



Zenith Bank Plc
Group Audited Results for the period ended 30 June 2021

ZENITH BANK PLC RELEASES AUDITED H1 2021 RESULTS

LAGOS, NIGERIA - 27 August 2021 - 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 2021.

Financial Highlights

Income statement			
<i>In millions of Naira</i>	30-Jun-21	30-Jun-20	Change
Gross earnings	345,559	346,088	0%
Interest and similar income	203,934	216,954	-6%
Interest and similar expense	(43,994)	(59,545)	-26%
Net interest income	159,940	157,409	2%
Non-interest income	126,768	116,486	9%
Operating expenses	(149,850)	(135,848)	10%
Profit before tax	117,059	114,124	3%
Profit after tax	106,119	103,826	2%
Earnings per share (N)	3.38	3.30	2%
Balance sheet			
<i>In millions of Naira</i>	30-Jun-21	31-Dec-20	Change
Assets			
Gross loans	2,992,498	2,919,342	3%
Customers' deposits	5,770,434	5,339,911	8%
Total assets	8,515,471	8,481,272	0%
Shareholders' fund	1,143,447	1,117,473	2%
Key ratios			
	30-Jun-21	30-Jun-20	% Change
Return on average equity (ROAE)	18.8%	21.5%	-13%
Return on average assets (ROAA)	2.5%	3.0%	-16%
Net interest margin (NIM)	6.5%	9.0%	-28%
Cost of funds	1.3%	2.2%	-41%
Cost of risk	1.3%	1.8%	-26%
Cost to income	56.1%	54.3%	3%
	30-Jun-21	31-Dec-20	% Change
Liquidity ratio - Group	69.9%	66.2%	6%
Liquidity ratio - Bank	59.0%	62.5%	-6%
Loan to deposit ratio - Group	51.9%	54.7%	-5%
Loan to deposit ratio - Bank	61.6%	64.5%	-4%
Capital adequacy ratio (CAR)	22.0%	23.0%	-4%
Non-performing loan	4.51%	4.29%	5%
Coverage ratio	115.0%	112.1%	3%



The Zenith Bank Group recorded a growth in profit before tax of 3%, rising to NGN117 billion from NGN114 billion reported in the previous year. The Group also recorded a 9% growth in non-interest income from NGN116 billion in June 2020 to NGN127 billion in 2021, while interest income dropped by 6% from NGN217 billion to NGN204 billion as yields from some interest-bearing assets declined. This was mitigated by a 26% decrease in interest expense from NGN60 billion in June 2020 to NGN44 billion in June 2021 resulting in an increase in net interest income from NGN157 billion to NGN160 billion in June 2021. Overall, the significant reduction in interest expense by 26% and growth in non-interest income by 9% gave rise to improved profitability.

The Group's retail journey continues to deliver positive results. Retail deposits grew by NGN38.2 billion from NGN1.72 trillion to NGN1.76 trillion year-to-date (YTD). Savings balances grew marginally by 2% YTD to close at NGN1.18 trillion from NGN1.16 trillion as at December 2020. The drive for increased retail deposits and a low-interest yield environment helped reduce the cost of funding from 2.2% to 1.3% in the current period. However, the low-interest environment also affected the net interest margin, which declined from 9% to 6.5% in the current year due to the re-pricing of interest-bearing assets. Operating expenses grew by 10% YoY but growth remains below the inflation rate. Although returns on equity and assets also reduced from 21.5% to 18.5% and from 3.0% to 2.5%, respectively, the Group improved its Earnings per Share (EPS) which grew 2% from NGN3.30 to NGN3.38 for the half year ended June 2021.

The Group also increased total customer deposits by 8% to close the period at NGN5.77 trillion, which demonstrates growth in the Group's market share. Total assets grew marginally to NGN8.52 trillion as at 30 June 2021 from NGN8.48 trillion as at 31 December 2020. Despite the challenges imposed by the COVID-19 pandemic and the challenging operating environment, the Group grew its risk assets as gross loans grew by 3% YTD, from NGN2.92 trillion to NGN2.99 trillion. This was conservatively achieved at a low NPL ratio of 4.51% (FYE 2020: 4.29%) and a reduced cost of risk of 1.3% (June 2020: 1.8%). Prudential ratios such as liquidity and capital adequacy also remained above regulatory thresholds at 69.9% and 22.0% respectively.

Despite the continued prevalence of COVID-19, there is a cautious optimism that the global economy will continue to recover as vaccination programmes are intensified. Locally, Nigeria's GDP grew by 5.01% in the second quarter and inflation which peaked in March 2021 at 18.17% is gradually trending down (currently at 17.38% as at July 2021). The Group is well-positioned to maximise the opportunities that these recovering fundamentals present while leveraging e-technology to expand the retail footprint to deliver improved returns to all its stakeholders.

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Teleconference Call Details:

Zenith Bank Plc (Bloomberg: ZENITHBA: NL), management will have a teleconference call on Wednesday, September 1st, 2021, at 3pm Lagos Time (3pm London/4pm Johannesburg/10am New York) with its senior management to announce Zenith Bank Plc's audited financial results for the half-year ended 30 June 2021. At the end of the call, there will be an opportunity for management to take questions from investors and analysts.

Please see attached the half-year 30 June 2021 Full Year Group Financial Results.

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

The teleconference call facility can be accessed via the internet only, kindly register at <https://www.diamondpass.net/7943367>. Please note that you will only receive dial-in details after registration.

Name: Zenith Bank HI 2021 Conference Call

Date: Wednesday, September 1st, 2021

Time: 3pm Lagos time

Registration link: <https://www.diamondpass.net/7943367>

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

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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 17 September, 2004 and was listed on the Nigerian Stock Exchange on 21 October, 2004 following a highly successful Initial Public Offering (IPO). Zenith Bank listed on the London Stock Exchange via a non-capital raising GDR on 21 March, 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