Zenith Bank Plc

Full Rating Report

Ratings

Foreign Currency

Long-Term IDR	B+
Short-Term IDR	B
National Long-Term Rating	AA-(nga)
National Short-Term Rating	F1+(nga)
Viability Rating	b+
Support Rating	4
Support Rating Floor	B+

Sovereign Risk

Foreign-Currency Long-Term IDR	BB-
Local-Currency Long-Term IDR	BB

Outlooks

Foreign-Currency Long-Term IDR	Stable
Sovereign Foreign-Currency Long-Term IDR	Negative
Sovereign Local-Currency Long-Term IDR	Negative

Financial Data

Zenith Bank Plc

	30 Jun 15	31 Dec 14
Total assets (USDm)	19.3	22.1
Total assets (NGNbn)	3,882.7	3,755.3
Total equity (NGNbn)	546.4	552.6
Operating profit (NGNbn)	72.2	119.3
Net income (NGNbn)	53.2	99.5
Comprehensive income (NGNbn)	48.7	103.3
Operating ROAA (%)	3.8	3.6
Operating ROAE (%)	26.9	22.9
Fitch core capital/weighted risks (%)	19.7	20.5
Tier 1 ratio (%)	19.4	19.8
Total capital ratio (%)	20.0	19.9

Related Research

Zenith Bank Plc – Ratings Navigator (March 2015)

2015 Outlook: Nigerian Banks (December 2014)

Nigerian Banks: Peer Review (October 2014)

Analysts

Bjorn Norrman
+44 203 530 1330
bjorn.norrman@fitchratings.com

Mahin Dissanayake
+44 203 530 1618
mahin.dissanayake@fitchratings.com

Key Rating Drivers

Standalone Strength Drives Rating: The IDRs and National Ratings of Zenith Bank Plc (Zenith) are driven by the bank's standalone strength, as reflected in its 'b+' Viability Rating (VR). The VR is underpinned by its strong franchise, management quality, conservative risk appetite and robust financial metrics through the cycle.

Highly Challenging Operating Environment: The VR is constrained by the domestic environment. Low oil prices, currency pressure, tighter liquidity and political uncertainty are likely to weaken financial metrics in 2015. This is already factored into the ratings.

Good Asset Quality; Upstream Manageable: We expect continued good asset quality compared to peers, although the volume of impaired loans will likely increase in 2015. Upstream oil and gas lending, which could suffer from prolonged low oil prices, represented 8% of loans at end-March 2015. Zenith has a track record of good client selection and we do not expect major impairments. However, we cannot rule out the need to restructure some facilities.

Strong Capitalisation: Zenith's risk weighted capitalisation as well as its leverage compares well with its peer group. Risk weighted capital ratios in particular have decreased materially in recent years, with a Fitch Core Capital (FCC) ratio at end-June 2015 of 20% compared to 30% at end-2012, but these should now stabilise. The reduction was primarily driven by strong loan growth as the bank deployed excess capital to compensate for margin pressure.

Good Funding Profile: Zenith is largely deposit funded, mostly through low-cost current and savings accounts (CASAs). The loan to deposit ratio of 75% at end-June 2015 is acceptable although it has been increasing. Zenith has good liquidity compared to peers, but is sensitive to tightening market liquidity.

This is primarily due to increases in the cash reserve requirements for private deposits, and is exacerbated by the likely withdrawal of government deposits from the banking sector and a shortage of foreign currency funding. In April 2014 it successfully raised USD500m of senior debt in a debut transaction which alleviates some funding pressure.

Resilient Performance, 2015 Challenging: Zenith's resilient performance in recent years stands out. It benefits from healthy revenue generation, strong cost efficiency and low and stable loan impairment charges (LICs). This year will be challenging for Nigerian banks and lower margins and higher LICs are likely to dampen earnings, although we expect Zenith to manage this better than most peers.

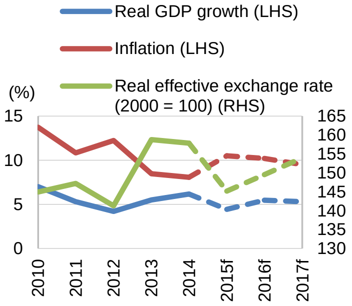
Systemically Important: The bank's 'B+' Support Rating Floor (SRF) reflects our belief that the state's willingness to support Zenith is high given its systemic importance, but its ability to do so may be limited given Nigeria's sovereign rating of BB-/Negative.

Rating Sensitivities

Near-Term Upgrade Unlikely: An upgrade of Zenith's IDR is unlikely in the near term, and is contingent on a sustained improved operating environment.

Ratings Sensitive to Economic Downturn: A downgrade of Zenith's IDR could only occur if both the 'b+' VR and the 'B+' SRF were lowered. A VR downgrade could result from a prolonged macroeconomic downturn which would weaken Zenith's financial metrics. A potential one-notch downgrade of the sovereign rating would most likely not result in a downward revision of the SRF.

Figure 1
Nigeria - Key Financial Metrics



Source: Fitch

Figure 2
Profit Before Tax

(NGNm)	1Q15	2014
Corporate	13,200	53,085
Institutional	2,245	9,510
Public	2,403	3,593
Retail	15,279	53,608
Group total	33,128	119,796

Source: Zenith, Fitch

Related Criteria

Global Bank Rating Criteria (March 2015)

Operating Environment

Very Challenging Operating Environment; Negative Sovereign Outlook

Zenith's VR is constrained to the 'B' range category as a result of Nigeria's very challenging operating environment. While the country benefits from substantial natural resources and strong economic growth, it is sensitive to global market conditions. Governance and human development indicators are also weak. The economy is highly sensitive to oil price vulnerability and the combination of deteriorating economic prospects and political uncertainty led Fitch to revise the sovereign Outlook to Negative in March 2015 (the sovereign rating was affirmed at 'BB-'). Fitch expects a slowdown in GDP growth in 2015, and for Nigerian banks to report weaker profitability, asset quality and capital ratios.

Improved Regulatory Framework

Fitch views the Central Bank of Nigeria (CBN) as a relatively strong regulator in the context of the operating environment. Regulations have been tightened in recent years, including the introduction of IFRS reporting in 2012 and Basel II from end-2014. The CBN is focused on consumer protection and is phasing out certain bank charges, in particular Commission on Turnover (COT) which was traditionally a major part of banks' revenue. Other policy actions affecting the banking sector included several revisions to the cash reserve requirement (now at 31% for all deposits) and restrictions on FX borrowing and net open FX positions.

The CBN has designated eight banks as D-SIFIs (domestic systemically important financial institutions, which is different from Fitch's classification of D-SIBs), including Zenith. These banks are required to meet a minimum total capital ratio of 16%.

Company Profile

Leading Domestic Bank; Strong Corporate Focus

Zenith is the second largest bank in Nigeria by lending and controlled 14% of system assets at end-2014. The bank benefits from a strong domestic franchise and in particular enjoys good relationships with larger corporates. It also has an extensive retail network. Zenith is listed on the Nigerian Stock Exchange, and also issued USD850m of Global Depository Receipts on the London Stock Exchange in 2013.

The bank's operations are largely concentrated to Nigeria although it does have banking operations in the UK, Ghana, Sierra Leon and Gambia, and representative offices in South Africa and China. Foreign operations represent around 10% of revenue.

Traditional Banking Services; Non-Core Divestments Completed

Zenith focuses on traditional banking services to the corporate, retail and public segments in Nigeria where it has a significant market share. Its strong corporate relationship supports resilient revenue generation. Following a CBN directive in 2010 requiring banks to legally separate core-banking activities (deposit taking banks) from non-core activities, Zenith decided to divest its insurance and capital market operations. The divestments were completed in 2014 and the effect on the group was not material.

Management

Strong Management Compared to Peers

Zenith has a very strong and competent management team with a good depth compared with the sector. It is well regarded in the industry and executive turnover is low. Fitch views Nigeria's corporate governance standards as relatively weak, although we believe they have improved in recent years. Zenith must comply not only with the standards of the CBN and the Nigeria Stock Exchange, but also with the more rigorous requirements of the London Stock Exchange. At end-2014, only three shareholders owned more than 5%. The largest individual stake was 9.4%. The board was made up of a non-executive chairman, seven non-executive directors and four executive directors. Three of the non-executive directors were considered to be independent.

Consistent Strategy; Good Execution

Zenith has maintained a consistent strategy over time. It obtains cost-effective retail deposits and lends primarily to large Nigerian corporates. It is also focused on building relationships with strong mid-tier companies where the bank sees growth potential. Zenith is a premium service bank and invests heavily in modern technology and delivery channels. The bank's management team has been more successful than most peers' in meeting its targets. Its financial performance showed little volatility through the Nigerian banking crisis compared with most of its competitors.

Risk Appetite

Good Underwriting Standards & Risk Controls

We believe Zenith has very strong underwriting standards and risk controls compared to the sector. There is an internal rating system in place which is used in combination with external rating agencies. The credit approval system is centralised and all credits are subject to approval from the Global Credit Committee (Credits above NGN7bn are subject to approval from the Board Credit Committee), and there is no individual delegated authority. The bank prefers to lend to large multinationals and domestic conglomerates.

The group makes use of a group-wide risk management framework and the duties of risk management functions and business functions are segregated.

Manageable Growth Expected Over Time

We expect slower loan growth in 2015 due to the challenging operating environment. In the last two years it has grown lending by an annual average of 32%, significantly exceeding internal capital generation, but such levels of growth were common across the sector. Furthermore, Zenith used to have a large capital buffer over the regulatory requirement and this has been materially reduced, leaving less room for growth. The naira devaluation also accelerated loan growth in 2014, partly through dollar loan revaluations on the balance sheet but also because many Nigerian importers required larger naira denominated working capital loans to cope with the new exchange rate. With an end-June 2015 FCC ratio of 20% (end-2012: 30%) and a loan to deposit ratio of 75% (54%), continued aggressive loan growth could be viewed negatively.

Moderate Market Risk

Zenith's loan book is 100% rate sensitive whereas part of its deposit base is not. The bank would therefore benefit from higher interest rates in the short-term. The bank estimates that a 200 upward basis point shift in the yield curve would increase profit before tax (PBT) by NGN15bn in 2014, or 13%, with other variables kept constant.

Trading is restricted to foreign exchange, bonds and T-bills. Foreign exchange risk mainly relates to US dollar and UK pound exposures (mostly dollars). The bank estimates that a 10% depreciation of the Naira against the dollar would have had an NGN21bn negative impact on PBT in 2014, or 18%. In the trading book the overnight net open position for foreign exchange exposures is limited by regulation to 0.1% of shareholders' funds. Indirectly a material currency movement could negatively affect asset quality as Zenith has significant foreign-exchange denominated loans (just over 40% of total loans, mostly denominated in dollars)

Financial Profile

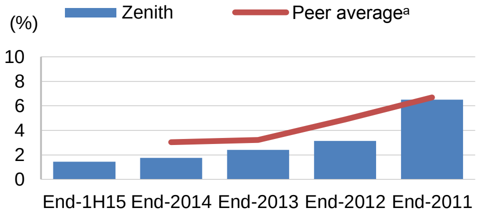
Asset Quality

Good Underwriting Track Record

Zenith has good asset quality compared to peers. Its track record through the previous Nigerian banking crisis stands out, with the ratio of impaired loans to gross loans peaking around a relatively low 6% (in contrast, many other banks reported impaired/gross ratios in the double digits). We think an increase in impaired loans in 2015 is likely given the weakened operating environment but Zenith will probably be less affected than most peers. Almost all loans are secured although it can be difficult to realise collateral in Nigeria. Cash collateral or first lien over assets are the most common forms of security taken by the bank. The reserve coverage of 126% at end-June 2015 was good.

Figure 3

Impaired Loans/Gross Loans

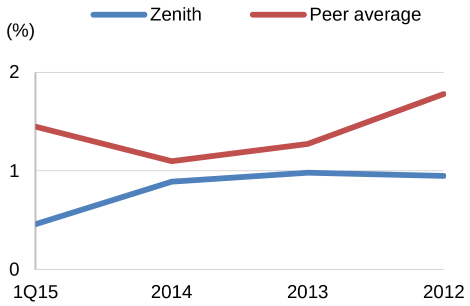


[a] Peers: FBN Holdings Plc (viability rating of 'b'), United Bank for Africa Plc ('b-'), Guaranty Trust Bank PLC ('b+'), Access Bank Plc ('b'), Diamond Bank Plc ('b-'), Fidelity Bank PLC ('b-'), Union Bank of Nigeria PLC ('b-'), FCMB Group Plc ('b-'), Wema Bank PLC ('b-') and Stanbic IBTC Holdings Plc. No peer data available at interim

Source: Fitch, banks' financial statements

Figure 4

Loan Impairment Charges/Average Gross Loans



Source: Fitch, banks' financial statements

Less Concentration than Peers

Zenith's loan book remains concentrated by obligor, although less so than most peers'. The top twenty exposures accounted for 34% of gross loans and 100% of FCC at end-September 2014, and these exposures appear to be of good quality. The CBN limits concentration to a single borrower to 20% of paid-up capital.

Material Oil and Gas Exposure; Upstream Most Vulnerable

While the portfolio is well diversified by industry, upstream and downstream oil and gas exposures still represented 8% and 13% of gross loans at end-March 2015, respectively. Upstream companies in particular have faced revenue pressure from lower oil prices. Lending to these companies is often relatively long tenors, and we understand that many Nigerian banks will have to restructure some of these exposures by extending facilities. For Zenith we believe this is manageable, although we cannot rule out that some individual exposures may be restructured.

Downstream companies (which are primarily involved in the importation and distribution of oil products) are in better shape as they are less exposed to oil price falls given that sales are mainly to the state with a flexible price mechanism. Downstream financing is short-term trade facilities. We are seeing some stress among oil services companies, especially those that have long-term contracts with the upstream sector. If oil prices remain low for a prolonged period, we believe that some of these contracts could be terminated or renegotiated. This could lead to restructuring or higher impairments for some Nigerian banks.

Other Earning Assets – Low Risk

The bank had NGN1.1trn of other earning assets at end-June 2015. This was largely made up of T-bills, government bonds and interbank placements. The interbank placements are largely with non-Nigerian high quality banks. There were also some very small equity and derivative exposures.

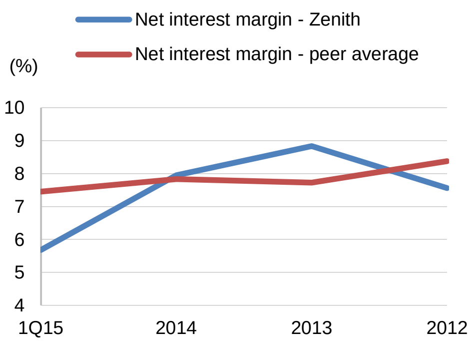
Earnings and Profitability

Good Profitability Compared to Peers

Zenith has good profitability compared to peers. It benefits from strong revenue generation, good cost efficiency and low LICs. It remained profitable through the previous Nigerian banking crisis and although margins have weakened in recent years it has continued to report strong results, albeit partly through a more intensive use of the balance sheet with strong loan growth and a higher loan to deposit ratio. Fitch expects somewhat lower profitability in 2015 due to higher LICs and continued pressure on margins.

Figure 5

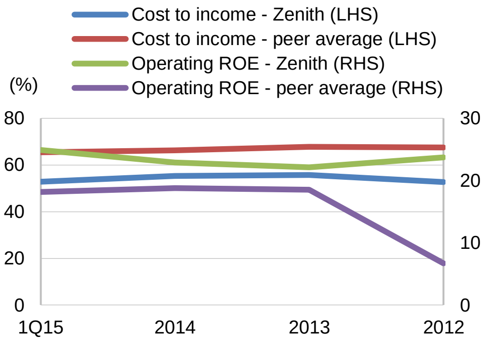
Key Profitability Metrics



Source: Fitch, banks' financial statements

Figure 6

Key Profitability Metrics



Source: Fitch, banks' financial statements

Pressure on NIM; Higher Trading Revenues

Fitch expects Zenith's Net Interest Margin (NIM), which has declined since 2013, to remain low in 2015. A combination of higher interest rates, a regulatory increase in the minimum rate paid on savings accounts and capital market borrowing to match the need for USD funding has driven up funding costs. In addition, the bank is losing investment yield on its liquidity portfolio through a series of increases in cash reserve requirements on deposits (CRR - placed with the CBN at 0% interest), and has been particularly affected by the increase in CRR for private deposits.

To compensate for a lower NIM the bank has been successful in strengthening non-interest revenue, in particular through higher FX and bond trading activities. This is a testimony to its strong revenue generation capacity although it is questionable how sustainable the demand for trading activities will be once market turbulence in Nigeria reduces. COT still represented 17% of PBT in 1H15. This will be completely phased out by the end of next year.

Good Cost Efficiency; Low LICs

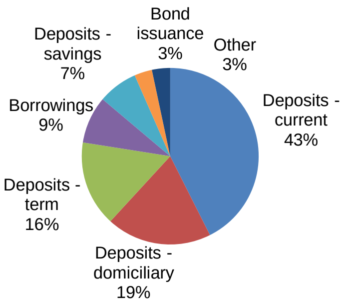
Zenith has good cost efficiency compared to the sector. Total non-interest expenses grew by a manageable 11% in 2014, mostly from salary reviews. LICs are also low compared to peers and have consumed less than 10% of annual pre-impairment operating profits since 2012. LICs are likely to increase in 2015 but our base case is that it will be manageable for the bank.

Capitalisation and Leverage

Strong Capitalisation

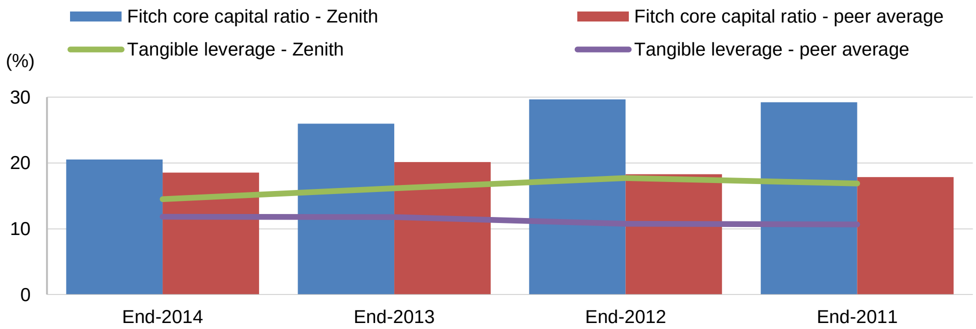
Zenith's risk-weighted capital ratios as well as its leverage compare favourably to the sector despite a material weakening in recent years, and Fitch expects the bank to maintain a meaningful buffer over the minimum capital requirement of 16%. The capital base is almost exclusively made up of tier 1 capital. The bank has no immediate plans to raise Tier 2 debt but does not rule it out in the future, and we believe it could it if wanted to.

Figure 7
Non-Equity Funding
End-June 2015



Source: Fitch, Zenith

Figure 8
Capital & Leverage



Source: Fitch, banks' financial statements. No peer data available at interim

Funding and Liquidity

Mostly Deposit Funded; Low Concentration

Zenith, like most Nigerian banks, is largely deposit funded. Low cost current and savings accounts (CASAs) represented 59% of total deposits at end-June 2015, and these have been stable over time. Around half the deposit base is sourced from corporates with which the bank maintains strong relationships. Zenith has less deposit concentration than the sector. The top twenty deposits represented 9% of total customer deposits at end-September 2014.

The loan to deposit ratio of 75% at end-June 2015 remains acceptable but has been increasing (end-2013: 58%). We believe this has been driven by a need to optimise the balance sheet in light of new CRR requirements.

Strong Liquidity

Zenith has good liquidity compared to peers although sector liquidity has weakened in recent years as the CRR requirements have forced banks to place a larger proportion of liquid assets at restricted accounts with the CBN. The bank reported a regulatory liquidity ratio of 44% at end-March 2015 (end-2013: 60%), and aims to maintain it above 40%. The minimum regulatory requirement is 30%. Strong liquidity is very important given the inherent volatility in the market. We understand that the new CRR requirements forced some of the country's weakest banks to liquidate assets at a discount.

Good Access to Market Funding

Zenith successfully raised USD500m of senior debt in April 2014 to strengthen its funding profile. In addition, Zenith has in place a number of USD denominated term loans from international banks, some of which were raised in H214 when markets were volatile. Zenith needs USD funding to meet the growing demand in the market for US dollar denominated loans and the bond was also issued to improve the duration matching of assets and liabilities.

Support

A Domestic Systemically Important Bank in Nigeria

Fitch views Zenith as one of three DSIBs in Nigeria. These have been assigned a SRF of 'B+'. All other Nigerian banks that Fitch rates have been assigned a SRF of 'B' or 'B-', reflecting Fitch's view that while the authorities would be willing to support them, Fitch does not consider them DSIBs. In determining Zenith's systemic importance, Fitch has taken into consideration its market shares (particularly in retail deposits), interconnectedness, complexity of operations and local regulatory definitions.

Fitch believes that the Nigerian authorities' willingness to support the Fitch rated Nigerian banks is high. Support for the banking sector by the Nigerian authorities has been clearly demonstrated, most recently during the 2008/2009 banking crisis. The authorities' ability to support the banking sector is limited and constrained by Nigeria's sovereign rating of 'BB-', now with a Negative Outlook. The revised outlook (see Fitch's Sovereign rating action dated 30 March 2015), does not, in Fitch's opinion, indicate a material weakening in the ability of the sovereign to support the banking sector. Therefore, a potential one-notch downgrade of the sovereign rating would most likely not result in a simultaneous downward revision of Zenith's SRF.

Zenith Bank Plc
Income Statement

	30 Jun 2015			31 Dec 2014		31 Dec 2013		31 Dec 2012	
	6 Months - Interim USDm Unqualified	6 Months - Interim NGNbn Unqualified	As % of Earning Assets	Year End NGNbn Unqualified	As % of Earning Assets	Year End NGNbn Unqualified	As % of Earning Assets	Year End NGNbn Unqualified	As % of Earning Assets
1. Interest Income on Loans	644.3	129.3	8.34	213.0	7.34	145.2	6.05	114.6	5.36
2. Other Interest Income	233.8	46.9	3.03	100.5	3.46	125.4	5.22	106.7	4.98
3. Dividend Income	2.6	0.5	0.03	0.5	0.02	0.3	0.01	0.1	0.01
4. Gross Interest and Dividend Income	**880.7**	**176.7**	**11.40**	**313.9**	**10.82**	**270.8**	**11.28**	**221.4**	**10.34**
5. Interest Expense on Customer Deposits	286.5	57.5	3.71	95.4	3.29	66.9	2.79	62.9	2.94
6. Other Interest Expense	30.4	6.1	0.39	11.6	0.40	3.9	0.16	1.7	0.08
7. Total Interest Expense	**316.8**	**63.6**	**4.10**	**106.9**	**3.69**	**70.8**	**2.95**	**64.6**	**3.02**
8. Net Interest Income	**563.8**	**113.2**	**7.30**	**207.0**	**7.13**	**200.0**	**8.33**	**156.9**	**7.33**
9. Net Gains (Losses) on Trading and Derivatives	59.7	12.0	0.77	15.9	0.55	5.1	0.21	19.0	0.89
10. Net Gains (Losses) on Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Net Gains (Losses) on Assets at FV through Income Statement	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Net Insurance Income	n.a.	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00
13. Net Fees and Commissions	182.6	36.6	2.36	70.5	2.43	55.0	2.29	50.5	2.36
14. Other Operating Income	18.5	3.7	0.24	2.6	0.09	4.2	0.17	0.9	0.04
15. Total Non-Interest Operating Income	**260.8**	**52.3**	**3.37**	**89.0**	**3.07**	**64.3**	**2.68**	**70.4**	**3.29**
16. Personnel Expenses	173.7	34.9	2.25	73.0	2.51	60.6	2.53	53.2	2.48
17. Other Operating Expenses	256.3	51.4	3.32	90.8	3.13	86.6	3.61	66.5	3.10
18. Total Non-Interest Expenses	**430.0**	**86.3**	**5.57**	**163.7**	**5.64**	**147.2**	**6.13**	**119.6**	**5.59**
19. Equity-accounted Profit/ Loss - Operating	1.0	0.2	0.01	0.1	0.00	0.1	0.00	0.0	0.00
20. Pre-Impairment Operating Profit	**395.6**	**79.4**	**5.12**	**132.4**	**4.56**	**117.3**	**4.89**	**107.7**	**5.03**
21. Loan Impairment Charge	35.9	7.2	0.46	13.1	0.45	11.1	0.46	9.1	0.43
22. Securities and Other Credit Impairment Charges	n.a.	n.a.	-	n.a.	-	n.a.	-	0.0	0.00
23. Operating Profit	**359.7**	**72.2**	**4.66**	**119.3**	**4.11**	**106.2**	**4.42**	**98.6**	**4.60**
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
25. Non-recurring Income	0.0	0.0	0.00	0.5	0.02	0.0	0.00	0.0	0.00
26. Non-recurring Expense	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
27. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
28. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
29. Pre-tax Profit	**359.7**	**72.2**	**4.66**	**119.8**	**4.13**	**106.2**	**4.42**	**98.6**	**4.61**
30. Tax expense	94.8	19.0	1.23	20.3	0.70	15.3	0.64	0.5	0.02
31. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	4.4	0.18	2.6	0.12
32. Net Income	**265.0**	**53.2**	**3.43**	**99.5**	**3.43**	**95.3**	**3.97**	**100.7**	**4.70**
33. Change in Value of AFS Investments	n.a.	n.a.	-	2.5	0.09	1.4	0.06	0.2	0.01
34. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
35. Currency Translation Differences	(10.3)	(2.1)	(0.13)	3.3	0.11	(2.1)	(0.09)	(2.4)	(0.11)
36. Remaining OCI Gains/(losses)	(11.9)	(2.4)	(0.15)	(2.0)	(0.07)	1.8	0.07	0.0	0.00
37. Fitch Comprehensive Income	**242.8**	**48.7**	**3.14**	**103.3**	**3.56**	**96.5**	**4.02**	**98.5**	**4.60**
38. Memo: Profit Allocation to Non-controlling Interests	0.4	0.1	0.01	0.2	0.01	0.7	0.03	0.5	0.02
39. Memo: Net Income after Allocation to Non-controlling Interests	264.6	53.1	3.42	99.3	3.42	94.6	3.94	100.1	4.68
40. Memo: Common Dividends Relating to the Period	0.0	0.0	0.00	54.9	1.89	54.9	2.29	50.2	2.35
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Exchange rate	USD1 = NGN200.70000			USD1 = NGN169.68000		USD1 = NGN157.25700		USD1 = NGN157.32800	

Zenith Bank Plc
Balance Sheet

	30 Jun 2015			31 Dec 2014		31 Dec 2013		31 Dec 2012	
	6 Months - Interim USDm	6 Months - Interim NGNbn	As % of Assets	Year End NGNbn	As % of Assets	Year End NGNbn	As % of Assets	Year End NGNbn	As % of Assets
Assets									
A. Loans									
1. Residential Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	81.1	16.3	0.42	25.9	0.69	30.1	0.96	43.2	1.66
4. Corporate & Commercial Loans	9,410.3	1,888.7	48.64	1,732.4	46.13	1,246.0	39.64	971.3	37.29
5. Other Loans	180.6	36.2	0.93	0.0	0.00	0.0	0.00	0.0	0.00
6. Less: Reserves for Impaired Loans	175.8	35.3	0.91	28.8	0.77	24.8	0.79	24.7	0.95
7. Net Loans	**9,496.2**	**1,905.9**	**49.09**	**1,729.5**	**46.06**	**1,251.4**	**39.81**	**989.8**	**38.00**
8. Gross Loans	**9,672.0**	**1,941.2**	**50.00**	**1,758.3**	**46.82**	**1,276.1**	**40.60**	**1,014.5**	**38.95**
9. Memo: Impaired Loans included above	139.1	27.9	0.72	30.8	0.82	30.9	0.98	31.9	1.23
10. Memo: Loans at Fair Value included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets									
1. Loans and Advances to Banks	2,486.8	499.1	12.85	506.6	13.49	256.7	8.17	182.0	6.99
2. Reverse Repos and Cash Collateral	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
3. Trading Securities and at FV through Income	460.9	92.5	2.38	1.2	0.03	2.3	0.07	0.0	0.00
4. Derivatives	137.0	27.5	0.71	17.4	0.46	2.7	0.09	n.a.	-
5. Available for Sale Securities	n.a.	n.a.	-	13.5	0.36	10.7	0.34	9.4	0.36
6. Held to Maturity Securities	1,751.9	351.6	9.06	632.5	16.84	876.6	27.89	959.1	36.82
7. Equity Investments in Associates	2.5	0.5	0.01	0.3	0.01	0.2	0.01	0.4	0.02
8. Other Securities	1,245.0	249.9	6.44	0.0	0.00	0.0	0.00	0.0	0.00
9. Total Securities	**3,597.4**	**722.0**	**18.59**	**664.9**	**17.71**	**892.4**	**28.39**	**968.9**	**37.20**
10. Memo: Government Securities included Above	2,626.1	527.1	13.57	295.4	7.87	586.4	18.66	669.2	25.69
11. Memo: Total Securities Pledged	1,191.2	239.1	6.16	151.7	4.04	6.9	0.22	6.9	0.27
12. Investments in Property	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	n.a.	n.a.	-	0.0	0.00	n.a.	-	n.a.	-
15. Total Earning Assets	**15,580.4**	**3,127.0**	**80.54**	**2,901.0**	**77.25**	**2,400.5**	**76.37**	**2,140.8**	**82.19**
C. Non-Earning Assets									
1. Cash and Due From Banks	3,163.8	635.0	16.35	752.6	20.04	603.9	19.21	332.5	12.77
2. Memo: Mandatory Reserves included above	2,730.3	548.0	14.11	508.1	13.53	348.7	11.09	180.1	6.92
3. Foreclosed Real Estate	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	366.5	73.6	1.89	71.6	1.91	69.4	2.21	68.8	2.64
5. Goodwill	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Intangibles	11.4	2.3	0.06	2.2	0.06	1.9	0.06	1.4	0.05
7. Current Tax Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Deferred Tax Assets	21.9	4.4	0.11	6.4	0.17	0.7	0.02	0.4	0.02
9. Discontinued Operations	n.a.	n.a.	-	n.a.	-	30.5	0.97	31.9	1.23
10. Other Assets	202.0	40.5	1.04	21.5	0.57	36.2	1.15	28.7	1.10
11. Total Assets	**19,345.9**	**3,882.7**	**100.00**	**3,755.3**	**100.00**	**3,143.1**	**100.00**	**2,604.5**	**100.00**
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Customer Deposits - Current	9,464.2	1,899.5	48.92	1,862.3	49.59	1,580.7	50.29	1,391.3	53.42
2. Customer Deposits - Savings	1,113.3	223.4	5.75	213.4	5.68	192.3	6.12	152.5	5.85
3. Customer Deposits - Term	2,401.2	481.9	12.41	461.6	12.29	439.5	13.98	336.9	12.94
4. Total Customer Deposits	**12,978.6**	**2,604.8**	**67.09**	**2,537.3**	**67.57**	**2,212.4**	**70.39**	**1,880.7**	**72.21**
5. Deposits from Banks	n.a.	n.a.	-	0.0	0.00	64.3	2.05	48.6	1.87
6. Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00
7. Commercial Paper and Short-term Borrowings	428.6	86.0	2.22	287.7	7.66	131.0	4.17	38.5	1.48
8. Total Money Market and Short-term Funding	**13,407.1**	**2,690.8**	**69.30**	**2,825.0**	**75.23**	**2,407.8**	**76.60**	**1,967.7**	**75.55**
9. Senior Unsecured Debt (original maturity > 1 year)	1,394.2	279.8	7.21	218.9	5.83	60.2	1.91	15.1	0.58
10. Subordinated Borrowing	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Other Long-term Funding	509.5	102.3	2.63	68.3	1.82	59.5	1.89	56.1	2.15
13. Total LT Funding (original maturity > 1 year)	**1,903.7**	**382.1**	**9.84**	**287.2**	**7.65**	**119.7**	**3.81**	**71.2**	**2.73**
14. Derivatives	3.5	0.7	0.02	6.1	0.16	n.a.	-	n.a.	-
15. Trading Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
16. Total Funding	**15,314.3**	**3,073.6**	**79.16**	**3,118.3**	**83.04**	**2,527.5**	**80.41**	**2,038.9**	**78.28**
E. Non-Interest Bearing Liabilities									
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Current Tax Liabilities	29.7	6.0	0.15	10.0	0.27	7.0	0.22	6.6	0.25
5. Deferred Tax Liabilities	0.1	0.0	0.00	n.a.	-	0.7	0.02	5.6	0.21
6. Other Deferred Liabilities	1.9	0.4	0.01	0.3	0.01	0.4	0.01	0.4	0.02
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	14.1	0.45	11.6	0.44
8. Insurance Liabilities	n.a.	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00
9. Other Liabilities	1,277.5	256.4	6.60	74.0	1.97	84.2	2.68	78.5	3.01
10. Total Liabilities	**16,623.5**	**3,336.3**	**85.93**	**3,202.6**	**85.28**	**2,633.9**	**83.80**	**2,141.5**	**82.22**
F. Hybrid Capital									
1. Pref. Shares and Hybrid Capital accounted for as Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
G. Equity									
1. Common Equity	2,248.8	451.3	11.62	454.1	12.09	431.9	13.74	461.1	17.70
2. Non-controlling Interest	2.4	0.5	0.01	0.6	0.01	4.0	0.13	3.3	0.13
3. Securities Revaluation Reserves	18.3	3.7	0.09	6.1	0.16	3.5	0.11	2.3	0.09
4. Foreign Exchange Revaluation Reserves	(21.6)	(4.3)	(0.11)	(2.4)	(0.06)	(5.7)	(0.18)	(3.7)	(0.14)
5. Fixed Asset Revaluations and Other Accumulated OCI	474.5	95.2	2.45	94.3	2.51	75.5	2.40	0.0	0.00
6. Total Equity	**2,722.4**	**546.4**	**14.07**	**552.6**	**14.72**	**509.3**	**16.20**	**463.0**	**17.78**
7. Total Liabilities and Equity	**19,345.9**	**3,882.7**	**100.00**	**3,755.3**	**100.00**	**3,143.1**	**100.00**	**2,604.5**	**100.00**
8. Memo: Fitch Core Capital	2,707.7	543.4	14.00	550.3	14.65	506.6	16.12	461.1	17.70
9. Memo: Fitch Eligible Capital	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Exchange rate	USD1 = NGN200.70000			USD1 = NGN169.68000		USD1 = NGN157.25700		USD1 = NGN157.32800	

Zenith Bank Plc
Summary Analytics

	30 Jun 2015 6 Months - Interim	31 Dec 2014 Year End	31 Dec 2013 Year End	31 Dec 2012 Year End
A. Interest Ratios				
1. Interest Income on Loans/ Average Gross Loans	13.77	14.51	12.84	11.92
2. Interest Expense on Customer Deposits/ Average Customer Deposits	4.44	4.14	3.35	3.66
3. Interest Income/ Average Earning Assets	11.60	12.05	11.95	10.66
4. Interest Expense/ Average Interest-bearing Liabilities	4.04	4.05	3.23	3.53
5. Net Interest Income/ Average Earning Assets	7.43	7.95	8.83	7.56
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	6.95	7.45	8.34	7.12
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Asset	7.43	7.95	8.83	7.56
B. Other Operating Profitability Ratios				
1. Non-Interest Income/ Gross Revenues	31.62	30.06	24.33	30.97
2. Non-Interest Expense/ Gross Revenues	52.15	55.32	55.68	52.64
3. Non-Interest Expense/ Average Assets	4.51	4.90	5.20	4.89
4. Pre-impairment Op. Profit/ Average Equity	29.55	25.39	24.44	25.89
5. Pre-impairment Op. Profit/ Average Total Assets	4.15	3.96	4.14	4.40
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	9.07	9.87	9.44	8.45
7. Operating Profit/ Average Equity	26.87	22.88	22.13	23.70
8. Operating Profit/ Average Total Assets	3.77	3.57	3.75	4.03
910000 missing from the selected business template	n.a.	n.a.	n.a.	n.a.
910200 missing from the selected business template	n.a.	n.a.	n.a.	n.a.
9. Operating Profit / Risk Weighted Assets	5.28	4.45	5.45	6.35
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	19.79	19.08	19.86	24.21
2. Net Income/ Average Total Assets	2.78	2.98	3.37	4.12
3. Fitch Comprehensive Income/ Average Total Equity	18.14	19.81	20.10	23.68
4. Fitch Comprehensive Income/ Average Total Assets	2.55	3.09	3.41	4.03
5. Taxes/ Pre-tax Profit	26.34	16.98	14.39	0.47
6. Net Income/ Risk Weighted Assets	3.89	3.71	4.89	6.48
913400 missing from the selected business template	n.a.	n.a.	n.a.	n.a.
D. Capitalization				
1. Fitch Core Capital/ Risk Weighted Assets	19.72	20.53	25.98	29.70
2. Fitch Eligible Capital/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
3. Tangible Common Equity/ Tangible Assets	14.01	14.52	16.15	17.72
4. Tier 1 Regulatory Capital Ratio	19.40	19.76	25.99	29.80
5. Total Regulatory Capital Ratio	20.00	19.92	25.88	30.00
6. Core Tier 1 Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.
7. Equity/ Total Assets	14.07	14.72	16.20	17.78
8. Cash Dividends Paid & Declared/ Net Income	0.00	55.24	57.64	49.89
917500 missing from the selected business template	n.a.	n.a.	n.a.	n.a.
917700 missing from the selected business template	n.a.	n.a.	n.a.	n.a.
9. Internal Capital Generation	19.63	8.05	7.93	10.90
E. Loan Quality				
1. Growth of Total Assets	3.39	19.48	20.68	11.94
2. Growth of Gross Loans	10.40	37.79	25.79	10.20
3. Impaired Loans/ Gross Loans	1.44	1.75	2.42	3.15
4. Reserves for Impaired Loans/ Gross Loans	1.82	1.64	1.94	2.44
5. Reserves for Impaired Loans/ Impaired Loans	126.39	93.69	80.11	77.39
6. Impaired loans less Reserves for Impaired Loans/ Fitch Core Capital	(1.36)	0.35	1.21	1.57
7. Impaired Loans less Reserves for Impaired Loans/ Equity	(1.35)	0.35	1.21	1.56
8. Loan Impairment Charges/ Average Gross Loans	0.77	0.89	0.98	0.95
9. Net Charge-offs/ Average Gross Loans	0.00	0.64	0.93	1.09
10. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Ass	1.44	1.75	2.42	3.15
F. Funding and Liquidity				
1. Loans/ Customer Deposits	74.52	69.30	57.68	53.95
2. Interbank Assets/ Interbank Liabilities	n.a.	n.a.	399.05	374.68
3. Customer Deposits/ Total Funding (excluding derivatives)	84.77	81.53	87.54	92.24
4. Liquidity Coverage Ratio	n.a.	n.a.	n.a.	n.a.
5. Net Stable Funding Ratio	n.a.	n.a.	n.a.	n.a.

Zenith Bank Plc
Reference Data

	30 Jun 2015			31 Dec 2014		31 Dec 2013		31 Dec 2012	
	6 Months - Interim USDm	onths - Interim NGNbn	As % of Assets	Year End NGNbn	As % of Assets	Year End NGNbn	As % of Assets	Year End NGNbn	As % of Assets
A. Off-Balance Sheet Items									
1. Managed Securitized Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	12,578.6	2,524.5	65.02	2,360.0	62.85	2,118.7	67.41	1,575.1	60.48
4. Acceptances and documentary credits reported off-balance sheet	1,751.0	351.4	9.05	373.4	9.94	338.0	10.75	303.2	11.64
5. Committed Credit Lines	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Total Assets under Management	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
933800 missing from the selected business template	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
934000 missing from the selected business template	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
934200 missing from the selected business template	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Average Balance Sheet									
Average Loans	9,354.5	1,877.5	48.35	1,467.8	39.09	1,130.1	35.96	962.0	36.94
Average Earning Assets	15,312.3	3,073.2	79.15	2,604.2	69.35	2,266.3	72.10	2,076.3	79.72
Average Assets	19,226.0	3,858.7	99.38	3,340.0	88.94	2,830.6	90.06	2,445.8	93.90
Average Managed Securitized Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Average Interest-Bearing Liabilities	15,812.1	3,173.5	81.73	2,641.0	70.33	2,188.6	69.63	1,828.0	70.19
Average Common equity	2,212.7	444.1	11.44	486.3	12.95	438.5	13.95	413.0	15.86
Average Equity	2,699.6	541.8	13.95	521.3	13.88	479.9	15.27	415.8	15.97
Average Customer Deposits	12,995.7	2,608.2	67.18	2,301.9	61.30	1,996.0	63.50	1,718.9	66.00
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	n.a.	n.a.	-	740.4	19.72	565.6	17.99	n.a.	-
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	94.1	2.51	126.9	4.04	n.a.	-
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	923.8	24.60	583.7	18.57	n.a.	-
Loans & Advances > 5 years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks < 3 Months	n.a.	n.a.	-	498.7	13.28	256.7	8.17	n.a.	-
Loans & Advances to Banks 3 - 12 Months	n.a.	n.a.	-	7.2	0.19	n.a.	-	n.a.	-
Loans & Advances to Banks 1 - 5 Years	n.a.	n.a.	-	0.7	0.02	n.a.	-	n.a.	-
Loans & Advances to Banks > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Liability Maturities:									
Retail Deposits < 3 months	n.a.	n.a.	-	2,535.9	67.53	2,195.0	69.83	0.0	0.00
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	1.4	0.04	17.4	0.55	0.0	0.00
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	0.0	0.00
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Senior Debt Maturing < 3 months	n.a.	n.a.	-	67.3	1.79	33.1	1.05	n.a.	-
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	4.9	0.13	3.6	0.11	n.a.	-
Senior Debt Maturing 1- 5 Years	n.a.	n.a.	-	218.9	5.83	83.0	2.64	n.a.	-
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	291.0	7.75	119.7	3.81	n.a.	-
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
951400 missing from the selected business template	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 1- 5 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Total Subordinated Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Equity Reconciliation									
1. Equity	2,722.4	546.4	14.07	552.6	14.72	509.3	16.20	463.0	17.78
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Add: Other Adjustments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Published Equity	2,722.4	546.4	14.07	552.6	14.72	509.3	16.20	463.0	17.78
E. Fitch Eligible Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	2,722.4	546.4	14.07	552.6	14.72	509.3	16.20	463.0	17.78
2. Fair value effect incl in own debt/borrowings at fv on the B/S- CC only	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
5. Other intangibles	11.4	2.3	0.06	2.2	0.06	1.9	0.06	1.4	0.05
6. Deferred tax assets deduction	3.3	0.7	0.02	0.1	0.00	0.7	0.02	0.4	0.02
7. Net asset value of insurance subsidiaries	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
9. Fitch Core Capital	**2,707.7**	**543.4**	**14.00**	**550.3**	**14.65**	**506.6**	**16.12**	**461.1**	**17.70**
10. Eligible weighted Hybrid capital	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Government held Hybrid Capital	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
12. Fitch Eligible Capital	**n.a.**	**n.a.**	**-**	**n.a.**	**-**	**n.a.**	**-**	**n.a.**	**-**
Exchange Rate		USD1 = NGN200.70000		USD1 = NGN169.68000		USD1 = NGN157.25700		USD1 = NGN157.32800	

The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.