



Zenith Bank Plc

Group Audited Results for the 12 month period ended 31 December, 2010

ZENITH BANK PLC REPORTS OUTSTANDING FULL YEAR PERFORMANCE IN 2010

LAGOS, NIGERIA - 22 March 2011 - Zenith Bank Plc, (Bloomberg: ZENITHBA NL, Reuters: ZENITH.LG) (“Zenith” or the “Bank”), the Nigerian bank headquartered in Lagos, announces its full year audited results for the 12 month period ended 31 December 2010.

Commenting on the results, **Godwin Emefiele GMD/CEO** said: *“we are delighted to announce our full year audited results for the financial year 2010 which reflect a sustained improvement in profitability, operational efficiency, liquidity and capital adequacy. Our drive to return to pre-2009 earnings levels through a continued focus on exceptional customer service and effective branding has seen the group’s Profit Before Tax (PBT) increase by over 78% over the 2009 annualized figure to N50bn. This is particularly pleasing as we have outperformed the N44.89bn we achieved in 2008 making a rapid return to our pre global financial crisis growth trajectory. Our well articulated strategies for the retail and corporate banking markets have continued to yield the desired results as well as benefiting from the synergies of a low cost deposit mix and low counter party credit risk. We remain committed to maximising cost efficiencies, with 2010 seeing an 8% decrease in overhead expenses year on year.*

“The Group’s strong liquidity and capital position ensures that Zenith is well positioned to protect shareholder value and pursue its growth ambitions supported by its dedicated workforce and management expertise. We look forward to consolidating our position in the Nigerian banking sector and building on the success of the Group’s performance last year.”

Financial Highlights

- ✓ Gross Earnings of N192.49 billion, a decline of 13.23%, compared with the equivalent prior year period (N221.84billion annualized 2009) as a result of a more than 25% decline in lending rates
- ✓ Profit Before Tax of N50.03billion, an increase of over 78% (N28.07billion 2009 annualized)
- ✓ Profit After Tax of N37.41billion, an increase of 127% (N16.48 billion 2009 annualized)
- ✓ Total Assets of N1.90 trillion, an increase of 14.40% (N1.66 trillion December 2009)
- ✓ Conservative loan to deposit ratio of 57% with ample room for credit portfolio expansion
- ✓ Deposits and other accounts growth of 12.27% to N1.32 trillion (N1.17 trillion December 2009)
- ✓ Sound capital adequacy and liquidity at 35% and 64% respectively - comfortably above industry requirements
- ✓ EPS 119 kobo
- ✓ Shareholders’ funds up by 7.63% to N364 billion (N338 billion December 2009)



Continued growth across all core business lines

- **Corporate and Retail Banking:** Revenue of N182.03 billion (2009 annualized: N210.46 billion) and Profit Before Tax of N44.47 billion (2009 annualized: N27.72 billion). *“Accounting for over 94% of the Group’s generated revenue; Corporate and Retail Banking division has remained the focal point of the Group’s businesses. We have continued to leverage on our strong brand recognition, strategically distributed branch network and robust capital and liquidity base to ensure that we dominate the market. We have resolutely kept to our promise of delivering exceptional customer services in fostering a partnership with all customer segments in this Division. We will continue to maintain our competitive edge in the use of our robust ICT platform to drive our core banking businesses over the medium to long term period”* said Peter Amangbo, Executive Director in one of the divisions.
- **Non-Banking Subsidiary Businesses - Investment Management, Securities Trading, Insurance and Others:** Revenue of N10.46 billion (2009 annualized: N11.38 billion) and Profit Before Tax of N5.56 billion (2009 annualized: N352 million). *“The year ended with all the Non Banking Subsidiary businesses and Investment Banking division contributing positively to the Group’s performance. However, in compliance with the Central Bank of Nigeria’s (CBN) regulation on the Scope of Banking Activities and Ancillary Matters 2010, the Board of Directors approved the Bank’s application for a Commercial Banking licence with International Authorisation from the CBN. This decision was arrived at after an assessment of the Bank’s strategic options for compliance with due consideration of interests of all stakeholders and the long-term financial viability of Zenith Bank Plc. This option will involve the divestment of the Bank’s investments in Non-Banking Subsidiaries except the Pension & Custodian Business which is permitted under our new license. The Directors are confident that the exit arrangement will not materially affect the financial position and operations of the Bank,”* said Udom Emmanuel, Chief Finance Officer
- **Credit & Risk Management:** Total Loans of N746 billion, Loan to Deposit Ratio of 57%, NPL of 5.93% (December 2009; Total Loans of N747.5 billion, Loan to deposit Ratio of 64%, NPL of 6.47%). *“Our drive for the optimal protection of our shareholders values’ through the continuous review and improvement of our risk management culture and processes has continued to ensure that the Group remains consistent in maintaining one of the lowest NPL ratios in the industry. Our capacity to explore and take advantage of identifiable opportunities for growth in the market remains intact within the framework of our prudent loan to deposit ratios. We will continue to pursue a Risk Management strategy aimed at building an integrated approach to risk assessment, measurement, monitoring and control that captures all risks in all aspects of the Group’s activities”* said Andy Ojei, Chief Risk Officer.



Strong capital and liquidity position

The Group maintained one of the largest Shareholders' Funds in the country, standing at N364 billion as at 31 December 2010. The Bank maintains extremely low leverage, with its capital base predominantly made up of Tier 1 capital, coupled with a very strong market capitalisation. The Bank has improved both its capital adequacy and liquidity position over the 12 month period. The capital adequacy ratio for the Group currently stands at 35% (32% December 2009) while the Bank's liquidity position is currently at 64% (55% December 2009), both are well above the CBN statutory minimum of 10% and 30% respectively. Furthermore, the Group's loan to deposit ratio of 57% falls well below the CBN's prescribed maximum ratio of 80% at year-end.

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). 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 four hundred (450) 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.

More information can be found at www.zenithbank.com