



Zenith Bank Plc

Group Unaudited Results for the Period ended 30 September 2023

ZENITH BANK PLC RELEASES UNAUDITED Q3 2023 RESULTS

LAGOS, NIGERIA - 31 October 2023 - Zenith Bank Plc, (Bloomberg: ZENITHBA NL) (“Zenith” or the “Bank”), the Nigerian bank headquartered in Lagos, announces its unaudited results for period ended 30 September 2023.

Financial Highlights

Income statement			
<i>In millions of Naira</i>	30-Sep-23	30-Sep-22	% Change
Gross earnings	1,329,075	620,574	114%
Interest and similar income	670,932	390,755	72%
Interest and similar expense	(255,704)	(107,848)	137%
Net interest income	415,228	282,907	47%
Non-interest income	607,155	211,972	186%
Operating expenses	(307,348)	(255,234)	20%
Profit before tax	505,036	202,549	149%
Profit after tax	434,172	174,331	149%
Earnings per share (NGN)	13.82	5.55	149%
Balance sheet			
<i>In millions of Naira</i>	30-Sep-23	31-Dec-22	% Change
Gross loans	6,101,454	4,123,966	48%
Total assets	18,160,814	12,285,629	48%
Customer deposits	13,383,577	8,975,653	49%
Shareholders' fund	1,919,935	1,378,940	39%
Key ratios			
	30-Sep-23	30-Sep-22	% Change
Return on average equity (ROAE)	35.1%	18.0%	95%
Return on average assets (ROAA)	3.8%	2.2%	73%
Net interest margin (NIM)	5.6%	6.2%	-10%
Cost of funds	2.6%	1.7%	56%
Cost of risk	5.5%	1.3%	323%
Cost to income	37.8%	55.8%	-32%
	30-Sep-23	31-Dec-22	% Change
Liquidity ratio - Group	68.0%	75.0%	-9%
Liquidity ratio - Bank	61.2%	67.0%	-9%
Loan to deposit ratio - Group	45.6%	45.9%	-1%
Loan to deposit ratio - Bank	49.4%	51.6%	-4%
Capital adequacy ratio (CAR)	20.1%	19.8%	2%
Non-performing loan	3.8%	4.3%	-12%
Coverage ratio	179.4%	115.9%	54.7%



The Zenith Bank Group achieved a year on year (YoY) growth in gross earnings of 114% from NGN620.6 billion reported in Q3 2022 to NGN1,329 billion in Q3 2023. This triple-digit growth in the topline also enhanced our bottom line as the Group recorded a 149% YoY increase in profit before tax, growing from NGN202.5 billion in Q3 2022 to NGN505 billion in Q3 2023. Profit after tax also grew by 149% from NGN174.3 billion to NGN434.2 billion in the same period. The growth in the topline arose from both interest income and non-interest income. Interest income grew in the current period by 72% to NGN670.9 billion from NGN390.8 billion in Q3 2022, while non-interest income grew by 186% from NGN212 billion to NGN607.2 billion.

The growth in profit similarly is attributable to the twin effects of the improvement in interest and non-interest income. Interest income increased because of the growth in risk assets as well as the effective pricing thereon. The non-interest income growth is largely driven by the revaluation gain due to the unification of exchange rates during the year. The cost-to-income ratio reduced from 55.8% in Q3 2022 to 37.8% in the current period. Impairment levels increased due to the deliberate incremental provisions necessitated by our conservative approach towards the heightened risk environment and the creation of a counter-cyclical buffer needed to deal with any impending volatility of exchange rates. This caused the cost of risk to deteriorate from 1.3% in Q3 2022 to 5.5% in Q3 2023, however this is an improvement from Q2 2023 where cost of risk printed at 8.8% because of prudent management of our risk assets.

Total assets grew by 48% from NGN12.3 trillion to NGN18.2 trillion in the period to 30 September 2023, mainly driven by growth in customers' deposits. Customers' deposits grew by 49% from NGN8.98 trillion in December 2022 to NGN13.38 trillion in September 2023. The growth in customers' deposits cuts across both corporate and retail segments with our savings portfolio (all currencies) growing from NGN2.7 trillion in December 2022 to NGN4.6 trillion in September 2023.

Gross loans increased by 48% from NGN4.1 trillion in December 2022 to NGN6.1 trillion in September 2023 due to the revaluation of foreign currency denominated loans as well as the growth in local currency loans to strategic and thriving sectors of the economy. The Non-performing loan ratio improved to 3.8% in the period ended 30 September 2023, well below prudential limits. Net interest margin (NIM) printed at 5.6% from 6.2% reported in September 2022 due to low yield in government securities. Capital adequacy ratio improved marginally to 20.1% from 19.8% while liquidity ratio declined from 75% to 68%. However, all our prudential ratios remain above regulatory thresholds.

We are optimistic that we will finish the year 2023 strong, focus will be on sustainable quick wins that would boost growth across all our business segments and enhance stakeholder value.

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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 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