



Zenith Bank Plc
Group Audited Results for Year ended 31 December 2022

ZENITH BANK PLC RELEASES FINANCIAL YEAR-END 2022 RESULTS

LAGOS, NIGERIA - 28 March 2023 - Zenith Bank Plc, (Bloomberg: ZENITHBA NL) (“Zenith” or the “Bank”), the Nigerian bank headquartered in Lagos, announces its audited results for the year ended 31 December 2022.

Financial Highlights

| Income statement | | | |
|--------------------------------------|------------------|------------------|-----------------|
| <i>In millions of Naira</i> | 31-Dec-22 | 31-Dec-21 | % Change |
| Gross earnings | 945,554 | 765,558 | 24% |
| Interest and similar income | 540,166 | 427,597 | 26% |
| Interest and similar expense | (173,539) | (106,793) | 63% |
| Net interest income | 366,627 | 320,804 | 14% |
| Impairment charge | (123,252) | (59,932) | 106% |
| Non-interest income | 380,967 | 309,035 | 23% |
| Operating expenses | (339,692) | (289,533) | 17% |
| Profit before tax | 284,650 | 280,374 | 2% |
| Profit after tax | 223,911 | 244,558 | -8% |
| Earnings per share (NGN) | 7.14 | 7.78 | -8% |
| Balance sheet | | | |
| <i>In millions of Naira</i> | 31-Dec-22 | 31-Dec-21 | % Change |
| Gross loans | 4,123,966 | 3,501,878 | 18% |
| Customers' deposits | 8,975,653 | 6,472,054 | 39% |
| Total assets | 12,285,629 | 9,447,843 | 30% |
| Shareholders' fund | 1,378,940 | 1,279,662 | 8% |
| Key ratios | | | |
| | 31-Dec-22 | 31-Dec-21 | % Change |
| Return on average equity (ROAE) | 16.8% | 20.4% | -18% |
| Return on average assets (ROAA) | 2.1% | 2.7% | -22% |
| Net interest margin (NIM) | 7.3% | 6.7% | 9% |
| Cost of funds | 1.9% | 1.5% | 27% |
| Cost of risk | 3.2% | 1.9% | 68% |
| Cost to income | 54.4% | 50.8% | 7% |
| Liquidity ratio - Group | 75.0% | 71.6% | 5% |
| Liquidity ratio - Bank | 67.0% | 61.9% | 8% |
| Loan to deposit ratio - Group | 45.9% | 54.1% | -15% |
| Loan to deposit ratio - Bank | 51.6% | 62.6% | -18% |
| Capital adequacy ratio (CAR) | 19.8% | 21.0% | -6% |
| Non-performing loan | 4.3% | 4.2% | 3% |
| Coverage ratio | 115.9% | 114.4% | 1% |



The Zenith Bank Group achieved a year-on-year (YoY) growth in gross earnings of 24% from NGN765.6 billion reported in the previous year to NGN945.5 billion in 2022. This was driven by a 26% YoY growth in interest income from NGN427.6 billion to NGN540.2 billion and a 23% YoY growth in non-interest income from NGN309 billion to NGN381 billion.

The debt restructuring programme in Ghana resulted in a very significant impairment expense for our Ghana subsidiary. Consequently, impairments grew by 106% from NGN59.9 billion to NGN123.4 billion, which also resulted in an increase in the cost of risk from 1.9% in 2021 to 3.2% in the current year. Interest expense increased by 63% YoY from NGN106.8 billion to NGN173.5 billion. This affected the cost of funds which grew from 1.5% in 2021 to 1.9% in 2022 because of interest rate hikes globally. The above notwithstanding, the group profit before tax recorded a 2% YoY growth from N280.4 billion in 2021 to N284.7 billion in 2022.

Customer deposits increased by 39%, growing from NGN6.47 trillion in the previous year to NGN8.98 trillion in 2022. The growth in customer deposits cuts across all products and deposit segments (corporate and retail), consolidating our market leadership and the confidence customers have in us.

The continued elevated yield environment positively impacted on our net-interest-margin (NIM), which grew from 6.7% to 7.3% due to an effective repricing of our interest-bearing assets. Operating expenses grew by 17% YoY, but cost growth was controlled and remains below the inflation rate. The Group's profit after tax (PAT) decreased by 8% from NGN244.6 billion to NGN223.9 billion because of the increase in the Group's effective tax rate from 12.7% in 2021 to 21.3% in 2022. This increase is because of the effective implementation of the Finance Act. This significant increase is a one-off and is not expected to recur in subsequent years. This affected return on equity which reduced from 20.4% to 16.8%. Return on assets decreased from 2.7% to 2.1% due to the significant growth in the balance sheet.

Total assets increased by 30%, growing from NGN9.45 trillion in 2021 to NGN12.29 trillion mainly as a result of the rapid growth in customer deposits. With the steady and continued recovery in economic activities, the Group prudently grew its gross loans by 18%, from NGN3.5 trillion in 2021 to NGN4.1 trillion in 2022, leading to a marginal increase in the non-performing loan (NPL) ratio from 4.2% to 4.3% YoY. The capital adequacy ratio decreased from 21% to 19.8% while the liquidity ratio improved from 71.6% to 75%. Both prudential ratios are well above regulatory thresholds.

In 2023, the Group intends to expand its frontiers as it also reorganises into a holding company structure adding new verticals to its businesses and growing in all its markets, both locally and internationally.

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Teleconference Call Details:

Zenith Bank Plc (Bloomberg: ZENITHBA : NL) will have a teleconference call on Friday, 31 March 2023, at 3pm Lagos time (3pm London/4pm Johannesburg/9am New York) with its senior management to announce Zenith Bank Plc's audited financial results for the full-year ended 31 December 2022. At the end of the call, there will be an opportunity for management to take questions from investors and analysts.

Please see attached the full-year 31 December 2022 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://tinyurl.com/2cmpe5s3>. Please note that you will only receive dial-in details after registration.

Name: Zenith Bank PLC FY 2022 Financial Results Conference

Date: Friday 31 March 2023

Time: 3pm Lagos time

Registration link: <https://tinyurl.com/2cmpe5s3>

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

Zenith Bank Plc

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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.