



**Zenith Bank Plc**  
**Group management results for the 6 months ending 30 June 2010**

**ZENITH BANK PLC DOUBLES PROFIT BEFORE TAX FOR THE FIRST HALF OF 2010 WHILE  
MAINTAINING STRONG CAPITAL ADEQUACY AND LIQUIDITY**

LAGOS, NIGERIA - 21 July 2010 - Zenith Bank Plc, (Bloomberg: ZENITHBA NL) ("Zenith" or the "Bank"), the Nigerian bank headquartered in Lagos, announces its interim management results for the 6 months ended 30 June 2010.

Commenting on the results, Godwin Emefiele MD/CEO designate said: *"We are delighted to announce a return to strong profitability for the first half of 2010 driven by improved operational efficiency. Notwithstanding a 12.8% drop in gross income(YoY) occasioned by the southward trend in interest rates in the last quarter, the Group posted a profit before tax (PBT) of N25.34bn in H1'10 representing over 100% increase over the H1'09 figure of N12.63bn. Our continued focus on attracting low cost deposits through strategic branch network expansion and partnership with our top tier customers have led to a further 31% drop in interest expense year-on-year while sustained efforts towards achieving cost efficiencies have yielded a 10.22% drop in overhead expenses year-on-year. The Group continued to maintain a robust and liquid balance sheet in line with our strategy of ensuring a large capital and liquidity cushion to protect against adverse market conditions."*

**Financial Highlights**

- ✓ Gross Earnings of N96.85 billion, a decline of 12.8%, compared with the equivalent prior year period (N111.07billion 6 months ended 30 June 2009)
- ✓ Profit Before Tax of N25.34 billion, an increase of 101% (N12.63 billion June 2009)
- ✓ Profit After Tax of N21.31 billion, an increase of 116% (N9.85 billion June 2009)
- ✓ Total Assets of N1.75 trillion (N1.68 trillion June 2009)
- ✓ Conservative loan to deposit ratio of 56% with ample room for credit portfolio expansion
- ✓ Deposits and other accounts growth of 13.7% to N1.29 trillion (N1.13 trillion June 2009)
- ✓ Sound capital adequacy and liquidity at 33% and 57% respectively - comfortably above CBN statutory requirements
- ✓ Adjusted EPS 84 kobo (38 kobo June 2009)
- ✓ Shareholders' funds growth by 4.2% to N345 billion (N331billion June 2009)



## Resilience performance in challenging market conditions

- Corporate and Retail Banking: Revenue of N90 billion (June 2009: N110.5 billion) and profit before tax of N21.9 billion (June 2009: N21.97 billion). *“We have continued to maintain an unwavering focus on our Corporate and Retail banking business segment accounting for over 92% of the income stream of the group. We will continue to leverage on our extensive branch network and robust ICT platform to intermediate between the surplus and the deficit units of the economy partnering effectively with all customer segments. Emphasis will continue to be placed on superior customer services as a significant competitive advantage over the medium to long term”* said Peter Amangbo, Executive Director of the division.
- Investment Banking: Revenue of N1.41 billion (June 2009: N1.54 billion) and profit before tax of N1.31 billion (loss N20 billion June 2009). *“Investment Banking sustained its impressive performance in H1’10 with over 80% increase over H1’10 revenue and PBT of N751 million and N720 million respectively. We expect the positive momentum in the Nigerian economy to be sustained over the remaining period of the financial year and we will continue to outperform our forecast given the expected upward trajectory and the opportunities within the real sector of the economy”* said Udom Emmanuel, Executive Director - Chief Financial Officer
- Risk Management & Credit: Total Loans N718.6billion, Loan to Deposit Ratio 57%, NPL ratio 6.50% (June 2009 N747.5 billion, NPL ratio 6.25%, Loan to deposit Ratio 64%). *“We have continued to review our risk management culture and processes to ensure adequacy and appropriateness. The group has remained consistent in maintaining one of the lowest NPL ratios in the industry. Our prudent loan to deposit ratios at all times ensures that we can explore identifiable opportunities for growth. We will continue to focus on lending to AAA-rated tier 1 customers with low counter party risks.”* said Andy Ojei Executive Director of the division.



## Capital and Liquidity

The Group maintained the largest Shareholders' Funds in the country, standing at N345bn as at 30 June 2010. The Bank maintains extremely low leverage (capital base predominantly made up of tier 1 capital), coupled with very strong capitalisation. Capital adequacy and liquidity for the group currently stands at 30% and 50%, (Bank 33% and 57%), well above the CBN statutory minimum of 10% and 25% respectively. Furthermore the banks loan to deposit falls well below the prescribed maximum of 80% at a ratio of 57% at quarter-end.

The Group's capital is deemed more than adequate to support future expansion as well as cushion against business risks and contingencies.

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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](http://www.zenithbank.com)