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Zenith Bank PLC

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Zenith Bank PLC

SACP	b
Anchor	b	
Business Position	Adequate	0
Capital and Earnings	Moderate	0
Risk Position	Adequate	0
Funding	Above Average	0
Liquidity	Adequate	

\+

Support	0
ALAC Support	0
GRE Support	0
Group Support	0
Sovereign Support	0

\+

Additional Factors	0

Issuer Credit Rating

B/Stable/B

Major Rating Factors

Strengths:	Weaknesses:
• A top-tier bank in Nigeria • Historically low loan-loss experience	• Limited geographic diversification • High economic and industry risk associated with operating in Nigeria • Moderately high concentration risks

Outlook: Stable

S&P Global Ratings' outlook on Nigeria-based Zenith Bank PLC is stable, reflecting the outlook on Nigeria (B/Stable/B). As the Nigerian economy slowly recovers, we believe that the bank's financial and business profiles will be broadly unchanged.

We would lower the ratings on Zenith over the next 12 months if we downgraded Nigeria or saw a material deterioration in the bank's asset-quality indicators, capitalization, or profitability.

An upgrade appears unlikely over our 12-month outlook horizon, because it would hinge on an upgrade of Nigeria, as well as an improvement in banking risks in the country, all other factors equal.

Rationale

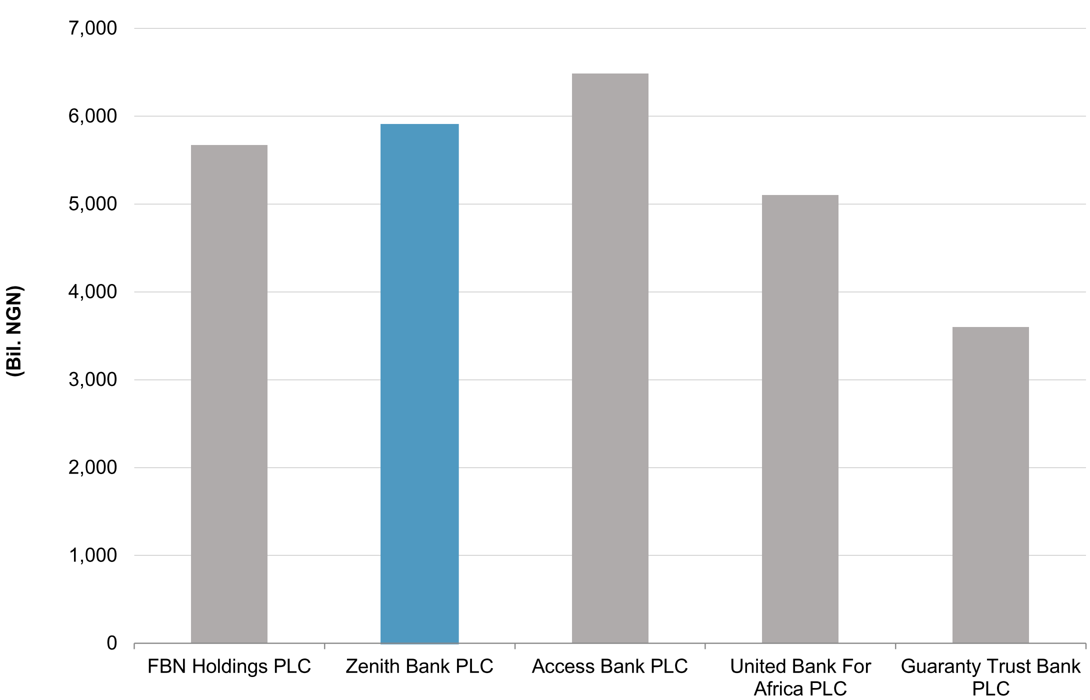
The ratings reflect Zenith's leading market position in Nigeria (see chart 1), underpinned by a strong corporate franchise and a sizable branch network, which enable the bank to maintain a stable and low-cost funding base. Despite a challenging operating environment in the domestic market, the bank has generated good non-interest income , supported byits strategy to expand its retail banking across the country.

Zenith demonstrates better operating efficiency compared with that of most of its domestic peers. With strong earning buffer for 2019, we expect the bank's RAC ratio to improve to 6.5-7.0% in 2019-2021. We expect the cost of risk to remain below the sector average at about 1.2%, following implementation of International Financial Reporting Standard (IFRS) 9.

We expect asset quality to remain stressed compared with historically low levels, with the nonperforming loan (NPL) ratio averaging 5.4% through 2021 amid sluggish operating conditions in Nigeria. Like its peers, Zenith runs a significant asset-liability mismatch, which we view as a source of liquidity risk.

Chart 1

Five Largest Nigerian Banks By Total Assets (June 2019)



NGN--Nigerian naira.

Anchor:'b' for banks operating only in Nigeria

We use our Banking Industry Country Risk Assessment's economic risk and industry risk scores to determine a bank's anchor, the starting point in assigning an issuer credit rating. Our anchor for a commercial bank operating only in Nigeria is 'b', based on an economic risk score of '10' and an industry risk score of '9'.

Following years of heightened risks, operating conditions for the Nigerian banking sector are stabilizing, thanks to a weak economic recovery and increasing U.S. dollar supply. We still consider the Nigerian banking sector in a correction phase. We project a slow economic recovery, with real GDP growth of about 2.0% in 2019 and 2.2% in 2020. We expect flat or negative credit growth in 2019 and 8%-10% in 2020. Asset quality and profitability of the sector will likely improve only gradually, with high credit losses of 2.5%-3.0% in 2019 and 2020. However, we expect top-tier banks' operating performance to remain resilient through the credit cycle.

Nigeria's weak banking oversight largely stems from a weak regulatory track record. However, the Central Bank of Nigeria (CBN) has introduced a number of measures to ensure the sector's stability. For example, it has restricted banks from distributing dividends if their NPL ratio exceeds 10%. Positively, the majority of banks have overcome their near-term liquidity challenges following the introduction of the Nigerian Autonomous Foreign Exchange Fixing Mechanism window in April 2017.

Table 1

Zenith Bank PLC--Key Figures

		--Year ended Dec. 31--			
(Mil. NGN)	**2019***	**2018**	**2017**	**2016**	**2015**
Adjusted assets	5,881,844	5,934,569	5,582,264	4,735,180	4,003,602
Customer loans (gross)	1,952,135	2,016,520	2,252,172	2,360,809	2,032,256
Adjusted common equity	781,124	694,916	705,938	619,009	524,679
Operating revenues	252,245	475,298	528,552	363,619	307,551
Noninterest expenses	126,833	220,709	225,233	173,086	166,638
Core earnings	90,344	197,999	179,564	131,087	105,544

*Data as of June 30. NGN--Nigerian naira.

Business position: Tier-1 bank in Nigeria with stable revenue

Zenith is a leading bank in the highly competitive Nigerian banking sector with a strong corporate banking franchise and stable revenue base. It is the second-largest bank in Nigeria with total assets of Nigerian naira (NGN) 5.90 trillion as of June 30, 2019. It has a market share of about 18.2% of the system's total assets in the country as of year-end 2018. Like most of its regional peers, Zenith's business profile is heavily concentrated toward the corporate segment and revenues stemming from its Nigerian Its rest-of-Africa business generated only 12% of its profit before tax in 2018. Zenith reported average return on equity of 21% over the past five years, faring better than most domestic peers for the same period. Its long-established franchise, low risk appetite, and cost of funds will continue to support its business stability during a slow economic recovery.

Zenith serves high-end corporate clients, which operate in the strategic sectors of the Nigerian economy. The bank's strategy is to increase its share of low-cost retail deposits, and lend competitively to large, low-margin, but creditworthy, corporate entities. Zenith is actively pursuing a retail strategy focussed on increased lending to small businesses households, and individuals. It aims to generate greater transactional revenue from its electronic platform by increasing the retail client base, largely focusing on deposit gathering capabilities. Zenith demonstrates better operating efficiency than most of its domestic peers. As of June 30, 2019, the operating efficiency ratio stood at 49.7% compared with 64.3% for Access Bank PLC and 70% for FBN Holdings PLC. We expect this trend to continue despite pressure on revenues in the current economic environment.

Table 2

Zenith Bank PLC--Business Position

		--Year ended Dec. 31--			
(%)	**2019***	**2018**	**2017**	**2016**	**2015**
Total revenues from business line (mil. NGN)	252,245.0	475,557.0	528,552.0	363,619.0	309,166.0
Commercial & retail banking/total revenues from business line	90.5	89.2	91.4	90.8	93.4
Other revenues/total revenues from business line	9.5	10.8	8.6	9.2	6.6
Return on average common equity (%)	21.8	23.6	23.3	20.0	18.4

*Data as of June 30. NGN--Nigerian naira.

Capital and earnings: Resilient revenue generation despite difficult domestic operating conditions

Our assessment of Zenith's capital and earnings reflects our opinion that the group will maintain a risk-adjusted capital (RAC) ratio before adjustments at 6.5%-7.0% over the next 12-18 months, compared with 6.3% at the end of 2018.

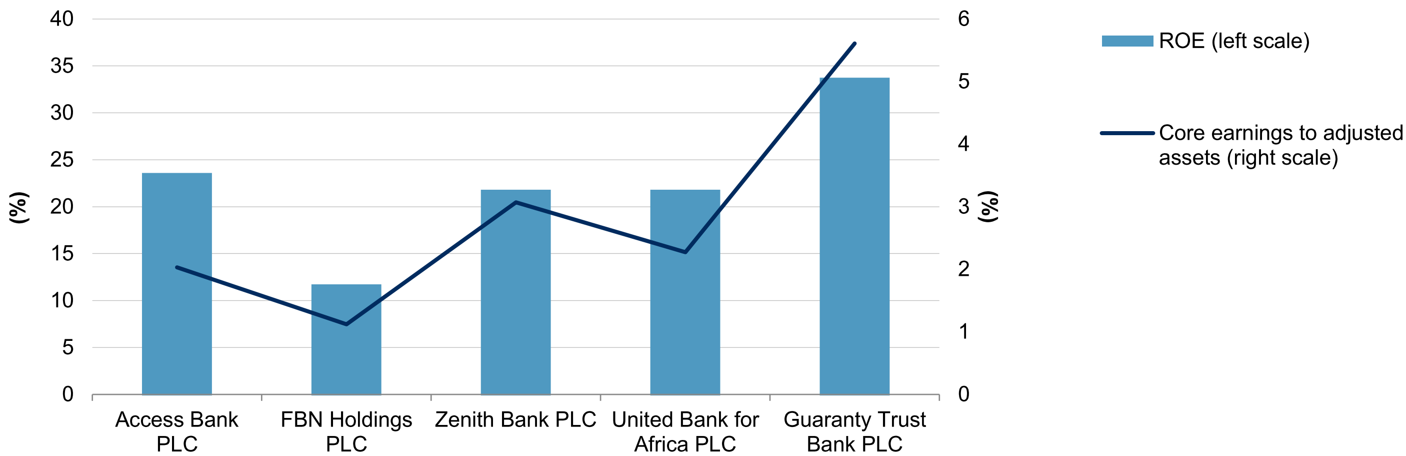
The group reported robust earnings for June 30, 2019, despite challenging economic condition in the domestic market. The

noninterest income increased by 17% year on year (y-o-y) as at June 30, 2019, demonstrating significant progress in its retail banking activities. This growth was supported by 19% y-o-y increase in fees and commission income and 23% y-o-y growth in trading revenues (largely stemming from growth in treasury bills) . We attribute the group's superior performance to initiatives taken to expand its retail customer base and its core competencies relating to cost management, its robust treasury, and liquidity management.

The return on average common equity was high at 21.8% for June 30, 2019, while the core earnings to average adjusted assets was 3.1% for the same period (see chart 2).

Chart 2

Zenith Bank PLC--Profitability Metrics



As of June 2019. Source: S&P Global Ratings. ROE--Return on equity.

Our projected RAC ratio takes into account the following assumptions throughout 2019-2021:

- Loan growth will be limited to 5%-10%. We see growth coming from the retail segment as it focuses on increasing its lending towards personal loans, car financing and mortgages in line with its strategy to expand its retail footprint in the country
- Net interest margin to shrink to 6.5%-6.7%, reflecting the weak yields in the securities market
- A cost-to-income ratio in the 48%-49% range
- A cost of risk of about 1.2%, reflecting the risk caused by the high level of stage 2 loans (19%)following the implementation of IFRS 9
- A stable dividend payout ratio of about 50% of net income

The bank's Basel II Tier 1 capital ratio was at 23.4% on June 30, 2019, while its total capital adequacy ratio was 24.7%. These ratios stood well above the minimum regulatory limit.

We estimate the group's earnings buffer at 1.3% of our risk-weighted assets in 2019, which means that we expect group earnings will largely cover normalized losses. This measure is a stress test from our RAC framework, calibrated using an average level of credit losses (or normalized credit losses), among other factors. The quality of Zenith's capital and earnings is good and compares adequately with that of domestic rated peers. The bank's adjusted common equity comprises its adjusted capital.

Table 3

Zenith Bank PLC--Capital And Earnings

		--Year ended Dec. 31--			
(%)	**2019***	**2018**	**2017**	**2016**	**2015**
Tier 1 capital ratio	23.4	23.9	25.2	21.6	21.2
S&P RAC ratio before diversification	N/A	6.3	5.4	5.1	5.2
S&P RAC ratio after diversification	N/A	5.1	4.2	3.9	4.3
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0
Net interest income/operating revenues	56.5	62.2	48.8	66.1	73.0
Fee income/operating revenues	22.1	17.2	17.1	18.8	19.8
Noninterest expenses/operating revenues	49.7	46.4	42.6	47.6	54.2
Preprovision operating income/average assets	4.3	4.4	5.9	4.4	3.6
Core earnings/average managed assets	3.0	3.4	3.5	3.0	2.7

*Data as of June 30. N/A--Not applicable.

Table 4

Zenith Bank PLC--Risk-Adjusted Capital Framework Data

(Mil. NGN)	**Exposure***	**Basel III RWA**	**Average Basel III RW(%)**	**S&P Global Ratings RWA**	**Average S&P Global Ratings RW (%)**
Credit risk					
Government and central banks	2,856,220	0	0	3,504,170	123
Of which regional governments and local authorities	0	0	0	0	0
Institutions and CCPs	767,302	0	0	1,440,031	188
Corporate	1,324,667	0	0	3,370,188	254
Retail	247,303	0	0	548,359	222
Of which mortgage	0	0	0	0	0
Securitization§	0	0	0	0	0
Other assets†	168,715	0	0	569,413	338
Total credit risk	5,364,207	0	0	9,432,161	176
Credit valuation adjustment					
Total credit valuation adjustment	--	0	--	0	--
Market risk					
Equity in the banking book	49,760	0	0	559,800	1,125
Trading book market risk	--	0	--	0	--
Total market risk	--	0	--	559,800	--
Operational risk					
Total operational risk	--	0	--	1,028,056	--
	Exposure	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	0.0	--	11,020,017	100.0
Total Diversification/ Concentration Adjustments	--	--	--	2,623,116	23.8

Table 4

Zenith Bank PLC--Risk-Adjusted Capital Framework Data (cont.)					
RWA after diversification	--	0.0	--	13,643,133	123.8
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		737,818	0	694,916	6.3
Capital ratio after adjustments‡		737,818	0	694,916	5.1

*Exposure at default. §Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital.NGN -- Nigerian naira . Sources: Company data as of 'Dec. 31 2018', S&P Global Ratings.

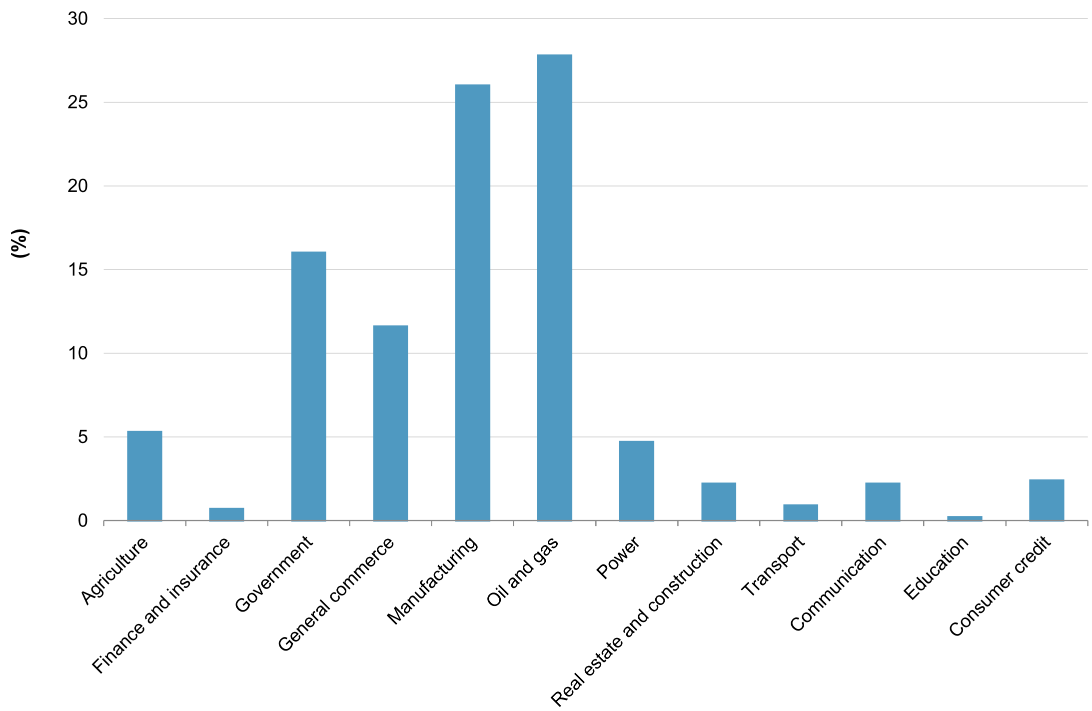
Risk position: Better asset quality metrics compared with most of top domestic peers

Our assessment of Zenith Bank's risk position underpins its conservative risk management practice supported by a better track record of low loan-losses relative to its domestic peers, and low industry concentration compared to Nigeria's system average.

Although about 98% of the loan book is in the corporate segment, those loans are highly diversified within different sectors (see chart 3). We believe this attests to the strength of the bank's franchise and low risk appetite . As of June 30, 2019, oil and gas exposures made up about 28% of total loans, which is lower than the average in Nigeria. The top-20 loans accounted for 37% of the loan book, which is low compared with other market peers'.

Chart 3

Zenith Bank PLC -- Customer Loan Breakdown (June 2019)



Source: Company accounts.

The NPL ratio increased mildly to 5.3% at June 30, 2019 from 5.0% at year-end 2018. Asset quality problems arose from the oil and gas sector over the years. However, there was conservative coverage on the broader loan portfolio, with the NPL coverage ratio at 145% for June 30. We expect NPLs to stay near 5.5% in 2019-2021, reflecting the difficult operating condition and slow recovery. However, there is a high level of stage 2 (19%) loans in the bank's portfolio, which could result in higher impairments given the slow economic recovery.

The bank's cost of risk compares favorably with sector peers, averaging 1.7% over the past five years, which is still below the sector average of 2.5%. we expect a slight increase in the group's provisioning level, leading to a normalized cost of risk of 1.2% throughout our forecast horizon. We expect the group's coverage of provisions will be above 100% in 2019-2021.

We believe the high level of foreign currency exposures --is a key risk facing all Nigerian banks. On June 30, 2019, a significant 41% of total loans were denominated in foreign currencies. However, Zenith extends foreign currency loans to firms with foreign currency revenues or currency hedges, which mitigates the risks.

Table 5

Zenith Bank PLC--Risk Position

		--Year ended Dec. 31--			
(%)	2019*	2018	2017	2016	2015
Growth in customer loans	(6.4)	(10.5)	(4.6)	16.2	15.6
Total managed assets/adjusted common equity (x)	7.6	8.6	7.9	7.7	7.6
New loan loss provisions/average customer loans	1.4	0.9	4.3	1.5	0.8
Net charge-offs/average customer loans	6.1	3.5	0.6	0.4	0.1
Gross nonperforming assets/customer loans + other real estate owned	5.3	5.0	4.7	3.0	2.2
Loan loss reserves/gross nonperforming assets	145.4	192.4	143.4	100.1	95.6

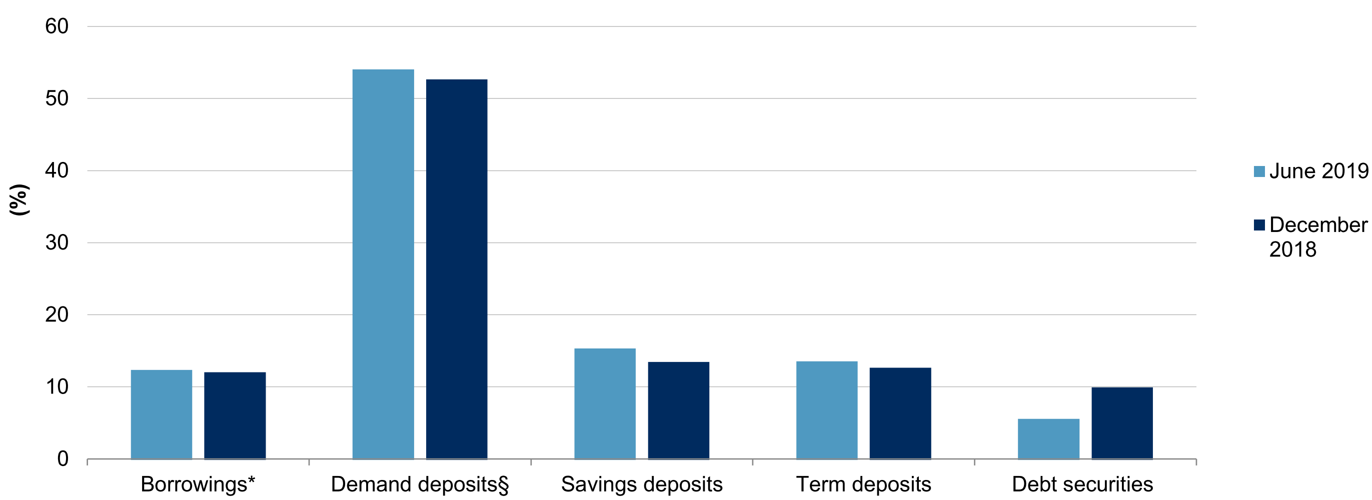
*Data as of June 30.

Funding and liquidity: Above-average funding and adequate liquidity

The top tier domestic banks in Nigeria tend to be suitably liquid in naira, often ranking amongst the most liquid in local-currency funding of any emerging market banking sector peers, because they are funded largely with low-cost deposits thanks to their robust franchise. Zenith is exposed to the similar structural funding and liquidity risk as its domestic peers. The bank's funding profile is dominated by stable core customer deposits, which accounted for 79% of the funding base on June 30, 2019. In line with its strategy to increase the retail deposit base, Zenith's share of retail deposits in its overall deposit base improved to 29.3% for June 30, 2019 from 23% at year-end 2018 (see chart 4). The top 20 customers' deposits account for 9% of total deposits as of year-end 2018. Zenith's efforts to deliberately shred off its expensive fixed deposits resulted in a drop in cost of funds (interest expense to average funding base) to 3% for June 30, 2019, from 5.2% at year-end 2017.

Chart 4

Zenith Bank PLC Funding Structure



Source: Zenith Bank PLC. *Constitutes mostly funding from other banks. §Includes domiciliary accounts.

Zenith demonstrates significant contractual asset liability mismatch, like most of its Nigerian peers. Looking ahead, the contractual short-term nature of banks deposits will likely call for the regulator to introduce some national discretion when it implements the funding and liquidity ratio under Basel III. More positively, from a behavioral standpoint, these funds have been very stable, including during time of stress.

The long-term funding ratio stood at 90.0% as of June 30, 2019, down from 91.5% in December 2018. The net stable funding ratio was stable at the group level against the minimum regulatory requirement of 100% for June 30, 2019.

Generally, the CBN has managed liquidity in the system quite aggressively by imposing an effective cash reserve requirement (CRR) higher than the 22.5% minimum and recently introduced a 65% minimum loan-to-deposit ratio, in the hopes of forcing banks to lend to the real sectors of the economy. We believe that the bank's liquidity is unlikely to be affected by this measure given its low risk appetite. The liquidity ratio compares favorably with that of its peers. The broad liquid assets covered 4.6x its short-term wholesale funding, while its net broad liquid asset to short-term customer loans? was 52.5% as at June 30, 2019. Furthermore, the bank's asset and liability management team reviews the behavioral asset and maturity profile to ensure that it always displays positive gaps. Zenith keeps a sizable cash cushion in foreign currencies covering about 37% of foreign currency deposits as of Dec. 31, 2018.

Systemwide pressures on U.S. dollar funding and liquidity have eased since the introduction of the NAFEX window in June 2017. On April 23, 2019, Zenith redeemed a $500 million Eurobond, issued under its US$1 billion global medium-term note program. Another US$500 million issued under this program will mature in May 2022.

Table 6

Zenith Bank PLC--Funding And Liquidity

		--Year ended Dec. 31--				
(%)	**2019***	**2018**	**2017**	**2016**	**2015**	**2014**
Core deposits/funding base	79.0	75.6	76.2	79.5	79.8	87.6
Customer loans (net)/customer deposits	47.3	49.4	61.1	76.7	77.8	68.2
Long term funding ratio	90.0	91.4	97.4	93.1	97.3	97.9
Stable funding ratio	145.0	154.4	154.8	129.9	133.3	143.5
Short-term wholesale funding/funding base	11.7	10.0	3.0	8.2	3.2	2.5
Broad liquid assets/short-term wholesale funding (x)	4.5	5.5	17.3	5.3	13.4	21.1
Net broad liquid assets/short-term customer deposits	52.5	59.9	65.1	44.3	61.4	73.6
Short-term wholesale funding/total wholesale funding	55.6	40.8	12.8	40.0	16.0	20.1
Narrow liquid assets/3-month wholesale funding (x)	9.2	15.6	18.0	9.4	15.5	22.5

*Data as of June 30.

Support: No notches of uplift to the SACP

The ratings on Zenith reflect the bank's 'b' stand-alone credit profile (SACP) and do not incorporate any notches of uplift for external support.

Despite Zenith's high systemic importance to Nigeria, we do not include uplift for government support in times of stress because we classify support from the Nigerian government as uncertain.

Additional rating factors: None

No additional factors affect this rating.

Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Methodology For National And Regional Scale Credit Ratings, June 25, 2018
- Criteria - Financial Institutions - General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria - Financial Institutions - Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria - Financial Institutions - Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Criteria - Financial Institutions - Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- Nigeria 'B/B' And 'ngA/ngA-1' Ratings Affirmed; Outlook Stable, Sept. 13, 2019
- Banking Industry Country Risk Assessment: Nigeria, Jan. 22, 2019
- Nigerian Financial Institutions National Scale Ratings Revised After Criteria Update; Removed From Criteria Observation, July 2, 2018

Regulatory Disclosures

Regulatory disclosures applicable to the most recent credit rating action can be found at "Nigeria-Based Zenith Bank 'B/B' And 'ngA/ngA-1' Ratings Affirmed; Outlook Stable," published Sept. 13, 2018, on RatingsDirect.

Glossary

- Anchor: The starting point for assigning a bank a long-term rating, based on economic and industry risk.
- Asset-liability mismatch: Occurs when financial terms of an institution's assets and liabilities do not correspond.
- Asset quality: A key measure of the quality and performance of the assets of a bank.
- Available stable funding: Core deposits, plus deposits due to banks (net of those that mature within one year), plus other borrowings (net of maturities within one year), plus total equity, minus intangibles.
- Broad liquid assets: cash (net of restricted cash) and reserves at central bank, plus other cash and money market,

plus bank loans and reverse repos that mature in less than one year, plus total liquid assets.

- Business position: A measure of the strength of a bank's business operations.
- Capital and earnings: A measure of a bank's ability to absorb losses.
- Cost of funds: Interest expense as a percentage of average interest-bearing liabilities.
- Counterparty credit rating: A form of issuer credit rating, which is a forward-looking opinion about an obligor's overall creditworthiness.
- Credit losses: Losses arising from credit risk.
- Credit risk: Risk that a borrower will default on its payment obligations.
- Customer loans (gross): Total customer loans before loan loss reserves.
- Date initial rating assigned: The date S&P Global Ratings assigned the long-term foreign currency issuer credit rating on the entity.
- Date of previous review: The date S&P Global Ratings last reviewed the
- credit rating on the entity.
- Earning capacity: The capacity of a bank to generate sufficient earnings against losses and the primary way that a bank builds or maintains its capitalization.
- Fee income over operating revenues: Net income on fees and commissions over operating revenues.
- Funding and liquidity: A combined assessment of the strength and stability of a bank's funding mix and its ability to manage its liquidity needs in adverse market and economic conditions over an extended period.
- Funding base: Total deposits, plus acceptances, repurchase agreements, and other borrowings (including commercial papers, short- and long-term debt, subordinated debt, and minimal equity content hybrids).
- Government-related entity (GRE) support: An assessment of the likelihood that the government would provide extraordinary support to a bank that is a government-related entity.
- Gross nonperforming assets over customer loans plus other real estate
- owned over customer loans: Nonaccrual loans, plus restructured loans, plus repossessed assets plus loans 90-days past due; over gross customer loans plus repossessed assets.
- Loan loss reserves over gross nonperforming assets: General plus specific reserves, over adjusted nonperforming assets (nonaccrual loans plus restructured loans plus repossessed assets plus 90-day past due loans).
- Long term funding ratio: Available stable funding, over funding base plus total equity, minus intangibles.
- National scale rating: An opinion of an obligor's creditworthiness or overall capacity to meet specific financial obligations, relative to other issuers and issues in a given country or region.
- New loan loss provisions over average customer loans: Credit loss provisions (including specific loan provisions and general and other provisions) minus recoveries, over average gross customer loans of current period and last fiscal year.
- Noninterest expenses: Salaries and general administrative expenses (including depreciations and amortizations).
- Operating revenues: Net interest income, plus operating non-interest income (that mainly includes fees and commissions and trading gains).

- Return on equity: Net income before extraordinary results minus preferred dividends over average common (average between current period and last fiscal period).
- Risk position: Our view of the specific risk characteristics of a particular bank.
- Risk-adjusted capital (RAC) ratio before diversification: This is calculated according to S&P Global Ratings' methodology as total adjusted capital over risk-adjusted assets.
- Short-term wholesale funding: Debt securities that mature in less than one year (of commercial papers, debt and senior and subordinated bonds), plus bank deposits that mature in less than one year.
- Sovereign support: An assessment of the likelihood that the government would provide extraordinary support to a bank.
- Stable funding needs: Restricted cash and reserves at the central bank, plus interbank deposits, plus loans to banks (net of maturities within one year), plus reverse repurchase agreements, plus gross customer loans net of loan-loss reserves, plus securities, minus total liquid securities, plus equity participations in nonfinancial entities, plus fixed assets, plus other assets (considering foreclosed assets, tax loss carry-forwards, and deferred assets).
- Stable funding ratio: Available stable funding over stable funding needs.
- Stand-alone credit profile (SACP): An interim step in assessing a bank's overall creditworthiness. It includes government support, but not extraordinary government support.
- Total adjusted capital: Adjusted common equity plus admissible preferred instruments and hybrids.

Anchor Matrix

Industry Risk	Economic Risk									
	1	2	3	4	5	6	7	8	9	**10**
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	a-	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	a-	a-	bbb+	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	bbb+	bbb+	bbb	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	bbb-	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	bb-	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	**b**
10	-	-	-	-	b+	b+	b+	b	b	b-

Ratings Detail (As Of December 19, 2019)*

Zenith Bank PLC	
Issuer Credit Rating	B/Stable/B
Nigeria National Scale	ngA/--/ngA-1
Senior Unsecured	B
Short-Term Debt	B

Ratings Detail (As Of December 19, 2019)*(cont.)		
Issuer Credit Ratings History		
22-Sep-2016		B/Stable/B
24-Mar-2016		B+/Negative/B
25-Mar-2015		B+/Stable/B
13-Feb-2015		BB-/Watch Neg/B
02-Jul-2018	*Nigeria National Scale*	ngA/--/ngA-1
22-Sep-2016		ngBBB/--/ngA-2
24-Mar-2016		ngA-/--/ngA-2
25-Mar-2015		ngA/--/ngA-1
13-Feb-2015		ngAA-/Watch Neg/ngA-1
Sovereign Rating		
Nigeria		B/Stable/B
Nigeria National Scale		ngA/--/ngA-1

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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Financial Institutions Ratings Europe; FIG_Europe@spglobal.com