

ZENITH BANK PLC

Zenith Heights, Plot 87 Ajose Adeogun Street, Victoria Island, Lagos



SUMMARY FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the summary financial information of Zenith Bank PLC for the year ended 31 December 2019. These summary financial information are derived from the full financial statements for the year ended 31 December 2019 and are not the full financial statements of the Bank. The full financial statements, from which these summary financial information were derived, will be delivered to the Corporate Affairs Commission within the required deadline. The Bank's Auditors issued an unmodified audit opinion on the full financial statements for the year ended 31 December 2019 from which these summary financial information were derived. An electronic copy of the full financial statements can be obtained at www.zenithbank.com.

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER	Group 2019	Group 2018	Bank 2019	Bank 2018
<i>In millions of Naira</i>				
Gross earnings	662,251	630,344	564,687	538,004
Interest and similar income	415,563	440,052	339,310	367,816
Interest and similar expense	(148,532)	(144,458)	(126,237)	(124,156)
Net interest income	267,031	295,594	213,073	243,660
Impairment loss on financial and non-financial instruments	(24,032)	(18,372)	(23,393)	(15,313)
Net interest income after impairment loss on financial and non-financial instruments	242,999	277,222	189,680	228,347
Net income on fees and commission	100,106	81,814	83,641	64,124
Trading gains	117,798	80,202	117,772	80,202
Other operating income	14,216	17,947	10,838	17,479
Depreciation of property and equipment	(21,436)	(16,648)	(18,887)	(14,625)
Amortisation of intangible assets	(3,078)	(2,399)	(2,795)	(2,187)
Personnel expenses	(77,858)	(68,556)	(62,038)	(56,657)
Operating expenses	(129,453)	(137,897)	(118,191)	(124,576)
Profit before tax	243,294	231,685	200,020	192,107
Minimum tax	-	(4,052)	-	(4,052)
Income tax expense	(34,451)	(34,209)	(22,017)	(22,575)
Profit for the year after tax	208,843	193,424	178,003	165,480
Other comprehensive income:				
Items that will never be reclassified to profit or loss:				
Fair value movements on equity instruments at FVOCI	13,870	1,459	13,870	1,459
Items that are or may be reclassified to profit or loss:				
Foreign currency translation differences for foreign operations	(8,498)	4,828	-	-
Fair value movements on debt securities at FVOCI	452	-	-	-
Other comprehensive income for the year	5,824	6,287	13,870	1,459
Total comprehensive income for the year	214,667	199,711	191,873	166,939
Profit attributable to:				
Equity holders of the parent	208,693	193,147	178,003	165,480
Non controlling interest	150	277	-	-
Total comprehensive income attributable to:				
Equity holders of the parent	214,577	199,437	191,873	166,939
Non-controlling interest	90	274	-	-
Earnings per share (Basic and diluted) - Naira	6.65	6.15	5.67	5.27

Key Financial Information

Dividend per share (proposed) - Naira	2.80	2.80	2.80	2.80
Total non-performing credit facilities (N'millions)	105,796	100,503	99,457	92,630
Total non-performing credit facilities to total credit facilities (%)	4.30	4.98	4.16	4.82

Description	Number	Amount claimed	Amount refunded
<i>In millions of Naira</i>			
Pending complaints brought forward	188	17,033	27
Received complaints	769	167,783	223
Resolved complaints	408	4,051	421
Unresolved complaints escalated to CBN for intervention/complaints carried forward	549	180,765	13

Other refunds to customers amounted to N897,526.70, (US \$2,461) (December 31, 2018: N9,372,176 (US \$26,121.62))

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER	Group 2019	Group 2018	Bank 2019	Bank 2018
<i>In millions of Naira</i>				
Assets				
Cash and balances with central banks	936,278	954,416	879,449	902,073
Treasury bills	991,393	1,000,560	822,449	817,043
Assets pledged as collateral	431,728	592,935	431,728	592,935
Due from other banks	707,103	674,274	482,070	393,466
Derivative assets	92,722	86,826	92,722	86,826
Loans and advances	2,305,565	1,823,111	2,239,472	1,736,066
Investment securities	591,097	565,312	189,358	156,673
Investment in subsidiaries	-	-	34,625	34,003
Deferred tax asset	11,885	9,513	11,223	9,197
Other assets	77,395	80,948	71,412	75,910
Property and equipment	185,216	149,137	165,456	133,854
Intangible assets	16,497	16,678	15,109	15,399
Total assets	6,346,879	5,955,710	5,435,073	4,955,445
Liabilities				
Customers' deposits	4,262,289	3,680,295	3,486,887	2,821,066
Derivative liabilities	14,762	16,995	14,762	16,995
Current income tax payable	9,711	9,154	6,627	5,954
Deferred tax liabilities	25	67	-	-
Other liabilities	363,764	231,716	386,061	223,463
On-lending facilities	392,871	393,295	392,871	393,295
Borrowings	322,479	437,260	329,778	458,463
Debt securities issued	39,092	361,177	39,092	361,177
Total liabilities	5,404,933	5,139,959	4,656,078	4,280,443
Capital and reserves				
Share capital	15,698	15,698	15,698	15,698
Share premium	255,047	255,047	255,047	255,047
Retained earnings	412,948	322,237	302,028	238,635
Other reserves	257,439	221,231	206,222	165,652
Attributable to equity holders of the parent	941,132	814,213	778,995	675,032
Non-controlling interest	754	1,538	-	-
Total shareholders' equity	941,886	815,751	778,995	675,032
Total liabilities and equity	6,346,879	5,955,710	5,435,073	4,955,445

The financial statements were approved by the Board of Directors for issue on 28 January, 2020 and signed on its behalf by:

Jim Ovia, CON (Chairman)
FRC/2013/CIBN/00000002408

Ebenezer Onyeagwu (Group Managing Director & Chief Executive)
FRC/2013/CAN/00000003768

Mukhtar Adam, PhD (Chief Financial Officer)
FRC/2013/MULTI/000000003196

The above summarized financial statements and report of the independent auditor are published in accordance with the requirements of S. 27 of the Banks and Other Financial Institutions Act.

THE BOARD | Chairman: Jim Ovia, CON | Group Managing Director/CEO: Ebenezer Onyeagwu | Non-Executives: Mr. Jeffrey Efeanyi, Prof. Chukuka Enwemeka, Prof. Oyewusi Ibidapo-Obe, Mr. Gabriel Ukpeh, Engr. Mustafa Bello, Dr. Al-Mujtaba Abubakar | Deputy Managing Director: Dr. Adaora Umeoji | Executives: Ahmed Umar Shuaib, Dr. Termitope Fasoranti, Dennis Ollisa, Henry Oroh

ZENITH BANK PLC

Zenith Heights, Plot 87 Ajose Adeogun Street, Victoria Island, Lagos



CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER <i>In millions of Naira</i>	Group 2019	Group 2018	Bank 2019	Bank 2018
Cash flows from operating activities				
Profit after tax for the year	208,843	193,424	178,003	165,480
Adjustments for:				
Impairment loss/(reversal)				
Loans and Advances	27,754	13,303	27,148	9,396
Treasury bills, investment securities, assets pledged and due from Banks	(908)	(807)	(928)	(1,051)
Off balance sheet	(2,473)	5,337	(2,473)	6,441
On other assets	(341)	539	(354)	527
Fair value changes in trading bond	(10,905)	1,990	(10,905)	1,990
Depreciation of property and equipment	21,436	16,648	18,887	14,625
Amortisation of intangible assets	3,078	2,399	2,795	2,187
Dividend income	(1,932)	(1,795)	(5,532)	(5,395)
Foreign exchange loss on debt securities issued	5,949	27,778	5,949	27,778
Interest income	(415,563)	(440,052)	(339,310)	(367,816)
Interest expense	148,532	144,458	126,237	124,156
Profit on sale of property and equipment	(147)	(259)	(152)	(241)
Tax expense	34,451	38,261	22,017	26,627
	17,774	1,224	21,382	4,704
Changes in operating assets and liabilities:				
Net (increase)/decrease in loans and advances	(492,717)	161,690	(513,382)	135,770
Net (increase)/decrease in other assets	(3,863)	3,050	(4,853)	(28,366)
Net decrease/(increase) in treasury bills with maturities greater than three months	194,352	(187,329)	183,300	(33,619)
Net (increase)/decrease in treasury bills (FVTPL)	(197,798)	37,343	(197,801)	37,343
Net decrease/(increase) in assets pledged as collateral	161,321	(124,925)	161,321	(124,925)
Net decrease/(increase) in investment securities	1,513	(203,264)	(7,833)	(5,755)
Net increase in restricted balances (cash reserves)	(55,479)	(58,357)	(55,479)	(58,386)
Net increase in due from banks with maturity greater than three months	(223,413)	-	(223,413)	-
Net increase in customer deposits	564,135	252,380	664,555	76,541
Net increase/(decrease) in other liabilities	134,974	(16,298)	185,524	(10,860)
Net increase in derivative assets	(3,896)	(31,607)	(3,896)	(31,607)
Net decrease in derivative liabilities	(2,233)	(3,810)	(2,233)	(3,810)
	102,396	(189,903)	187,192	(42,970)
Interest received	407,104	434,846	335,518	365,125
Dividend received	1,932	1,795	5,532	5,395
Interest paid	(135,575)	(134,201)	(114,398)	(116,234)
Tax paid	(36,308)	(37,925)	(23,370)	(26,742)
VAT paid	(381)	(260)	(381)	(260)
Net cash flows generated from operating activities	339,168	94,352	390,093	184,314
Cash flows from investing activities				
Purchase of property and equipment	(62,333)	(35,712)	(50,901)	(30,501)
Proceeds from sale of property and equipment	2,976	3,490	530	406
Purchase of intangible assets	(2,118)	(3,928)	(1,539)	(3,260)
Purchase of equity securities	(50)	(34,200)	(50)	(34,200)
Net cash used in investing activities	(61,525)	(70,350)	(51,960)	(67,555)
Cash flows from financing activities				
Repayment & repurchase of debt securities issued				
Borrowed funds	(340,358)	-	(340,358)	-
Proceeds from long term borrowing	198,358	370,606	252,364	391,810
Repayment of long term borrowing	(313,139)	(289,842)	(381,049)	(352,326)
Proceeds from onlending facility	135,681	57,194	135,681	57,194
Repayment of onlending facility	(136,105)	(46,933)	(136,105)	(46,933)
Lease liability principal payment	(2,196)	(2,760)	(2,196)	(2,760)
Acquisition of additional interest in Zenith Bank Ghana	(622)	-	(622)	-
Dividends paid to shareholders	(87,910)	(86,340)	(87,910)	(86,340)
Net cash generated (used in) / from financing activities	(546,291)	1,925	(560,195)	(39,355)
Net (decrease)/increase in cash and cash equivalents	(268,648)	25,927	(222,062)	77,404
Analysis of changes in cash and cash equivalents :				
Cash and cash equivalent at the beginning of the year	947,038	916,342	610,915	533,511
(Decrease)/increase in cash and cash equivalents	(268,648)	25,927	(222,062)	77,404
Effect of exchange rate movement on cash balances	(7,675)	4,789	-	-
Cash and cash equivalents at the end of the year	670,715	947,038	388,853	610,915

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Zenith Bank Plc

Report on the Summary Financial Information

Opinion

The summary financial information, which comprise the consolidated and separate statements of financial position as at 31 December, 2019, the consolidated and separate statements of profit or loss and other comprehensive income, and the consolidated and separate statements of cash flows are derived from the audited financial statements of Zenith Bank Plc for the year ended December 31, 2019.

In our opinion, the accompanying summary financial information are consistent, in all material respects, with the audited financial statements, in accordance with the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Banks and Other Financial Institutions Act, Cap B.3, Laws of the Federation of Nigeria 2004.

Summary Financial Information

The summary financial information do not contain all the disclosures required by the International Financial Reporting Standards, the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004, the Financial Reporting Council of Nigeria Act, 2011, the Banks and Other Financial Institutions Act, Cap B.3, Laws of the Federation of Nigeria 2004 and other relevant Central Bank of Nigeria guidelines and circulars. Reading the summary financial information and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 10 February 2020. That report also includes the communication of key audit matters which are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

Directors' Responsibility for the Summary Financial Information

The Directors are responsible for the preparation of the summary financial information in accordance with the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Banks and Other Financial Institutions Act, Cap B.3, Laws of the Federation of Nigeria 2004.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial information are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004

In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books and the Bank's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Compliance with Section 27 (2) of the Banks and Other Financial Institutions Act, Cap B.3, Laws of the Federation of Nigeria 2004 and Central Bank of Nigeria circular BSD/1/2004

- The Bank paid penalties in respect of contraventions of the Banks and Other Financial Institutions Act during the year ended 31 December 2019. Details of penalties paid are disclosed in note 41 to the audited financial statements.
- Related party transactions and balances are disclosed in note 37 to the audited financial statements in compliance with the Central Bank of Nigeria circular BSD/1/2004.

Chukwura O. Awoloye

Chukwura O. Awoloye, FCA
FRC/2013/ICAN/0000001182
For: KPMG Professional Services
Chartered Accountants
10 February 2020
Lagos, Nigeria



The above summarized financial statements and report of the independent auditor are published in accordance with the requirements of S. 27 of the Banks and Other Financial Institutions Act.

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