



Group unaudited results for the 9 months ended 30 September 2020

ZENITH BANK PLC RELEASES UNAUDITED Q3 2020 RESULTS

LAGOS, NIGERIA – 20 November 2020 – Zenith Bank Plc, (Bloomberg: ZENITHBA NL) (“Zenith” or the “Bank”), the Nigerian bank headquartered in Lagos, announces its unaudited results for the third quarter ended 30 September 2020.

Financial Highlights

Income statement			
<i>In millions of Naira</i>	30-Sep-20	30-Sep-19	% Change
Gross earnings	508,975	491,268	4%
Interest and similar income	318,820	321,938	-1%
Interest and similar expense	(93,641)	(107,311)	-13%
Net interest income	225,179	214,627	5%
Non-interest income	173,488	156,756	11%
Operating expenses	(196,279)	(176,941)	11%
Profit before tax	177,283	176,183	1%
Profit after tax	159,315	150,723	6%
Earnings per share (N)	5.1	4.8	6%
Balance sheet			
<i>In millions of Naira</i>	30-Sep-20	31-Dec-19	% Change
Gross loans and advances	2,886,608	2,462,359	17%
Total customer deposits	5,224,564	4,262,289	23%
Retail deposits	1,745,623	1,107,863	58%
Total assets	7,973,265	6,346,879	26%
Shareholders' fund	1,034,341	941,886	10%
Key ratios			
	30-Sep-20	30-Sep-19	% Change
Return on average equity (ROAE)	21.5%	23.8%	-10%
Return on average assets (ROAA)	3.0%	3.4%	-12%
Net interest margin (NIM)	8.3%	8.7%	-5%
Cost of funds	2.2%	3.0%	-27%
Cost of risk	1.3%	1.2%	8%
Cost to income	52.5%	50.1%	5%
	30-Sep-20	31-Dec-19	% Change
Liquidity ratio - Group	67.4%	57.3%	18%
Liquidity ratio - Bank	52.5%	57.2%	-8%
Loan to deposit ratio - Group	55.3%	57.8%	-4%
Loan to deposit ratio - Bank	63.2%	68.6%	-8%
Capital adequacy ratio (CAR)	21.5%	22.0%	-2%
Non-performing loan	4.80%	4.95%	-3%
Coverage ratio	126.8%	148.2%	-14%



The Group delivered a Profit before Tax (PBT) of ₦177 billion at the end of Q3 2020, representing a 1% growth over the ₦176 billion posted in the same period in the prior year. This performance demonstrates the bank's resilience against the backdrop of a challenging macro-economic environment brought about by COVID-19.

Gross earnings were up 4% year-on-year(y-o-y) to ₦509 billion, driven by non-interest income which increased to ₦173 billion from ₦157 billion recorded at the end of Q3 2019, reflecting the Group's increasingly diversified business model.

This result also demonstrates the Group's ability to deliver optimal pricing for its interest-bearing assets and liabilities even in a declining yield environment, as net interest income grew by 5% y-o-y to ₦225 billion despite the drop in total interest income from ₦322 billion to ₦319 billion. Interest expense and cost of funds were down 13% and 27% to close at ₦94 billion and 2.2% respectively, reflecting the Group's robust treasury and liquidity management.

Total deposits closed at ₦5.2 trillion at the end of Q3 2020 up from ₦4.3 trillion in December 2019, dominated by low-cost deposits. Retail deposits continued to grow strongly to ₦1.7 trillion at the end of Q3 2020 up from ₦1.1 trillion as at December 2019, underpinned by the continuous expansion and improvement of the Group's digital platforms.

In terms of asset quality, the NPL ratio improved to 4.80% (FYE 2019: 4.95%), despite growing loans and advances by 17 % from ₦2.5 trillion as at December 2019 to ₦2.9 trillion at the end of Q3 2020, affirming the Group's prudent credit risk management.

Our liquidity and capital adequacy ratios (CAR), at 67.4% (Bank: 52.5%) and 21.5% respectively at the end of Q3 2020, remain above regulatory thresholds of 30.0% and 15.0% respectively. This gives headroom for providing support to businesses while creating risk assets opportunities in line with our credit risk management framework.

Going into the final quarter of the year, we will remain resilient as we keep adapting to the headwinds in the operating environment and continue to deliver enhanced customers experience and stakeholders value.

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Notes to editors:

About Zenith Bank Plc

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 well 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 centers 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.