



Zenith Bank Plc

Group Audited Results for the 12 months ended 31 December, 2011

ZENITH BANK REPORTS FULL YEAR RESULTS AHEAD OF PERFORMANCE TARGETS

LAGOS, NIGERIA – 09 March 2012 – Zenith Bank Plc, (Bloomberg: ZENITHBA NL) (“Zenith”, the “Bank” or “the Group”), the Nigerian bank headquartered in Lagos, announces its full year audited results for the year ended 31 December 2011.

Financial Highlights

- ✓ Gross Earnings of N244 billion up 26.8% (N192.49 billion December 2010.)
- ✓ Profit Before Tax of N60.7 billion up 21.4% (N50.03billion December 2010)
- ✓ Profit After Tax of N44.2 billion up 18.2% (N37.41billion December 2010)
- ✓ Total Assets of N2.3 trillion, up over 21.8% (N1.90 trillion December 2010)
- ✓ Loan to deposit ratio remained conservative at 52% despite loan growth of 16.6% to N870 billion (N746 billion December 2010).
- ✓ Deposits and other accounts growth of 25.5% to N1.65 trillion (N1.32 trillion December 2010)
- ✓ Strong capital adequacy and liquidity at 27% and 61% respectively – comfortably above industry requirements
- ✓ Improved EPS of 140 kobo (119 kobo December 2010)
- ✓ Shareholders’ funds growth of 4.6% to N380 billion (N364 billion December 2010)

Commenting on the results, **Godwin Emefiele, GMD/CEO** said: “Our 2011 financial results are a testament to the commitment and dedication of our workforce, improved patronage driven by our excellent customer service and better business processes. With outstanding top line earnings of over N244bn, profit before tax (PBT) of over N60bn and an asset base of over N2.3tn, we have surpassed our commitments to our stakeholders.

Our drive for a low cost and appropriately mixed deposit base to fund our credit and money market transactions continued to yield the desired improvement in the Group’s Net Interest Margin (NIM) which increased from 7.84% in 2010 to 8.52% in 2011. Notwithstanding the 25.5% growth in customer deposits (YoY), our interest expense declined by about 3% (YoY). The Group effectively leveraged on its strong deposit base to continue its dominance of the money market space to drive up income and profitability.

The Group continued its practice of maintaining strong liquidity and capital adequacy ratios, well in excess of regulatory requirements at 61% and 27% respectively in 2011. The Group’s large capital and liquidity base ensures that it remains well protected against any volatility and adverse circumstances.

We are encouraged by the business outlook and prospects for 2012. We remain increasingly confident that the Group will continue to record impressive and superior performance even as the planned spin-off of our non-bank subsidiaries comes into effect.



Commenting on the Group's businesses by segment and geographical location:

- **Peter Amangbo, Executive Director - Corporate Banking Division**, noted: *"The Corporate and Retail banking businesses of the Group continued their commanding performance, accounting for over 95% of the revenue and income streams of the Group. We are confident that our commitment to continued delivery of good return on investments will continue to be met. Although Nigerian businesses still account for over 93% of the Group's income, we are pleased with the contributions from the rest of Africa and Europe at 5.22% and 1.37% respectively. We remain optimistic of the business opportunities inherent in the economies of our host countries, where we have business interests and presence as we seek to cultivate strong partnerships."*
- **Andy Ojei, Executive Director Credit & Risk Management Division**, noted: *"The Group achieved 16.6% loan growth in 2011 (N870billion) from the N746billion in 2010, notwithstanding the sale of some loans to AMCON within the year. This growth is in line with the commitment made to the shareholders for the year. The Group has made progress in lowering its already low NPL level to 3.99%, an improvement over the 5.93% level in 2010 and this remains one of the lowest in the industry. With a loan to deposit ratio of 52.6% (well below the regulatory maximum limit of 80%), the Group's capacity to explore and take advantage of emerging opportunities for growth in Nigeria and other locations where we have presence remains intact. We will continue to strive for the optimal protection of our shareholders' wealth through the continuous review and improvement of our risk management culture and processes."*
- **Udom Emmanuel, Executive Director Income Optimisation, Financial Control & Strategic Planning**, noted: *"I am pleased that our cost control strategies, policies and procedures have continued to yield the desired results, with improvements in both total and operating cost to income ratios in 2011. The Group achieved total cost to income and operating cost to income ratios of 62.76% and 48.45% respectively in 2011 against 69.35% and 50.79% recorded in 2010. We remain committed to maintaining our exceptional operational and customer service standards through well motivated staff amongst other things, while still pursuing cost saving measures. We will continue to exploit the advantages of our low cost deposit base to improve the bank's Net Interest Margin (NIM)".*

- ENDS -



Conference Call for Results

Senior management will be hosting a teleconference call for analysts and investors on **Tuesday 13th March at 3pm Lagos time** (10am New York, 2pm London, and 4pm Johannesburg) to announce Zenith Bank plc's full year results for the twelve month period ended 31 December 2011. There will be an opportunity at the end of the call for management to take questions from investors and analysts.

The teleconference call facility details will be sent later today.

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 (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 which presently operates from two business offices. This is in addition to its presence in Ghana, Zenith Bank (Ghana) Limited with 18 business offices, 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