



Zenith Bank Plc

Unaudited Group results for the 3 month period ending 31 March 2010



People | Technology | Service

Disclaimer



This presentation is based on the consolidated financial statements of Zenith Bank Plc, a company incorporated in Nigeria on 30 May 1990, and its subsidiaries (hereinafter collectively referred to as "the Group"). The financial statements are prepared under the historical cost convention as modified by the revaluation of certain investment securities and comply with the Statements of Accounting Standards issued by the Nigerian Accounting Standards Board.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

Agenda



Results

Group

By Segment

By Geography

Company Risk Management & Strategy

Economic Highlights: Q1 2010

Agenda



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Economic Highlights: Q1 2010

Financial Highlights



Key Themes

Robust income base
Positive outlook for the rest of the year
Continued superior performance

P&L

Gross Earnings: N55bn
Net Interest Income: N20bn
PBT: N13bn

+5% YoY
-11% YoY
+12% YoY

Balance Sheet

Total Assets: N1.8trn
Loan to Deposit Ratio: 52%
Shareholders' Funds: N334bn

Key Ratios

ROE: 2.84%
Liquidity: 48% (Group), 59% (Bank)
Capital Adequacy: 28% (Group), 34% (Bank)

Op. Highlights

1 for 4 bonus issue declared with pay date of 23rd April 2010
Appointment of KPMG as corporate governance advisor
AGM scheduled to hold 20 April 2010 in Abuja

Profit & Loss Statement



(N'm)

Gross Income
 Interest Income
 Interest Expense
Net Interest Income
 Foreign Exchange Trading Income
 Underwriting Profit
 Trusteeship Income
 Income from Investments
 Other Income
 Operating Income
 Operating Expenses
 Diminution in Asset Values
Profit Before Tax
 Taxation
Profit After Taxes

	Group 3 mths to Mar-10	Group 3 mths to Mar-09	YOY Change
Gross Income	55,030	52,628	5%
Interest Income	38,476	41,811	-8%
Interest Expense	-18,122	-19,008	-5%
Net Interest Income	20,354	22,803	-11%
Foreign Exchange Trading Income	2,898	2,086	39%
Underwriting Profit	593	999	-41%
Trusteeship Income	7	-	-
Income from Investments	79	-	-
Other Income	999	1,933	-48%
Operating Income	35,064	38,638	-9%
Operating Expenses	-22,722	-24,966	-9%
Diminution in Asset Values	864	-1,914	-145%
Profit Before Tax	13,206	11,758	12%
Taxation	-3,697	-2,572	44%
Profit After Taxes	9,509	9,186	4%

5% top line growth and 12% growth in PBT reinforcing our FY2010 forecast of returning to 2008 profitability levels

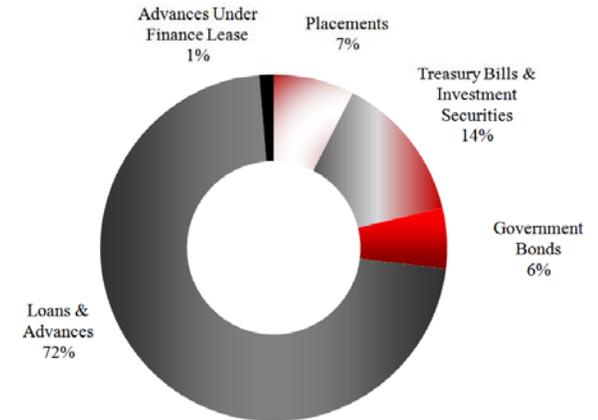
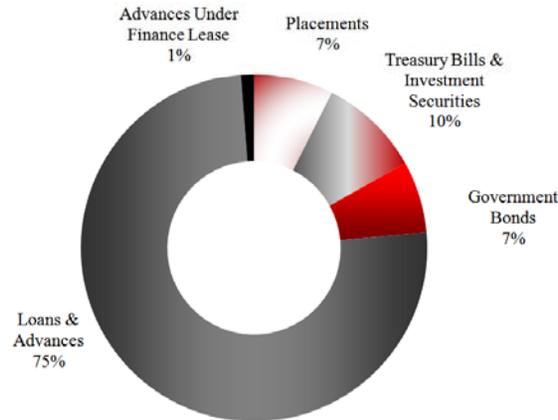
Revenue Base- broader and more bullish...



Qtr-Mar10

Interest Income

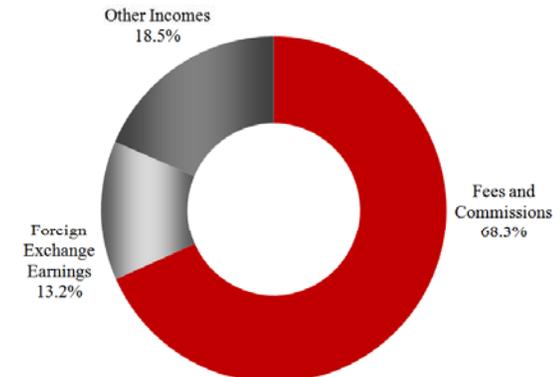
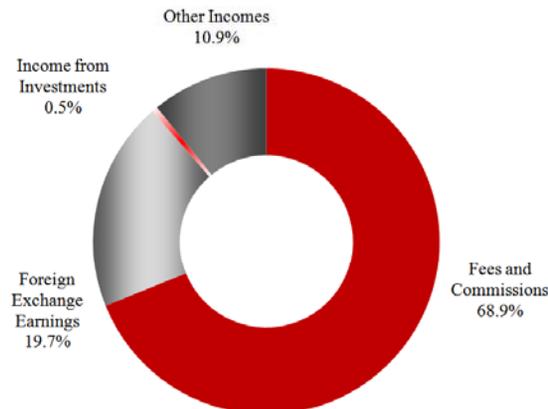
Qtr-Mar09



Qtr-Mar10

Non-Interest Income

Qtr-Mar09



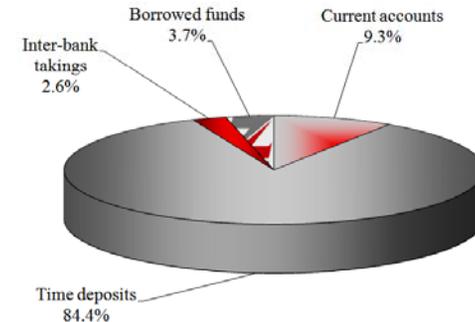
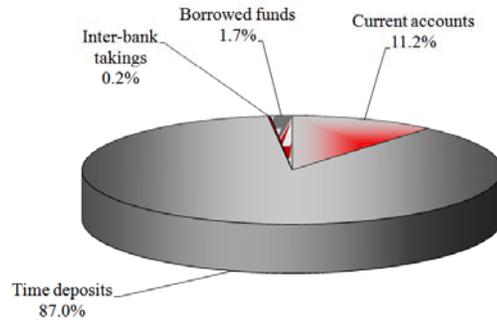
Continuous efforts towards cost effectiveness...



Qtr-Mar10

Interest Expenses

Qtr-Mar09

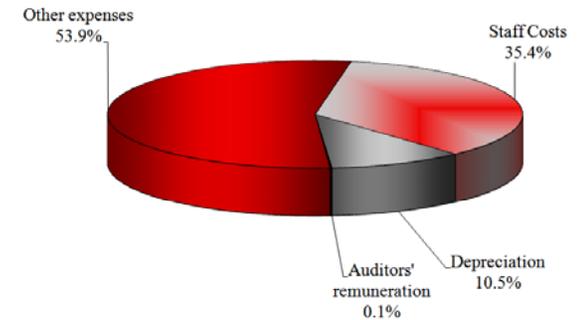
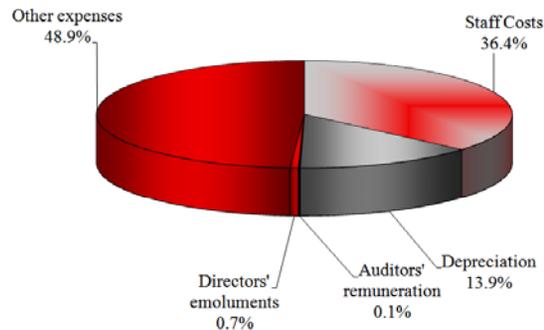


Significantly reduced funding costs from Borrowings and Inter-bank takings

Qtr-Mar10

Operating Expenses

Qtr-Mar09



Balance Sheet- Assets



(N'm)

Cash and balances with central banks

Treasury bills

Due from other banks

Loans and advances

Advances under finance lease

Insurance receivables

Investment securities

Deferred tax assets

Other assets

Investment property

Fixed assets

Total Assets

	Group Mar-10	Group Mar-09	YOY Change
Cash and balances with central banks	302,606	172,170	76%
Treasury bills	257,755	194,465	33%
Due from other banks	295,102	431,443	-32%
Loans and advances	642,619	712,365	-10%
Advances under finance lease	9,897	9,050	9%
Insurance receivables	1,612	1,004	61%
Investment securities	192,246	165,889	16%
Deferred tax assets	694	14	4,857%
Other assets	24,495	40,526	-40%
Investment property	435	394	10%
Fixed assets	77,992	63,261	23%
Total Assets	1,805,453	1,790,581	1%

We continue to maintain a solid liquid assets balance sheet base in line with our Group strategy...

Balance Sheet- Liabilities & Equity



(N'm)

Customer deposits
 Claims Payable
 Liabilities on insurance contracts
 Borrowings
 Current income tax
 Other liabilities
 Deferred income tax liabilities
Total liabilities

	Group Mar-10	Group Mar-09	YOY Change
Customer deposits	1,323,793	1,219,126	9%
Claims Payable	65	281	-77%
Liabilities on insurance contracts	2,197	1,181	86%
Borrowings	27,702	40,027	-31%
Current income tax	8,303	4,845	71%
Other liabilities	103,305	178,218	-42%
Deferred income tax liabilities	3,476	1,966	77%
Total liabilities	1,468,841	1,445,644	2%

(N'm)

Share capital
 Reserves
 Shareholder's funds
 Non-controlling interest
Total liabilities & equity

	Group Mar-10	Group Mar-09	YOY Change
Share capital	267,606	263,419	2%
Reserves	66,633	79,077	-16%
Shareholder's funds	334,239	342,496	-2%
Non-controlling interest	2,373	2,441	-3%
Total liabilities & equity	1,805,453	1,790,581	1%

Customer's Acceptance

756,921 671,484 13%

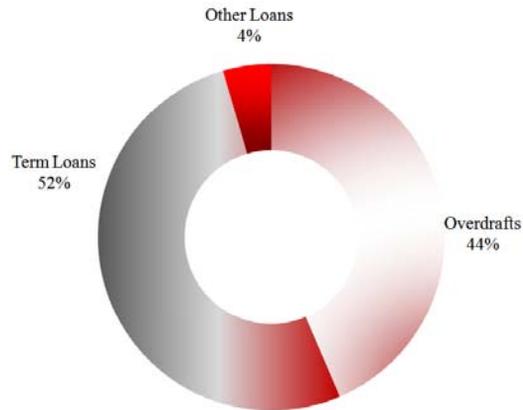
We continue to maintain sufficient large capital cushion to protect the Group against any adverse event.

Consolidating on our balance sheet quality and strength ...

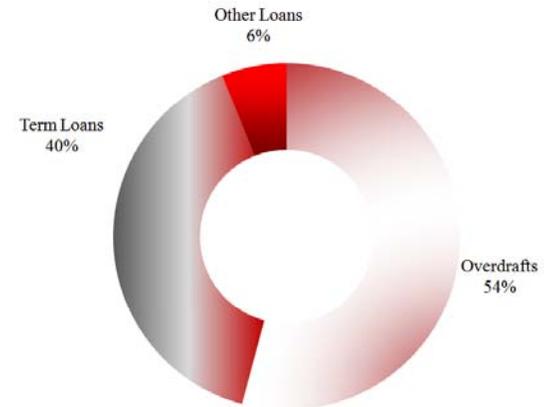


Loans & Advances

Qtr-Mar10

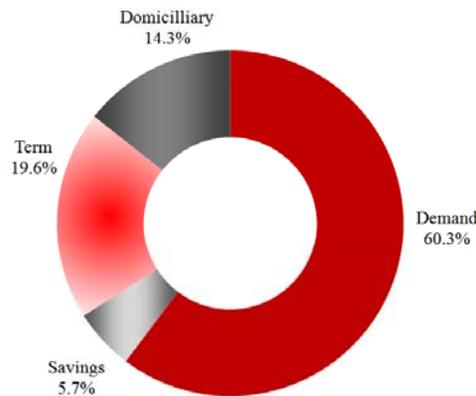


Qtr-Mar09

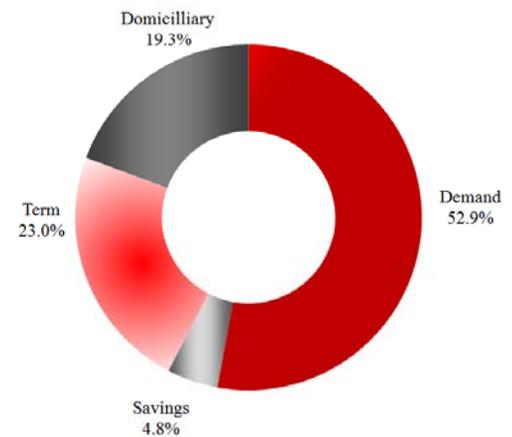


Deposits

Qtr-Mar10



Qtr-Mar09



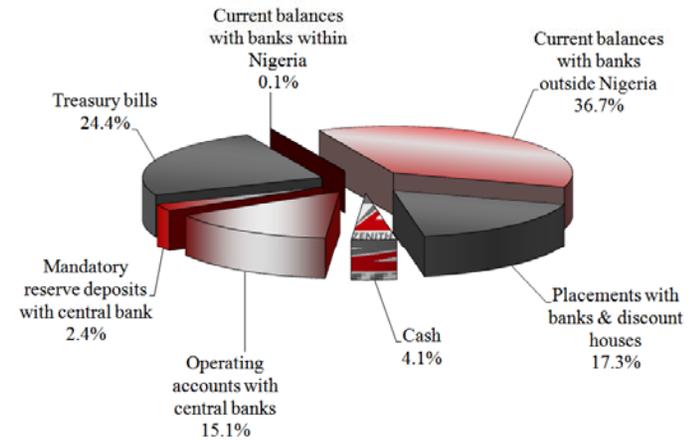
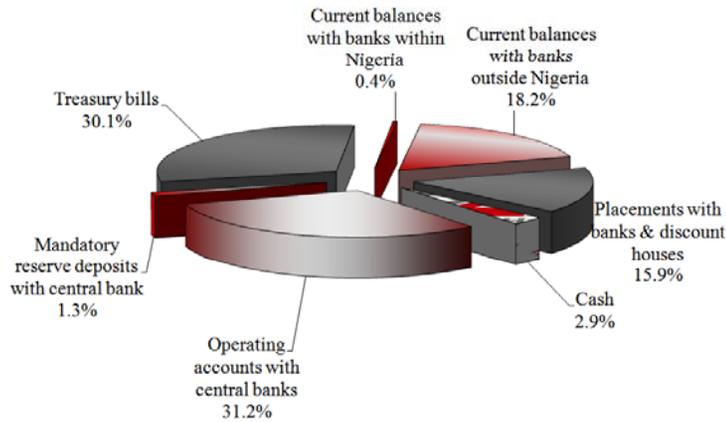
Continued market dominance through strong liquid asset base and funding mix...



Qtr-Mar10

Liquid Assets

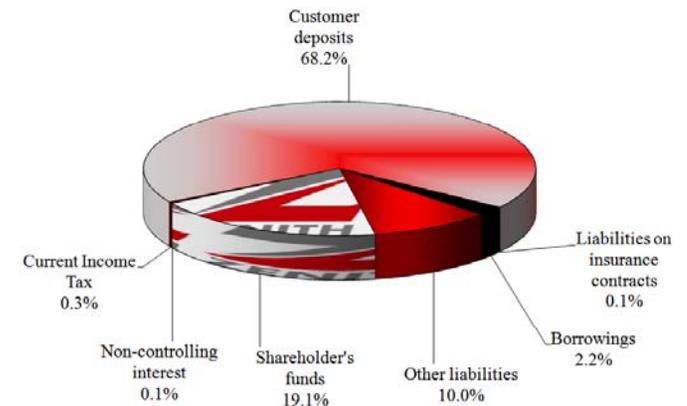
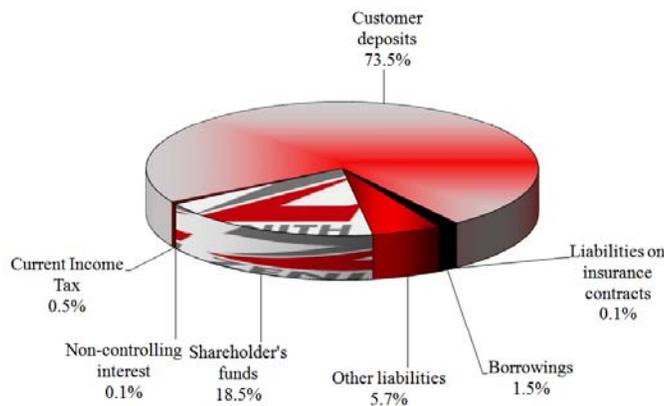
Qtr-Mar09



Qtr-Mar10

Funding Mix

Qtr-Mar09

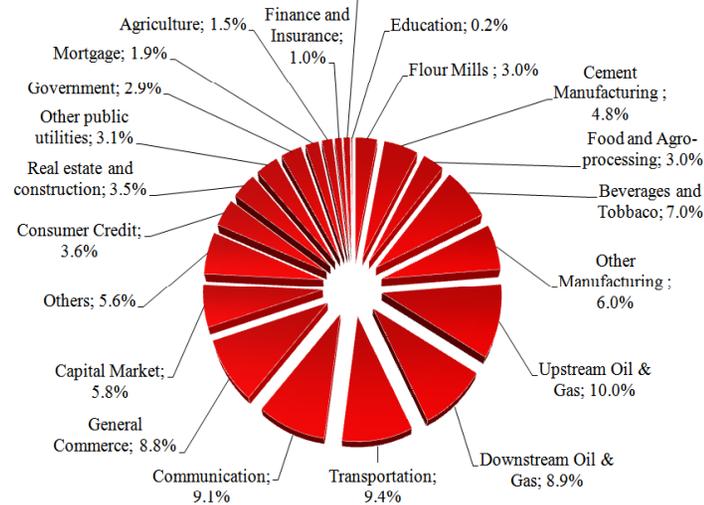


Customer deposits growing; continues to be a significant funding source for the Group

Healthy risk assets portfolio...

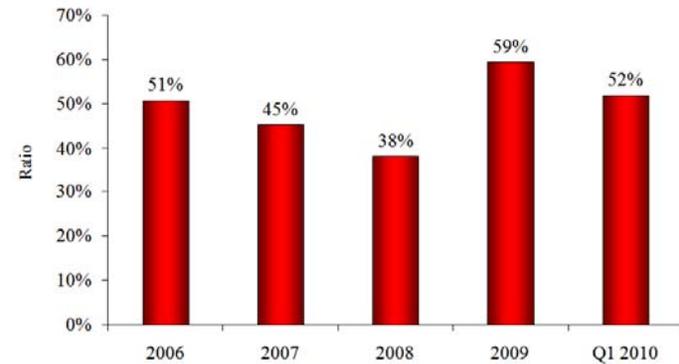


Loans by Sector

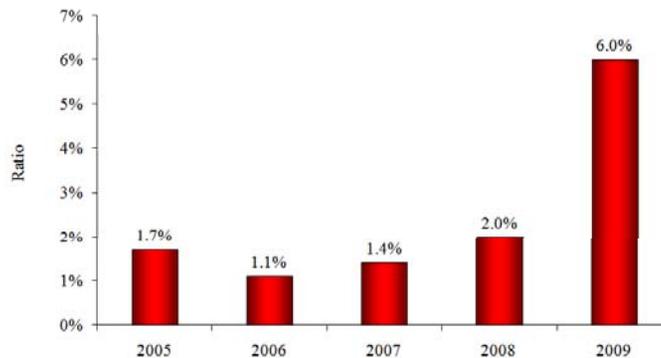


Loan to Deposit Ratio

Conservative LTD ratio providing adequate room for future expansions



NPL Ratio

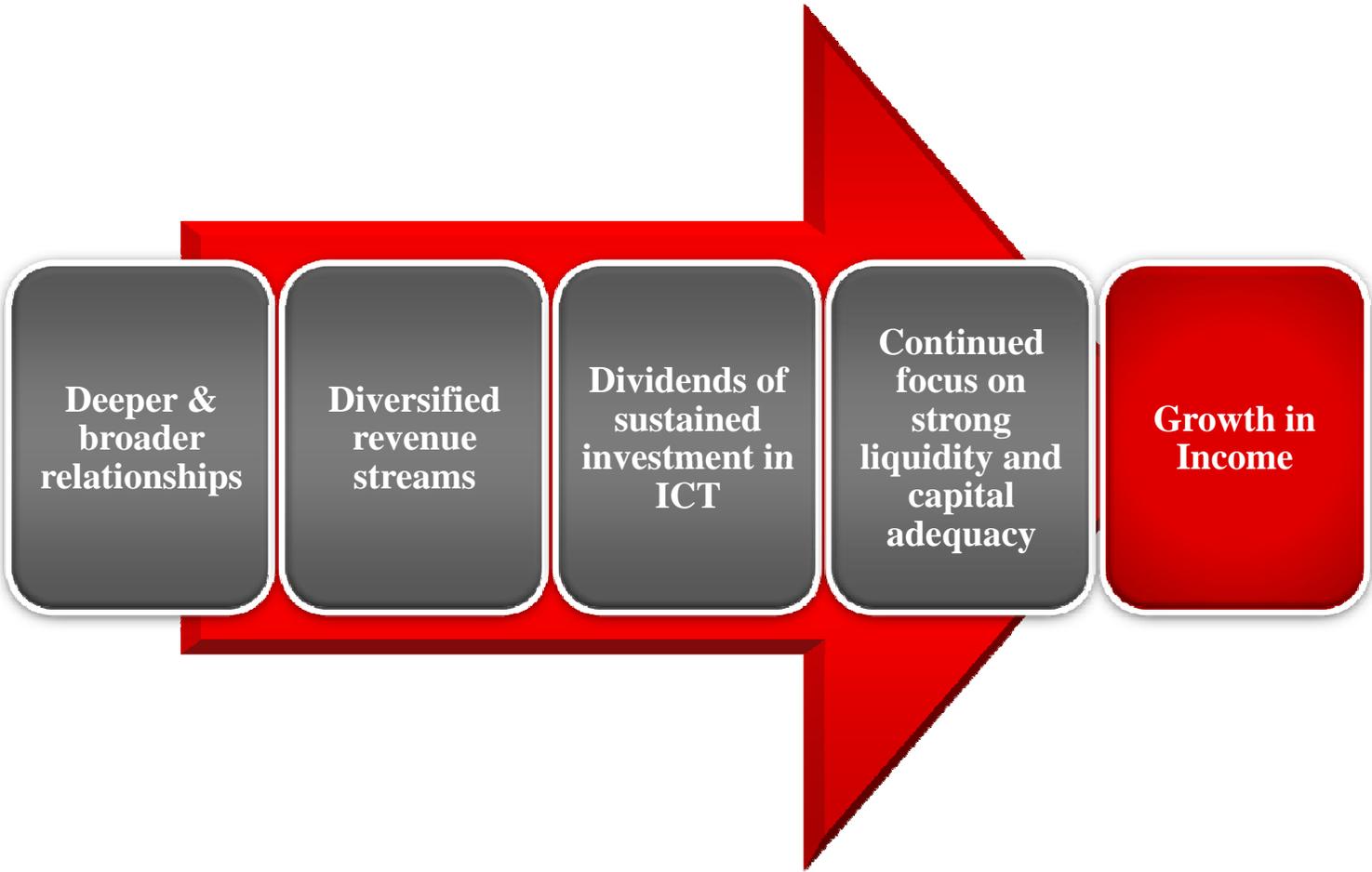


Consistently Low NPLs in comparison with industry:

- Total provisions of N49bn
- 3% of total assets
- 15% of shareholders' funds

08/09 NPLs impacted by new CBN provisioning guidelines .

Summary of Q1 2010 Performance...



P&L- By Segment



3 Months Ended Mar 2010 (N'm)

	Corporate & Retail Banking	Investment Mgmt & Stockbroking	General Health & Life Insurance	Others	Consolidated
Revenue Derived From External Customers	51,480	648	2,438	464	55,030
Revenue Derived From Other Business Segments	6	103	174	533	-
Total Revenue	51,486	751	2612	997	55,030
Operating Expenses	40,230	31	2,224	155	41,824
Profit Before Tax	11,256	720	388	842	13,206
Tax	- 3,421	-	- 103	- 173	3,697
Profit After Tax	7,835	720	285	669	9,509

3 Months Ended Mar 2009 (N'm)

	Corporate & Retail Banking	Investment Mgmt & Stockbroking	General Health & Life Insurance	Others	Consolidated
Revenue Derived From External Customers	49,680	1,085	385	1,478	52,628
Revenue Derived From Other Business Segments	1,920	1	139	134	-
Total Revenue	51,600	1,086	524	1,612	52,628
Operating Expenses	42,754	132	234	-56	40,870
Profit Before Tax	8,846	954	290	1,668	11,758
Tax	-2,508	13	-14	-63	-2,572
Profit After Tax	6,338	967	276	1,605	9,186

Y-O-Y Change in Total Revenue

	-0.2%	-30.8%	398.5%	-38.2%	4.6%
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Corporate Banking continues to be the cornerstone of our business and core speciality...

P&L- By Geography



3 Months Ended Mar 2010 (N'm)

	Nigeria	Rest of Africa	Europe	Consolidated
Revenue Derived From External Customers	51,428	3,041	561	55,030
Revenue Derived From Other Business Segments	812	-	4	-
Total Revenue	52,240	3,041	565	55,030
Operating Expenses	39,845	2,399	396	41,824
Profit Before Tax	12,395	642	169	13,206
Tax	-3,635	-15	-47	-3,697
Profit After Tax	8,760	627	122	9,509

3 Months Ended Mar 2009 (N'm)

	Nigeria	Rest of Africa	Europe	Consolidated
Revenue Derived From External Customers	47,774	4,051	803	52,628
Revenue Derived From Other Business Segments	2,194	-	-	-
Total Revenue	49,968	4,051	803	52,628
Operating Expenses	39,197	3,295	572	40,870
Profit Before Tax	10,771	756	231	11,758
Tax	-2,527	47	92	-2,572
Profit After Tax	8,244	803	139	9,186

Y-O-Y Change in Total Revenue

	Nigeria	Rest of Africa	Europe	Consolidated
	4.5%	-24.9%	-29.6%	4.6%

Providing 94 % of gross revenues, Nigeria is still our core market and main driver of profitability ...

Agenda



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Risk Management & Strategy

Economic Highlights: Q1 2010

Strong Risk Management policies & practice

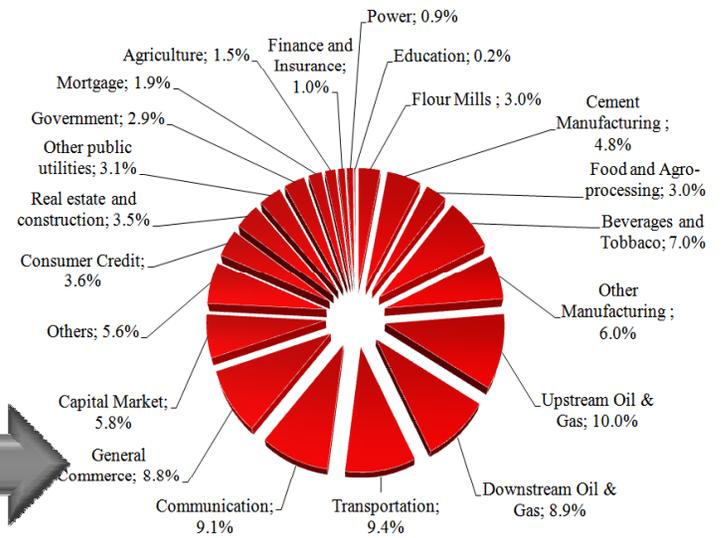


Policy

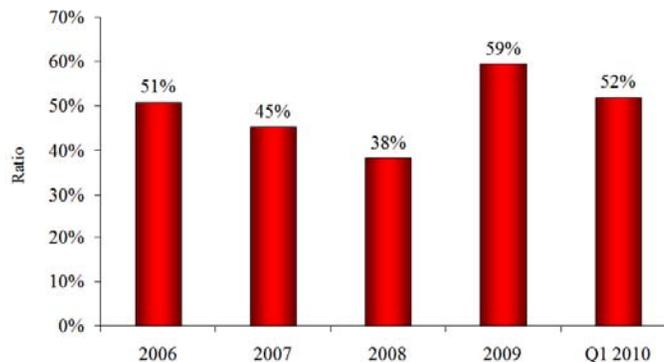
Continuous review of Risk Mgt structure and processes to ensure their adequacy and appropriateness

Enterprise Risk Mgt via well diversified top-down sectored exposure

Diversified Portfolio



Prudent Loan to Deposit Ratios



Results

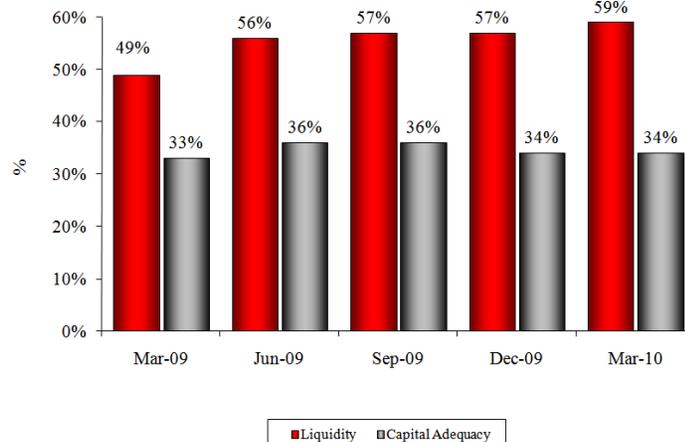
Prudent levels of loan to deposit ratios (52% as at 31 March 2010)

Consistently achieve amongst lowest NPL ratio in the industry

Strong capitalization coupled with low leverage-the keystone to our success...

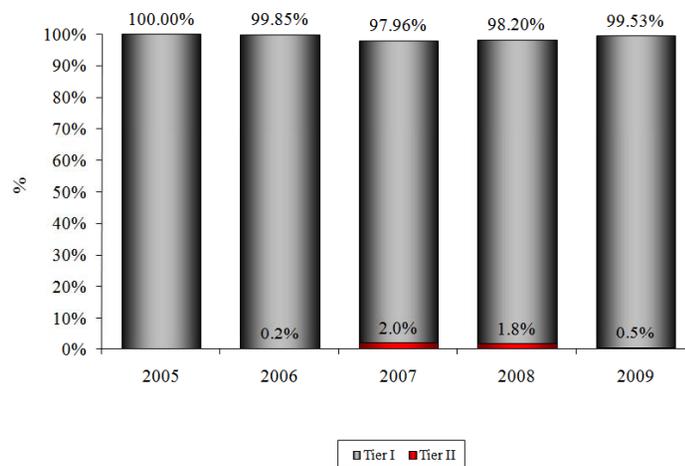


Liquidity & Capital Adequacy



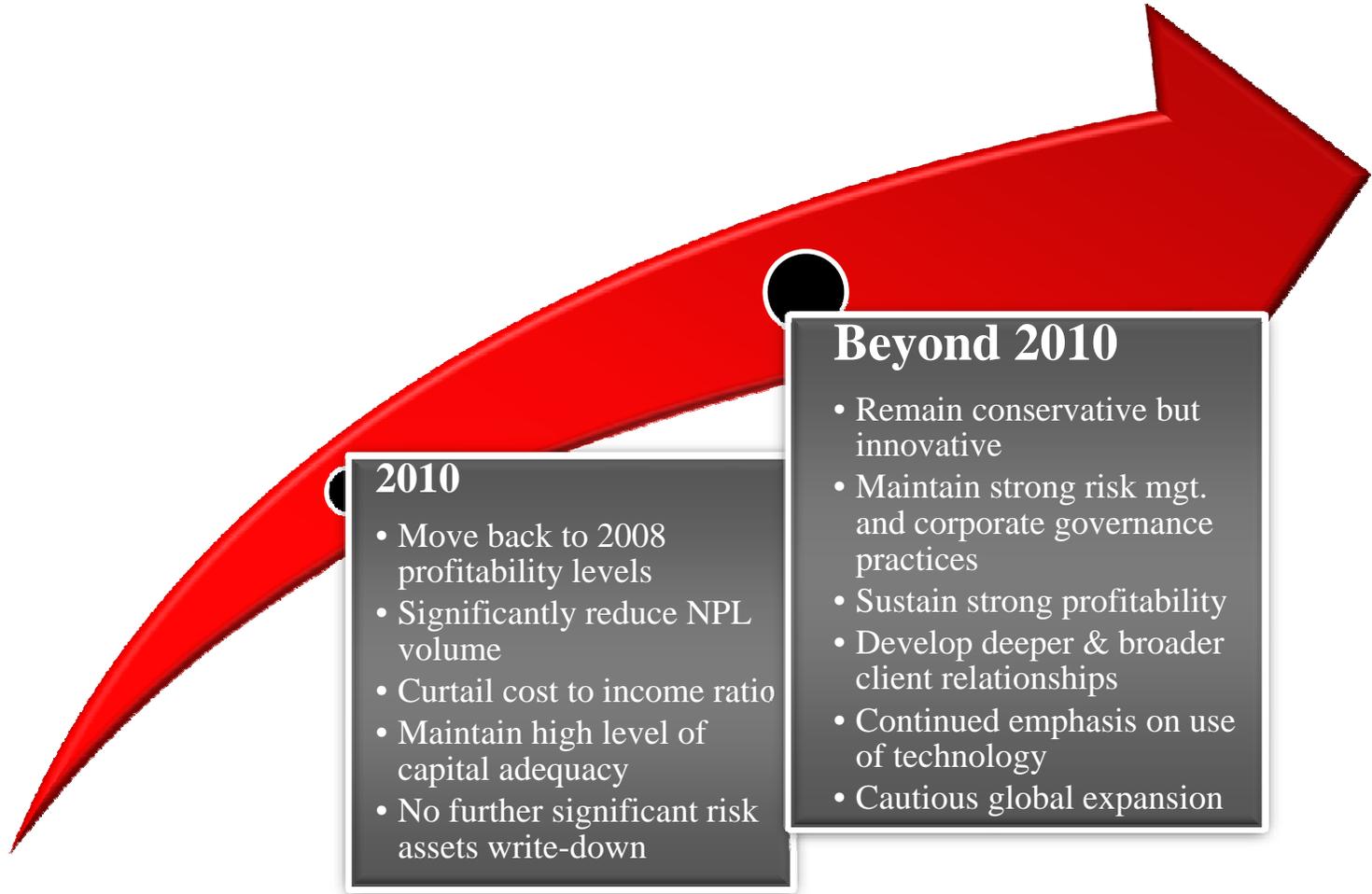
Capital Adequacy & Liquidity Ratios for the Bank are comfortably above industry requirements.

Capital Mix



Capital base predominantly made up of Tier I capital.

Revisiting our Strategic Objectives for 2010 and beyond...



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Economic Highlights: Q1 2010

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	Q1 2010	Q4 2009	Comments
GDP Growth (%)	6.9%	7.4%	Drop from Q4 2009, but well above Q1 2009 which stood at 4.5%. Growth largely driven by the non-oil sector
Inflation (%)	12.3%	12.0%	Relatively stable but inflationary threats still persist
Exchange Rate (NGN/\$)	150.35	150.43	Exchange Rate stability attributable to measures taken by CBN policy and robust level of foreign reserves.
Oil Prices (\$)	76.01	77.21	Price lift attributable to positive macroeconomic indicators from around the world.
Foreign Reserves (\$'bn)	40.7	42.5	Continuously robust levels of reserves
All Share Index (NGN)	27,216	20,827	Rebound attributable to share price increases in Banking, Food & Beverage and Oil/Gas stocks
Market Capitalization (N'trn)	6.58	4.98	Signs of market recovery evident in bullish first quarter