



Zenith Bank Plc
Group Un-audited Results for 6 months ended 30 June, 2014

ZENITH BANK PLC RELEASES ROBUST HALF YEAR 2014 FINANCIAL RESULTS

LAGOS, NIGERIA - 23 July 2014 - Zenith Bank Plc, (Bloomberg: ZENITHBA NL) (“Zenith” or the “Bank”), the Nigerian bank headquartered in Lagos, announces its unaudited results for the 6 months ended 30 June 2014.

Financial Highlights

Financials	Jun'14	Jun'13	% Change
	N'Million	N'Million	%
Gross Earnings	184,434	171,024	7.8%
Net Interest Income	90,743	91,357	-0.7%
Non Interest Income	45,234	34,771	30.1%
Operating Income	133,029	124,111	7.2%
Operating Expenses	75,171	70,428	6.7%
Profit Before Tax	57,859	54,083	7.0%
Profit After Tax	47,445	45,419	4.5%
Earnings Per Share	151	144	4.9%
	Jun'14	Dec'13	% Change
Gross Loans & Advances	1,413,031	1,276,122	10.7%
Customer's Deposits	2,304,976	2,276,755	1.2%
Total Assets	3,203,752	3,143,133	1.9%
Shareholder's Funds	492,388	509,251	-3.3%
Key ratios	Jun'14	Jun'13	% Change
Net Interest Margin	8.1%	8.9%	-8.2%
Cost-to-Income Ratio	56.5%	56.4%	0.1%
Loan-to-Deposit Ratio	55.8%	51.4%	8.5%
Cost of Funds	3.96%	3.61%	9.8%
Cost of Risk	0.44%	0.68%	-36.0%
Return On Average Assets (ROAA)	3.0%	3.4%	-11.4%
Return On Average Equity (ROAE)	18.9%	19.7%	-3.9%
Liquidity Ratio	60.5%	64.0%	-5.5%
Capital Adequacy Ratio (CAR)	22.6%	27.4%	-17.6%
Non Performing Loan Ratio (NPL)	2.8%	3.1%	-9.7%
Coverage Ratio	96%	77%	24.6%



Commenting on the results, **Peter Amangbo GMD/CEO** said: “Zenith Bank’s strong results for the first half of 2014 further confirm our continued leadership in consistently delivering superior performance and returns. Driven by our innovative processes, cutting edge technology and committed staff, the group recorded total revenue of N184.8 billion for the second quarter, which represents an 8% increase over the 2013 half year. The group also recorded profit before tax (PBT) of N 57.9 billion compared with PBT of N 54.1 billion recorded in the same period in 2013, an increase of 7% YoY.

The group’s strategic focus on creating competitively priced, high quality risk assets is evident in the YoY growth of loans and advances to N1.4tn (10.7% growth), with a significant decrease in cost of risk from 0.68% to 0.44% .The growth in risk assets (priced to maximise returns) was effectively matched by a corresponding increase in competitively priced deposits with a view to maximizing net interest margin.

Zenith Bank Plc remains stable and adequately capitalised, which positions it strategically to take advantage of emerging business opportunities. The Group’s liquidity ratio of 61% and capital adequacy ratio of 23%, which are above the regulatory limits of 35% and 16% respectively, further confirm the group’s capacity to expand.

The second half of 2014 has high prospects of increased economic growth and development, presenting the group with ample prospect to grow its customers and business volume. We therefore anticipate enhanced returns on investment and value-add for our myriad of stakeholders in the years ahead.”

Mr. Amangbo further commented on the group’s businesses by segment and geographical location stating that: “The core banking operations of Corporate, Retail banking and Custodial services contributed 90% of group profit for the six months ended June 30, 2014. The group’s continuous consolidation of its foreign banking subsidiaries resulted in a 10% contribution from those entities to the group profit before tax, compared to 7% in the prior year.

He also noted that the disposal of the non-core banking subsidiary in compliance with regulations has not had any negative impact on the group’s performance as well as balance sheet size. He further stated that, as the foreign banking subsidiaries mature in their respective markets, their contribution to the group will continue to increase, expressing the optimism of a better performance by these subsidiaries in the years ahead.

- **Ebenezer Onyeagwu, (Executive Director Credit &Risk Management Division)** commented: “The group continued with its strategic growth of risk assets in the first half of 2014, resulting in a growth of 10.7% (NGN 1.41tn) of these assets. The nature and quality of our risk assets remain one of the best within the industry given that the group closed the second quarter with an NPL ratio of 2.8% and a cost of risk below 1%. With a loan-to-deposit ratio of 55.8%, the group is well positioned to grow its risk assets as more acceptable business opportunities emerge. The group has capacity to explore and take advantage of emerging opportunities for growth in the country and in all other locations where we have presence, given its strong capital base, high capital adequacy ratio and competitive loan deposit ratio.”



- **Stanley Amuchie (Chief Financial Officer)** while commenting on the result noted that: *“In the first half the group continued to consolidate its revenue generating capacity as well as increase its market share.”* He further noted that the group’s YoY growth in gross earnings and non-interest income of 7.8% and 30.1% respectively are notable achievements that will be sustained during the year. In spite of the increasing cost of operations, which is influenced by the unusual operating environment, the group was able to maintain a stable cost of funds and cost-to-income ratio between June 2013 and June 2014. He noted that the group remains committed to maintaining its outstanding operational and customer service standards through a well motivated staff force amongst other things, while striving to operate more efficiently.

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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 June 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 on March 21, 2013 through a non-capital raising GDR. 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 four hundred (400) 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 which presently operates from two business offices. This is in addition to its presence in Ghana, Zenith Bank (Ghana) Limited with 22 business offices, Sierra Leone, Zenith Bank (Sierra Leone) Limited, Gambia, Zenith Bank (Gambia) Limited and a representative offices in Johannesburg, South Africa and China

More information can be found at www.zenithbank.com



Conference Call for Results

Senior management will be hosting a teleconference call for analysts and investors on **Thursday 31 July, 2014 at 2pm** Lagos time (9am New York, 2pm London, and 3pm Johannesburg) to announce Zenith Bank plc's unaudited results for the six month period ended 30 June 2014. There will be an opportunity at the end of the call for management to take questions from investors and analysts.

The teleconference call facility can be accessed by dialing:

+44 (0) 203 139 4830 in the UK and Nigeria

+1 866 928 7517 in the US

And then quoting the following access code:

21993192#

Participants should register for the call at least five minutes before the start of the presentation.

For those who are unable to listen to the live call, a recording will be posted onto the company's website as soon as possible after the event.

The presentation will be posted to Zenith Bank's website on the morning of the investor call at <http://www.zenithbank.com/investorrelations.cfm>. If you have any queries please do not hesitate to contact Africa Practice or FTI Consulting Limited on the contact numbers listed below.

FOR FURTHER INFORMATION:

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