



Group Audited Results for 6 months ended 30 June, 2017

ZENITH BANK PLC RELEASES AUDITED HALF YEAR 2017 FINANCIAL RESULTS

LAGOS, NIGERIA– 10 August, 2017 - Zenith Bank Plc, (Bloomberg: ZENITHBA NL) (“Zenith” or the “Bank”), the Nigerian bank headquartered in Lagos, announces its audited results for the 6 months ended 30th June, 2017.

<i>In NGN million</i>			
Income Statement	June 2017	June 2016	% Change
Gross earnings	380,440	214,812	77.1%
Net Interest income	138,962	127,023	9.4%
Non-interest income	118,183	33,404	253.8%
Operating income	214,747	146,195	46.9%
Operating expenses	122,564	92,290	32.8%
Profit before tax	92,183	53,905	71.0%
Profit after tax	75,317	35,467	112.4%
Earnings per share (k)	240	113	112.4%
Balance sheet	June 2017	Dec. 2016	% Change
Customers' deposit	2,974,938	2,983,621	-0.3%
Gross loans and advances	2,299,442	2,360,809	-2.6%
Totals assets	4,927,367	4,739,825	4.0%
Shareholders' funds	719,333	704,465	2.1%
Key ratios	June 2017	June 2016	% Change
Net interest margin	7.6 %	8.0 %	-5.0 %
Cost to income	57.1 %	56.7 %	0.7 %
Loan to deposit	66.2 %	71.3 %	-7.2 %
Cost of funds	6.4 %	3.2 %	100.0 %
Cost of risk	3.6 %	1.3 %	176.9 %
Return on average assets(ROAA)	3.1 %	2.1 %	47.6 %
Return on average equity (ROAE)	21.2 %	14.8 %	43.2 %
Liquidity ratio	61.1 %	55.2 %	10.7 %
Capital adequacy (CAR)	21.0 %	19.0 %	10.5 %
NPL ratio	4.3 %	2.3 %	83.8 %



In its remarks, the management of the Zenith Bank Group stated: “The audited performance for the half year ended 30th June, 2017 re-affirms Zenith’s continued leadership of the Nigerian financial services industry.

The Group recorded Gross Earnings of ₦380 billion, a 77% increase over the prior period. Given the backdrop of the macro environment and current policy direction, the Group achieved Profit Before Tax (PBT) and Profit After Tax (PAT) of ₦92 billion and ₦75 billion respectively representing a stellar growth of 71% and 112% over the same period of 2016.

While Net Interest Margins (NIM) tightened by 5.0% (y-o-y) due to the elevation in interest expense, the growth in both interest income and interest expense was an outcome of the current high yield environment. However, due to the currency devaluation, attendant inflationary pressures and AMCON charges, operating expense increased by 47.8% resulting in a cost-to-income ratio of 57.1%.

Gross loans outstanding as at the half year declined marginally by 2.6% owing to the emphases on quality risk-asset creation. The increase in impairment charge in the period was a result of the Group's prudent approach to impairment charges for certain sectors, such as telecoms and power. This resulted in an increased NPL ratio of 4.3% and coverage ratio of 117% with the Non-Performing Loan (NPL) ratio still below the statutory guideline of 5%.

The liquidity ratio of the group as at half year was 61%, thus maintaining a highly liquid balance sheet which is in line with its operating strategy and higher than the regulatory minimum of 30%. Furthermore, the Group’s strong fundamentals are exhibited through its Capital Adequacy Ratio (CAR) of 21% which provides ample buffer above the regulatory minimum of 15%. The Group also retains the capacity for risk asset creation given its loan to deposit ratio of 66%.”

Given the improving economic indicators, management’s positive outlook in the second half of the year is reinforced as the Group is strategically positioned to explore opportunities to grow its customer base and risk assets that evolve. Emphasis will remain on agriculture, the real sector and emerging opportunities in select economic segment while providing support towards the expansion of local production and manufacturing capacity.



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 June 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



Conference Call Details:

Zenith Bank Plc (Bloomberg: ZENITHBA : NL) will have a teleconference call on Monday, August 14, 2017 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 6 months ended 30 June, 2017. There will be an opportunity at the end of the call for management to take questions from investors and analysts.

Please find attached the 2017 Half Year Group Financial Results.

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

The teleconference call facility can be accessed by dialling:

Nigeria Toll: +234 (1) 903 0080

United Kingdom Toll: +44 (0) 3333 000 804

Unites States: +1 631 913 1422

South Africa: +27 21 672 4118

And then quoting the following access code: 88649922#

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

FOR FURTHER INFORMATION:

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