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Ratings

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Zenith Bank PLC

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Zenith Bank PLC

Ratings Score Snapshot

Issuer Credit Rating
B-/Stable/B
Nigeria National Scale
ngBBB/--/ngA-2

SACP: b+ → **Support: 0** → **Additional factors: -2**

SACP: b+		
Anchor	b	
Business position	Strong	+1
Capital and earnings	Moderate	0
Risk position	Adequate	0
Funding	Strong	0
Liquidity	Adequate	
CRA adjustment		0

Support: 0	
ALAC support	0
GRE support	0
Group support	0
Sovereign support	0

Issuer credit rating
B-/Stable/B

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview

Key strengths	Key risks
Strong competitive position in Nigeria, supported by a well-established corporate franchise.	Challenging operating environment amid regulatory headwinds.
Resilient earnings through the cycle, supported by strong earnings and good efficiency.	Sovereign creditworthiness constrains the ratings.
Historical credit loan-loss experience better than system average.	Moderately high single-name obligor concentration.

Our ratings on Zenith Bank are constrained by the sovereign credit rating on Nigeria. We assess Zenith Bank's stand-alone credit profile at 'b+', higher than the long-term foreign currency sovereign credit ratings on Nigeria of 'B-'. We do not, however, rate the Nigerian banks above the sovereign because of the likely direct and indirect influence of sovereign distress on banks' operations, including the ability to service foreign currency obligations.

The bank's diversified revenue streams underpin strong revenue stability through the cycle and operating efficiency. Zenith Bank's well-established corporate franchise and push in the retail segment has led to strong growth in non-funded income in 2021. The retail strategy is to focus on transactions volumes and asset gathering capabilities, which in turn support the bank's good net interest margins. Zenith Bank demonstrates better operating efficiency than most peers with a cost-to-income ratio averaging 50% through 2024 while return on equity (ROE) will likely average 19% through the same period.

We expect capitalization and asset quality metrics to improve marginally in 2022-2023. We expect nonperforming loans (NPLs) to decrease slightly to 3.5%-4.0% over the next 12-18 months, a combination of portfolio growth and write-offs and limited new NPL generation. Under our risk-adjusted capital (RAC) framework, we expect the RAC ratio to improve slightly to 6.0%-6.2% over the next 12-18 months compared to 5.9% in 2021.

Strong brand recognition supports deposit growth and the bank's low cost of funding. Zenith Bank is funded by stable customer deposits. Core customer deposits were 86.6% of the total funding base at June 30, 2022, while cost of funds improved markedly in 2021 declining to 1.5% from 2.1%. We expect the group will continue to invest in treasuries to manage high reserve requirements to preserve net interest margins in a risky environment.

Outlook

Our stable outlook on Zenith Bank is stable, mirroring the outlook on Nigeria (B-/Stable/B).

Downside scenario

We would lower the ratings on Zenith Bank over the next 12 months if we took a similar action on Nigeria.

Upside scenario

An improvement of Nigeria's sovereign creditworthiness would likely result in a higher rating on the bank.

Key Metrics

Zenith Bank PLC--Key Ratios And Forecasts

	--Fiscal year ended Dec. 31 --				
(%)	**2020a**	**2021a**	**2022f**	**2023f**	**2024f**
Growth in operating revenue	9.6	13.7	8.6-10.6	10.3-12.6	10.6-13.0
Growth in customer loans	18.6	20.0	9.0-11.0	9.0-11.0	13.5-16.5
Growth in total assets	33.6	11.4	11.1-13.5	9.1-11.1	10.7-13.1
Net interest income/average earning assets (NIM)	5.5	4.6	4.5-5.0	4.8-5.3	5.2-5.8
Cost to income ratio	46.8	46.6	47.6-50.1	49.1-51.7	50.5-53.1
Return on average common equity	22.4	20.4	18.4-20.3	18.0-19.9	17.7-19.6
Return on assets	3.1	2.7	2.4-2.9	2.3-2.8	2.3-2.8
New loan loss provisions/average customer loans	1.3	1.6	1.0-1.1	0.9-1.0	0.8-0.9
Gross nonperforming assets/customer loans	4.3	4.2	3.9-4.4	3.7-4.1	3.5-3.9
Net charge-offs/average customer loans	1.8	1.1	1.0-1.0	0.9-0.9	0.9-0.9

Zenith Bank PLC--Key Ratios And Forecasts (cont.)					
	--Fiscal year ended Dec. 31 --				
(%)	**2020a**	**2021a**	**2022f**	**2023f**	**2024f**
Risk-adjusted capital ratio	6.2	5.9	5.9-6.2	6.0-6.3	5.9-6.2

All figures are S&P Global Ratings-adjusted. a--Actual. e--Estimate. f--Forecast. NIM--Net interest margin.

Anchor: 'b' for Banks Operating Predominantly in Nigeria

Zenith Bank PLC is headquartered in Nigeria with smaller operations in Gambia, Ghana, Sierra Leone, and the U.K. We consider Nigeria to be the primary country of operations for Zenith with 93% of customer loans to Nigerian clients as of June 30, 2022. Our anchor for banks operating predominantly in Nigeria is 'b'.

We expect economic setbacks in Nigeria to persist, despite higher oil prices, which we now assume at $100 per barrel (/bbl) for the remainder of 2022 for Brent, then $85/bbl in 2023. We expect GDP growth to average 3.3% in 2022 and 3.0% in 2023 after an estimated 3.6% rebound in 2021. Banks in Nigeria could face weaker lending growth and asset quality amid rapidly rising interest rates and a cash reserve requirement of 32.5%, as well as ongoing foreign exchange shortages. The scarcity of foreign currency will continue to constrain corporations' growth prospects, while the start of a large refinery project in 2023 should support growth in the private sector.

The banking sector is exposed to short credit cycles and high credit risks because of Nigeria's reliance on oil and its sensitivity to currency depreciation and high inflation. This leaves banks vulnerable to asset price shocks and asset quality problems. Exposure to the oil and gas sector averages about 30%. We expect banks' earnings will come under pressure as NPLs increase. We expect the sector's NPL ratio will deteriorate to 5.5% on average in 2022, after improving to 5.0% at year-end 2021, and that return on equity will moderate to 13% from 14%.

Banks' cost bases will remain high on average because of the Asset Management Corporation of Nigeria (AMCON) levy. The CBN created AMCON in 2010 to help clean up asset quality in the banking system following the 2009 financial crisis. Initially planned to last 10 years, it has remained in use and accounts for about one-third of banks' cost bases. Nigerian banks have been investing in their digital infrastructure for years to meet customers' needs and enhance the resilience of their earnings during economic downturns. The banking sector's external debt will stay manageable, while U.S. dollar supply remains tight. Most Nigerian banks are largely funded by non-interest-bearing customer deposits, but lower-tier banks rely on domestic wholesale funding.

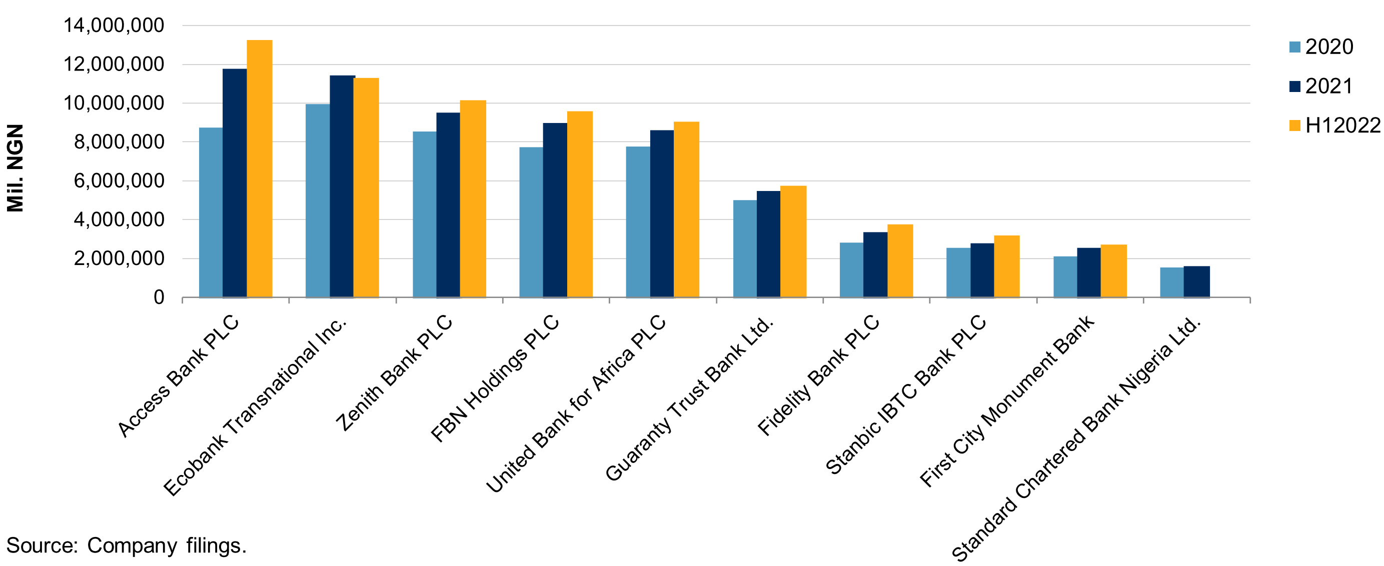
Business Position: Top-Tier Banking Group With A Leading Corporate Franchise And Aspirational Retail Brand

Zenith Bank has a leading business position in the competitive Nigerian banking sector. It is the 2nd largest bank (see chart 1) with total assets of NGN10.1 trillion (equivalent to USD22.5 billion at an exchange rate of $/NGN450). The group's diversified revenue stream and increasing share of non-funded income has supported its earnings capacity through challenging economic and regulatory headwinds. Zenith Bank has a well-established corporate franchise, serving blue chip corporates that operate in strategic sectors of the Nigerian economy. The group's aim is to grow a leading retail franchise while consolidating its position in trade finance and institutional banking. Zenith Bank is actively pursuing a retail strategy by leveraging on electronic channels to optimize its cost of funding and generate greater transactional revenue. It reported about 18.7 million customers at end-2021, growth of 42% from 2020. At the same time, it grew its agency banking network to more than 75,000 agents across the country to provide access to customers in remote locations. While the group has access to the affluent segment in Nigeria, its strong brand is aspirational for the middle class. Higher margin lending to SMEs and households relies partly on the corporates value chain and targets suppliers of large corporates and salary domiciliation.

The group's historically resilient revenue and earnings generation through the cycle have also underpinned good efficiency with an average cost-to-income ratio of 45% in 2017-2021. Over the first half of 2022, its cost to income was 54%, compared with 64% average for the peer group of Nigerian and West African banks (see chart 2). We expect Zenith Bank to continue to demonstrate good efficiency despite inflationary pressures on its cost base, including increasing AMCON charges.

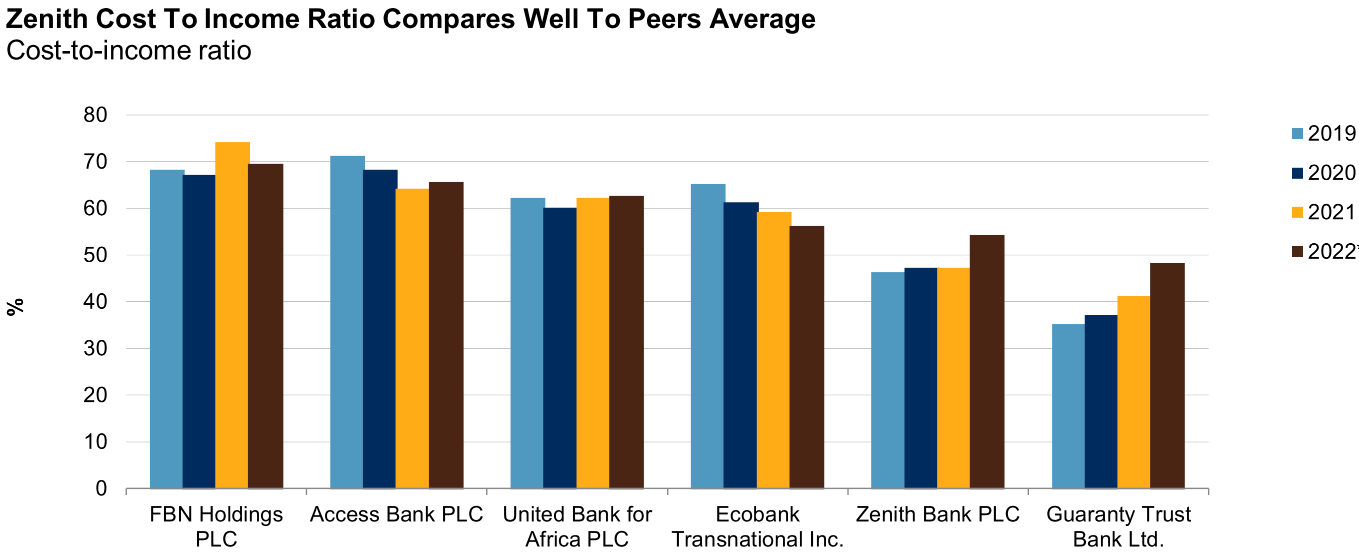
Chart 1

Zenith Bank Is Among the Largest Banking Group In Nigeria
Total assets



Source: Company filings.

Chart 2



*Data as at June 30. Source: S&P Global Ratings.

Capital And Earnings: Slightly Improving RAC Ratio Supported By Strong Profitability

We expect Zenith's RAC ratio before adjustments for diversification will improve slightly to 6.2% over the next 12-18 months compared with 5.9% in 2021. Our measure of RAC reflects higher risk charges compared to regulatory capital, stemming from very high economic risks in Nigeria.

In our base-case scenario, we assume the following:

- Loan growth of 10% in 2022 and 2023 reflecting moderate economic growth amid high inflation.
- NIMs to increase to 4.75% in 2022 and 5.0% in 2023 balancing asset repricing in a rising interest rate environment and low cost of funding but elevated CRR debits.
- Credit losses at about 1% over the forecast period reflecting gradual recovery of legacy problem exposures.
- The cost-to-income ratio to average 50%, balancing the effects of stronger operating revenue with inflationary pressure on operating expenses.
- A stable dividend payout ratio of about 30% of net income.

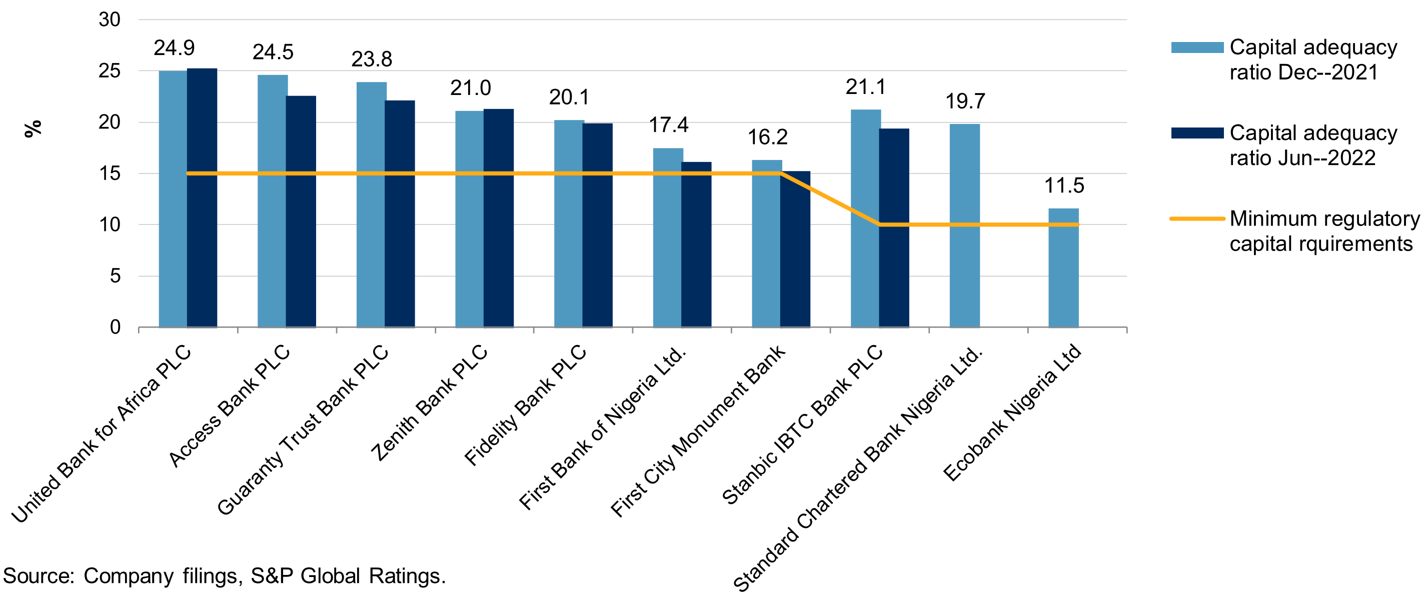
We expect Zenith's earnings will benefit from its expanding agency banking and digital banking franchise as well as the rising interest rates over the next 12-18 months. This will support its return on equity averaging 19% over the next two years. The group's earnings capacity compares favorably to that of peers of similar size with an expected earnings buffer of 0.8% of S&P Global Ratings risk-weighted assets over the next 12-18 months.

The group's regulatory CAR remained stable at 21.2% as of June 30, 2022, supported by good earnings accretion. The group maintains strong buffers against the regulatory minimum CAR of 15% for a bank operating with an international license in Nigeria under the Basel II framework (see chart 3). We believe that this provides a sufficient buffer against further naira depreciation over the next 12 months under our base-case scenario. We expect the group will maintain good capital buffers against the 17% minimum capital ratio under the Basel III framework when it is implemented. As a systemically important bank, Zenith Bank's capital will include a conservation buffer of 1% and the high loss absorbency requirement of 1%. We expect that it will maintain its CAR at these levels via earnings retention and measured asset growth.

The group's quality of capital compares adequately with that of its domestic peers. Its adjusted common equity accounts for 100% of total adjusted capital.

Chart 3

Zenith Bank Maintains Good Regulatory Capital Buffers



Source: Company filings, S&P Global Ratings.

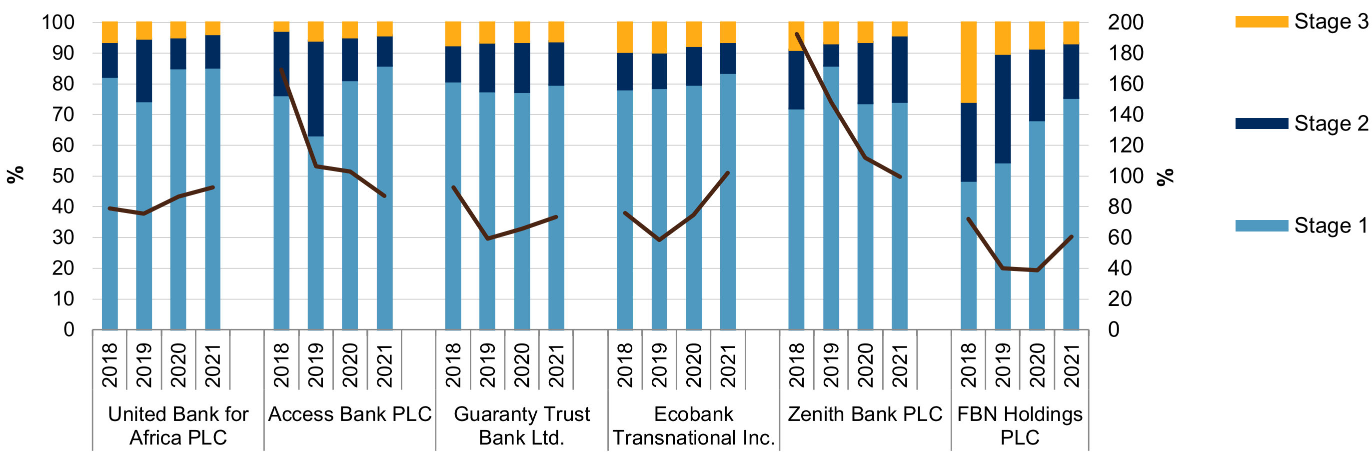
Risk Position: Good Asset Quality Metrics, Underpinned By Access To Top-Tier corporates And Conservative Risk Management

The group's risk position is underpinned by its sound risk management framework and culture, resulting in asset quality metrics that compare adequately to top domestic peers and have been below sector average (see chart 4). The group's loan breakdown is skewed toward investment grade customers (about 75% of total exposures at year-end 2021). That said, its top-three sector exposures are moderately high but in line with systemwide metrics, with manufacturing accounting for 26% of total loans, oil and gas 22.7%, and general commerce 13.3%. Consumer credit accounted for a moderate 3.9% of total loans. Government exposures remained stable at 15.9% of total loans.

The group's nonperforming loans ratio (we include Stage 3 loans under IFRS9 definition) increased marginally to 4.4% at half year 2022 from 4.2% in 2021 on the back of the high inflationary environment and lower-than-usual write-offs. This compares well to the regulatory limit and systemwide average of 5.0%. At the same time, Stage 2 loans remain pronounced at 20.3%, higher than peers. This reflects the group's prudent risk management stance in terms of loan classifications. Stage 2 loans include exposures to the oil and gas sector and manufacturing affected by U.S dollar shortages. We understand these have been restructured and will be cured gradually.

Chart 4

Zenith Bank's Asset Quality Metrics Compare Adequately To Peers



Source: Company filings, S&P Global Ratings.

Similar to other Nigerian banks, Zenith Bank's loan portfolio is exposed to energy transition risk. As of the end of June 2022, loans to the oil and gas sector accounted for 22.7% of total loans, below the sector average of 30%. About 17% of these are in the less risky upstream sector and the remaining 4.7% is extended to the downstream sector. NPLs stemming from the oil and gas sector accounted for 32.03% of the group's NPLs as of the end of June 2022.

Foreign-currency-denominated loans, which are primarily extended to the oil and gas sector and backed by revenue in the same currency, accounted for 45% of gross loans at the end of June 2022, which is in line with the sector average. Foreign-currency lending poses additional credit risks to the banking sector in the context of tight U.S. dollar supply in Nigeria.

Funding And Liquidity: Strong Franchise Supports Deposit Growth And Low Cost Of Funding

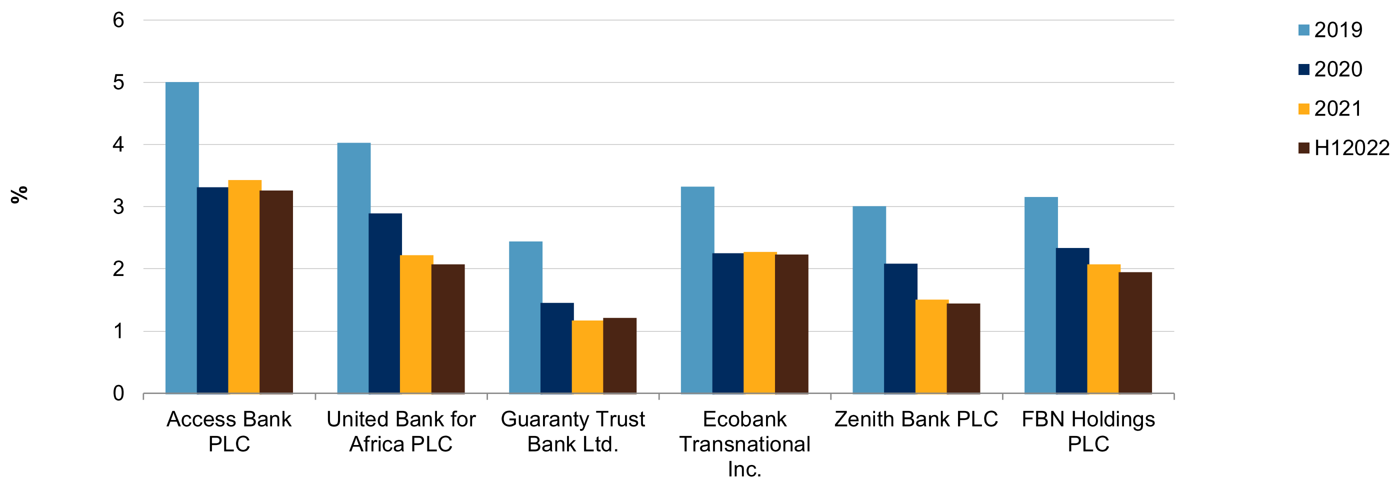
The group funding base, similar to that of domestic top tier banks, is predominantly customer deposits. The group has recorded consistent growth in customer deposits with a 10.5% year-to-date increase and 21% deposit growth in 2021. Core customer deposits accounted for 86.5% of the funding base at the end of June 2022. Cost of funding declined to

1.5% in 2021 from 2.1% in 2020 and was stable at 1.4% for the first half of the year (see chart 5), supported by non-interest bearings deposits growth.

Zenith's funding will remain largely contractually short-term, in line with that of domestic peers, which results in an asset liability mismatch. This is however partially mitigated by the stability of the deposits and a highly liquid balance sheet. On June 30, 2022, the group's broad liquid assets covered 6.77x its short-term wholesale funding, while its net broad liquid assets covered 64% of short-term customer deposits.

Chart 5

Zenith Bank's Cost Of Funds Is Among The Lowest In Nigeria
Cost of funds



Source: S&P Global Ratings.

Foreign currency denominated deposits have been stable over time. They grew 19% in first-half 2022 in USD terms at constant exchange rates and accounted for 32% of total deposits. In addition, the group has a long U.S. dollar position that is earnings positive in the case of naira depreciation.

Support: No Uplift For Government Support

We consider Zenith Bank to be of high systemic importance, reflecting its top-tier market position in Nigeria. However, we do not incorporate any uplift to the ratings above the 'b+' SACP as we consider the Nigerian government's support for the domestic banking sector to be uncertain.

Additional Rating Factors

The 'b+' SACP is constrained by the ratings on Nigeria. Unless they pass the sovereign stress test, we do not rate Nigerian banks above the sovereign because of the likely direct and indirect influence of sovereign distress on their operations, including their ability to service foreign currency obligations.

Environmental, Social, And Governance

ESG Credit Indicators

Environmental	Social	Governance
E-1 E-2 E-3 **E-4** E-5	S-1 **S-2** S-3 S-4 S-5	G-1 G-2 G-3 **G-4** G-5
- Climate transition risks	- N/A	- Risk management, culture, and oversight - Transparency and reporting

N/A--Not applicable. ESG credit indicators provide additional disclosure and transparency at the entity level and reflect S&P Global Ratings' opinion of the influence that environmental, social, and governance factors have on our credit rating analysis. They are not a sustainability rating or an S&P Global Ratings ESG Evaluation. The extent of the influence of these factors is reflected on an alphanumerical 1-5 scale where 1 = positive, 2 = neutral, 3 = moderately negative, 4 = negative, and 5 = very negative. For more information, see our commentary "ESG Credit Indicators: Definition And Applications," published Oct. 13, 2021.

Environmental and governance factors are negative considerations in our Nigeria BICRA analysis and consequently in our credit rating analysis of Zenith Bank.

Energy transition risk is material for the Nigerian banking system because of the large direct exposures to the oil and gas sector. These make up about a third of systemwide loans, which negatively affects our view of economic resilience and credit risk in the economy, under our BICRA methodology. Zenith Bank's exposure to the oil and gas sector is material, accounting for almost 23% of total loans at the end of June 2022.

The G-4 governance indicator reflects the weak banking regulation and supervision in Nigeria, which weighs on our view of the institutional framework in our BICRA analysis. Gaps exist in corporate governance in the wider economy; these could negatively affect the banking sector because of elevated concentration risks. However, we consider the bank's management favorably and note its strong track record of delivering steady risk-adjusted returns through the economic cycles.

Key Statistics

Table 1

Zenith Bank PLC Key Figures

		--Year-ended Dec. 31--			
(Mil. NGN)	**2022***	**2021**	**2020**	**2019**	**2018**
Adjusted assets	10,091,812.0	9,422,842.0	8,465,029.0	6,330,382.0	5,934,569.0
Customer loans (gross)	3,662,573.0	3,501,878.0	2,919,342.0	2,462,359.0	2,016,520.0
Adjusted common equity	1,195,856.0	1,111,860.0	964,941.0	813,299.0	696,842.0
Operating revenues	330,601.0	621,786.0	547,037.0	499,004.0	475,298.0
Noninterest expenses	176,931.0	285,754.0	252,495.0	228,747.0	220,709.0
Core earnings	112,867.8	248,269.0	233,789.3	211,794.8	197,998.8

*Data as of June 30.
NGN--NGN-Nigerian naira. N.A.--Not available. N/A--Not applicable. N.M.--Not meaningful.

Table 2

Zenith Bank PLC Business Position

	--Year-ended Dec. 31--				
(%)	2022*	2021	2020	2019	2018
Total revenues from business line (currency in millions)	330,851	621,864	547,384	499,151	475,557
Commercial & retail banking/total revenues from business line	97.0	97.4	92.0	89.9	89.2
Other revenues/total revenues from business line	3.0	2.6	8.0	10.1	10.8
Return on average common equity	17.5	20.4	22.4	23.8	23.6

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

Table 3

Zenith Bank PLC Capital And Earnings

	--Year-ended Dec. 31--				
(%)	2022*	2021	2020	2019	2018
Tier 1 capital ratio	20.0	19.0	20.8	20.4	23.9
S&P Global Ratings' RAC ratio before diversification	N/A	5.9	6.2	7.5	6.3
S&P Global Ratings' RAC ratio after diversification	N/A	4.6	4.8	6.0	5.1
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0
Net interest income/operating revenues	56.0	51.7	55.3	53.5	62.2
Fee income/operating revenues	19.5	16.7	14.5	20.1	17.2
Market-sensitive income/operating revenues	24.4	31.4	30.1	25.9	20.1
Cost to income ratio	53.5	46.0	46.2	45.8	46.4
Preprovision operating income/average assets	3.1	3.7	4.0	4.4	4.4
Core earnings/average managed assets	2.3	2.8	3.2	3.4	3.4

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

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 & central banks	4,152,548.0	1,585,422.3	38.2	8,514,015.6	205.0
Of which regional governments and local authorities	0.0	0.0	0.0	0.0	0.0
Institutions and CCPs	697,082.0	1,585,422.3	227.4	878,832.1	126.1
Corporate	3,667,630.0	1,585,422.3	43.2	5,661,417.4	154.4
Retail	184,005.0	0.0	0.0	398,799.3	216.7
Of which mortgage	0.0	0.0	0.0	0.0	0.0
Securitization§	0.0	0.0	0.0	0.0	0.0
Other assets†	250,299.9	0.0	0.0	813,477.5	325.0
Total credit risk	8,951,564.9	4,756,267.0	53.1	16,266,541.9	181.7
Credit valuation adjustment					
Total credit valuation adjustment	--	0.0	--	0.0	--

Table 4

Zenith Bank PLC--Risk-Adjusted Capital Framework Data (cont.)

Market Risk					
Equity in the banking book	85,574.0	0.0	0.0	962,707.5	1,125.0
Trading book market risk	--	154,846.0	--	435,504.4	--
Total market risk	--	154,846.0	--	1,398,211.9	--
Operational risk					
Total operational risk	--	1,042,189.0	--	1,165,848.8	--

	Exposure	Basel III RWA	Average Basel II RW (%)	S&P Global Ratings RWA	% of S&P Global Ratings RWA
Diversification adjustments					
RWA before diversification	--	5,953,302.0	--	18,830,602.5	100.0
Total Diversification/ Concentration Adjustments	--	--	--	5,520,243.7	29.3
RWA after diversification	--	5,953,302.0	--	24,350,846.3	129.3

	Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings RAC ratio (%)
Capital ratio	Standard & Poor's RWA	Standard & Poor's RWA	Standard & Poor's RWA	Standard & Poor's RWA
Capital ratio before adjustments	1,130,832.0	19.0	1,111,860.0	5.9
Capital ratio after adjustments‡	1,130,832.0	19.0	1,111,860.0	4.6

*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 2021', S&P Global Ratings.

Table 5

Zenith Bank PLC Risk Position

		--Year-ended Dec. 31--			
(%)	**2022***	**2021**	**2020**	**2019**	**2018**
Growth in customer loans	9.2	20.0	18.6	22.1	(10.5)
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	29.3	29.6	25.3	23.8
Total managed assets/adjusted common equity (x)	8.5	8.5	8.8	7.8	8.5
New loan loss provisions/average customer loans	1.2	1.6	1.3	1.1	0.9
Net charge-offs/average customer loans	0.1	1.1	1.8	2.9	3.5
Gross nonperforming assets/customer loans + other real estate owned	4.4	4.2	4.3	4.3	5.0
Loan loss reserves/gross nonperforming assets	101.5	99.6	112.0	148.2	192.4

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

Table 6

Zenith Bank PLC Funding And Liquidity

		--Year-ended Dec. 31--			
(%)	**2022***	**2021**	**2020**	**2019**	**2018**
Core deposits/funding base	86.6	84.5	80.2	84.6	75.6
Customer loans (net)/customer deposits	48.9	51.8	52.0	54.1	49.4

Table 6

Zenith Bank PLC Funding And Liquidity (cont.)					
		--Year-ended Dec. 31--			
(%)	2022*	2021	2020	2019	2018
Long-term funding ratio	91.7	91.1	89.8	94.4	91.4
Stable funding ratio	181.9	177.2	162.9	156.3	154.4
Short-term wholesale funding/funding base	9.5	10.4	11.9	6.7	10.0
Broad liquid assets/short-term wholesale funding (x)	6.8	6.1	5.3	8.0	5.5
Broad liquid assets/total assets	52.7	51.2	49.2	42.3	45.3
Broad liquid assets/customer deposits	74.5	74.8	78.1	63.0	73.1
Net broad liquid assets/short-term customer deposits	64.0	63.1	117.1	55.1	59.9
Short-term wholesale funding/total wholesale funding	71.0	66.8	60.0	43.3	40.8
Narrow liquid assets/3-month wholesale funding (x)	17.8	17.4	9.8	46.9	15.6

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

Zenith Bank PLC--Rating Component Scores	
Issuer Credit Rating	B-/Stable/B
SACP	b+
Anchor	b
Economic risk	10
Industry risk	9
Business position	Strong
Capital and earnings	Moderate
Risk position	Adequate
Funding	Strong
Liquidity	Adequate
Comparable ratings analysis	0
Support	0
ALAC support	0
GRE support	0
Group support	0
Sovereign support	0
Additional factors	-2

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity. SACP--Stand-alone credit profile.

Related Criteria

- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019

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- 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
- General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions, Nov. 19, 2013
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Related Research

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- Nigeria Ratings Affirmed At 'B-/B'; Outlook Remains Stable, Aug. 05, 2022
- Emerging Markets: Sub-Saharan Africa's Still Down But Not Out, June 8, 2022
- National Scale Ratings On Four Nigerian Banks Lowered On Criteria Misapplication; Jan. 27, 2022,
- Nigerian Bank Global Scale Ratings Affirmed Under Revised Criteria; Outlooks Stable, Jan. 20, 2022
- ESG Credit Indicator Report Card: EMEA Banks, Jan. 19, 2022
- Banking Industry Country Risk Assessment: Nigeria, Nov. 30, 2021

Ratings Detail (As Of December 15, 2022)*		
Zenith Bank PLC		
Issuer Credit Rating		B-/Stable/B
Nigeria National Scale		ngBBB/--/ngA-2
Senior Unsecured		B-
Short-Term Debt		B
Issuer Credit Ratings History		
31-Mar-2020		B-/Stable/B
03-Mar-2020		B/Negative/B
22-Sep-2016		B/Stable/B
27-Jan-2022	*Nigeria National Scale*	ngBBB/--/ngA-2
20-Jan-2022		ngBBB+/--/ngA-2
31-Mar-2020		ngBBB/--/ngA-2
03-Mar-2020		ngA-/--/ngA-2
02-Jul-2018		ngA/--/ngA-1
Sovereign Rating		
Nigeria		B-/Stable/B
Nigeria National Scale		ngBBB/--/ngA-2

*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.