



Zenith Bank Plc

Group Audited Results for the period ended 30 June, 2019

ZENITH BANK PLC RELEASES AUDITED H1 2019 RESULTS

LAGOS, NIGERIA - 19 August, 2019 - Zenith Bank Plc, (Bloomberg: ZENITHBA NL) (“Zenith” or the “Bank”), the Nigerian bank headquartered in Lagos, announces its audited results for the half year ended 30 June 2019.

Financial Highlights

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

<i>In millions of Naira</i>			
Income statement	30-Jun-19	30-Jun-18	% Change
Gross earnings	331,586	322,201	3%
Net interest income	142,515	153,961	-7%
Non-interest income	109,730	88,595	24%
Operating expenses	(126,833)	(125,478)	1%
Profit before tax	111,677	107,358	4%
Profit after tax	88,882	81,737	9%
Earnings per share (N)	2.83	2.60	9%
Balance sheet	30-Jun-19	31-Dec-18	% Change
Gross loans and advances	1,952,135	2,016,520	-3%
Customer deposits	3,810,025	3,690,295	3%
Total assets	5,898,596	5,955,710	-1%
Shareholders' fund	819,514	815,751	0%
Key ratios	30-Jun-19	30-Jun-18	% Change
Return on average equity (ROAE)	21.7%	21.3%	2%
Return on average assets (ROAA)	3.0%	3.0%	0%
Net interest margin (NIM)	8.6%	10.0%	-14%
Cost of funds	3.0%	3.4%	-12%
Cost of risk	1.4%	0.9%	55%
Cost to income	53.2%	53.9%	-1%
	30-Jun-19	31-Dec-18	% Change
Liquidity ratio	74.6%	80.9%	-8%
Loan to deposit ratio	51.2%	54.6%	-6%
Capital adequacy ratio (CAR)	25.0%	25.0%	0%
Non-performing loan	5.3%	5.0%	6%
Coverage ratio	145.4%	192.4%	-24%



Gross earnings grew by 3% from ₦322.2 billion to ₦331.6 billion driven by a significant growth of 24% (YoY) in non-interest income from ₦88.6 billion in H1 2018 to ₦109.7 billion in H1 2019. In particular, fees from electronic products increased by ₦17bn (168%) from ₦10bn in H1 2018 to ₦27 in H1 2019, demonstrating significant progress in our retail banking initiatives. This topline growth filtered through to the bottom-line as Profit Before Tax (PBT) increased to ₦111.7 billion reflecting a 4% growth over ₦107.4 billion reported in H1 2018 with earnings per share (EPS) increasing by 9% to ₦2.83 in H1 2019 from ₦2.60 compared to the prior period.

Between December 2018 and June 2019, the Group's total deposit increased by 3% with retail deposits growing by ₦267 billion (31%), from ₦861 billion to close at ₦1.1 trillion. Despite the growth in our deposit base, we optimized interest expense leading to a 4% reduction from ₦74.7 billion to ₦72.1 billion due to the Group's improved funding mix and our profound treasury management skills. Net Interest Margins (NIMs) witnessed a compression from 10% in the same period last year to 8.6% in H1 2019, as a result of the declining yield environment but cost of funds improved from 3.4% to 3.0%.

Our robust risk management ensured that our absolute Gross Non-Performing Loans (NPLs) remained flat. However, the marginal movement in NPL ratio was as a result of the 3% reduction in our loan book from ₦2.02 trillion as at December 2018 to ₦1.95 trillion at the end of the period. We are creatively deploying new retail loan products to ensure we capture a reasonable share of the retail loan market. We remain committed to maintaining our strong balance sheet with liquidity ratio at 74.6% and Capital Adequacy Ratio (CAR) at 25%, ensuring we remain above regulatory thresholds.

Going into the second half of the year, we will continue to consolidate our leadership in the corporate space while our retail banking drive will continue unabated. We expect to see an improvement in economic activities even as we maintain our promise of delivering a unique service experience to our customers.

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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 September 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 via a non-capital raising GDR on March 21, 2013. 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 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 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 Beijing, China and Dubai branch of Zenith Bank UK.

More information can be found at www.zenithbank.com

Conference Details:



Zenith Bank Plc (Bloomberg: ZENITHBA : NL) will have a teleconference call on Wednesday, August 21st, 2019 at 2pm Lagos Time (2pm London/ 3pm Johannesburg/ 9am New York) with its senior management to announce Zenith Bank Plc.'s audited financial results for the half year ended June 30th, 2019. There will be an opportunity at the end of the call for management to take questions from investors and analysts.

The presentation to investors and analysts will be posted to Zenith Bank's website before the conference call on Wednesday.

The teleconference call facility can be accessed by dialling:

Nigeria Toll: +23412775800; PIN: 89585887#

South Africa Toll: +27216724122; PIN: 89585887#

United Kingdom Toll: +442071943759; PIN: 89585887#

United States Toll: +1 6467224916; PIN: 89585887#

If you have any queries please do not hesitate to contact the below:

FOR FURTHER INFORMATION:

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