



Zenith Bank Plc
Group Audited Results for Year ended 30 June, 2018

ZENITH BANK PLC RELEASES HALF YEAR 2018 RESULTS

LAGOS, NIGERIA - 06 August, 2018 - Zenith Bank Plc, (Bloomberg: ZENITHBA NL) (“Zenith” or the “Bank”), the Nigerian bank headquartered in Lagos, announces its Audited results for half year ended 30 June 2018.

Financial Highlights

<i>In millions of Naira</i>			
	30-Jun-18	30-Jun-17	% Change
<i>Income statement</i>			
Gross earnings	322,201	380,440	-15%
Net interest income	153,961	138,962	11%
Operating income	237,772	214,747	11%
Operating expenses	130,414	122,564	6%
Profit before tax	107,358	92,183	16%
Profit after tax	81,737	75,317	9%
Earnings per share (N)	2.60	2.40	8%
<i>Balance sheet</i>	30-Jun-18	31-Dec-17	% Change
Gross loans and advances	2,109,968	2,252,172	-6%
Customers' deposits	3,165,955	3,437,915	-8%
Total assets	5,256,460	5,595,253	-6%
Shareholders' fund	719,505	821,658	-12%
<i>Key ratios</i>	30-Jun-18	30-Jun-17	% change
Return on average equity (ROAE)	21.2%	21.2%	0%
Return on average assets (ROAA)	3.0%	3.1%	-3%
Net interest margin (NIM)	10.1%	8.6%	17%
Cost of funds	3.4%	6.4%	-47%
Cost of risk	0.9%	3.6%	-75%
Cost-to-income ratio	54.9%	56.7%	-3%
	30-Jun-18	31-Dec-17	% change
Liquidity ratio	77.0%	69.7%	10%
Loan-to-deposit ratio	53.5%	60.5%	-13%
Capital adequacy ratio (CAR)	21.0%	27.0%	-22%
Non-performing loan ratio (NPL)	4.9%	4.7%	4%
Coverage ratio	229.2%	143.4%	59.8%



The Zenith Bank Group recorded a Profit Before Tax (PBT) of N107.4 billion for the period representing a 16% growth over N92.2 billion in H1 2017. Amidst a challenging operating environment, the Group optimised its bottom line through efficient treasury and liquidity management which resulted in a 39% decline in interest expense over the prior period, enhanced asset quality as impairment charges fell significantly by 77% compared to H1 2017 and ramped up the volume of transactions leading to a 24% increase in fee and commission income over the same period last year.

Gross earnings and interest income reduced by 15% and 13% respectively, driven by lower trading income, declining yields on assets and a reduction in the loan book by 6%. Despite the decline in top line, the Group mitigated these knock-on effects by strengthening its Net Interest Margins (NIM) to 10.1% (adjusted) for H1 2018 compared to 8.6% (adjusted) for H1 2017 reflecting significant improvements in the Group's operational efficiency. Also, the Group's focus on cost effectiveness continues to deliver benefits as Cost-to-Income ratio declined from 56.7% in H1 2017 to 54.9% in the current period while cost of funds fell by 47% from 6.4% in H1 2017 to 3.4% in the current period. The Group's risk metrics also improved significantly as cost of risk reduced by 75% from 3.6% in H1 2017 to 0.9% in H1 2018 while the coverage ratio increased by 59.8% from 143.4% to 229.2% over the same period, demonstrating a prudent disposition to credit risk management.

The Group is making significant progress in retail banking evidenced by a remarkable increase in the volume of transactions on various electronic platforms as well as increase in customer acquisitions. This has translated into increase in fees on electronic products which grew by 87%, growth in retail deposit balances, as well as increase in Zenith's share of the industry's retail business. During the six months to June 2018, fees and commission income was N47bn compared to N38bn in June 2017, showing a 24% growth. Between H1 2017 and H1 2018, volume of transactions on various electronic platforms by over 100%. With this emphasis on retail business, the Group is on course to diversifying its funding and income base.

Total deposits as at June 2018 was N3.2 trillion representing a decline of 8% (N272bn) from December 2017 FYE figure of N3.4 trillion, with total assets at N5.3 trillion reflecting a 6% reduction from N5.6 trillion as at December 2017 FYE. The reduction in deposits was as a result of a deliberate strategy to reduce reliance on expensive fixed deposits while growing cheaper savings deposit by 12% from FYE 2017 (N48bn increase YTD) and consolidating on the retail drive.



As the operating environment continues to stabilise across the economic indices of inflation, a foreign exchange market, and healthy foreign reserves, management's outlook is positive going into the second half of the year. The Group continues to deploy strategies aimed at increasing its retail segment markets share while consolidating on its leadership in the corporate segment.

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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



Zenith Bank Plc (Bloomberg: ZENITHBA : NL) will have a teleconference call Tuesday, August 7, 2018 at 2pm Lagos Time (2pm London/ 3pm Johannesburg/ 9am New York) with its senior management to announce Zenith Bank Plc.'s audited financial results for the period ended 30 June, 2018. There will be an opportunity at the end of the call for management to take questions from investors and analysts. Please find attached the 2018 Half Year Group Financial Results. The presentation to investors and analysts will be posted to Zenith Bank's website before the conference call on Tuesday.

The teleconference call facility can be accessed by dialling:

<i>+234 1 903 0080</i>	<i>Nigeria</i>
<i>+44 3333 000 804</i>	<i>United Kingdom</i>
<i>+27 21 672 4118</i>	<i>South Africa</i>
<i>+1 631 913 1422</i>	<i>United States</i>

And then quoting the following access code: 17888398#

If you have any queries please do not hesitate to contact the below.

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