



Zenith Bank Plc
Audited Group results for the 15 months ended 31 December 2009

ZENITH BANK PLC SUSTAINS CAPITAL STRENGTH AND STRONG LIQUIDITY ADVANTAGE WITH EARNINGS GROWTH OF 31%

LAGOS, NIGERIA - 30 March 2010 - Zenith Bank Plc, (Bloomberg: ZENITHBA NL) ("Zenith" or the "Bank"), the Nigerian bank headquartered in Lagos, announces its audited results for the 15 month period ended 31 December 2009.

Speaking from the Bank's headquarters in Lagos, Jim Ovia, Group Managing Director and Chief Executive of Zenith Bank, said: *"I'm delighted that our team has produced this resilient result in what has undoubtedly been very challenging times. Our earnings are not only significantly higher, but they are also derived from increasingly diversified services as we see continued traction in our drive to offer greater breadth of financial solutions to our clients. With what amounts to a very healthy loan to deposit ratio, we have consciously focused on profitability while ensuring risk minimization in all aspects of our business. We remain vigilant on asset quality, and pride ourselves on our risk management infrastructure, as we do on our continued drive to reduce costs and our resilient capital position, one of the strongest in the industry."*

Financial Highlights

- Proposed DPS of 45 kobo (170 kobo September 2008), maintaining payout ratio above 50%
- Proposed bonus issue of one (1) for every four (4) shares held
- Gross Earnings of N277.3 billion, a rise of 31%, compared with the equivalent prior year period (N211.6 billion 15 months ended September 2008)
- Net Interest Income up 28% to N109.6 billion (N85.4 billion September 2008)
- Fee and Commission income steady at N50.0 billion (N49.5 billion September 2008)
- Operating Income of N188.2 billion, an increase of 22% (N154.2 billion September 2008)
- Operating Profit of N75.0 billion, an increase of 12% (N66.7 billion September 2008)
- Profit Before Tax of N35.1 billion, a decrease of 37% (N56.1 billion September 2008)
- Profit After Tax of N20.6 billion, a decrease of 60% (N52.0 billion September 2008)
- Total Loans & Advances up 53% to N698.3 billion (N455.3 billion September 2008)
- Conservative loan to deposit ratio of 59%
- Deposits and other accounts steady at N1,173.9 billion (N1,188.9 billion September 2008)-
- Total Assets down 7% to N1,659.7 billion (N1,787.0 billion September 2008)
- Sound capital adequacy at 29%
- Adjusted EPS 82 kobo (205 kobo September 2008)
- Exceptional increase in provisions for diminution in asset values of N39.9 billion



Progress across all divisions in difficult markets

- Corporate and Retail Banking: Revenue of N271 billion (September 2008: N204 billion) and profit before tax of N35 billion (September 2008: N50 billion December 2008). *“The revenues for the division increased by 33% in the period under review, driven mainly by increased market share of business from the multinationals and other large corporates especially in the areas of trade finance, loans & advances and other transactions. Loan growth of 53% to this group of customers also contributed positively to our gross earnings. Increased yield from our investment and trading in Federal Government Bonds and secured interbank placements were the other major drivers of revenue. Our branch expansion program saw increased levels in operating expenditure for the Bank as a whole. And the strategy going forward is to continue our branch expansion program on a cautious note, which will increase the Bank’s footprint across Nigeria which the Bank will leverage in a drive to mop up cheap deposits and channel the funds to our large corporate clients while striving to increase the value add of our services to clients.”* said Peter Amangbo, Executive Director of the division.
- Investment Management and Stockbroking: Revenue of N6 billion (September 2008: N9 billion) and loss before tax of N4 billion (September 2008: N2 billion December 2008). *“The global economic and financial downturn experienced over the period had a negative impact on performance as a whole, and this translated to a 40% decline in the total revenue for the division through reduced activity in the capital markets of our existing clients. However, in absolute terms, our number of clients did not reduce and this will be key to us in regaining a leading position as the markets recover. We have set a target to grow our gross earnings back to 2008 levels by continuing to reduce our overall cost of funds. Business development in investment banking, insurance and registrar mandates are identified areas for growth. These, coupled with our bad debt recovery strategy shall see us back to the high levels of profitability experienced in 2008.”* said Godwin Emeziele, Deputy Managing Director
- Risk Management & Credit: Total Loans N698.3 billion, Loan to Deposit Ratio 59%, NPL 6% (September 2008: N445.8 billion, NPL: 2%). *“Zenith Bank Plc has always maintained a robust risk management structure that provides a framework for effective management of the Group’s operating risks on a daily basis. We run a centralised system which allows head office to oversee and actively be involved in all loan considerations. The success of our structure and processes is illustrated by our diverse loan portfolio (with the largest sector not accounting for more than 10%), consistently low non-performing loan ratio and prudent loan to deposit ratio. . Beyond 2010, the Bank intends to remain*



conservative but still innovative while maintaining its strong risk management and corporate governance practices." said Udom Emmanuel Executive Director of the division.

Capital and Liquidity

Strong capitalization combined with low leverage has been key to the Bank's successful navigation of the financial crisis and now forms a solid competitive advantage platform on which to build growth. Capital adequacy stands at 29% and the Bank maintains one of the largest capital reserves in the industry at N335 billion. The Group's capital is deemed more than adequate to support future expansions as well as business risks and contingencies. The Group still maintains a policy of liquidity well above the minimum required set. The group's loan to deposit ratio of 59% is well within the regulatory guideline of 80%; likewise its liquidity ratio of 57% and capital adequacy ratio of 29% which are well above the regulatory requirements of 25% and 10% respectively.

Operational and reporting highlights

- 2 for 1 bonus issue of shares and general market outperformance throughout the period
 - Launched operations in Gambia, Zenith's fourth foreign subsidiary
 - Opened second office in Mayfair, London exclusively for Private Banking
 - Successfully "passed" the Central Bank of Nigeria's exceptional audit procedures
 - Transfer of year-end to 31st December with plans in place to move to IFRS in 2010
 - Officially appointed Alhaji Lawal Sani as Independent Non-Executive Director
 - Nomination of Godwin Emefiele as next MD/CEO starting in August 2010
- ENDS -



Conference Call for Results

Senior management will be hosting a teleconference call for analysts and investors on Tuesday 30th March at 2pm London and Lagos time (9am New York) to announce Zenith Bank plc's full year results for the fifteen month period ended 31 December 2009. 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)20 7138 0845 in the UK and Nigeria

+1 212 444 0895 in the US

And then quoting the following access code:

1202384

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 Financial Dynamics on the contact numbers listed below.

FOR FURTHER INFORMATION:

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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). 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. 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.

More information can be found at www.zenithbank.com