



Zenith Bank Plc
Group Unaudited Results for the 3 months ended 31 March, 2024

ZENITH BANK PLC RELEASES 1st QUARTER 2024 RESULTS

LAGOS, NIGERIA - 3 May, 2024 - Zenith Bank Plc, (Bloomberg: ZENITHBA NL) (“Zenith” or the “Bank”), the Nigerian bank headquartered in Lagos, announces its unaudited results for the 3 months ending 31 March 2024.

Financial Highlights

Income statement			
<i>In millions of Naira</i>	31-Mar-24	31-Mar-23	% Change
Gross earnings	780,617	269,994	189%
Interest and similar income	488,546	191,632	155%
Interest and similar expense	(182,096)	(70,843)	157%
Net interest income	306,450	120,789	154%
Impairment charge	(55,972)	(7,730)	624%
Non-interest income	271,567	72,752	273%
Operating expenses	(201,851)	(99,206)	104%
Profit before tax	320,194	86,605	270%
Profit after tax	258,341	66,012	291%
EPS	8.22	2.10	291%
Balance sheet			
<i>In millions of Naira</i>	31-Mar-24	31-Dec-23	
Gross loans	9,171,534	7,055,447	30%
Customers' deposits	16,784,228	15,167,740	11%
Total assets	24,280,777	20,368,455	19%
Shareholders' funds	2,847,525	2,323,380	23%
Key ratios	31-Mar-24	31-Mar-23	
Return on average equity (ROAE)	40.0%	18.7%	114%
Return on average assets (ROAA)	4.6%	2.1%	119%
Net interest margin (NIM)	8.3%	6.9%	20%
Cost of funds	4.0%	2.7%	48%
Cost of risk	2.8%	0.7%	300%
Cost to income	38.7%	53.4%	-28%
	31-Mar-24	31-Dec-23	
Liquidity ratio - Group	67.0%	71.0%	-6%
Liquidity ratio - Bank	41.5%	45.0%	-8%
Loan to deposit ratio - Group	54.6%	46.5%	17%
Loan to deposit ratio - Bank	66.1%	52.8%	25%
Capital adequacy ratio (CAR)	20.0%	21.7%	-8%
Non-performing loan	4.32%	4.40%	-2%
Coverage ratio	155.3%	191.1%	-19%



Despite the challenging operating environment and tightening monetary policy stance, the Zenith Bank Group reported strong year-on-year (YoY) growth of 189% in gross earnings from NGN270 billion reported in the first quarter ended March 2023 to NGN781 billion in the current period ended 31 March 2024. Interest and non-interest income contributed significantly to the growth in gross earnings. Interest income grew by 155% from the NGN192 billion reported in the quarter ended March 2023 to NGN489 billion in the period to 31 March 2024. The growth in interest income is due to the repricing of our risk assets, owing to the increase in the central bank's Monetary Policy Rate (MPR) which currently stands at 24.75%. The growth in net interest income is primarily due to the increase in fees and commission as well as trading grains.

The Group reported an impairment charge of NGN56 billion for Q1 2024 from NGN8 billion in Q1 2023. This is attributable to significant growth in risk assets primarily driven by revaluation of its USD loans which necessitated additional impairment on the bank's foreign currency denominated loans.

Our cost of funds grew by 48% from 2.7% in Q1 2023 to 4% in Q1 2024 due to the high interest rate environment, while interest expense increased by 157% from NGN71 billion reported in Q1 2023 to NGN182 billion in the period to March 2024. Notwithstanding the year-on-year (YoY) increase in interest expense, net interest margin (NIM) grew by 20% from 6.9% in the 3 months ended March 2023 to 8.3% in the current period ending 31 March 2024. The impressive growth in the top line resulted in profit before tax (PBT) of NGN320 billion in the quarter ended 31 March 2024, representing an increase of 270% from the NGN87 billion reported in the first quarter of 2023.

Return on Average Equity (ROAE) and Return on Average Assets (ROAA) increased year-on-year (YoY) by 114% and 119% respectively due to improved profitability.

Gross loans, which are largely funded by customer deposits grew by 30% from NGN7.1 trillion in December 2023 to NGN9.2 trillion in March 2024. Customer deposits also grew by 11% from NGN15.2 trillion in December 2023 to NGN16.8 trillion in March 2024 underpinning continued customer confidence in the Zenith brand. Total assets increased by 19% to NGN24 trillion within the same period.

The Group has consistently maintained all prudential ratios well above the minimum regulatory requirement. At the end of Q1 2024, our Capital Adequacy Ratio (CAR) and Liquidity Ratio stood at 20% and 67% respectively, demonstrating our ability to maintain a strong and liquid balance sheet.

We are making progress on our planned capital raise to support future growth, and are optimistic that we will meet the minimum capital requirements under the CBN's recapitalization directive. As we accelerate migration to our new technology architecture and also transition into a holding company, the Group remains poised to maximize value for all stakeholders.

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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 Johannesburg, South Africa, Beijing, China and Dubai branch of Zenith Bank UK.

More information can be found at www.zenithbank.com