



Zenith Bank Plc

Group Un-audited Results for 3 months ended 31 March, 2015

ZENITH BANK PLC RELEASES IMPRESSIVE 1st QUARTER 2015 FINANCIAL RESULTS

LAGOS, NIGERIA - 20 April 2015 - Zenith Bank Plc, (Bloomberg: ZENITHBA NL) (“Zenith” or the “Bank”), the Nigerian bank headquartered in Lagos, announces its unaudited results for 3 months ended 31 March 2015.

Financial Highlights

<i>In millions of Naira</i>			
	Mar. 2015	Mar. 2014	% Change
<i>Income statements</i>			
Gross earnings	113,322	94,324	20.1%
Interest income	81,421	71,435	14.0%
Net interest income	42,631	45,542	-6.4%
Non interest income	31,937	22,890	39.5%
Operating income	72,478	66,482	9.0%
Operating expenses	39,350	37,563	4.8%
Profit before tax	33,128	28,919	14.6%
Profit after tax	27,680	23,654	17.0%
Earnings per share (K)	88	75	17.3%
<i>Balance sheet</i>	Mar. 2015	Dec. 2014	% Change
Gross loans and advances	1,932,843	1,758,335	9.9%
Customers' deposits	2,682,575	2,537,311	5.7%
Total assets	3,938,003	3,755,264	4.9%
Shareholder's funds	526,430	552,638	-4.7%
<i>Key ratios</i>	Mar. 2015	Mar. 2014	% Change
Net interest margin	6.20%	8.02%	-22.7%
Cost-to-income ratio	54.29%	56.50%	-3.9%
Loan-to-deposit ratio	67.30%	54.25%	24.1%
Cost of funds	5.20%	4.50%	15.6%
Cost of risk	0.50%	0.60%	-16.7%
Return on average assets (ROAA)	2.90%	2.99%	-3.0%
Return on average equity (ROAE)	20.50%	18.24%	12.4%
Liquidity ratio	44.40%	63.49%	-30.1%
Capital adequacy ratio (CAR)	18.82%	26.50%	-29.0%
Non performing loan ratio (NPL)	1.70%	2.80%	-39.3%
Coverage ratio	92.90%	70.90%	31.0%



Peter Amangbo (GMD/CEO), while commenting on the results, asserted that by posting gross revenue of N113 billion for the three months ended March 31, 2015, the Zenith Group has once again demonstrated its leadership within the Nigerian banking landscape. He further noted that, despite the headwinds faced by the Nigerian banking industry, the Group recorded profit before tax (PBT) of N33 billion for the 2015 first quarter, representing 14.6% from the prior period. Mr. Amangbo identified excellent customer service as the main driver of the Group's sustained performance.

The group's focus on creation of well-priced high-quality assets is evident in the YoY growth of loans and advances by 44.6% with a moderate cost of risk of 0.5% and non-performing loan (NPL) ratio of 1.7%. 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. With a loan-to-deposit ratio of 67.3%, Basel II capital adequacy ratio of 18.82% and liquidity ratio of 44.4%, Zenith group is well positioned to explore business opportunities in strategic sectors of the economy.

On the group's returns expectations, **Mr. Amangbo** stated that, "the year 2015 has high prospects of increased economic growth and development, following the successful conduct of general elections in the country. This scenario will present the group with ample opportunity to grow its clientele and business volume in Nigeria while consolidating on its gains from foreign subsidiaries."

- **Ebenezer Onyeagwu, (Executive Director, Credit & Risk Management Division)** noted that the Group has continued to deploy its resources optimally, which has permitted risk asset growth without compromising on quality. He pointed out that, the group's risk assets grew by 44.6% (NGN 175bn) between March 2014 and March 2015, and by 9.9% over the figure recorded at 2014 financial year end, giving the group an ample opportunity to earn an enviable level of interest income. He further noted that, the growth in the risk assets did not in any way affect the quality of the group's loan books as the NPL ratio reduced from 2.8% to 1.70% and cost of risk reduced from 0.6% to 0.5%, between March 2014 and March 2015.

He expressed confidence that, with a loan-to-deposit ratio of 67.3%, a very strong capital base and a highly liquid balance sheet, the group is well positioned to grow its risk assets as well as explore other rewarding opportunities in the country and in all other locations where it has presence.

- **Stanley Amuchie (Chief Financial Officer)** commented on the results noting that, the group's continued effort in diversifying its revenue base yielded result as its non-interest revenue grew by 39.5% over the prior period. He noted that the group also maintained a relatively high net-interest margin despite the increased cost of funds during the quarter; this was achieved through efficient pricing of its risk assets and continued mobilization of low-priced deposits. He emphasised excellent customer service and innovation as factors that drove the group's strong revenue-generating feat.

On the group's operational efficiency, Mr Amuchie stated that, "the group is committed to keeping its cost-to-income ratio under control (cost-to-income reduced from 56.5% to 54.29% between March 2014 and March 2015) while utilising its assets more effectively." He also restated the group's commitment to maintaining its exceptional operational and customer service standards through well motivated personnel and ground-breaking technology.

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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. Zenith Bank listed \$850.00 million worth of non-capital raising GDR on the London Stock Exchange on March 21, 2013.

The Bank 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 centers 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 and Beijing, China.

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