



**Zenith Bank Plc**

**Group unaudited Results for period ended 30 September, 2018**

**ZENITH BANK PLC RELEASES Q3 2018 RESULTS**

LAGOS, NIGERIA - 18 October, 2018 - Zenith Bank Plc, (Bloomberg: ZENITHBA NL) (“Zenith” or the “Bank”), the Nigerian bank headquartered in Lagos, announces its unaudited results for third quarter ended 30 September 2018.

**Financial Highlights**

| <i><b>In millions of Naira</b></i> |                  |                  |                  |
|------------------------------------|------------------|------------------|------------------|
|                                    | <b>30-Sep-18</b> | <b>30-Sep-17</b> | <b>Change</b>    |
| <b><i>Income statement</i></b>     |                  |                  |                  |
| Gross earnings                     | 474,607          | 531,266          | -11%             |
| Interest income                    | 339,063          | 361,789          | -6%              |
| Net interest income                | 228,517          | 201,492          | 13%              |
| Non-interest income                | 135,544          | 169,477          | -20%             |
| Operating income                   | 349,723          | 323,916          | 8%               |
| Operating expenses                 | 182,416          | 171,364          | 6%               |
| <b>Profit before tax</b>           | <b>167,307</b>   | <b>152,552</b>   | <b>10%</b>       |
| <b>Profit after tax</b>            | <b>144,179</b>   | <b>129,235</b>   | <b>12%</b>       |
| Earnings per share (N)             | 4.58             | 4.11             | 11%              |
|                                    |                  |                  |                  |
| <b><i>Balance sheet</i></b>        | <b>30-Sep-18</b> | <b>31-Dec-17</b> | <b>Change</b>    |
| Gross loans and advances           | 2,066,045        | 2,252,172        | -8%              |
| Customer deposits                  | 3,275,548        | 3,437,915        | -5%              |
| Total assets                       | 5,617,785        | 5,595,253        | 0%               |
| Shareholders' fund                 | 777,904          | 821,658          | -5%              |
|                                    |                  |                  |                  |
| <b><i>Key ratios</i></b>           | <b>30-Sep-18</b> | <b>30-Sep-17</b> | <b>% Change</b>  |
| Return on average equity (ROAE)    | 24.0%            | 23.4%            | 2.7%             |
| Return on average assets (ROAA)    | 3.4%             | 3.5%             | -2%              |
| Net interest margin (NIM)          | 9.6%             | 8.4%             | 15%              |
| Cost of funds                      | 3.3%             | 5.4%             | -40%             |
| Cost of risk                       | 0.9%             | 2.7%             | -67%             |
| Cost to income                     | 52.2%            | 52.9%            | -1%              |
|                                    | <b>30-Sep-18</b> | <b>31-Sep-17</b> | <b>31-Dec-17</b> |
| Loan to deposit ratio              | 50.9%            | 62.1%            | 60.5%            |
| Liquidity ratio                    | 72.0%            | 61.1%            | 69.7%            |
| Capital adequacy ratio             | 21.0%            | 22.2%            | 27.0%            |
| Non-performing loan                | 4.9%             | 4.2%             | 4.7%             |



*The Zenith Bank Group delivered a Profit before Tax (PBT) of ₦167 billion for the nine months period ended September 30, 2018, reflecting a 10% growth over ₦153 billion in the prior year amidst a challenging macro environment. Despite increasing economic uncertainties, the Group was able to grow its net earnings through a combination of a reduction in its cost to income ratio, cost of risk and cost of funds, ensuring that earnings per share strengthened.*

*Gross earnings and interest income declined by 11% and 6% respectively, largely due to declining yields on assets, further impacted by the 8% reduction of the loan book over the period. The Group mitigated this drop in the top-line by enhancing its efficiency which resulted in an improved Net Interest Margins (NIMs) of 9.7% for the period against 8.4% as at Q3 2017. Also, the trend of declining cost-to-income ratio continued with cost-to-income ratio now at 52.2% against 52.9% in the same period of last year. More importantly, the Group's cost of funds declined by 40% to 3.3% in the period from 5.4% in Q3 2017.*

*The Group's impairment charges dropped significantly by 70% to 14 billion in Q3 2018 from 47 billion in the same prior year period. Also, cost of risk moved in the same direction as it declined by 67% to 0.9% in Q3 2018 from 2.7% in Q3 2017, demonstrating the commitment of the Group to being conservatively positioned in credit risk management.*

*The deposit book continues to be optimized as total deposits for the period closed at 3.28 trillion showing a decline of 5% from the 3.44 trillion position as at December 2017. This deliberate reduction is part of the Group strategy to reduce its reliance of expensive and volatile deposits translating to a significant 31% reduction in interest expense from 160 billion in Q3 2017 to 111 billion in the current period. On the whole, total assets held constant from December 2017 to close at 5.6 trillion.*

*The Group continues to make progressive strides in its retail banking drive evinced by remarkable growth in transaction volumes across various electronic platforms even as customer acquisitions has increased materially. Also, the growth in the e-channels of the Group through its POS and ATM terminals continues to support our retail push. This combination now drives our increase in fees from e-products which grew 94% year-on-year, growth in retail deposit balances even as Zenith's share of the industry's retail deposits increases.*



*As we go into the final quarter of the year, management's outlook remains positive buoyed by a fairly stable inflation rate, a converging foreign exchange market and near target oil production. The Group remains focused on increasing its retail market share, consolidating its leadership position in the corporate segment even as it ensures its balance sheet remains shock proof.*

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