



**Zenith Bank Plc**  
**Group Audited Results for the year ended 31 December, 2016**

**ZENITH BANK PLC RELEASES AUDITED DECEMBER 2016 FINANCIAL RESULTS**

LAGOS, NIGERIA - 27 February 2017 - 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, 2016.

**Financial Highlights**

<i>In millions of Naira</i>	December 2016	December 2015	% Change
<b>Income statements</b>			
Gross earnings	507,997	432,535	17.4%
Interest income	384,557	348,179	10.4%
Net interest income	240,179	224,582	6.9%
Non-interest income	123,440	84,584	45.9%
Operating income	331,269	293,493	12.9%
Operating expenses	174,521	167,877	4.0%
Profit before tax	156,748	125,616	24.8%
Profit after tax	129,652	105,663	22.7%
Earnings per share (K)	412	336	22.6%
<b>Balance sheet</b>			
Gross loans and advances	2,360,809	2,032,256	16.2%
Customers' deposits	2,983,621	2,557,884	16.6%
Total assets	4,739,825	4,007,492	18.3%
Shareholder's funds	704,465	594,353	18.5%
<b>Key ratios</b>			
Net interest margin	7.40%	8.10%	(8.6)%
Cost-to-income ratio	52.70%	57.20%	(7.9)%
Loan-to-deposit ratio	67.80%	67.20%	0.9%
Cost of funds	4.20%	4.00%	5.0%
Cost of risk	1.44%	0.80%	80.0%
Return on average assets (ROAA)	3.00%	2.70%	11.1%
Return on average equity (ROAE)	20.00%	18.40%	8.7%
Liquidity ratio	59.60%	51.40%	16.0%
Capital adequacy ratio (CAR)	23.00%	21.00%	9.5%
Non-performing loan ratio (NPL)	3.02%	2.18%	38.5%
Coverage ratio	100.10%	96.90%	3.3%



*Commenting on the results, the management of the Zenith Bank Group stated: "The performance for the year ended December 31, 2016 re-affirms Zenith's industry leadership and consistency in providing superior financial returns. This is demonstrated by the 25% and 23% growth in Profit Before Tax (PBT) and Profit After Tax (PAT) respectively despite the continuously challenging macro-economic backdrop. The N157 billion PBT and N130 billion PAT reported in the current year resulted in an impressive return on average equity of 20% compared to 18% in the prior year.*

*The Group reported gross revenues of N507.9 billion representing an increase of 17.4% over the same period in 2015. Furthermore, the results for the year shows an increase of 10.4% and 45.9% (Y-o-Y) in interest income and non-interest income respectively. The impressive growth of non-interest income is primarily attributable to the banks electronic products delivery, retail drive and derivatives income. The increased focus on retail drive resulted in a 46% Y-o-Y growth in savings deposits.*

*The cost control initiatives embarked by the Group continue to yield positive results with an 8% reduction in cost to income ratio to close at 53% for the year ended December, 31 2016. While the year-end 2016 inflation rate was 18.55%, the Group was able to keep its absolute operating expenses relatively flat moving by 4% from N167.9 billion to N174.5 billion Interest expense, however, increased by 16.8% (Y-o-Y) mainly due to a 92% increase in cost of borrowed funds which was largely driven by the movements in the exchange rate.*

*The loans and advances of the Group grew by 16% Y-o-Y to close at N2.3 trillion as at 31 December, 2016; mainly due to the devaluation of the Naira. The Group reported a Non Performing Loss (NPL) ratio of 3.02% as at December 2016 compared to 2.18% in 2015 with a coverage ratio of 100%, which are attestations of the quality of the Group's loan book. Liquidity ratio and Capital Adequacy Ratio (CAR) came in at 60% and 23%, which are higher than the regulatory requirements of 30% and 15% respectively.*

*In spite of a competitive and challenging operating environment, management's outlook is very positive barring any unpleasant shock. Furthermore, the Group will continue its focus on cost control and emerging opportunities in the growth and economic recovery agenda of the Federal Government..*

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*Please note that the management of Zenith Bank Plc will be holding a teleconference call by 3.00pm Lagos time (14.00 GMT) on Tuesday, February 28, 2017.*

*The teleconference call facility can be accessed by dialling:*

+44 (0) 203 139 4830 UK  
+234 1 277 5820 Nigeria  
+27 21 672 4008 South Africa  
+1 718 873 9077 USA

*And then quoting the following access code: 21990438#*

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



*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](http://www.zenithbank.com)*