



Zenith Bank Plc

Group Unaudited Results for the Period ended 31 March, 2021

ZENITH BANK PLC RELEASES UNAUDITED Q1 2021 RESULTS

LAGOS, NIGERIA – 30 April, 2021 – Zenith Bank Plc, (Bloomberg: ZENITHBA NL) (“Zenith” or the “Bank”), the Nigerian bank headquartered in Lagos, announces its unaudited results for period ended 31 March 2021.

Income statement

<i>In millions of Naira</i>	31-Mar-21	31-Mar-20	% Change
Gross earnings	157,309	166,814	-6%
Interest and similar income	101,176	114,330	-12%
Interest and similar expense	(18,008)	(32,829)	-45%
Net interest income	83,168	81,501	2%
Non-interest income	51,201	46,639	10%
Operating expenses	(69,492)	(65,401)	6%
Profit before tax	61,022	58,788	4%
Profit after tax	53,060	50,526	5%
Earnings per share (N)	1.69	1.61	5%

Balance sheet

<i>In millions of Naira</i>	31-Mar-21	31-Dec-20	% Change
Gross loans	2,984,266	2,919,342	2%
Customer deposits	5,674,519	5,339,911	6%
Total assets	8,682,815	8,481,272	2%
Shareholders' fund	1,091,826	1,117,473	-2%
Key ratios	31-Mar-21	31-Mar-20	% Change
Return on average equity (ROAE)	19.2%	21.6%	-11%
Return on average assets (ROAA)	2.5%	3.0%	-18%
Net interest margin (NIM)	6.0%	7.7%	-22%
Cost of funds	1.1%	2.6%	-58%
Cost of risk	0.5%	0.6%	-17%
Cost to income	53.2%	52.7%	1%
	31-Mar-21	31-Dec-20	% Change
Liquidity ratio - Group	70.0%	66.2%	6%
Liquidity ratio - Bank	45.0%	62.5%	-28%
Loan to deposit ratio - Group	52.6%	54.7%	-4%
Loan to deposit ratio - Bank	61.7%	64.5%	-4%
Capital adequacy ratio (CAR)	21.1%	23.0%	-8%
Non-performing loan	4.20%	4.29%	-2%
Coverage ratio	114.0%	112.1%	2%



Financial Highlights

The Zenith Bank Group recorded a 4% year on year increase in profit before tax, growing from N58.8 billion in Q1 2020 to N61.0 billion in Q1 2021. Profit after tax also grew by 5% from N50.5 billion to N53.1 billion in the same period notwithstanding the reduction in gross earnings from N166.8 billion in Q1 2020 to N157.3 billion in Q1 2021. The decline in the topline was due to the prevailing low yield environment that was prevalent within the quarter which affected the yields on marketable securities and the pricing of risk assets; this led to a reduction in interest income from N114.3 billion to N101.2 billion. However, non-interest income increased by 10% from N46.6 billion to N51.2 billion and this was as a result of growth recorded in credit related fees and fees on electronic products.

The profitability was driven by optimisation of our cost of funds and improvement in non-interest income. Cost of funds reduced significantly from 2.6% in March 2020 to 1.1% in March 2021. This was also reflected in interest expense which dropped by 45% from N32.8 billion to N18.0 billion over the same period. The low yield environment accelerated the downward re-pricing of interest bearing assets which in turn led to a 22% compression in net interest margin (NIM), decreasing from 7.7% to 6.0% in the current period. Non-interest income was boosted by the increases in fees and commission income which resulted from increased volume of transactions across all our channels. Cost of risk dropped from 0.6% in March 2020 to 0.5% in March 2021 which is a testament to prudent risk management, even as gross loans increased marginally by 2% from N2.92 trillion to N2.98 trillion in Q1 2021.

Our robust customer acquisition strategy and the effectiveness of our electronic platforms and digital channels has enabled us to deliver a N54 billion increment in our savings account balance, which is solely retail. Customer deposits grew by 6% from N5.34 trillion in December 2020 to N5.68 trillion in March 2021. The transactions on our electronic channels are also growing astoundingly as new customers continue to be attracted to our user-friendly digital platforms.

Going into 2021, the expectation is that the ongoing economic recovery and improvements in the yield environment will translate into improved numbers for the Group. This will be supported by local and international COVID-19 vaccination campaigns, rising commodity prices, and global economic growth of up to 6%, as estimated by the International Monetary Fund (IMF). The Group will continue to position itself to take advantage of these positive developments and deliver improved financial performance and returns to all its stakeholders.



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 half a 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.