ajose Adeogun Street, Victoria Island, Lagos

2009 Audited Group Accounts

BALANCE SHEETS

	Group		Bank	
	Dec. 2009 N'million	Sep. 2008 N'million	Dec. 2009 N'million	Sep. 2008 N'million
Assets				
Cash and balances with central banks	126,779	239,562	115,044	232,267
Treasury bills	234,115	401,445	225,371	396,772
Due from other banks	341,830	536,846	290,025	481,092
Loans and advances	698,326	455,324	669,261	422,874
Advances under finance lease	5,506	4,615	5,281	3,940
Insurance receivables	635	816	-	-
Investment securities	158,977	64,564	144,189	54,591
Investment in subsidiaries	-	-	36,096	16,935
Deferred tax assets	966	160	-	-
Other assets	13,517	32,293	12,758	23,476
Investment properties	433	433	-	-
Fixed assets	78,619	50,942	75,171	48,085
	1,659,703	1,787,000	1,573,196	1,680,032
Liabilities				
Customers deposits	1,173,917	1,188,876	1,111,328	1,164,460
Liabilities on insurance contracts	1,400	1,311	-	-
Borrowings	35,984	40,431	35,984	40,431
Current income tax	7,407	5,690	5,718	3,549
Other Liabilities	100,085	202,114	88,683	131,207
Deferred income tax liabilities	3,117	1,961	3,100	1,902
	1,321,910	1,440,383	1,244,813	1,341,549
Capital and reserves				
Share capital	12,559	8,372	12,559	8,372
Reserves	323,011	335,975	315,824	330,111
Shareholders' funds	335,570	344,347	328,383	338,483
Non-controlling interest	2,223	2,270	-	-
Total liabilities & equity	1,659,703	1,787,000	1,573,196	1,680,032
Off Balance Sheet Engagements & Contingencies	638,708	724,298	606,594	704,386

Macaulay Pepple - Chairman

Jim Ovia - Group MD/Chief Executive

PROFIT AND LOSS ACCOUNTS

	Group		Bank	
	15 months to Dec. 2009 N'million	15 months to Sep. 2008 N'million	15 months to Dec. 2009 N'million	15 months to Sep. 2008 N'million
Gross earnings	277,300	211,639	254,147	190,120
Interest and similar income	193,545	138,737	186,019	137,814
Interest and similar expense	(83,957)	(53,294)	(82,836)	(49,964)
Net Interest income	109,588	85,443	103,183	87,850
Other income	78,650	68,799	68,128	52,306
Operating income	188,238	154,242	171,311	140,156
Operating expenses	(113,288)	(87,562)	(103,410)	(81,321)
Diminution in asset values	(39,865)	(10,568)	(36,148)	(9,876)
Profit before tax and extra-ordinary items	35,085	56,112	31,753	48,959
Extraordinary items	-	8	-	(20)
Net profit before tax	35,085	56,120	31,753	48,939
Taxation	(14,482)	(4,127)	(13,388)	(2,415)
Profit after tax	20,603	51,993	18,365	46,524
Non-controlling Interest	(106)	(384)	-	-
Profit attributable to Group shareholders	20,497	51,609	18,365	46,524
Key Financial Information				
Total non-performing loans to total loans and advances	6%	2%	6%	2%
EPS (basic /diluted)	82 k	383 k	73 k	345 k
EPS (adjusted)	82 k	205 k	73 k	185 k
DPS (proposed/ paid)	45 k	170 k	45 k	170 k

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ZENITH BANK PLC

Report on the financial statements

We have audited the accompanying separate and consolidated financial statements of Zenith Bank Plc ("the bank") and its subsidiaries (together, "the group") which comprise the balance sheets as of 31 December 2009 and the profit and loss accounts and statements of cash flow for the fifteen months then ended and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with Nigerian Statements of Accounting Standards and with the requirements of the Companies and Allied Matters Act and the Banks and Other Financial Institutions Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an independent opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the accompanying financial statements give a true and fair view of the state of the financial affairs of the bank and the group as of 31 December 2009 and of their profits and cash flows for the period then ended in accordance with Nigerian Statements of Accounting Standards, the Companies and Allied Matters Act and the Banks and Other Financial Institutions Act.

Report on other legal requirements

The Companies and Allied Matters Act and the Banks and Other Financial Institutions Act require that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- in our opinion proper books of account have been kept by the bank, so far as appears from our examination of those books;
- the bank's balance sheet and profit and loss account are in agreement with the books of account;
- our examination of loans and advances was carried out in accordance with the Prudential Guidelines for licensed banks issued by the Central Bank of Nigeria;
- related party transactions and balances are disclosed in Note 37 to the financial statements in accordance with the Central Bank of Nigeria Circular BSD/1/2004;
- to the best of our knowledge, the bank did not contravene any regulations of the Banks and Other Financial Institutions Act during the period; and
- to the best of our knowledge, the bank has complied with the requirements of the relevant circulars issued by the Central Bank of Nigeria.

PricewaterhouseCoopers
Chartered Accountants
Lagos, Nigeria



1 March 2010

The above balance sheets, profit and loss accounts and reports of the independent auditor are published in accordance with the requirements of S.27 of the Banks and Other Financial Institutions Act. For a better understanding of the financial position of the bank and its results of operation for the period, the above financial information should be read in conjunction with the full financial statements of the bank on which the auditor's opinion was issued.