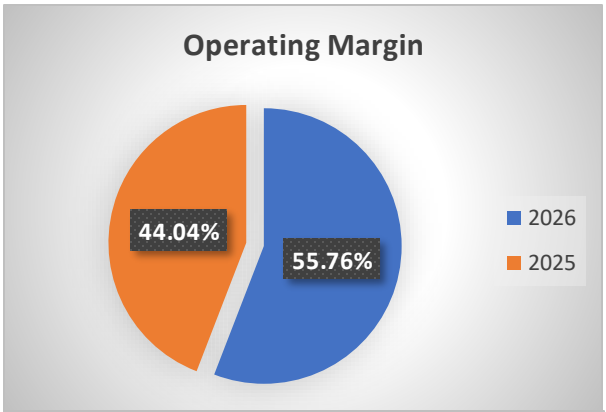
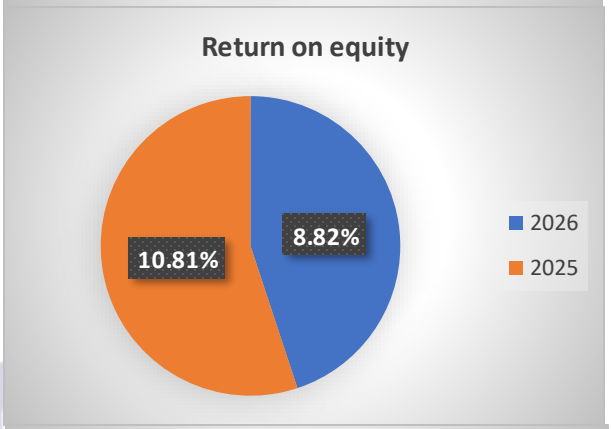
FINANCIAL PERFORMANCE

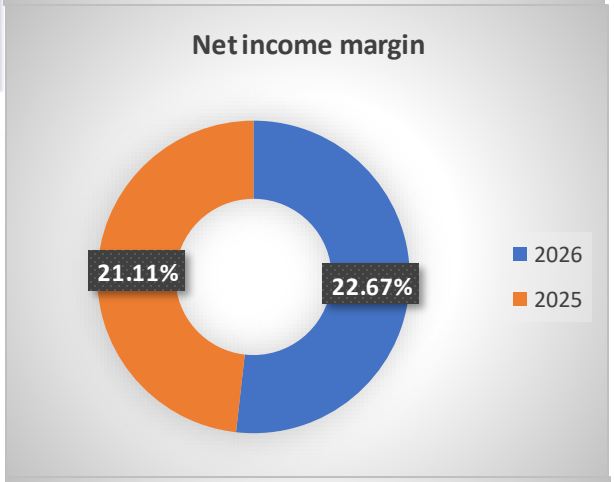
Zenith Bank's interim results for the six months ended June 30, 2026, showed a 25% drop in operating income, modest growth in pre-tax profit, and a significant decline in net profit. Gross earnings were ₦1.900 trn , with net interest income ₦1.254 trn down from ₦1.355 trn and fees rising to ₦178.8 bn. Trading swung to a loss of ₦92.2 bn vs a profit of ₦467.8 bn a year ago. Operating expenses grew to ₦589.8 bn (personnel ₦138.5 bn, other ₦451.3 bn), lifting the cost-to-income ratio toward 31%. Profit before tax was ₦637.6 bn (up 2% YoY), but after higher taxes, profit after tax fell to ₦430.8 bn. The balance sheet remained strong: total assets rose to ₦32.646 trn from ₦31.458 trn funded by deposits of ₦26.348 trn and loans of ₦12.048 trn. Shareholders' equity was ₦4.886 trn, implying ROE 9%. Liquidity was ample (loan-to-deposit is 46%) and capital adequacy robust at 25.1%.

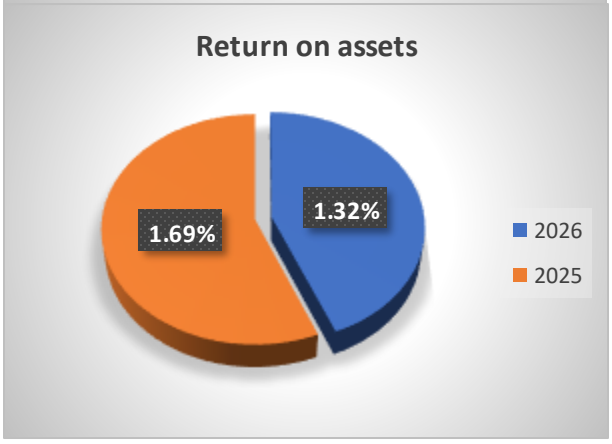
Zenith Bank's first-half 2026 performance reflects weaker top-line growth and volatile trading income. Total (gross) income fell to ₦1.899 trn (from ₦2.521 trn a year earlier). Net interest income eased to ₦1.254 trn (–7.4% YoY), partly offset by higher fee income (₦178.8 bn, up ~40%) and other operating income. A swing from a large trading gain in H1 2025 to a ₦92.2 bn trading loss in H1 2026 weighed heavily. Impairment charges on financial assets plummeted to ₦141.1 bn from ₦762.1 bn, benefiting the bottom line. Operating expenses were well contained (personnel ₦138.5 bn, other ₦451.3 bn) so that the cost-to-income ratio rose only modestly. As a result, profit before tax was slightly higher at ₦637.6 bn, but after tax rose sharply to ₦206.8 bn (vs ₦93.4 bn in H1 2025) the after-tax profit fell to ₦430.8 bn. Earnings per share accordingly dipped to ₦10.48 (from ₦12.95). On the balance sheet, assets increased 4% to ₦32.646 trn as the loan book grew to ₦12.048 trn about +15% YoY) and customer deposits reached ₦26.348 trn. Shareholders' equity was ₦4.886 trn (slightly below last year's ₦4.924 trn). Return on equity was roughly 9% and return on assets about 1.3%. Non-performing loans remained well-managed (small provisions this period), keeping credit costs low. The loan/deposit ratio (46%) indicates strong liquidity. Capital levels are comfortable, with a group CAR of 25.1% (well above regulatory minimum). In summary, Zenith's Q2/H1 2026 results show stable core banking performance but weaker trading revenue and higher taxes, leading to lower net earnings year-on-year despite continued strong franchise fundamentals.

Looking forward, Zenith Bank is expected to sustain its growth through continued expansion across African markets, digital banking initiatives and improved operational efficiency. However, the decline in gross earnings and profit after tax in the first half of 2026 highlights the need for the bank to strengthen revenue generation and manage operating costs effectively. It s strong capital adequacy position provides a buffer to support future lending and business expansion, while the relatively low loan-to-deposit ratio suggests room to increase credit creation, subject to loan demand, credit quality and regulatory requirements. Going forward, investors should monitor the bank's ability to improve earnings, control impairment charges, maintain asset quality and preserve capital strength in an evolving economic environment.









STATEMENT OF PROFIT OR LOSS

Line item	Group 30 Jun 2026	Group 30 Jun 2025	% CHANGE
Interest and similar income	1,676,121.00	1,839,249.00	-9%
Interest and similar expense	(421,800.00)	(484,525.00)	-13%
Net interest income	**1,254,321.00**	**1,354,724.00**	**-7%**
Impairment charge on financial instruments	(141,119.00)	(762,054.00)	-81%
Net interest income after impairment	1,113,202.00	592,670.00	88%
Net income on fees and commission	178,774.00	128,063.00	40%
Trading (losses)/gains	(92,244.00)	467,792.00	-120%
Other operating income	71,629.00	17,291.00	314%
Impairment credit on non-financial instruments	-	1,240.00	-100%
Depreciation of property and equipment	(35,423.00)	(27,409.00)	29%
Amortisation of intangible assets	(8,557.00)	(8,163.00)	5%
Personnel expenses	(138,451.00)	(134,568.00)	3%
Operating expenses	(451,327.00)	(411,287.00)	10%
Profit before tax	**637,603.00**	**625,629.00**	**2%**
Taxation	(206,841.00)	(93,449.00)	121%
Profit for the period after tax	**430,762.00**	**532,180.00**	**-19%**
Gross earnings	1,899,944.00	2,520,759.00	-25%
Net income attributable to parent	430,293.00	531,833.00	-19%
EBIT	1,059,403.00	1,110,154.00	-5%
EPS	**10.48**	**12.95**	**-19%**

Key Ratio	2026	2025
Profit Margin	***22.67%***	***21.11%***
Asset Turnover	***0.06X***	***0.08X***

Financial Statistics

Share price ***₦123.5***

Target Price ***₦138.56***

52 Wk H ***₦136.9***

52 Wk L ***₦53.7***

Shares Outs. (bn) ***41.07***

Market Cap (trillion) ***5.4***

Return on Assets ***1.32%***

Return on Equity ***8.82%***

Corporate Actions

Dividend ***₦1.5***

Bonus ***NIL***

Qualification Date ***23RD OCTOBER***

Closure Date ***26TH OCTOBER***

Payment Date ***30TH OCTOBER***

Giving the above performance analysis of ZENITH, We would maintained a HOLD position on the stock

STATEMENT OF FINANCIAL POSITION

As at 30 June 2026; comparative balances as at 31 December 2025; values in ₦ million.

			% CHANGE
Cash and balances with central banks	6,878,234.00	6,925,426.00	-1%
Treasury bills	4,657,269.00	4,662,814.00	0%
Assets pledged as collateral	128,140.00	115,525.00	11%
Due from other banks	2,088,703.00	2,721,675.00	-23%
Derivative assets	6,217.00	8,146.00	-24%
Loans and advances	12,048,365.00	10,448,952.00	15%
Investment securities	5,386,968.00	5,409,945.00	0%
Current tax receivable	10,398.00	3,721.00	179%
Other assets	796,149.00	572,712.00	39%
Deferred tax asset	27,961.00	32,296.00	-13%
Investments in subsidiaries	-	-	
Property and equipment	545,308.00	478,018.00	14%
Intangible assets	72,193.00	78,821.00	-8%
Total assets	32,645,905.00	31,458,051.00	4%
Customers' deposits	26,347,903.00	24,329,961.00	8%
Derivative liabilities	106,275.00	196,072.00	-46%
Current income tax payable	67,628.00	95,198.00	-29%
Deferred tax liabilities	16,953.00	7,492.00	126%
Other liabilities	1,122,392.00	1,150,591.00	-2%
On lending facilities	87,260.00	103,369.00	-16%
Borrowings	11,128.00	651,162.00	-98%
Total liabilities	27,759,539.00	26,533,845.00	5%
Share capital	20,535.00	20,535.00	0%
Share premium	594,113.00	594,113.00	0%
Retained earnings	2,815,883.00	2,808,194.00	0%
Other reserves	1,451,921.00	1,497,570.00	-3%
Attributable to equity holders of parent	4,882,452.00	4,920,412.00	-1%
Non-controlling interest	3,914.00	3,794.00	3%
Total shareholders' equity	4,886,366.00	4,924,206.00	-1%
Total liabilities and equity	32,645,905.00	31,458,051.00	4%