

Zenith Bank Plc
Group unaudited results for the 9 months ended 30 September, 2016

ZENITH BANK PLC RELEASES ITS THIRD QUARTER 2016 FINANCIAL RESULTS

LAGOS, NIGERIA - 24 October, 2016 - Zenith Bank Plc, (Bloomberg: ZENITHBA NL) (“Zenith” or the “Bank”), the Nigerian bank headquartered in Lagos, announces its unaudited results for the 9 months ended 30 September 2016.

Financial Highlights

<i>In millions of Naira</i>			
	Sept 2016	Sept 2015	% Change
<i>Income statements</i>			
Gross earnings	380,352	336,853	12.9%
Interest income	285,674	256,737	11.3%
Net interest income	189,817	161,400	17.6%
Non interest income	94,678	80,322	17.9%
Operating income	262,637	231,997	13.2%
Operating expenses	141,362	127,945	10.5%
Profit before tax	121,275	104,052	16.6%
Profit after tax	100,074	83,087	20.4%
Earnings per share (K)	318	264	20.5%
<i>Balance sheet</i>	Sept 2016	Dec. 2015	% Change
Gross loans and advances	2,490,633	2,032,256	22.6%
Customers' deposits	2,691,985	2,557,884	5.2%
Total assets	4,654,373	4,006,843	16.2%
Shareholder's funds	695,596	594,353	17.0%
<i>Key ratios</i>	Sept 2016	Sept 2015	% Change
Net interest margin	7.60%	7.90%	-3.8%
Cost-to-income ratio	53.80%	55.10%	-2.4%
Loan-to-deposit ratio	72.30%	68.50%	5.5%
Cost of funds	3.80%	4.30%	-11.6%
Cost of risk	1.30%	0.70%	85.7%
Return on average assets (ROAA)	3.10%	2.90%	6.9%
Return on average equity (ROAE)	20.70%	19.70%	5.1%
Liquidity ratio	55.20%	45.00%	22.7%
Capital adequacy ratio (CAR)	19.00%	21.00%	-9.5%
Non performing loan ratio (NPL)	2.23%	1.60%	39.4%

In his remarks, the GMD/CEO of Zenith Bank PLC stated that the solid financial performance for the period ended September 30, 2016 affirms Zenith's industry leadership, resilience and consistency in achieving its strategic objectives despite the challenging business environment.

In the third quarter of 2016, the Group reported gross revenues of N380.4 billion representing a 12.9% increase over the same period in 2015. The Group also recorded an increase of 11.3% and 17.9% (Y-o-Y) in interest and non-interest income respectively. The increase in interest income was propelled by a 22.6% growth in the loan book and improved interest margins. The improvement in non-interest income attests to the group's success in its income diversification strategy.

The Group's cost-to-income ratio improved from 55.1% in Q3 2015 to 53.8% in Q3 2016 due to enhanced operational efficiency and ongoing cost-optimisation efforts. Also, the Group's cost of funds decreased by 11.6% despite a 5.2% growth in deposits, reflecting efficient deposit pricing and the consolidation of its deposit mobilization strategy. The increase in Profit Before Tax (PBT) by N17.2bn (or 16.6%) was due to the combined effect of the growth in net interest income, non-interest income and foreign exchange revaluation gains.

In the pursuit of sustaining strong and high quality assets, the Group reported a liquidity ratio of 55% which is firmly above the 30% minimum statutory requirement for the period ended 30 September 2016. The Group's capital adequacy ratio stood at 19% which is above the 15% regulatory limit and a loan to deposit ratio of 72.3%. The Group's strength in these prudential ratios reflect its capacity to expand along different products and services.

In spite of the challenging and competitive operating environment, management's outlook remains positive barring any unforeseen circumstances. Furthermore, the Group is positioned to explore opportunities to grow its customer base and risk assets in strategic sectors.

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Notes to editors:

About Zenith Bank Plc

Zenith Bank Plc offers its clients a wide range of corporate, investment, business and personal banking products and solutions. It is one of the biggest and most profitable banks in Nigeria. The bank was established in May 1990 and started operations in July same year as a commercial bank. It became a public limited company on September 17, 2004 and was listed on the Nigerian Stock Exchange on October 21, 2004 following a highly successful Initial Public Offering (IPO). Zenith Bank listed on the London Stock Exchange via a non-capital raising GDR on March 21, 2013. The Bank presently has a shareholder base of over one million, an indication of the strength of the Zenith brand.

It is headquartered in Lagos, Nigeria. With over five hundred (500) branches and business offices nationwide Zenith Bank has presence in all the state capitals, the Federal Capital Territory (FCT) and major towns and metropolitan centres in Nigeria. The Bank's expansion is not limited to Nigeria as Zenith became the first Nigerian bank in 25 years to be licensed by the Financial Services Authority (FSA) in the UK for the commencement of banking operations by Zenith Bank (UK) Limited in April, 2007. This is in addition to its presence in Ghana, Zenith Bank (Ghana) Limited, Sierra Leone, Zenith Bank (Sierra Leone) Limited, Gambia, Zenith Bank (Gambia) Limited and a representative office in Johannesburg, South Africa, Beijing, China and Dubai branch of Zenith Bank UK.

More information can be found at www.zenithbank.com

Please find attached the third quarter 2016 Group Financial Results.

The presentation to investors and analysts will be posted to Zenith Bank's website as soon as possible. Kindly note that the Management of Zenith Bank Plc will not be holding any conference call.

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