



# H1 2014 Group Results

## Presentation to Investors & Analysts

IFRS Compliant Results

June 2014



**ZENITH BANK PLC**

people | technology | service



# Disclaimer

**This presentation is based on the consolidated financial statements of Zenith Bank Plc, a company incorporated in Nigeria on 30 May 1990, and its subsidiaries (hereinafter collectively referred to as "the Group"). The financial statements are prepared in accordance with the International Financial Reporting Standard (IFRS), and the going concern principle under the historical cost convention as modified by the measurement of certain financial instruments held at fair value.**

**The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and disclosures at the date of the financial statements. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.**



# Agenda

## Overview & Operating Environment

- Speaker: Managing Director/Chief Executive Officer Peter Amangbo Slides 4 - 5

## Results - Group

- Speaker: Chief Financial Officer Stanley Amuchie Slides 7- 15

## Results – By Segment & Geography

- Speaker: Executive Director/Corporate Banking Stanley Amuchie Slides 17 -19

## Company Risk Management

- Speaker: Executive Director – Enterprise Risk Management Ebenezer Onyeagwu Slides 21- 24

## Strategy & Outlook

- Speaker: Managing Director/Chief Executive Officer Peter Amangbo Slides 26 - 29

## Q & A



# Nigerian Economy and Key Developments in the Banking Sector



## Real GDP Growth (Rebase):

- The GDP grew at the rate of 6.21% y/y in Q1 2014, up by 176bps from 4.45% recorded in the corresponding quarter of previous fiscal year.
- The non-oil sector was the major driver of the growth recorded in Q1 2014. Services had the highest growth, followed by Agriculture and then industries.

## Headline Inflation:

- Headline Inflation increased to 8.2% y/y in Jun'14 from 8.0% y/y recorded in May'14.
- The price increases recorded in June's Headline index were as a result of an increase in all divisions that contribute to the index.

## Oil Production & Price:

- OPEC Average Monthly Basket Price extended its previous month's gains by nearly \$2.50 in June to reach its highest value of \$107.89/bbl for the year, uplifted by a surge in crude oil outright prices.

## Foreign Reserves:

- Nigerian foreign reserves declined marginally from \$37.83bn as at end of Q1 2014 to \$37.55bn as at end of Q2 2014. However, month-on-month experienced an increase of \$0.59bn or 1.6% from the level of \$36.96bn recorded at the end of May 2014
- The CBN continues to apply foreign reserves to defend the Naira from devaluation.

## Exchange Rate:

- The FX market remained stable in Q2 2014 due to increased inflows of forex and CBN's policy which helped to moderate the demand for foreign exchange.
- The exchange rate at the RDAS segment of the market hovered between US\$/N155.5 and US\$/N156 in Q2 2014.

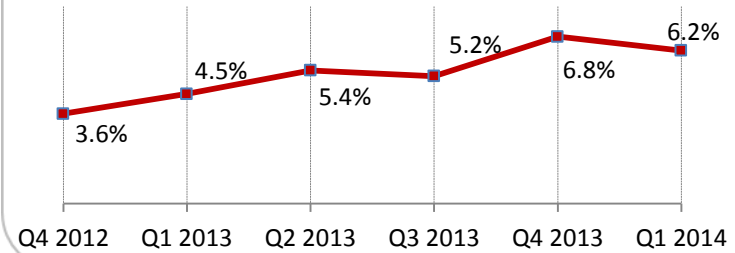
## Cash Reserve Ratio (CRR):

- CRR on private sector funds was increased from 12% to 15% effective April, 2014

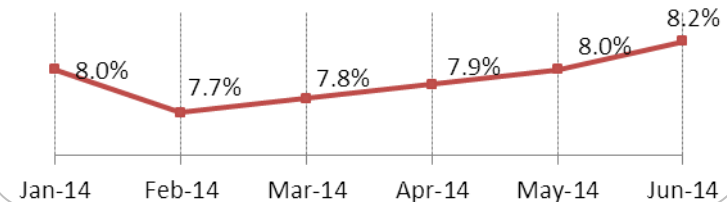
## Eurobond Issuance:

- The banking sector has witnessed an increase in Eurobond issuances to fund medium to long term risk assets.

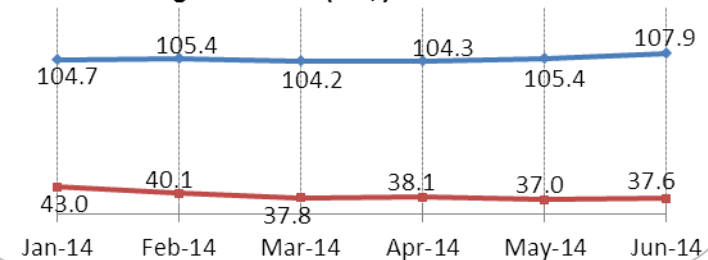
### GDP Growth Rate (Rebase)



### Inflation Rate



### Av Monthly Basket Price of Crude (US\$/bbl) and Foreign Reserves (US\$)



Source: Nigeria Bureau of Statistics  
Central Bank of Nigeria  
OPEC



# Our Investment Proposition



**Strong earnings capacity and growth, Solid and liquid capital base, strengthened ERM practices, Good returns on investments and excellent customer services**

❑ **A dominant player in Nigerian Banking Industry:**

- ✓ Controls a significant share of the high end corporate clients in strategic sectors of the Nigerian economy.
- ✓ The bank uses its strong balance sheet and liquidity position as well as efficient trade finance products and services, to continuously grow and support businesses.

❑ **Increased Share of Middle Tier Market:**

- ✓ Low cost of funds due to increased share of retail market through deposit mobilization and various forms of electronic banking applications.

❑ **Strong Focus on Risk Management:**

- ✓ Low NPL ratio of 2.8% with a coverage ratio of over 90%.

❑ **Good Dividend Payout:**

- ✓ Good and consistent dividend payout to its investors.
- ✓ The Bank paid a dividend of 95 kobo per share to its shareholders for FY11, 160 kobo per share for FY12 and 175 kobo per share for FY2013.

❑ **Return On Equity:**

- ✓ Since the banking sector began recovery in 2009, Zenith Bank's ROAE has shown promising trends.
- ✓ ROAE for FY12 was at 23.49% but declined to 19.61% in FY13 due to tax consideration.
- ✓ Half-year 2014 ROAE is currently at about 19%

❑ **Eurobond issuance & GDR Listing :**

- ✓ Zenith Bank issued a \$500mil Eurobond Notes from its \$1bn Global Medium Term Note Programme.
- ✓ About 200% over-subscription was recorded for the bond issuance
- ✓ Zenith Bank has been listed on the London Stock Exchange since March 2013 through a non-capital GDR listing for greater accessibility by international investors.

❑ **Credit Rating/Awards:**

- ✓ Zenith Bank is rated BB-/Stable/B by S and P, being the highest rating awarded to any Nigerian bank and in line with the country's risk rating.
- ✓ The Banker Magazine adjudged Zenith bank as "Bank of the Year (2013)" in Nigeria while World Finance named Zenith Bank as "Best Commercial Bank in Nigeria (2013)". FTSE Global Markets also named Zenith bank as one of the "20 Global Super Brands (2012)".
- ✓ KPMG awarded Zenith Bank has the best bank in SME segment in the 2014 Banking Industry Customer Satisfaction Survey (BICSS)



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# Financial Highlights

Key Theme

**On Course for an Impressive Performance in 2014**

P & L

Gross Earnings: N184.43bn  
Net Interest Income: N90.73bn  
Net Interest Margin: 8.14%  
PBT: N57.86bn  
PAT: N47.45n

+7.84% YoY  
-0.67% YoY  
-7.78% YoY  
+6.98% YoY  
+4.46% YoY

Balance Sheet

Customer Deposit: N2.30tn  
Total Assets: N3.20tn  
Total Shareholders' Funds: N492.39bn  
Loans & Advances: N1.41tn

+1.24% (YTD)  
+1.93% (YTD)  
+3.31% (YTD)  
+10.73% (YTD)

Key Ratios

Loan to Deposit Ratio: 55.80%  
Cost to Income Ratio: 56.51%  
Liquidity: 60.5%  
Capital Adequacy: 22.6%  
NPL: 2.8%; Cost of Risk: 0.44%  
ROAE: 18.95%  
EPS: 151k



# Profit & Loss Statement

(N'm)

## Gross Income

### Continuing Operations:

Interest Income

Interest Expense

### Net Interest Income

Impairment Charge for Credit Losses

Net Interest Income after Impairment Charge for Credit Losses

Fees and Commission Income

Net gains on Financial Instruments

Other Income

Share of profit of associates

Total Operating Expenses

Profit Before Tax from continued operations

### Discontinued Operations:

Gross income from discontinued operations

Gross expenses from discontinued operations

Profit Before Tax from discontinued operations

### Continued & Discontinued Operations:

#### Profit Before Tax

Minimum Tax

Income Tax Expense

#### Profit After Tax

	Group 6 mths to Jun-14	Group 6 mths to Jun-13	YOY Change
<b>Gross Income</b>	<b>184,434</b>	<b>171,024</b>	<b>7.84%</b>
<b>Continuing Operations:</b>			
Interest Income	139,524	128,323	8.73%
Interest Expense	-48,781	-36,966	31.96%
<b>Net Interest Income</b>	<b>90,743</b>	<b>91,357</b>	<b>-0.67%</b>
Impairment Charge for Credit Losses	-2,948	-3,610	-18.34%
Net Interest Income after Impairment Charge for Credit Losses	87,795	87,747	0.05%
Fees and Commission Income	25,981	23,820	9.07%
Net gains on Financial Instruments	17,902	10,355	72.88%
Other Income	1,028	596	72.39%
Share of profit of associates	324	0	-
Total Operating Expenses	-75,171	-70,428	6.73%
Profit Before Tax from continued operations	57,859	52,090	11.07%
<b>Discontinued Operations:</b>			
Gross income from discontinued operations	0	7,930	-100.00%
Gross expenses from discontinued operations	0	-5,937	-100.00%
Profit Before Tax from discontinued operations	0	1,993	-100.00%
<b>Continued &amp; Discontinued Operations:</b>			
<b>Profit Before Tax</b>	<b>57,859</b>	<b>54,083</b>	<b>6.98%</b>
Minimum Tax	0	0	-
Income Tax Expense	-10,414	-8,664	20.20%
<b>Profit After Tax</b>	<b>47,445</b>	<b>45,419</b>	<b>4.46%</b>

Improved top & bottom line earnings driven by deposit and loan growth and operating efficiency...





# Strengthening earnings and profitability...

## Comments

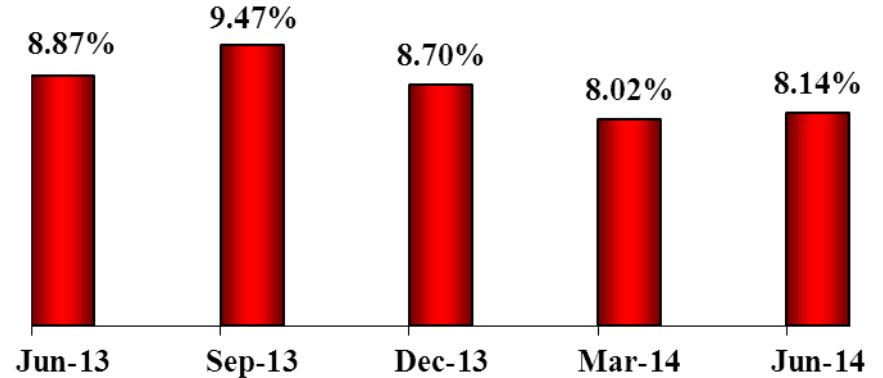
□ *Despite the pressure on Net Interest Margin (NIM) due to CRR increase by the CBN, NIM inched up QoQ by 1.5% from 8.02% in Q1 2014 to 8.14% in Q2 2014.*

□ *Cost to Income Ratio remained flat YoY and QoQ. Growth in income heads were undermined by regulatory policies (increase in savings deposit rate and increase in AMCON charge)*

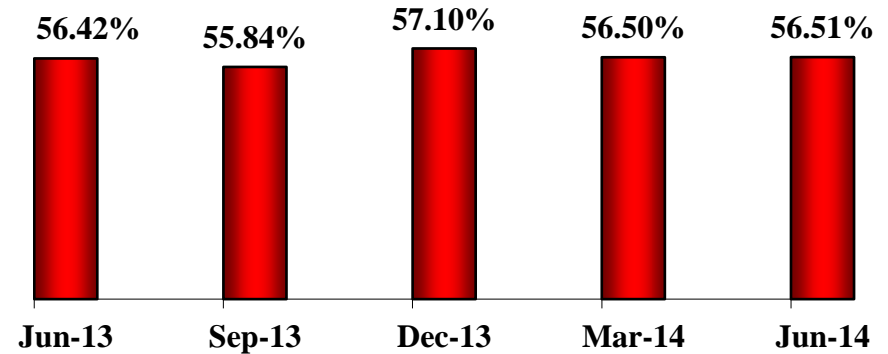
□ *The bank has significantly improved on its credit related fees, income from FX transactions and other fees & commissions.*

□ *Profit after tax (PAT) increased by 4.5% YoY from N45.42bn in H1 2013 to N47.45bn in H1 2014*

## Consistently high Net Interest Margin



## Cost to Income Ratio





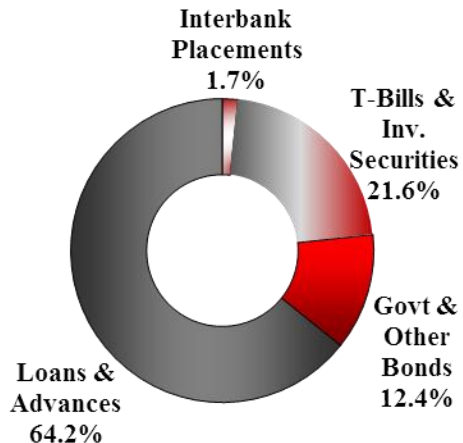
# Revenue Base ...Sustained Diversification



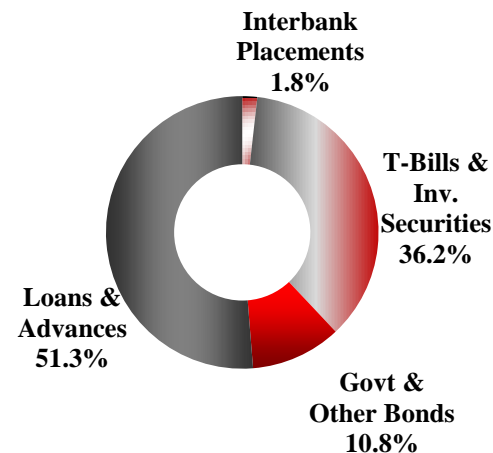
H1 2014

## Interest Income

H1 2013



N'million	H1 2014	H1 2013	YoY
Interbank Placements	2,334	2,274	3%
T-Bills & Inv. Securities	30,201	46,463	-35%
Govt & Other Bonds	17,360	13,799	26%
Loans & Advances	89,629	65,787	36%
<b>Total</b>	<b>139,524</b>	<b>128,323</b>	<b>9%</b>

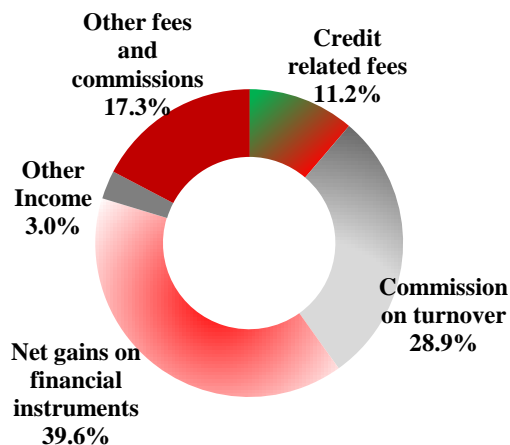


- The drop in interest income from T-bills and investment in securities was as a result of the increase in CRR on private sector funds.
- Interest income from loans and advances increased by 36%

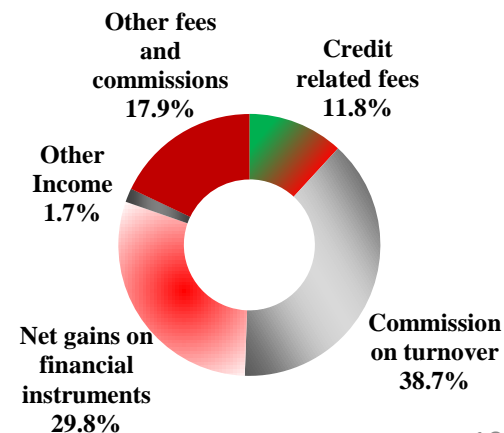
## Non-Interest Income

H1 2014

H1 2013



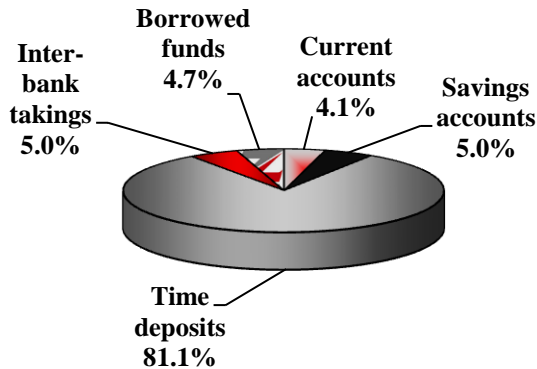
N'million	H1 2014	H1 2013	YoY
Credit related fees	5,084	4,113	24%
Commission on turnover	13,065	13,467	-3%
Net gains on financial instruments	17,902	10,355	73%
Other Income	1,352	596	127%
Other fees and commissions	7,832	6,240	26%
<b>Total</b>	<b>45,235</b>	<b>34,771</b>	<b>30%</b>



- The bank grew its non-interest income by 30%
- The bank has significantly improved on its credit related fees, income on FX transactions and other fees & commissions



## H1 2014

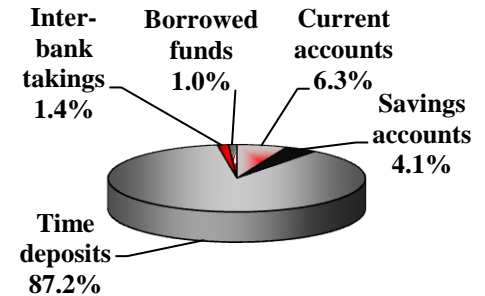


## Interest Expenses

N'million	H1 2014	H1 2013	YoY
Current accounts	2,018	2,318	-13%
Savings accounts	2,449	1,519	61%
Time deposits	39,551	32,231	23%
Inter-bank takings	2,457	516	376%
Borrowed funds	2,306	382	504%
<b>Total</b>	<b>48,781</b>	<b>36,966</b>	<b>32%</b>

Interest Expense on borrowed funds (eurobond & multilateral agencies) increased significantly to match the growth in the medium to long term USD funding needs of the bank.

## H1 2013

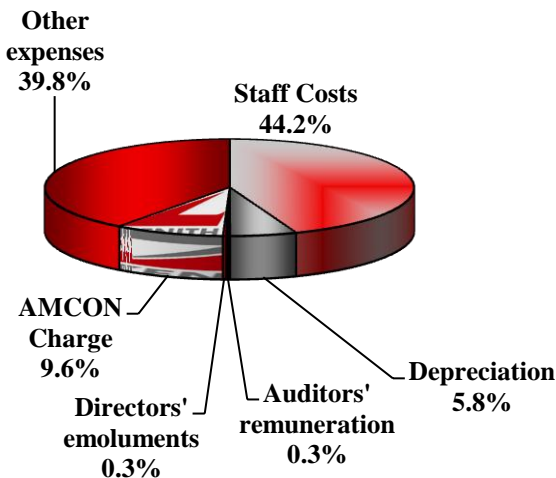


## Total Operating Expenses

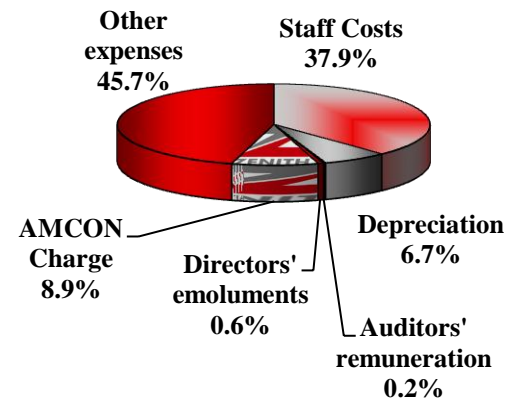
N'million	H1 2014	H1 2013	YoY
Staff Costs	33,203	26,710	24%
Depreciation	4,369	4,735	-8%
Auditors' remuneration	249	164	52%
Directors' emoluments	207	405	-49%
AMCON Charge	7,197	6,250	15%
Other expenses	29,946	32,164	-7%
<b>Total</b>	<b>75,171</b>	<b>70,428</b>	<b>7%</b>

- Total operating expenses increased by 7% which is below the nominal GDP growth rate of about 14.5%

## H1 2014



## H1 2013





# Balance Sheet- Assets

(N'm)	Group Jun-14	Group Dec-13	YTD Change	Group Jun-13
Cash and balances with central banks	556,416	603,851	-7.86%	284,196
Treasury bills	335,833	586,441	-42.73%	649,673
Due from other banks	501,686	256,729	95.41%	346,613
Derivative assets held for risk management	1,939	2,681	-27.68%	0
Loans and advances	1,385,988	1,251,355	10.76%	1,066,225
Investment securities	295,581	303,125	-2.49%	265,616
Investments in associates	2,272	165	1254.55%	318
Deferred tax assets	708	749	-5.47%	414
Other assets	50,724	36,238	39.97%	61,806
Assets classified as held for sale	0	30,454	-100.00%	35,036
Property and equipment	70,557	69,410	1.65%	69,568
Intangible assets	2,048	1,935	5.84%	1,547
<b>Total Assets</b>	<b>3,203,752</b>	<b>3,143,133</b>	<b>1.93%</b>	<b>2,781,012</b>

**Sustained Balance sheet strengthening and Growth with strong liquidity.**



# Balance Sheet- Liabilities & Equity

(N'm)	Group Jun-14	Group Dec-13	YTD Change	Group Jun-13
Customers deposits	2,304,976	2,276,755	1.24%	2,000,997
Current income tax	2,171	7,017	-69.06%	1,017
Deferred income tax liabilities	1,106	678	63.13%	5,578
Other liabilities	175,685	215,643	-18.53%	201,686
On-lending facilities	85,356	59,528	43.39%	61,862
Borrowings	142,070	60,150	136.19%	37,137
Liabilities classified as held for sale	0	14,111	-100.00%	14,416
<b>Total liabilities</b>	<b>2,711,364</b>	<b>2,633,882</b>	<b>2.94%</b>	<b>2,322,693</b>

(N'm)	Group Jun-14	Group Dec-13	YTD Change	Group Jun-13
Share capital	15,698	15,698	0.00%	15,698
Share premium	255,047	255,047	0.00%	255,047
Retained earnings	153,280	161,144	-4.88%	124,414
Other reserves	67,902	73,347	-7.42%	59,535
<b>Total Shareholder's funds</b>	<b>492,388</b>	<b>509,251</b>	<b>-3.31%</b>	<b>458,319</b>
Non-controlling interest	461	4,015	-88.51%	3,625
<b>Total liabilities &amp; equity</b>	<b>3,203,752</b>	<b>3,143,133</b>	<b>1.93%</b>	<b>2,781,012</b>

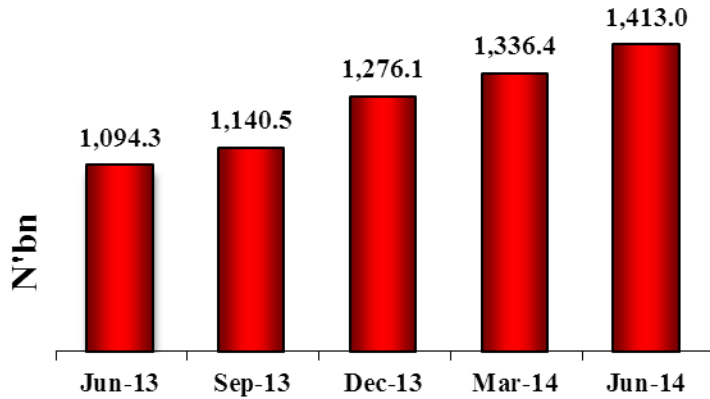
**Strong Capital base.... Remains a solid buffer against any adverse event**



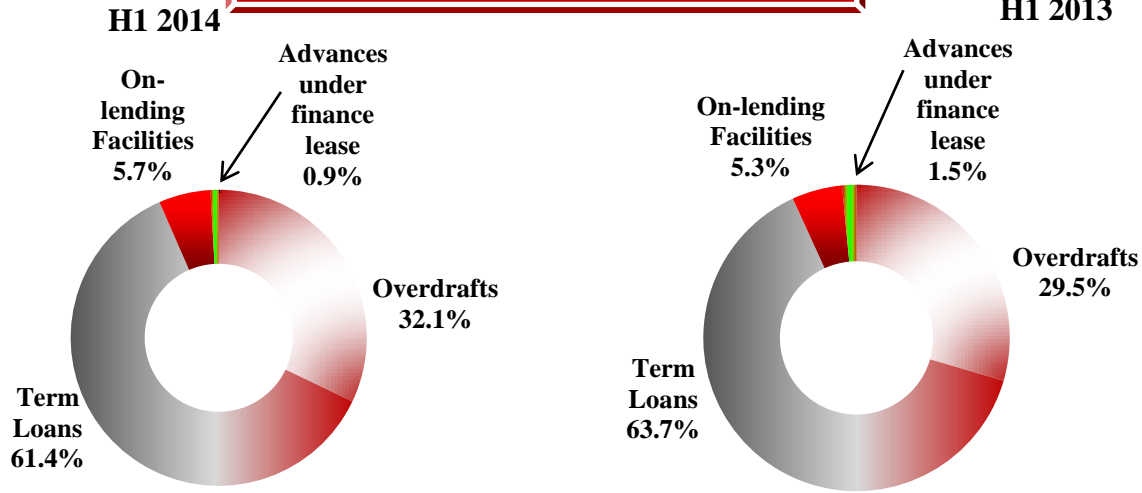
# Sustained assets & liabilities match.....



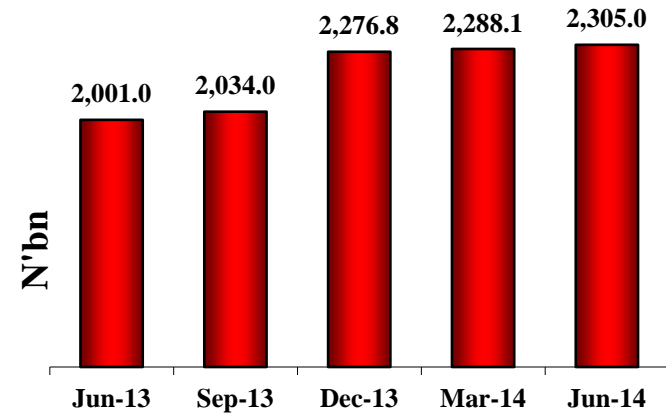
## Loans Growth



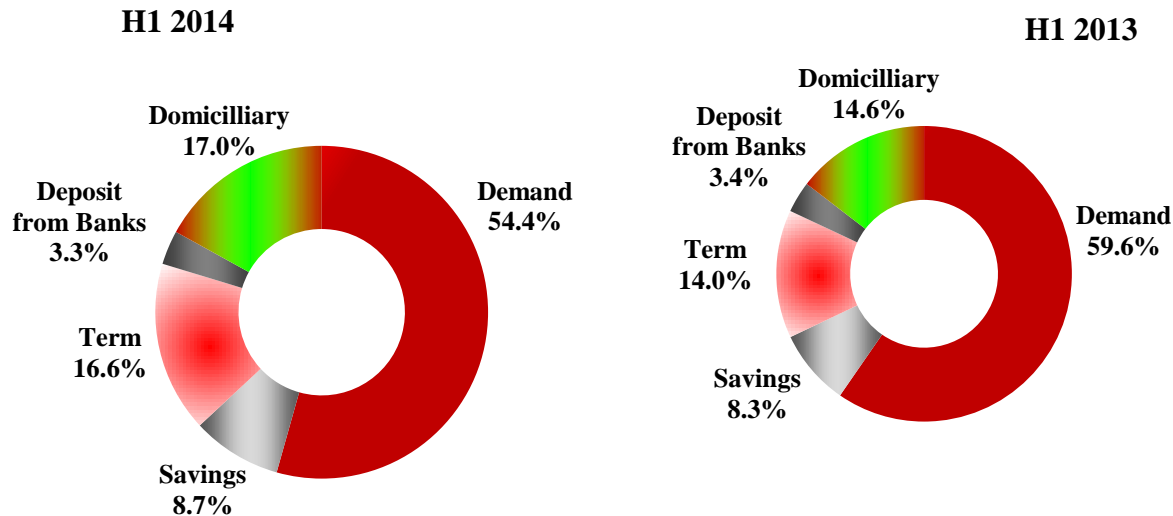
## Loans & Advances



## Deposits Growth



## Deposits Mix

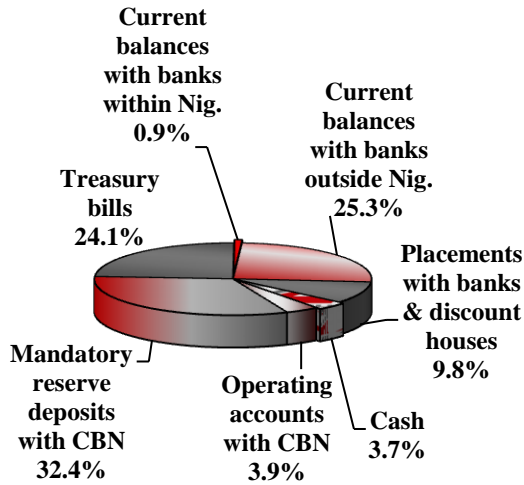




# Continued market dominance through strong liquid asset base and funding mix...



H1 2014

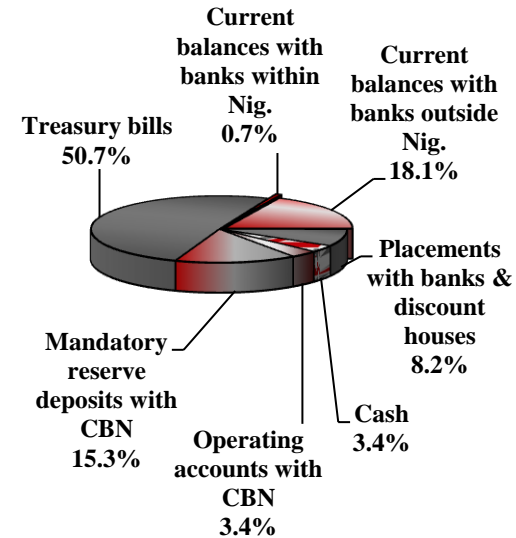


## Liquid Assets

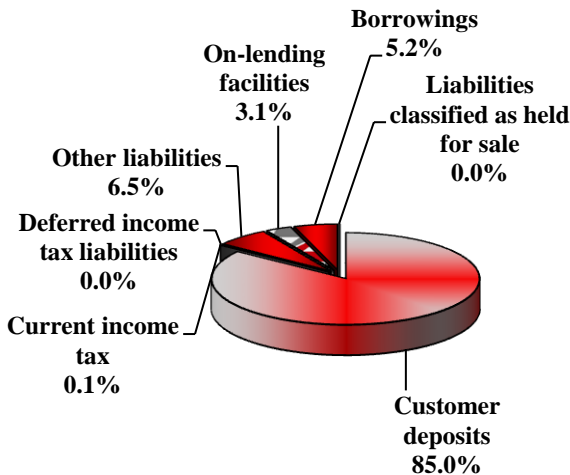
N'million	H1 2014	H1 2013	YoY
Cash	50,880	44,086	15%
Operating accounts with CBN	53,937	44,043	22%
Mandatory reserve deposits with CBN	451,599	196,067	130%
Treasury bills	335,833	649,673	-48%
Current balances with banks within Nig.	12,723	9,497	34%
Current balances with banks outside Nig.	353,001	231,863	52%
Placements with banks & discount houses	135,962	105,253	29%
<b>Total</b>	<b>1,393,935</b>	<b>1,280,482</b>	<b>9%</b>

Mandatory reserve deposits with CBN increased by 130% as a result of CRR increase to 75% for public sector deposits and 15% for private deposits

H1 2013



H1 2014

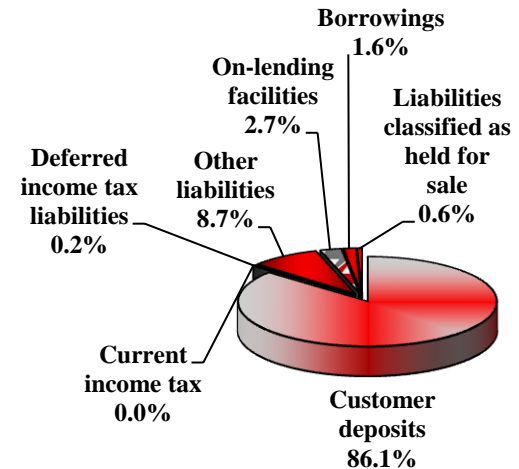


## Funding Mix

N'million	H1 2014	H1 2013	YoY
Customer deposits	2,304,976	2,000,997	15%
Current income tax	2,171	1,017	113%
Deferred income tax liabilities	1,106	5,578	-80%
Other liabilities	175,685	201,686	-13%
On-lending facilities	85,356	61,862	38%
Borrowings	142,070	37,137	283%
Liabilities classified as held for sale	-	14,416	-100%
<b>Total</b>	<b>2,711,364</b>	<b>2,322,693</b>	<b>17%</b>

Borrowings increased by 283% in order to meet the medium to long term USD funding requirements of our customers.

H1 2013





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# P&L – By Geography

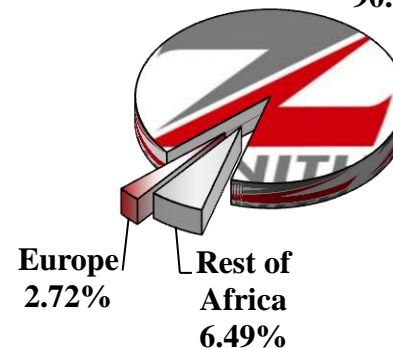
6 Months Ended June 2014 (N'm)	Nigeria	Rest of Africa	Europe	Eliminations	Consolidated
Total Revenue	177,608	12,694	5,318	-10,861	184,759
Total Expense	-119,369	-7,516	-3,794	3,779	-126,900
Profit Before Tax	58,239	5,178	1,524	-7,082	57,859
Tax	-9,671	-366	-377	-	-10,414
Profit After Tax	48,568	4,812	1,147	-7,082	47,445

6 Months Ended June 2013 (N'm)	Nigeria	Rest of Africa	Europe	Eliminations	Consolidated
Total Revenue	162,864	7,403	3,301	-2,544	171,024
Total Expense	-112,353	-4,889	-2,243	2,544	-116,941
Profit Before Tax	50,511	2,514	1,058	-	54,083
Tax	-7,915	-486	-263	-	-8,664
Profit After Tax	42,596	2,028	795	-	45,419

## Gross Revenue

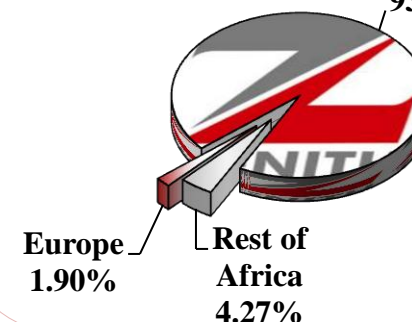
H1 2014

Nigeria  
90.79%



H1 2013

Nigeria  
93.83%



**Our Nigerian business continues to be the main driver of profitability ...  
providing over 90% of gross revenue**



# P&L – By Sector

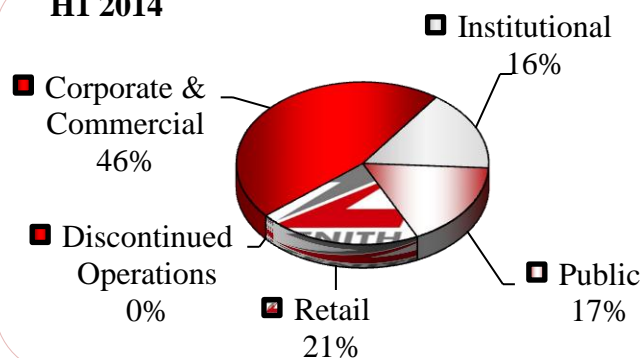
## 6 Months Ended June 2014 (N'm)

	Corporate	Institutional	Public	Retail	Discontinued Operations	Consolidated
<b>Total Revenue</b>	<b>84,840</b>	<b>29,509</b>	<b>31,354</b>	<b>38,731</b>	<b>0</b>	<b>184,434</b>
Total Expenses	-53,225	-21,518	-16,455	-35,378	0	-126,576
<b>Profit Before Tax</b>	<b>31,615</b>	<b>7,992</b>	<b>14,899</b>	<b>3,353</b>	<b>0</b>	<b>57,859</b>
Tax	-5,690	-1,438	-2,682	-604	0	-10,414
<b>Profit After Tax</b>	<b>25,925</b>	<b>6,553</b>	<b>12,217</b>	<b>2,750</b>	<b>0</b>	<b>47,445</b>

## 6 Months Ended June 2013 (N'm)

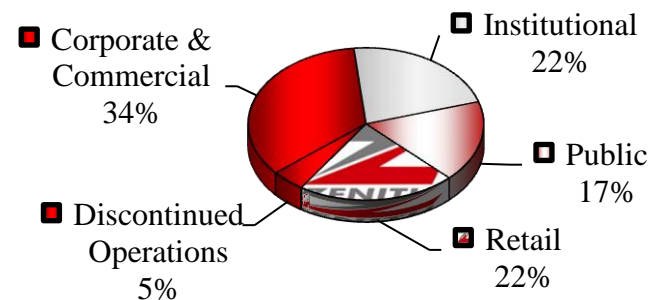
	Corporate	Institutional	Public	Retail	Discontinued Operations	Consolidated
<b>Total Revenue</b>	<b>58,909</b>	<b>37,527</b>	<b>29,509</b>	<b>37,149</b>	<b>7,930</b>	<b>171,024</b>
Total Expenses	-42,336	-19,351	-21,711	-27,607	-5,937	-116,941
<b>Profit Before Tax</b>	<b>16,573</b>	<b>18,176</b>	<b>7,798</b>	<b>9,542</b>	<b>1,993</b>	<b>54,083</b>
Tax	-2,655	-2,912	-1,249	-1,529	-319	-8,664
<b>Profit After Tax</b>	<b>13,918</b>	<b>15,264</b>	<b>6,549</b>	<b>8,013</b>	<b>1,674</b>	<b>45,419</b>

### H1 2014



### Gross Revenue

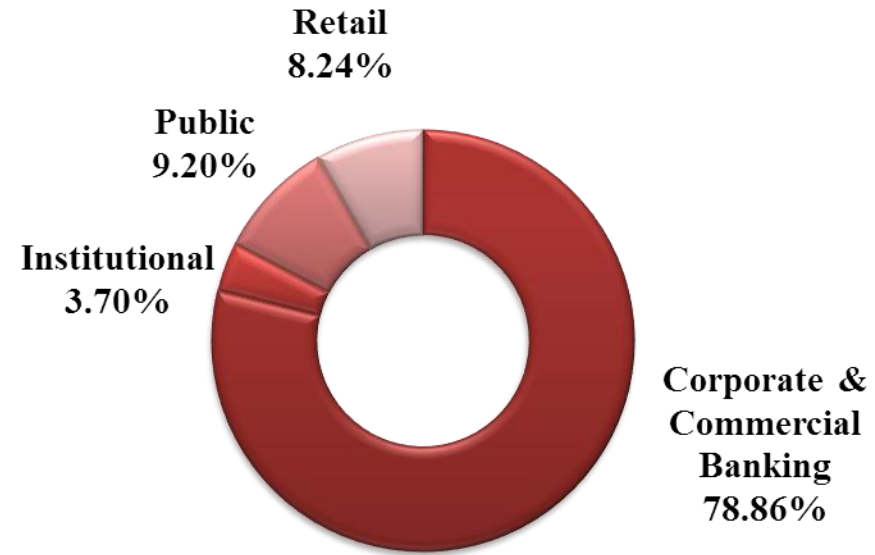
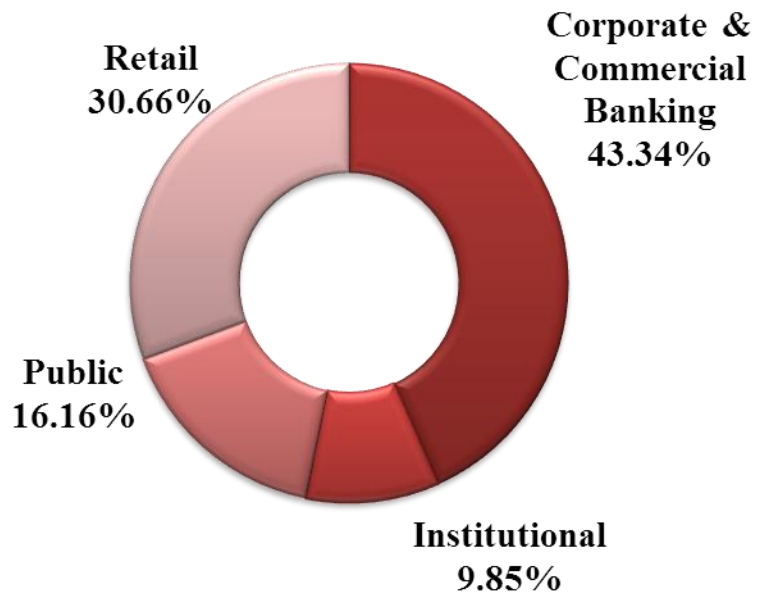
### H1 2013



**Improved profitability on core business segments**



# Deposits & Loans – By Sector



**H1 2014 Total Deposits - ₦2.30tn**

**H1 2014 Gross Loans - ₦1.41tn**



# Agenda

## Overview & Operating Environment

- Speaker: Managing Director/Chief Executive Officer Peter Amangbo Slides 4 - 5

## Results - Group

- Speaker: Chief Financial Officer Stanley Amuchie Slides 7- 15

## Results – By Segment & Geography

- Speaker: Executive Director/Corporate Banking Stanley Amuchie Slides 17- 19

## Company Risk Management

- Speaker: Executive Director – Enterprise Risk Management Ebenezer Onyeagwu Slides 21- 24

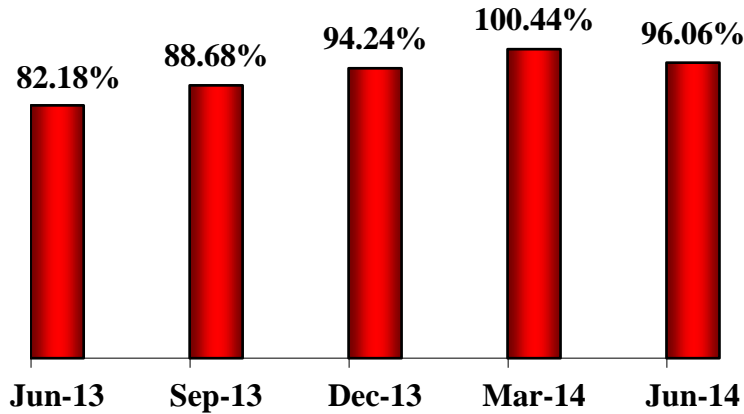
## Strategy & Outlook

- Speaker: Managing Director/Chief Executive Officer Peter Amangbo Slides 26 - 29

## Q & A

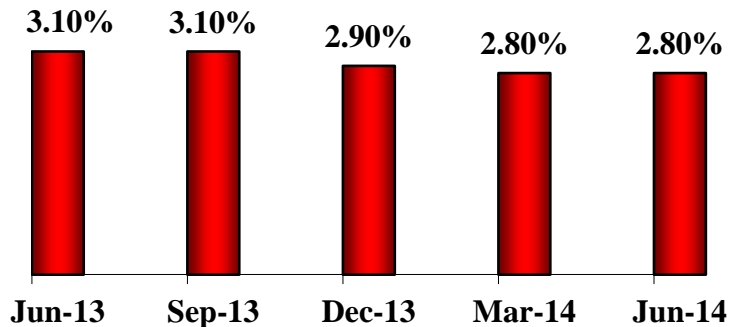


## NPL Coverage Ratio



## NPL Ratio

• *The Group's NPL ratio has declined further from 2.91% recorded in 2013 to 2.8% in H1 2014*



## Our Risk Management Strategy

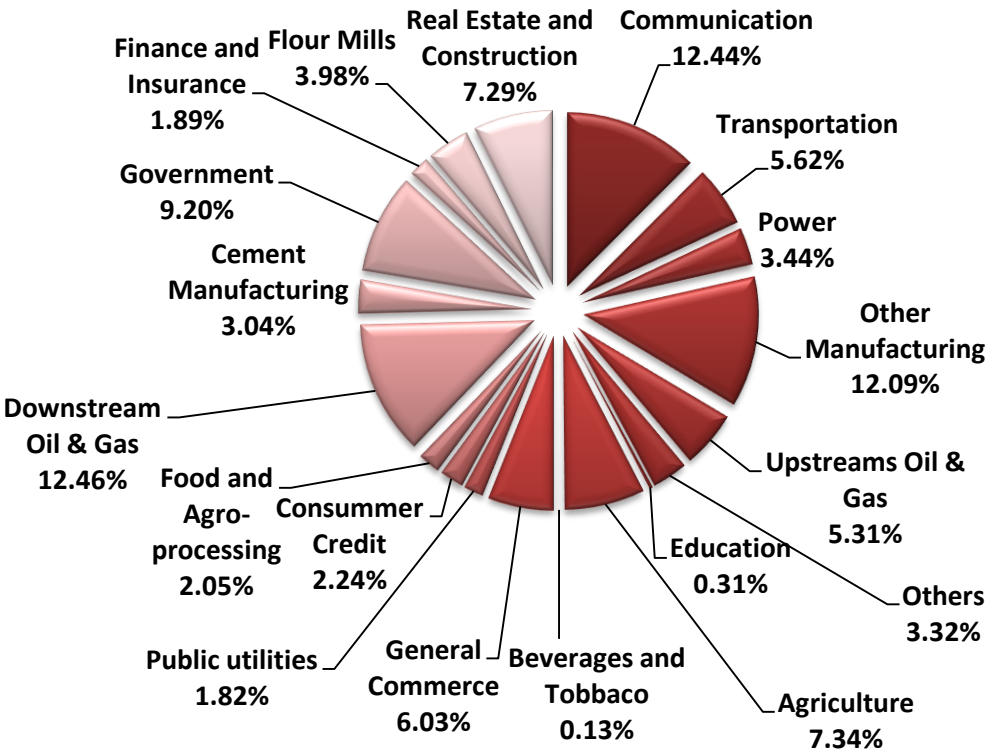
- The group adopts a complete and integrated approach to risk management that is driven from the Board level to the operational activities of the bank.
- Risk management is practiced as a collective responsibility coordinated by the risk control units and is properly segregated from the market facing units to assure independence.
- The process is governed by well defined policies and procedures that are subjected to continuous review and are clearly communicated across the group.
- There is a regular scan of the environment for threats and opportunities to improve industry knowledge and information that drives decision making.
- The group maintains a conservative approach to business and ensures an appropriate balance in its risk and reward objectives.
- Risk culture is continuously being entrenched through appropriate training and acculturation.



# Focused risk management via portfolio diversification

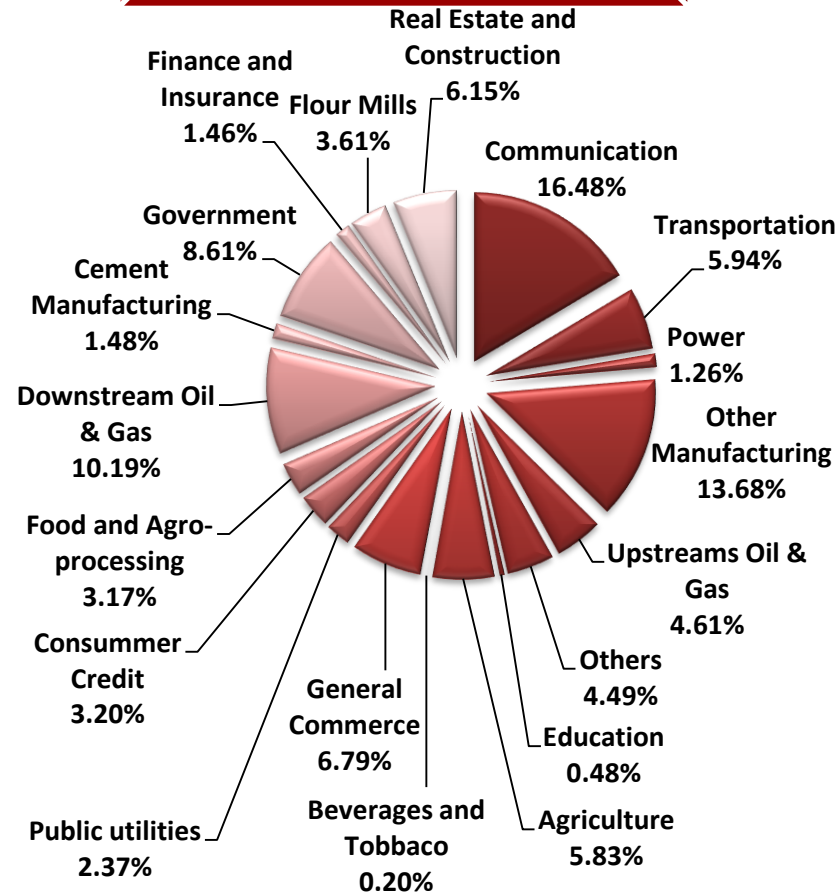


## Loans by Sector – H1 2014



○ Gross Loans – N1.41tn

## Loans by Sector – H1 2013



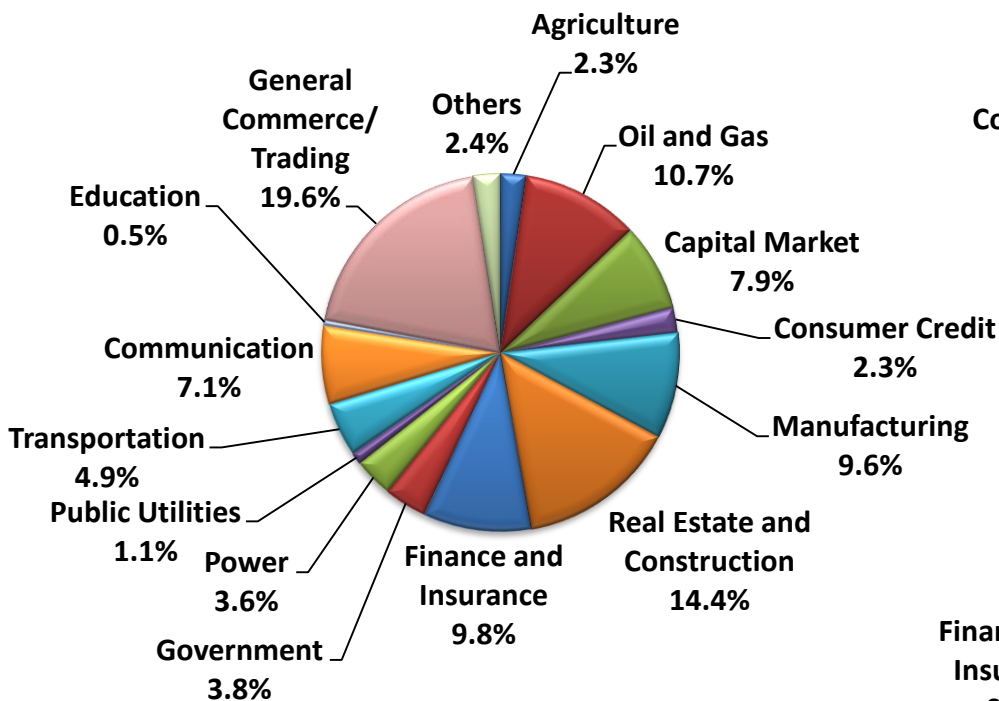
○ Gross Loans – N1.09tn

### No concentration risk



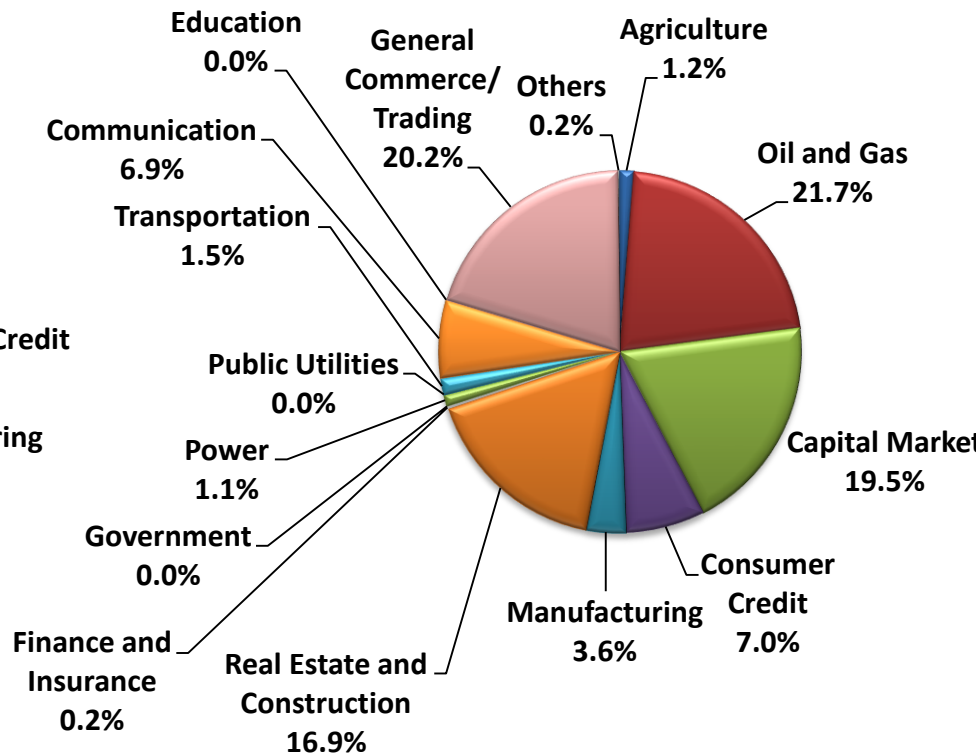
# NPL by Segment

**H1 2014**



- Total NPLs – N39.56bn
- NPL Ratio – 2.8%

**H1 2013**



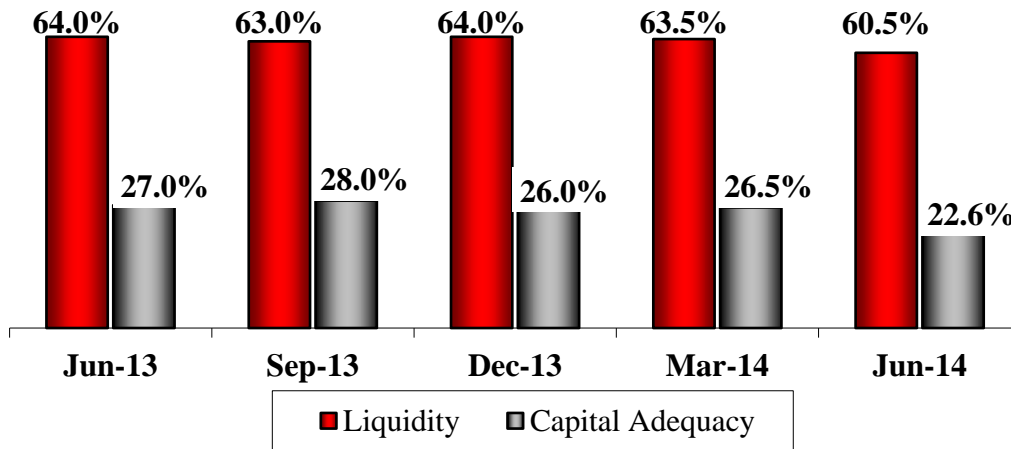
- Total NPLs – N34.20bn
- NPL Ratio – 3.1%

- We continue to develop our Risk Management Strategy and improve on the quality of our loan portfolio.
- Overall NPL ratio of 2.8% is currently one of the lowest in the industry



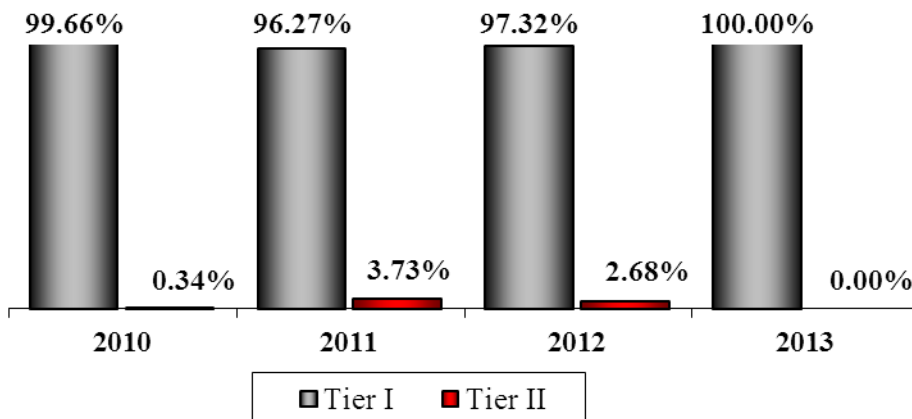
# Strong Capitalization and Liquidity

## Liquidity and Capital Adequacy



*Capital and liquidity ratios for the Bank – well above industry requirements.*

## Capital Mix



*Capital base – predominantly made up of Tier 1 (core capital) which consists of mainly share capital and reserves created by appropriations of retained earnings.*





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## Q & A



# Strategies for driving our vision

**1**

**Compete aggressively for market share, but focus on high quality assets and top-end relationships while adopting cost reduction strategies**

- The Bank focuses on cost effective deposits from the retail end of the market to lend to the corporate end with emphasis on emerging business opportunities
- Encourages strong risk management and corporate governance practices

**2**

**Delivering superior service experience to all clients and customers**

- The Bank accomplishes this strategy by:
- Consistent focus and investment in attracting and keeping quality people
- Employing cutting edge technology
- Deploying excellent customer service

**3**

**Develop specific solutions for each segment of our customers' base**

- Leveraging our capabilities and brand strength to consistently meet our clients' needs
- Developing a strong Zenith Bank platform to serve as an integrated financial solutions provider to our diverse customers base



# Our Key Growth Target Sectors

**Driving profitability with our competitive advantages**

## Identified Growth Sectors

Infrastructure  
Manufacturing  
Oil and Gas (Upstream & Downstream)  
Power and Energy  
Real Estate and Construction  
Telecoms  
Transportation and General Commerce  
Agriculture

## Competitive Advantage

- Strong capital and liquidity
- Strong brand
- Strong international rating
- Extensive branch network
- Robust ICT and E-bank channels
- Well motivated staff force
- Excellent customer services



# Outlook and Prospects for FY2014



- ❑ **Agriculture:** The Federal government's resolve to boost the agricultural sector in the country would no doubt create quite a number of opportunities in the areas of funding, job creation and indeed food security to Africa's most populous nation. Various Funding Schemes to ensure that the country's economy is diversified have been put in place. These include Commercial Agriculture Credit Scheme (CACCS) that has 159 projects and Nigeria Incentive-Based Risk Sharing for Agricultural Lending (NIRSAL). Others are Seed and Fertilizer Scheme launched for banks to lend at a subsidized rate to local farmers and the value chain for the production of fertilizer. Zenith Bank has played a major role in this sector to support the various government's projects aimed at boosting our economy.
- ❑ **Power and Infrastructure:** The Nigerian government has sold major power assets in the country via auction. The 25% of the bid price was paid by preferred bidders in March 2013 while the 75% balance was also paid in August 2013. As we begin to see the inflow of a large volume of private sector investments through the creation of new power generation and distribution entities and the subsequent development of a competitive electricity market, Zenith Bank is strategically positioned to take advantage of any emerging business opportunities in the country's power sector.
- ❑ **Upstream Oil & Gas:** The large international oil companies are divesting from their on-shore and shallow-water investments which has created opportunities for the smaller players. The bank will continue to provide support to these players who have distinguished themselves in the this sector.
- ❑ **Biometric Identification of Bank's Customers:** The Central Bank of Nigeria in conjunction with the Bankers Committee has commenced the capturing of bio-data of all bank's customers across the industry into a single data base. This will provide a unique identification for each individual account holder. The credit history/standing of each customer will then be easily accessed across the industry. It is expected to open up retail banking as credit risk will be minimized.
- ❑ **Cash-lite Project of CBN:** The cash-lite project has now been extended nation wide effective July 1<sup>st</sup> 2014. Zenith Bank Plc has efficiently deployed a wide range of banking products that provides resourceful and robust financial services to its customers. It has launched mainly e-Banking products (Point of Sales Terminals, ATMs etc) geared towards meeting the changing needs of its customers in the light of the recently introduced and evolving cashless society policies being championed by the Central Bank of Nigeria (CBN) and fully supported by the banking community in the country.



# Outlook and Prospects for FY2014



- ❑ **Mobile & Internet Banking:** Zenith Bank Plc has taken advantage of mobile and internet banking licenses to promote internet corporate banking solutions and person-to-person payments using mobile phones.
- ❑ **Customer Services:** At the center of the Group's pursuit of excellent customer service, we would continue to focus on strengthening our relationship management in a bid to surpass stakeholders' expectations.
- ❑ **Best Practices:** With the issuance of our Eurobond and the earlier listing on the London Stock Exchange, the Group would continue to uphold corporate governance and best practices in all segments of our business.
- ❑ **Investments in Technology and Product Innovations:** The Group has over the years become synonymous with the use of ICT in banking and general innovation in the Nigerian banking industry. We have renewed our commitment in ensuring that all our activities are anchored on the e-platform and providing service delivery through the electronic media to all customers irrespective of place, time and distance.
- ❑ **Deposit Base:** Our drive for low cost and appropriately mixed deposit base to fund our credit and money market transactions would continue in FY2014. We are committed to be a dominant player in the money market space to drive up income and profitability going forward.
- ❑ **Risk Assets:** The Group would continue to seek opportunities to grow its risk assets while maintaining a low NPL ratio and sustaining our improved coverage ratio. We would continue to strive for the optimal protection of our shareholders' wealth through the continuous review and improvement of our risk management culture and processes.

*Thank you*

