



Zenith Bank Plc

Group Audited Results for Year ended 31 December, 2020

ZENITH BANK PLC RELEASES FINANCIAL YEAR END 2020 RESULTS

LAGOS, NIGERIA - 23 February, 2021 - Zenith Bank Plc, (Bloomberg: ZENITHBA NL) (“Zenith” or the “Bank”), the Nigerian bank headquartered in Lagos, announces its audited results for year ended 31 December 2020.

<b>Income statement</b>			
<i>In millions of Naira</i>	<b>31-Dec-20</b>	<b>31-Dec-19</b>	<b>% Change</b>
<b>Gross earnings</b>	696,450	662,251	5%
Interest and similar income	420,813	415,563	1%
Interest and similar expense	(121,131)	(148,532)	-18%
Net interest income	299,682	267,031	12%
Non-interest income	251,745	232,120	8%
Operating expenses	(256,032)	(231,825)	10%
<b>Profit before tax</b>	<b>255,861</b>	<b>243,294</b>	<b>5%</b>
<b>Profit after tax</b>	<b>230,565</b>	<b>208,843</b>	<b>10%</b>
Earnings per share (N)	7.34	6.65	10%
<b>Balance sheet</b>			
<i>In millions of Naira</i>	<b>31-Dec-20</b>	<b>31-Dec-19</b>	<b>% Change</b>
<b>Assets</b>			
Gross loans	2,919,342	2,462,359	19%
Customers' deposits	5,339,911	4,262,289	25%
Total assets	8,481,272	6,346,854	34%
Shareholders' fund	1,117,473	941,886	19%
<b>Key ratios</b>			
	<b>31-Dec-20</b>	<b>31-Dec-19</b>	<b>% Change</b>
Return on average equity (ROAE)	22.4%	23.8%	-6%
Return on average assets (ROAA)	3.1%	3.4%	-9%
Net interest margin (NIM)	7.9%	8.2%	-4%
Cost of funds	2.1%	3.0%	-30%
Cost of risk	1.5%	1.1%	36%
Cost to income	50.0%	48.8%	2%
Liquidity ratio - Group	66.2%	57.3%	16%
Liquidity ratio - Bank	62.5%	57.2%	9%
Loan to deposit ratio (Group)	54.7%	57.8%	-5%
Loan to deposit ratio (Bank)	64.5%	68.6%	-6%
Capital adequacy ratio (CAR)	23.0%	22.0%	5%
Non-performing loan	4.29%	4.30%	0%
Coverage ratio	112.1%	148.2%	-24%



## Financial Highlights

*The Zenith Bank Group recorded a growth in gross earnings of 5% rising to N696.5 billion from N662.3 billion reported in the previous year. Despite a challenging macro-economic environment exacerbated by the COVID 19 pandemic, the Group recorded 8% growth in non-interest income from NGN232.1 billion in 2019 to NGN251.7 billion in 2020 and a 1% increase in interest income from NGN415.6 billion in 2019 to NGN420.8 billion in 2020.*

*Profit before tax also increased by 5% growing from N243.3 billion to N255.9 billion in the current year. The increase arose from a combination of growth in the top-line and a significant reduction in interest expense. Interest expense reduced from N148.5 billion in 2019 to N121.1 billion in 2020, significantly increasing our net interest income from NGN267.0 billion in 2019 to NGN299.7 billion in 2020.*

*Our increased retail activities have translated to an increase in retail deposits and loans. Retail deposits grew by NGN612.7 billion from NGN1.11 trillion to NGN1.72 trillion year-on-year (YoY). Savings balances significantly grew by 88% YoY and closed at NGN1.16 trillion. This retail drive, coupled with the low-interest yield environment helped reduce our cost of funding from 3.0% to 2.1% and also reduced our interest expense. However, the low-interest environment also affected net interest margin, which declined from 8.2% to 7.9% in the current year due to the re-pricing of interest-bearing assets. Operating costs grew by 10% YoY but are still tracking well below inflation which at the end of the year stood at 15.75%. Although returns on equity and assets also reduced from 23.8% to 22.4% and from 3.4% to 3.1% respectively, the Group still delivered improved Earnings per Share (EPS) which grew 10% from NGN6.65 to NGN7.34 in the current year.*

*The Group also increased corporate customer deposits, which alongside the growth in retail deposits delivered total deposit growth of 25%, to close at N5.34 trillion, driving growth in market share. Total assets also increased significantly by 34% from N6.35 trillion to N8.48 trillion. Despite the COVID-19 pandemic and its associated challenges, the Group managed to create new viable risk assets as gross loans grew by 19% from N2.46 trillion to N2.92 trillion. This was achieved while maintaining a stable and low overall NPL ratio of 4.29% (2019: 4.3%) across the entire portfolio and an increase in cost of risk from 1.1% to 1.5%, reflecting the elevated risk environment in 2020. The Group recorded impressive liquidity and capital adequacy ratios of 66.2% and 23.0% and remained above regulatory thresholds of 30% and 15% respectively.*

*In 2021, the global economy looks set for a recovery with the rollout of vaccines, and growing confidence, driving an increase in economic activities across most economies. This has also driven an increase in crude oil prices, an improvement in interest rates and recovery from recession in Q4 2020 in the domestic economy. The Group is well-positioned to maximise the opportunities these recovering fundamentals represent while leveraging technology and expanding its retail footprints to deliver improved returns to all stakeholders.*

- ENDS -



**Teleconference Call Details:**

Zenith Bank Plc (Bloomberg: ZENITHBA : NL) Management will hold a teleconference call on Thursday, February 25th, 2021 at 3pm Lagos Time (2pm London/ 4pm Johannesburg/ 9am New York) to announce Zenith Bank Plc's audited financial results for the full year ended December 31st, 2020. There will be an opportunity at the end of the call for management to take questions from investors and analysts.

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

The teleconference call facility can be accessed via the internet only, kindly register at <https://www.diamondpass.net/1205093>. Please note that you will only receive dial-in details after registration.

**Name: Zenith Bank FY2020 Conference Call**

**Date: Thursday, 25th February 2021**

**Time: 3pm Lagos time**

**Registration link: <https://www.diamondpass.net/1205093>**

*If you have any queries please do not hesitate to contact the below:*

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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 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 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](http://www.zenithbank.com).*