

# Earnings Flash

Tuesday February 23, 2021



## ZENITH BANK Plc. Posts 10.40% PAT Growth in Q4'2020

The Q4'2020 result of Zenith Plc showed that Interest income advanced by 1.26% from N415.56 bn in Q4'2019 to N420.81 bn in the current period. Net interest income increased by 12.23% to N299.68 bn in Q4'2020 from N267.03 bn in Q4'2019. The increase in net interest income was driven by a 18.45% decline in interest expense. Likewise, profit before tax advanced by 5.17% from N243.29 bn recorded in Q4'2019 to N255.86 bn in the current period. The growth in profit was driven by a 256.89% and 3.29% increase in other operating income and trading income, respectively, but subdued by a 64.51% hike in impairment charge and a 20.75% fall in net fees and commission income. Profit after tax grew by 10.40% from N208.84 bn in Q4'2019 to N230.57 bn in Q4'2020, due to a 26.57% decline in income tax expense. Consequently, earnings per share went up by 10.38% from N6.65 in Q4'2019 to N7.34 in Q4'2020. Zenith currently trades at N26.00.

### Financial Highlights

Financials	Q4-2020 (N' Million)	Q4-2019 (N' Million)	% Change
Interest Income	420,813	415,563	1.26%
Interest expense	121,131	148,532	-18.45%
<b>Net Interest Income</b>	<b>299,682</b>	<b>267,031</b>	<b>12.23%</b>
Impairment charge	39,534	24,032	64.51%
Net Fees and Commission Income	79,332	100,106	-20.75%
Trading Income	121,678	117,798	3.29%
Other operating Income	50,735	14,216	256.89%
Depreciation of property and equipment	25,125	21,436	17.21%
Amortization of intangible assets	3,537	3,078	14.91%
Personnel expenses	79,258	77,858	1.80%
Operating Expenses	148,112	129,453	14.41%
<b>Profit before tax</b>	<b>255,861</b>	<b>243,294</b>	<b>5.17%</b>
Income tax	25,296	34,451	-26.57%
<b>Profit after tax</b>	<b>230,565</b>	<b>208,843</b>	<b>10.40%</b>
<b>Basic EPS</b>	<b>7.34</b>	<b>6.65</b>	<b>10.38%</b>

### Key Multiples/Ratios

□ Book Value Per Share-	N35.59
□ Return on Equity -	20.63%
□ Return on Asset-	2.72%
□ Price to earnings ratio-	3.54x
□ Price to book value-	0.73x
□ Year-to-Date Change-	96.15%
□ Total Loan to Total Deposit-	52.04%
□ Current Shares Outstanding-	31.40 billion

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