



Zenith Bank Plc
Group Audited Results for the Period ended 30 June 2023

ZENITH BANK PLC RELEASES AUDITED H1 2023 RESULTS

LAGOS, NIGERIA - 11 September 2023 - Zenith Bank Plc, (Bloomberg: ZENITHBA NL) (“Zenith” or the “Bank”), the Nigerian bank headquartered in Lagos, announces its audited results for the half-year ended 30 June 2023.

Financial Highlights

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023 - GROUP

Income statement			
<i>In millions of Naira</i>	30-Jun-23	30-Jun-22	% Change
Gross earnings	967,261	404,763	139%
Interest and similar income	415,425	241,726	72%
Interest and similar expense	(153,564)	(56,983)	169%
Net interest income	261,861	184,743	42%
Impairment charge	(207,925)	(25,122)	728%
Non-interest income	515,693	148,984	246%
Operating expenses	(219,269)	(178,600)	23%
Profit before tax	350,360	130,005	169%
Profit after tax	291,731	111,413	162%
Earnings per share (NGN)	9.29	3.55	162%
Balance sheet			
<i>In millions of Naira</i>	30-Jun-23	31-Dec-22	% Change
Assets			
Gross loans	5,381,021	4,123,966	30%
Customer deposits	11,626,105	8,975,653	30%
Total assets	16,031,910	12,285,629	30%
Shareholders' fund	1,781,979	1,378,940	29%
Key ratios			
	30-Jun-23	30-Jun-22	% Change
Return on average equity (ROAE)	36.9%	17.5%	111%
Return on average assets (ROAA)	4.1%	2.3%	79%
Net interest margin (NIM)	5.9%	7.1%	-17%
Cost of funds	2.6%	1.4%	86%
Cost of risk	8.8%	1.4%	529%
Cost to income	38.5%	58.0%	-34%
	30-Jun-23	31-Dec-22	% Change
Liquidity ratio - Group	61.0%	75.0%	-19%
Liquidity ratio - Bank	69.0%	67.0%	3%
Loan to deposit ratio - Group	46.3%	45.9%	1%
Loan to deposit ratio - Bank	50.4%	51.6%	-2%
Capital adequacy ratio (CAR)	22.0%	19.8%	11%
Non-performing loan	3.9%	4.3%	-9%
Coverage ratio	201.1%	115.9%	74%



The Zenith Bank Group achieved a year on year (YoY) growth in gross earnings of 139% from NGN404.8 billion reported in H1 2022 to NGN967.3 billion in H1 2023. This triple-digit growth in the top line also drove growth in our bottom line as the Group recorded a 169% YoY increase in profit before tax, from NGN130 billion in H1 2022 to NGN350.4 billion in H1 2023. Profit after tax also grew by triple digits, up 162% from NGN111.4 billion to NGN291.7 billion in the same period. The growth in gross earnings was driven by an acceleration in both interest income and non-interest income.

Interest income grew by 72% from NGN241.7 billion in H1 2022 to NGN415.4 billion in H1 2023 while non-interest income grew by 246% from NGN149 billion to NGN515.7 billion. The growth in interest income is attributed to the impact of both the growth and the effective pricing of our risk assets. The unification of the foreign exchange rates during the period spurred the growth in non-interest income as revaluations gains improved significantly.

In terms of efficiency, our cost-to-income ratio improved from 58% to 38.5% in the current period on the back of enhanced income. Impairment levels increased significantly in recognition of the heightened risk environment resulting in the cost of risk growing from 1.4% to 8.8%. Cost of funding also grew YoY from 1.4% in H1 2022 to 2.6% in H1 2023 due to the spike in interest rates, with interest expense growing from NGN57 billion in H1 2022 to NGN153.6 billion in H1 2023. This affected our net interest margin (NIM) which reduced from 7.1% to 5.9% over the same period.

Total assets grew by 31% from NGN12.3 trillion to NGN16.0 trillion in December 2022, mainly driven by growth in customers' deposits and the revaluation of the foreign currency deposits. Customers' deposits grew by 30% from NGN9.0 trillion in December 2022 to NGN11.6 trillion in June 2023.

Loans and advances also grew by 32% from NGN4.12 trillion in December 2022 to NGN5.38 trillion in June 2023 partly due to the revaluation of foreign currency denominated loans as well as growth in local currency loans. The non-performing loans ratio improved from 4.3% to 3.9% in December 2022 despite the deterioration of the macroeconomic variables and heightened risk environment, because of the currency mix of our risk assets book. The Capital adequacy ratio improved from 19.8% to 22.0% while our liquidity ratio reduced from 75% to 61% in the current period. Both prudential ratios are still well above regulatory thresholds.

The reorganisation into a holding company structure is still in progress as the Group adds new verticals to its businesses and expands into new frontiers. As the year progresses the Group will continue to remain dynamic in anticipating and adapting to the changes in the fiscal and monetary environments in all our markets to sustain growth across all business segments.

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Teleconference Call Details:

Zenith Bank Plc (Bloomberg: ZENITHBA : NL) will have a teleconference call on Thursday, 14 September 2023, at 3pm Lagos Time (3pm London/4pm Johannesburg/10am New York) with its senior management to announce Zenith Bank Plc's audited financial results for the half-year ended 30 June 2023. At the end of the call, there will be an opportunity for management to take questions from investors and analysts.

Please see attached the half-year 30 June 2023 Group Financial Results.

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

The teleconference call facility can be accessed via the internet only. Kindly register at <https://tinyurl.com/ch9ws87v>. Please note that you will only receive dial-in details after registration.

Name: Zenith Bank H1 2023 Conference Call

Date: Thursday 14 September 2023

Time: 3pm Lagos time

Registration link: <https://tinyurl.com/ch9ws87v>

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

Zenith Bank Plc

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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 17 September, 2004 and was listed on the Nigerian Stock Exchange on 21 October, 2004 following a highly successful Initial Public Offering (IPO). Zenith Bank listed on the London Stock Exchange via a non-capital raising GDR on 21 March, 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