



2019 THIRD QUARTER **REPORT**

Presentation to Investors
and Analysts



PEOPLE | TECHNOLOGY | SERVICE



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

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Strategy & Outlook	Pages 35 – 39

Operating Environment Overview

A nighttime photograph of an industrial or port area. In the foreground, a multi-level concrete bridge or overpass structure spans across a body of water. The bridge is illuminated with blue lights from below, which reflect on the water's surface. In the background, a large industrial facility, possibly a port or refinery, is visible with numerous cranes and buildings, all lit up with warm yellow and white lights. A semi-transparent red rectangular overlay covers the left side of the image, containing the title text.

Nigerian Economy and Key Developments in the Banking Sector

- As we continue monitoring the macroeconomic fundamentals, Nigeria remains Africa's largest economy with strong sectors and significant opportunities.

Real GDP Growth:

- Nigeria recorded a real GDP growth of 1.94% y/y in Q2 2019, a decrease of 7bps from 2.01% recorded in Q1 2019.
- The oil sector expanded by 5.15% y/y and contributed 8.82% to total real GDP in Q2 2019, while the non-oil sector grew by 1.64% - driven largely by activities in information and communication, mining and quarrying, agriculture, transportation and storage, as well as other services.

Headline Inflation:

- Headline inflation rose to 11.22% y/y in Sept'19 from 11.02% y/y recorded in Aug'19.
- The increase in headline inflation rate was driven by the spike in food prices as a result of excessive floods and closure of the country's borders which raised the food index by 34bps y/y to 13.51% y/y in Sept'19. Core index also rose by 26bps to 8.94% y/y in Sept'19.

Oil Production & Price:

- OPEC average monthly basket price declined marginally by 0.8% in the 3rd quarter of 2019, from \$62.9/bbl recorded at the end of Q2 2019 to \$62.4/bbl recorded at the end of Q3 2019.

Foreign Reserves:

- Nigerian foreign reserves declined by 6.7% QoQ from \$45.1bn recorded at the end of Q2 2019 to \$42.1bn recorded at the end of Q3 2019.

Exchange Rate:

- Exchange rate remained relatively stable in Q3 2019 as we saw a further convergence between the NAFEX and NIFEX exchange rates. Rates (NGN/USD) as at end of September 2019: NAFEX(I&E) – 362.1; NIFEX – 358.6; December 2018: NAFEX(I&E) – 362.6; NIFEX – 358.8.

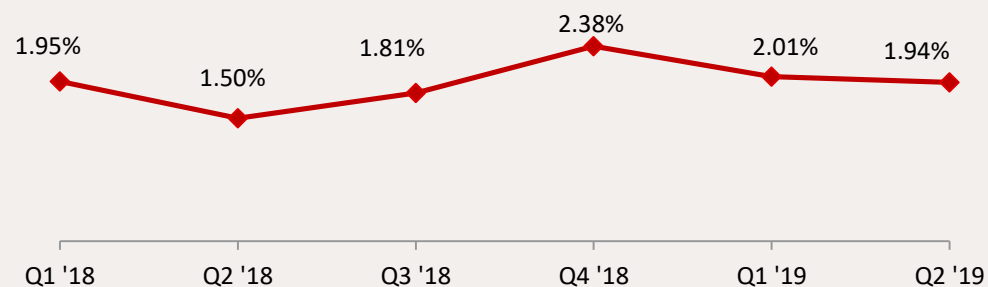
Cash Reserve Ratio (CRR) & Monetary Policy Rate (MPR):

- Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) voted to leave all policy rates unchanged during the meeting held in September 2019 - the Monetary Policy Rate (MPR) at 13.5%, the Cash Reserve Ratio (CRR) at 22.5% and liquidity ratio at 30%.

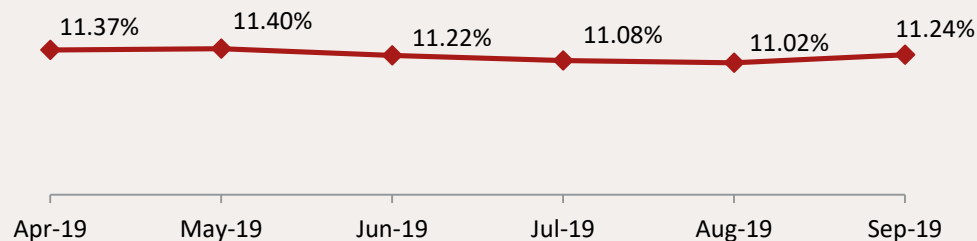
Floor of 65% for Loan-to-Deposit Ratio (LDR) :

- In a bid to drive lending to the real sectors, the Central Bank of Nigeria (CBN) has directed all banks to maintain a minimum of 65% LDR by the end of December 2019. Failure to meet the minimum LDR shall result in a levy of additional CRR equal to 50% of the shortfall.

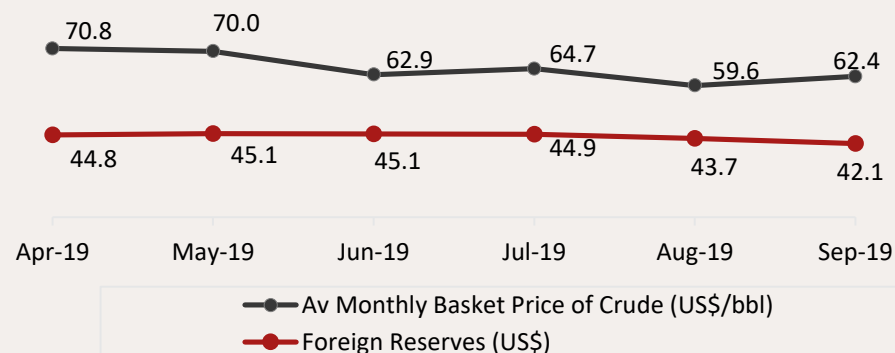
GDP Growth Rate



Inflation Rate



Foreign Reserves / Oil Price



Source: National Bureau of Statistics, Central Bank of Nigeria, OPEC

Our Investment Proposition

Market leadership, growth capacity, solid and liquid capital base, strengthened ERM practices, good returns on investment and excellent customer service

A dominant player in the 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 as well as efficient trade finance processes and services, to continuously grow and support businesses.
- Has begun to attract and grow its share of retail customers and retail business in the market.

Strong Focus on Risk Management:

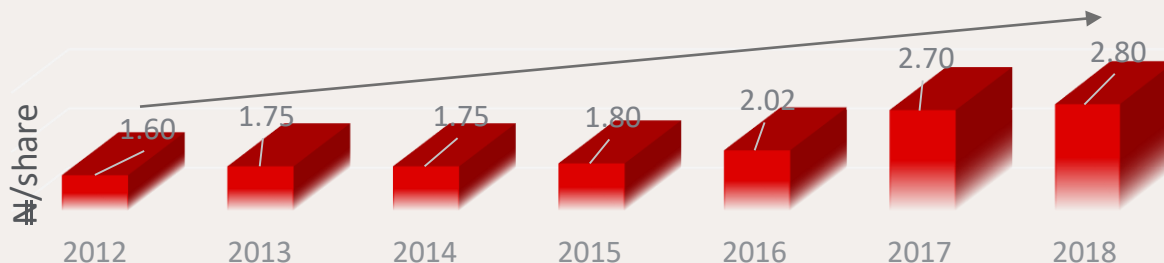
- NPL ratio came in at 4.95% with a coverage ratio of 148.4%. The Group will continue to implement robust risk management practices and bring NPL ratio down to below 3% in the medium term.

Credit Rating:

- Standard and Poor's ratings for Zenith Bank are: B/Stable/B (Issuer Credit Rating) and ngBBB/ngA-2 (National Scale Rating).
- Fitch ratings are: 1) Long-term foreign currency IDR: 'B+' - Stable Outlook; 2) Short-term foreign currency IDR: 'B'; 3) National Long-term rating: 'AA(nga)'; 4) National Short-term rating: 'F1+(nga)'.
- Moody's ratings: 1) Long Term Debt - B2 with Stable Outlook; 2) Long Term Deposit - B3 with Stable Outlook







Consistent and Growing Dividend Payout:

- Good and consistent dividend payout to its investors.



Non-financial Highlights

Social Impact/CSR

-  Zenith Bank National Women Basketball League
-  Official Bank of the Nigerian National Football Teams
-  Zenith Delta Principal's Cup
-  Zenith Pinkcruise Mobile Cancer Screening Machines
-  Style by Zenith
-  Zenith Bank Youth Parade

Product Innovations

Save4Me
Target Savings Account

ZENITH
TIMELESS ACCOUNT
for Senior Citizens
(55years and above)

Share Holdings

Number of Shareholders  **640,358**

Awards

Best Bank in Corporate Governance 2018
- World Finance



Most Valuable Bank Brand 2018
- The Banker



Best Institution in Sustainability Reporting in Africa 2018
- The SERAS CSR Awards


Best Corporate Governance Financial Services 2018
- Ethical Boardroom

Bank of the Year 2018
- BusinessDay

Social Following

 5,728,134  327,538

 1,100,380  92,184

 23,811,662

Ratings

Fitch - **B+/Stable/B**
Standard & Poors - **B/Stable/B**
Moody - **B2/Stable/B3**

Customers/Channels

Number of Customers  **9,069,775**

Number of Cards Issued  **7,295,684**

Number of active POS Terminals  **39,905**

Number of ATM Terminals  **1,980**

Number of Branches  **427**

Number of Cash Centres  **182**

Number of Male Employees  **3,787**

Number of Female Employees  **3,452**

Group Results

Key Themes

Efficiency and risk management for superior performance

Building a shock-proof balance sheet

Income Statement

Gross earnings:	₺491.3Bn	+3.5% YoY
Profit before tax:	₺176.2Bn	+5.3% YoY
Profit after tax:	₺150.7Bn	+4.5% YoY
Non-interest income:	₺156.8Bn	+21.8% YoY

Balance Sheet

Customers' deposits:	₺3.95Tn	+7.1% YTD
Gross loans:	₺2.20Tn	+9.3% YTD
Total assets:	₺5.98Tn	+0.4% YTD
Total shareholders' funds:	₺871.9Bn	+6.9% YTD

Financial Highlights – Q3 2019 Contd.

Key Ratios

	30-Sept-19	30-Sept-18	% change
Earnings per share (EPS)	N4.80	N4.58	4.80%
Return on average assets (RoAA)	3.37%	3.40%	0.0%
Return on average equity (RoAE)	23.82%	24.00%	(0.8%)
Net interest margin - NIM	8.69%	9.60%	(9.4%)
Cost of funds	2.95%	3.30%	(10.6%)
Cost of risk	1.15%	0.90%	33.3%
Cost-to-income ratio	50.11%	51.20%	(2.1%)
	30-Sept-19	31-Dec-18	
Liquidity ratio	63.82%	80.90%	(21.1%)
Loan-to-deposit ratio	55.80%	54.64%	2.2%
Capital adequacy ratio (CAR)	23.80%	25.00%	(4.8%)
Non-performing loan ratio (NPL)	4.95%	4.98%	(0.6%)
Coverage ratio	148.36%	192.40%	(22.9%)

Profit or Loss Statement

- Strong bottom-line, driven by growth in gross earnings and continued cost optimization.

(N'million)	Group 9M 19	Group 9M 18	YoY Change
Gross income	491,268	474,607	3.51%
Interest and similar income	321,938	339,063	(5.05%)
Interest and similar expense	(107,311)	(110,546)	(2.93%)
Net interest income	214,627	228,517	(6.08%)
Impairment charge	(18,259)	(14,338)	27.35%
Net interest income after impairment charge	196,368	214,179	(8.32%)
Net fee and commission income	73,847	62,007	19.09%
Trading income	66,856	52,934	26.30%
Other income	16,053	13,793	16.39%
Amortisation of intangible assets	(2,287)	(1,745)	31.06%
Depreciation of property and equipment	(14,907)	(12,244)	21.75%
Personnel expenses	(57,065)	(51,687)	10.40%
Operating expenses	(102,682)	(109,930)	(6.59%)
Profit before income tax	176,183	167,307	5.31%
Income tax expense	(25,460)	(23,128)	10.08%
Profit after tax	150,723	144,179	4.54%

Consolidating Earnings and Profitability

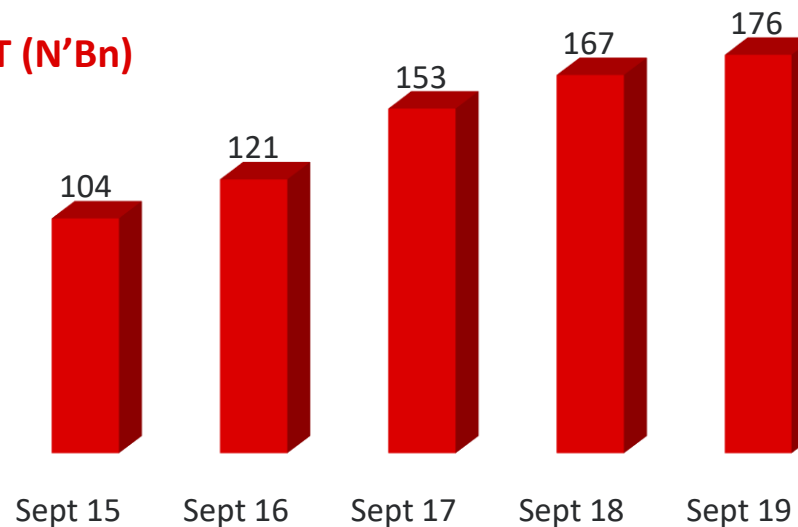


Zenith Group has been consistent in delivering attractive earnings profile, supported by an improved operating efficiency.

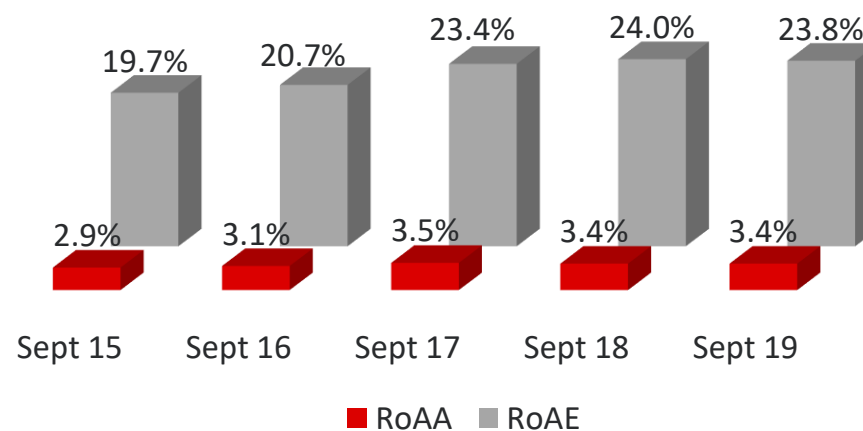
Comments

- **PBT** increased YoY by 5.3% from N167.3bn in Q3 2018 to N176.2bn in Q3 2019. The 21.8% YoY growth in non-interest income accounted for PBT growth.
- **ROAE** declined marginally from 24.0% to 23.8% YoY. The bank remains committed to continue to deliver impressive returns to its investors.
- **ROAA** also remained flat at 3.4% YoY .
- We expect a stronger ROAE and ROAA for 2019 FYE (compare to Q3 2019) as AMCON expense of N28.65bn for 2019 FY was fully taken in H1 2019.

PBT (N'Bn)



RoAA & RoAE

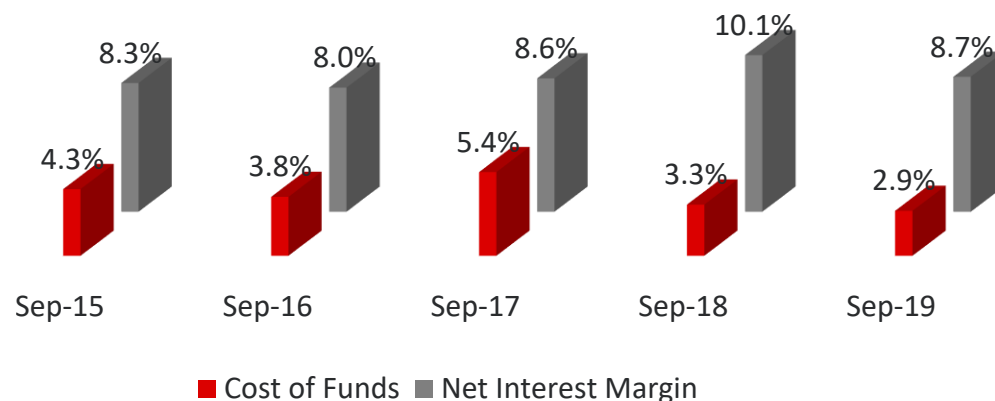


Consolidating Earnings and Profitability Contd.

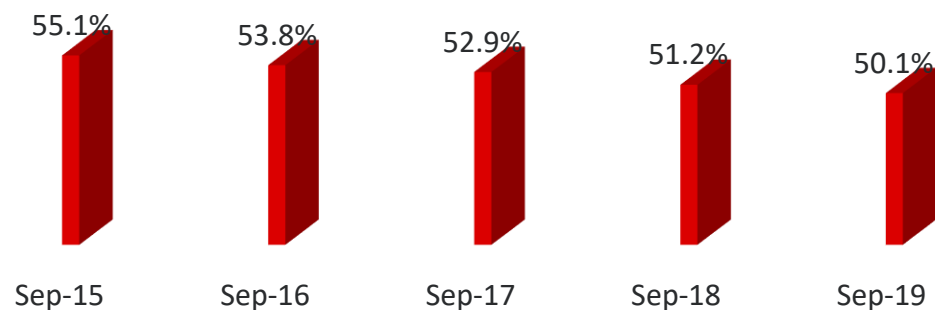
Comments

- **Net Interest Margin - NIM** decreased YoY by 9.4% (from 10.1% in Q3 2018 to 8.7% in Q3 2019) as a result of decline in the yield environment for money market instruments and drop in average interest rate on loans and advances to customers.
- **Cost of Funds** improved significantly by 10.6% YoY from 3.3% recorded in Q3 2018 to 2.9% in Q3 2019 as a result of re-balancing the deposit mix in favour of cheaper retail deposits.
- **Cost-to-Income Ratio** decreased by 2.1% YoY, from 51.2% in Q3 2018 to 50.1% in Q3 2019. The group is committed to maintaining an improved level of operating efficiency.

Cost of Funds & Net Interest Margin

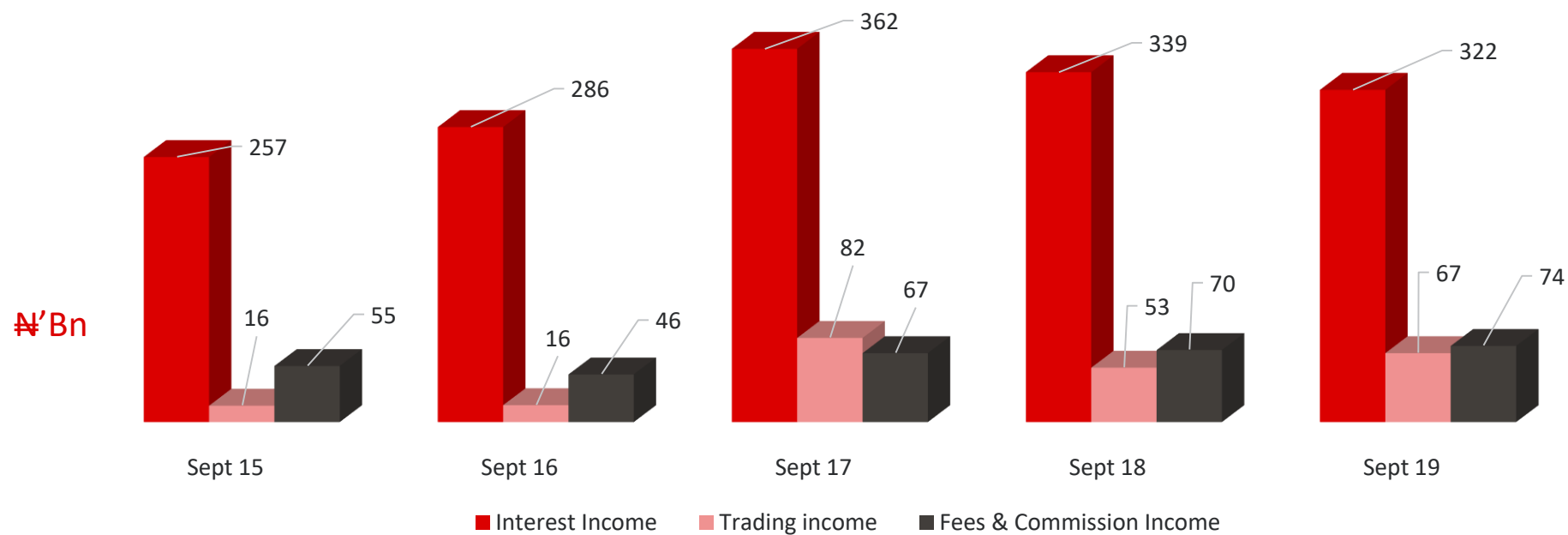


Cost to Income Ratio



Evolution of Revenue Base

- Contribution of non-interest income to the total revenue base continues to grow over the years.

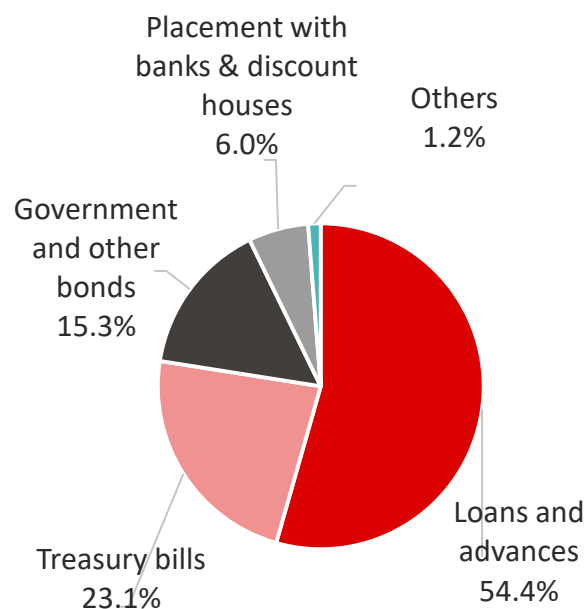


Revenue Base: Interest Income Lines

- Interest income declined by 5% YoY as a result of the decrease in yields on interest bearing assets.

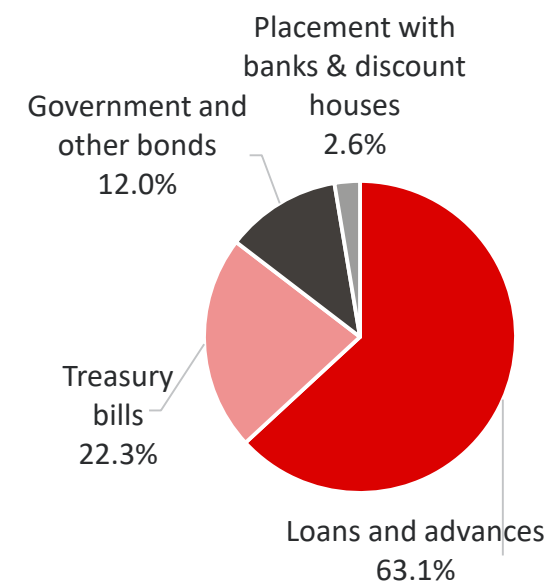
Interest Income

Q3 2019



N'million	Q3 2019	Q3 2018	YoY
Loans and advances	175,178	214,060	-18%
Treasury bills	74,273	75,507	-2%
Government and other bonds	49,293	40,578	21%
Placement with banks & discount houses	19,207	8,918	115%
Others	3,987	-	-
Total	321,938	339,063	-5%

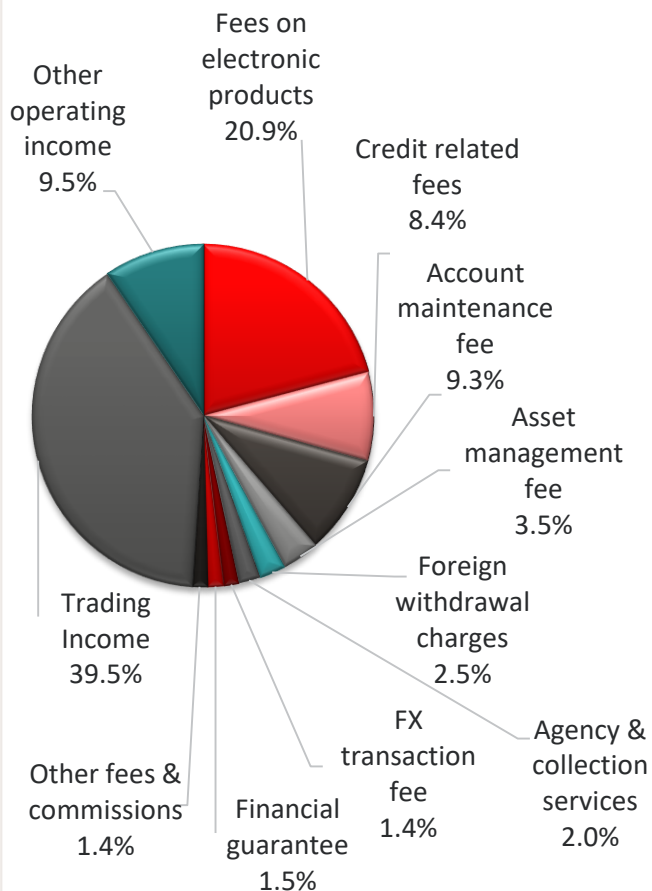
Q3 2018



Revenue Base: Non-Interest Income (NII) Diversification

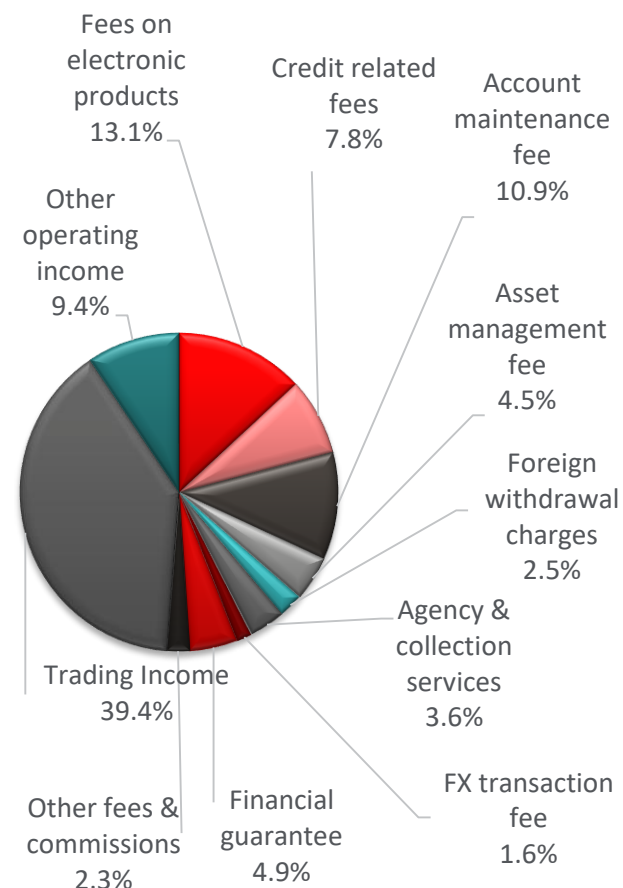
- The bank is committed to continually improve on its income diversification and growth as net non-interest income grew by an impressive 22% YoY
- Fees on electronics products grew by 100%, contributing about 23% of NII. The Group will continue to improve on its electronic platforms and increase its share of the retail business.

Q3 2019



N'million	Q3 2019	Q3 2018	YoY
Fees on electronic products	35,324	17,658	100%
Credit related fees	14,262	10,477	36%
Account maintenance fee	15,821	14,672	8%
Asset management fee	5,925	6,063	-2%
Foreign withdrawal charges	4,283	3,324	29%
Agency & collection services	3,409	4,899	-30%
FX transaction fee	2,385	2,091	14%
Financial guarantee	2,600	6,606	-61%
Other fees & commissions	2,412	3,027	-20%
Total fees & commission income	86,421	68,817	26%
Fees and commission expense	-12,574	-6,810	85%
Net fee & commission income	73,847	62,007	19%
Trading Income	66,856	52,934	26%
Other operating income	16,053	13,793	16%
Net non-interest income	156,756	128,734	22%

Q3 2018

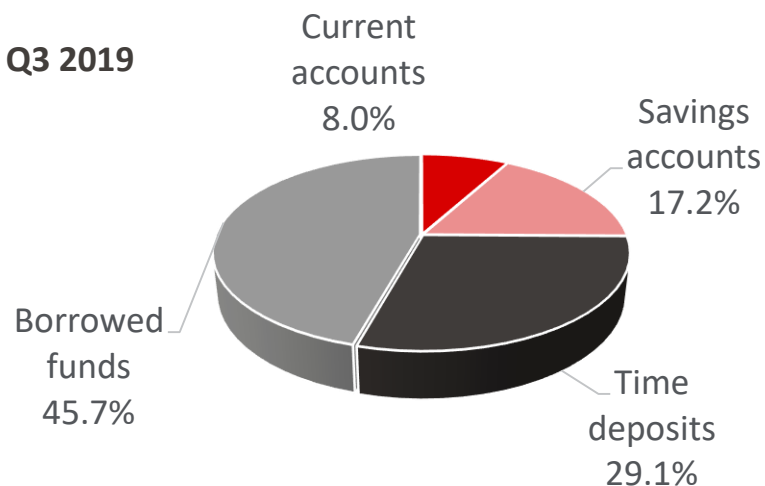


Interest Expense: Funding Cost Optimization

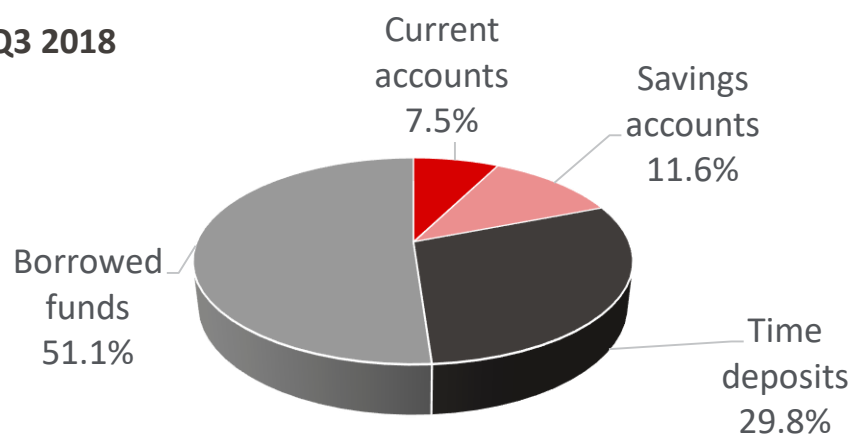
Interest Expenses

Interest expense dropped by 3%, reflecting our drive towards cost of funds optimization which declined from 3.4% to 2.9% YoY.

Q3 2019



Q3 2018



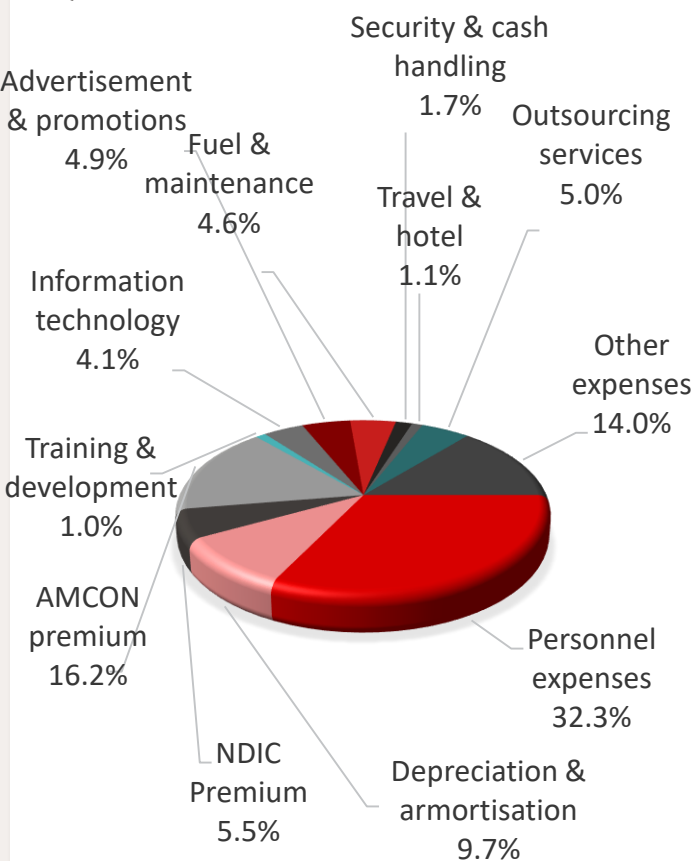
N'million	Q3 2019	Q3 2018	YoY
Current accounts	8,613	8,277	4%
Savings accounts	18,511	12,790	45%
Time deposits	31,338	32,983	-5%
Borrowed funds	49,149	56,496	-13%
Total	107,611	110,546	-3%

Continuous Efforts in Cost-Reduction Strategies.

- The group's drive towards cost optimization yielded positive results as total operating expense increased by only 1% YoY (Inflation: 11.4%) while cost-to-income ratio improved from 51.2% to 50.1% YoY.

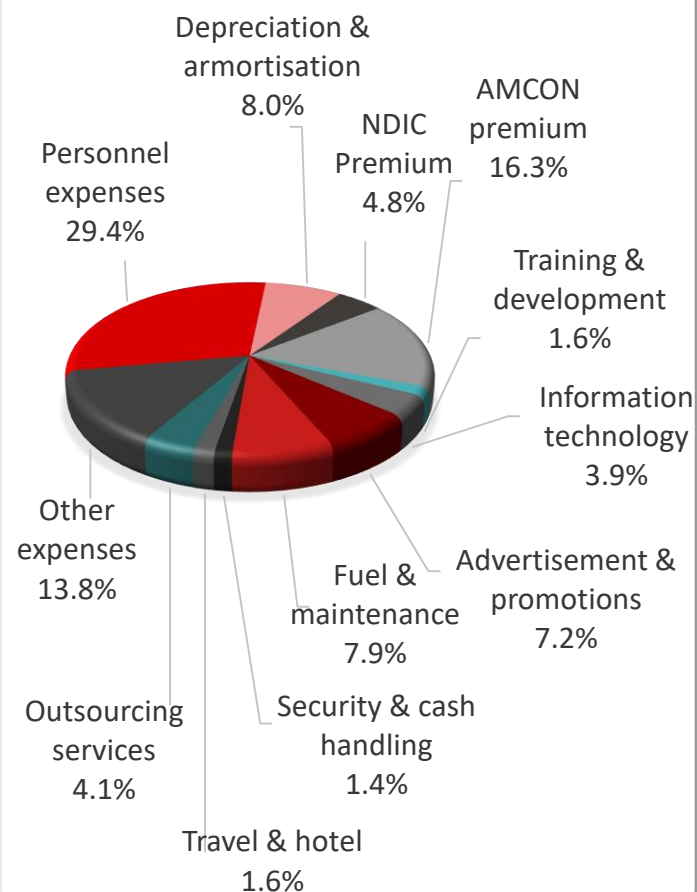
Total Operating Expenses

Q3 2019



N'million	Q3 2019	Q3 2018	YoY
Personnel expenses	57,065	51,687	10%
Depreciation & amortisation	17,194	13,989	23%
NDIC Premium	9,674	8,515	14%
AMCON premium	28,654	28,542	0%
Training & development	1,817	2,792	-35%
Information technology	7,288	6,898	6%
Advertisement & promotions	8,652	12,617	-31%
Fuel & maintenance	8,155	13,902	-41%
Security & cash handling	2,933	2,449	20%
Travel & hotel	1,910	2,824	-32%
Outsourcing services	8,814	7,232	22%
Other expenses	24,785	24,159	3%
Total	176,941	175,606	1%

Q3 2018



Balance Sheet – Assets

- Strong and liquid balance sheet led by securities portfolio and interbank placements.

(N'million)	Group Sep-19	Group Dec-18	YTD Change	Group Sep-18
Cash and balances with central banks	913,830	954,416	-4.25%	904,235
Treasury bills	854,328	1,000,560	-14.62%	818,395
Assets pledged as collateral	558,320	592,935	-5.84%	579,704
Due from other banks	685,211	674,274	1.62%	536,445
Derivative assets	86,183	88,826	-2.98%	95,222
Loans and advances	2,043,012	1,823,111	12.06%	1,824,724
Investment securities	491,984	565,312	-12.97%	590,305
Deferred tax assets	12,013	9,513	26.28%	13,119
Other assets	140,941	80,948	74.11%	96,039
Property and equipment	176,182	149,137	18.13%	145,125
Intangible assets	16,440	16,678	-1.43%	14,472
Total Assets	5,978,444	5,955,710	0.38%	5,617,785

Balance Sheet – Liabilities & Equity

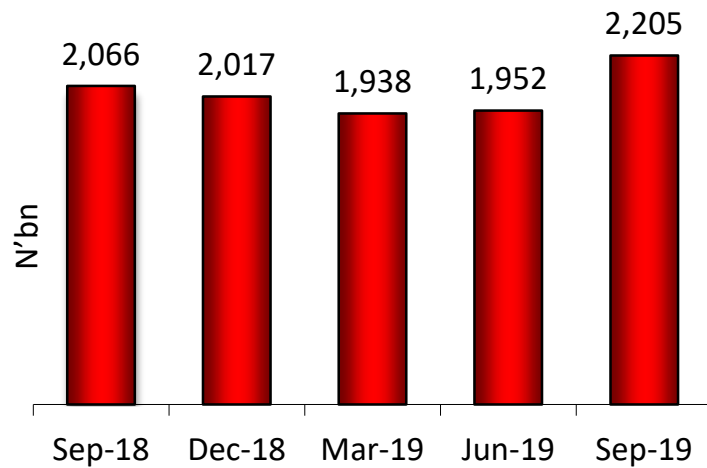
- Assets are largely funded by deposits with a strong capital base providing buffer for further growth.

(N'million)	Group	Group	YTD	Group
	Sep-19	Dec-18	Change	Sep-18
Liabilities				
Customers deposits	3,951,829	3,690,295	7.09%	3,275,547
Derivative liabilities	10,587	16,995	-37.71%	15,585
Current income tax payable	9,059	9,154	-1.04%	8,009
Deferred income tax liabilities	23	67	-65.67%	68
Other liabilities	265,874	231,716	14.74%	297,446
On-lending facilities	400,472	393,295	1.82%	400,503
Borrowings	429,166	437,260	-1.85%	473,310
Debt Securities Issued	39,533	361,177	-89.05%	369,413
Total liabilities	5,106,543	5,139,959	-0.65%	4,839,881
Equities and reserves				
Share capital	15,698	15,698	0.00%	15,698
Share premium	255,047	255,047	0.00%	255,047
Retained earnings	362,330	322,237	12.44%	310,801
Other reserves	238,079	221,231	7.62%	194,848
Non-controlling Interest	747	1,538	-51.43%	1,510
Total Shareholders' equity	871,901	815,751	6.88%	777,904

Sustained Assets & Liabilities Match

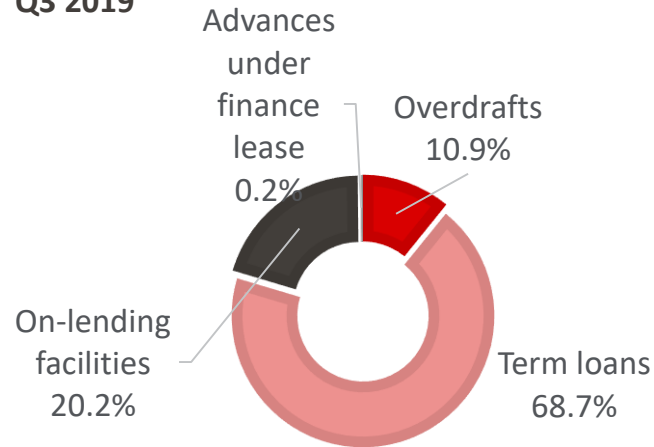
- Gross loans grew by 9% from N2.02 trillion to N2.2 trillion YTD, propelled by both corporate lending activities and new retail loan products.
- The growth in customers' deposits is a reflection of the increasing confidence in the Zenith brand.

Gross Loans

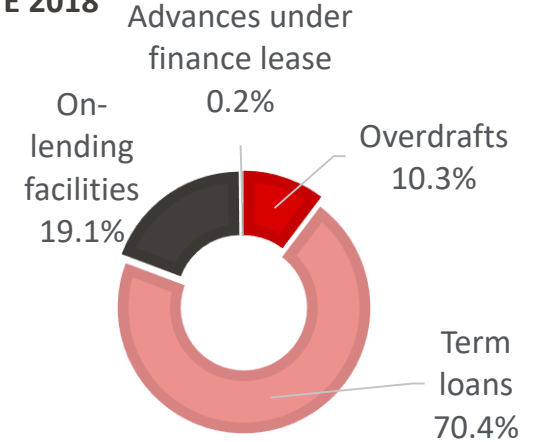


Loans & Advances

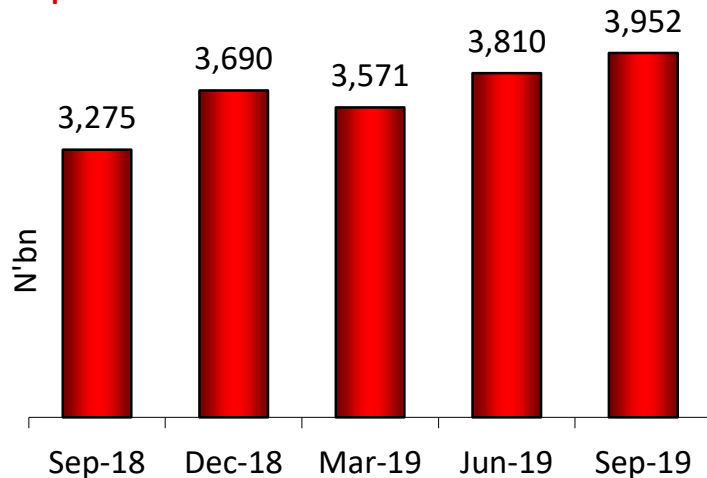
Q3 2019



FYE 2018

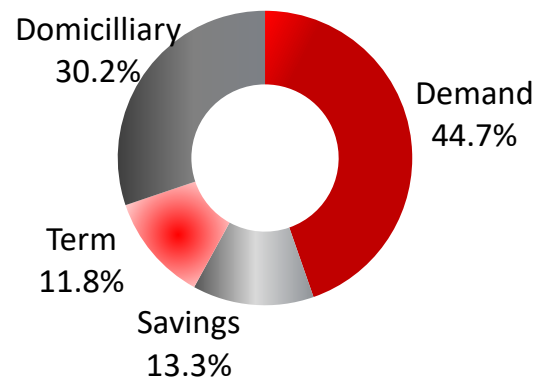


Deposits

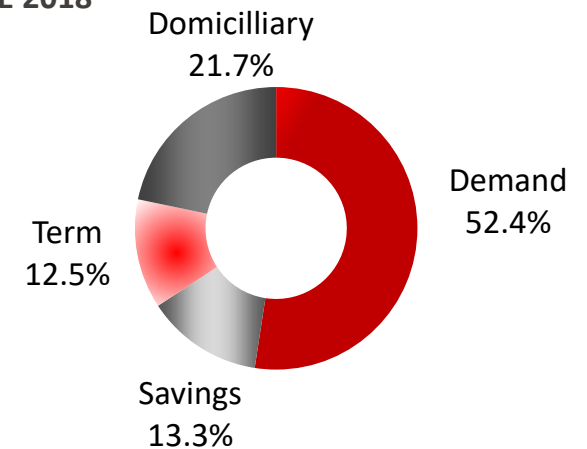


Deposit Mix

Q3 2019



FYE 2018

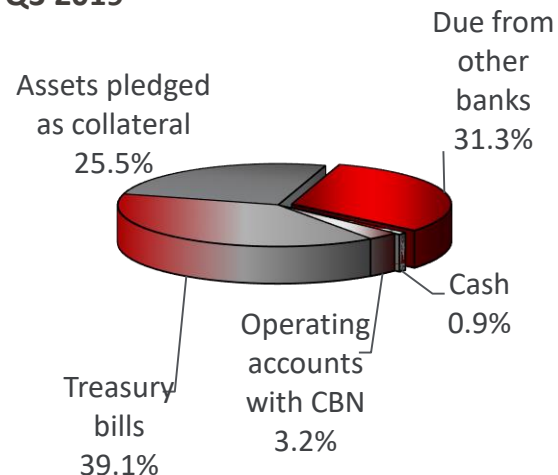


Continued Market Dominance - Strong Liquid Asset Base & Funding Mix

- High quality and liquid balance sheet, with diversified source of funding.
- Debt securities issued declined by 89% due to the early redemption of our May 2022 Eurobond notes.

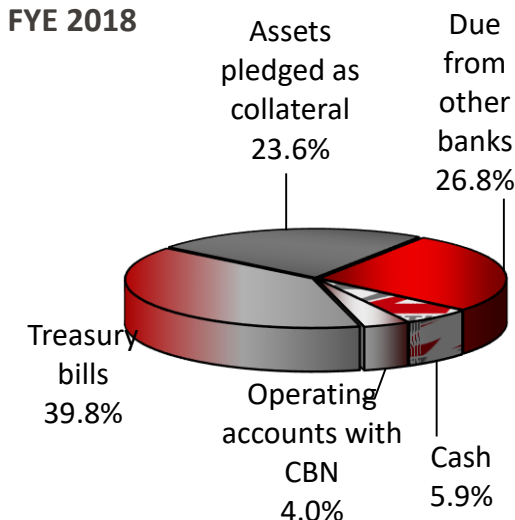
Liquid Assets

Q3 2019

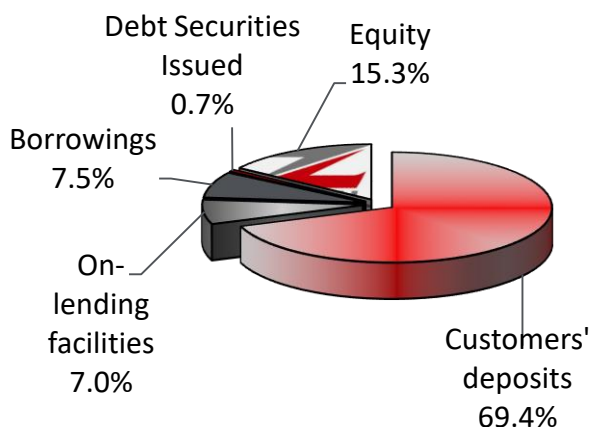


N'million	Q3 2019	FYE 2018	YTD
Cash	19,537	148,266	-87%
Operating accounts with CBN	69,983	100,679	-30%
Treasury bills	854,328	1,000,560	-15%
Assets pledged as collateral	558,320	592,935	-6%
Due from other banks	685,211	674,274	2%
Total	2,187,379	2,516,714	-13%

FYE 2018



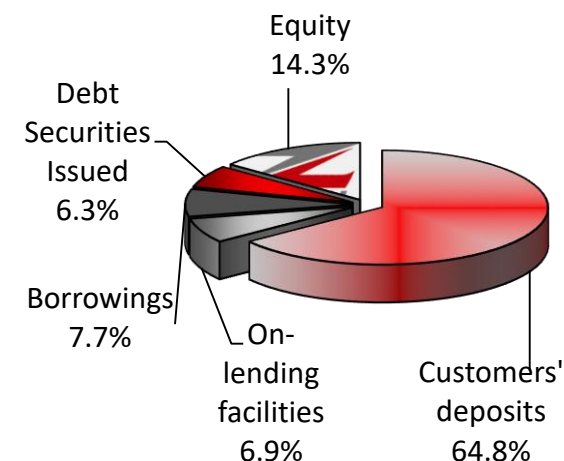
Q3 2019



Funding Mix

N'million	Q3 2019	FYE 2018	YTD
Customers' deposits	3,951,829	3,690,295	7%
On-lending facilities	400,472	393,295	2%
Borrowings	429,166	437,260	-2%
Debt Securities Issued	39,533	361,777	-89%
Equity	871,900	815,751	7%
Total	5,692,900	5,698,378	0%

FYE 2018



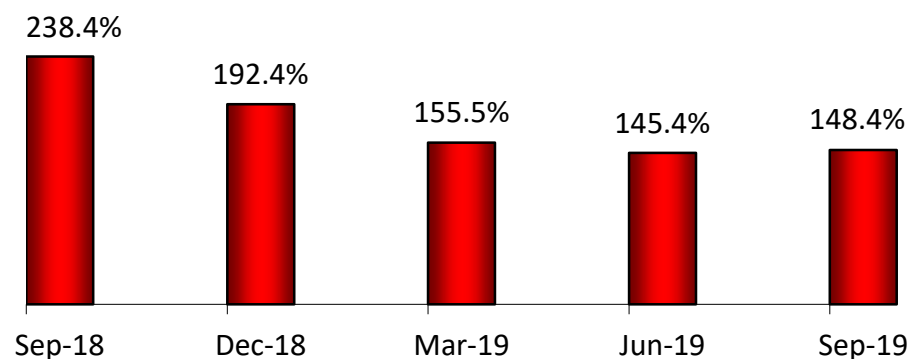
The background image shows an offshore oil rig at sea. The rig is a complex structure with multiple levels, cranes, and a central tower. A large, dark pipe is positioned horizontally in the foreground, supported by a structure. The sun is visible on the left side of the image, creating a bright glow. The overall scene is in a sepia or golden-brown color palette.

Risk Management

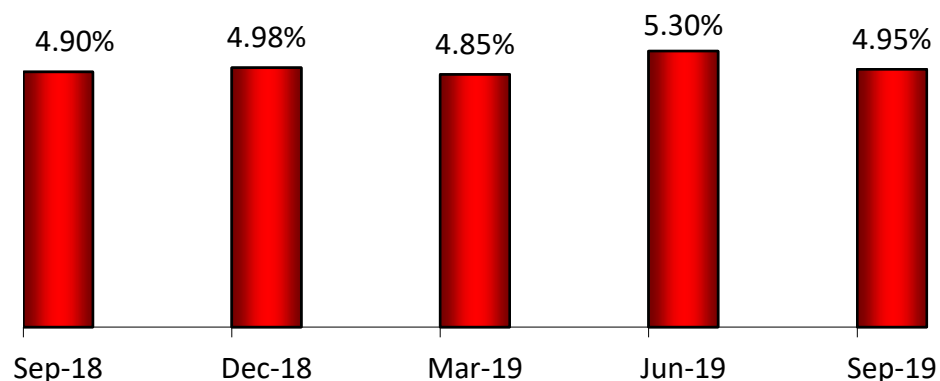
Healthy Risk Assets Portfolio

- Strong risk management has mostly contained NPL ratio below recommended regulatory threshold with adequate coverage levels

NPL Coverage Ratio



NPL Ratio



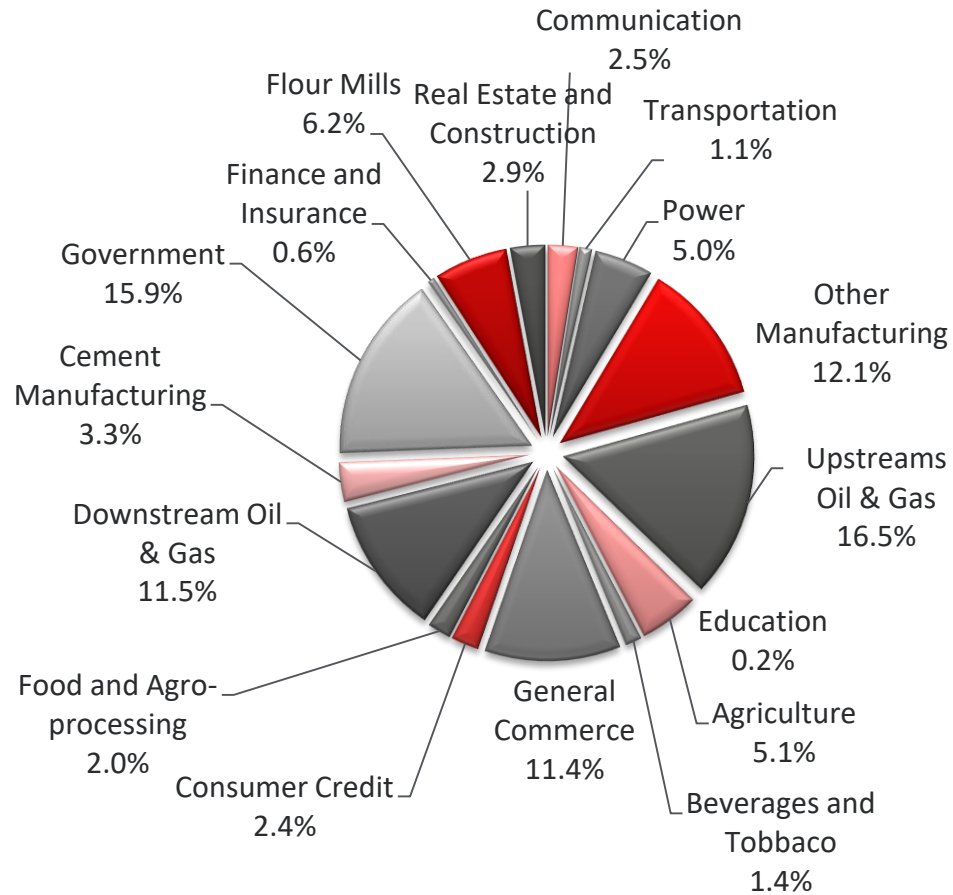
Our Risk Management Strategy

- 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 proactive 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

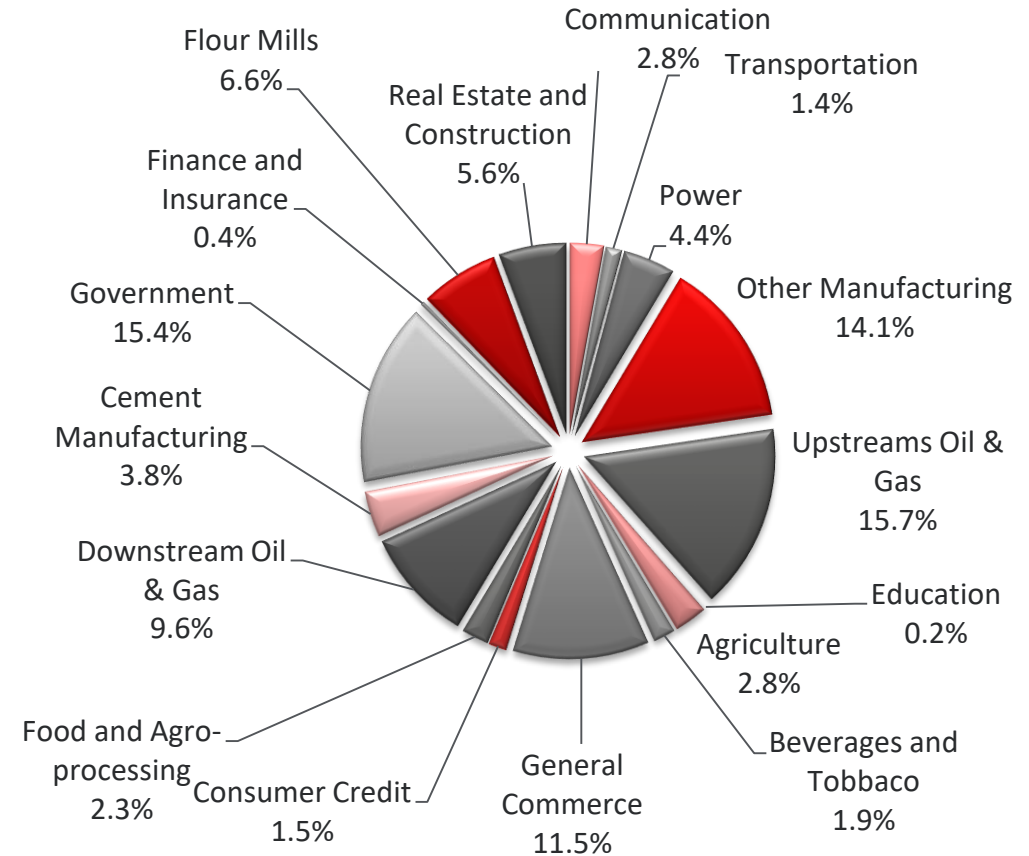
- Well diversified loan portfolio across sectors supports asset quality.

Loans by Sector – Q3 2019



Gross Loans – ₦2.20 Trillion

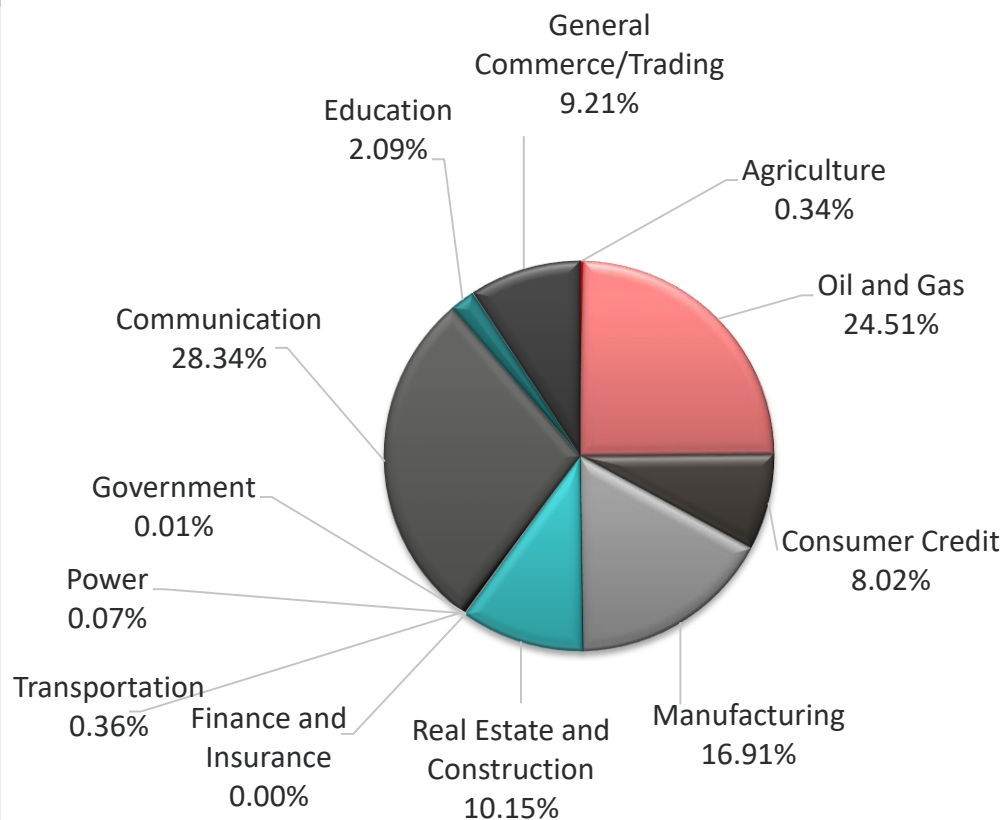
Loans by Sector – FYE 2018



Gross Loans – ₦2.02 Trillion

NPL by Sectors

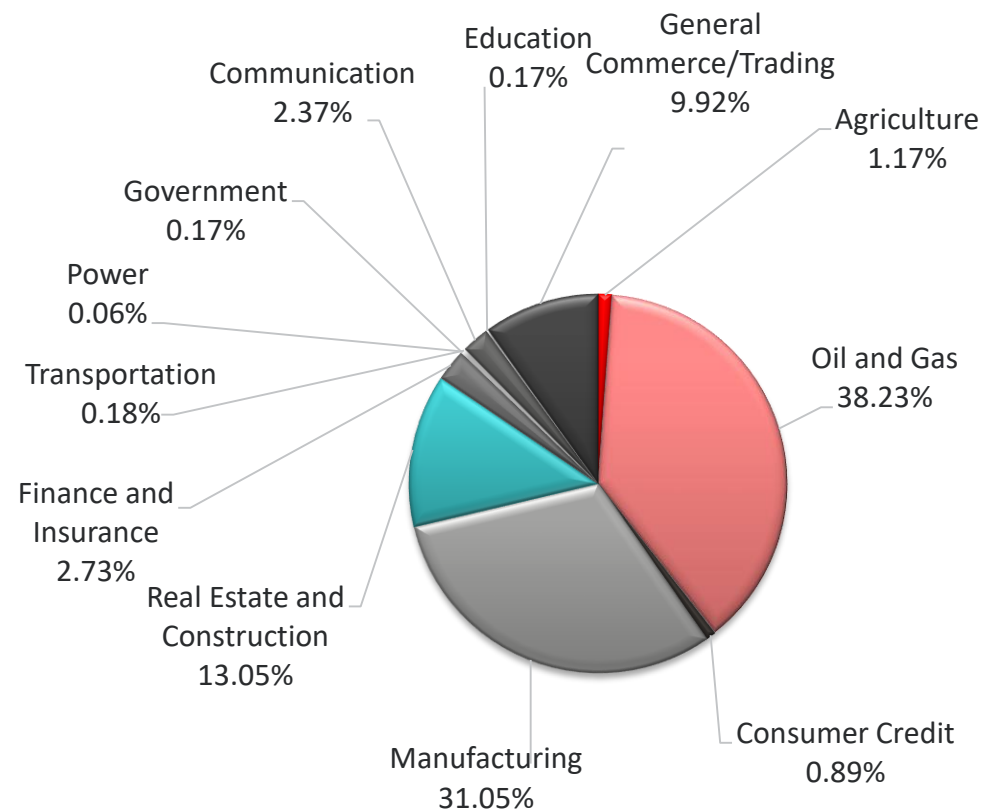
Q3 2019



Total NPLs – ~~₹~~109.1 Billion

NPL Ratio – 4.95%

FYE 2018



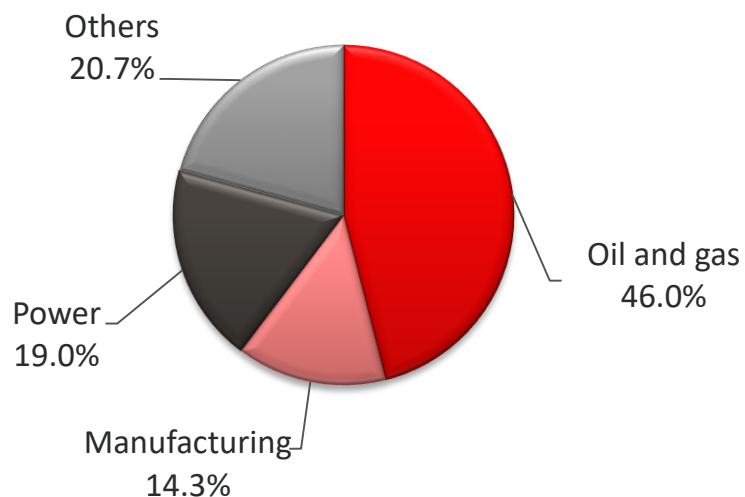
Total NPLs – ~~₹~~100.5 Billion

NPL Ratio – 4.98%

Foreign Currency Loans & Restructured Loans

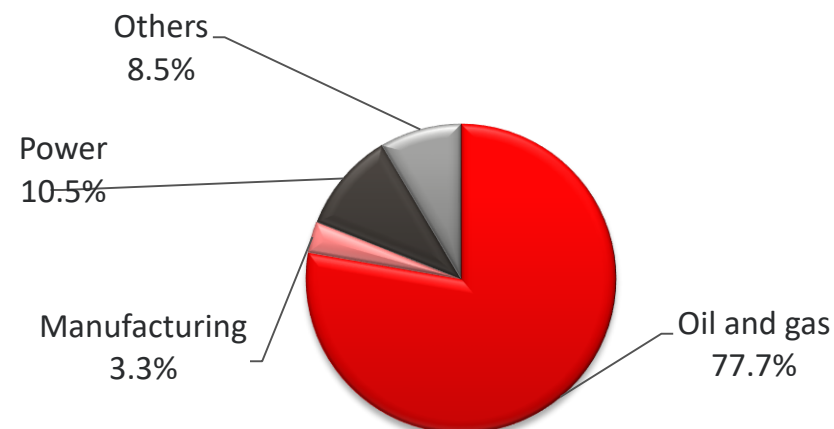
Foreign Currency Loans – Q3 2019

USD loans by sector	US\$' m	N'm	% to US\$ loans	% to Gross loans
Oil and gas	1,107	400,786	46%	18.18%
Manufacturing	344	124,706	14%	5.66%
Power	456	165,229	19%	7.49%
Others	499	180,741	21%	8.20%
Total US\$ loans	2,407	871,463	100.00%	39.52%



Cumulative Restructured Loans – Q3 2019

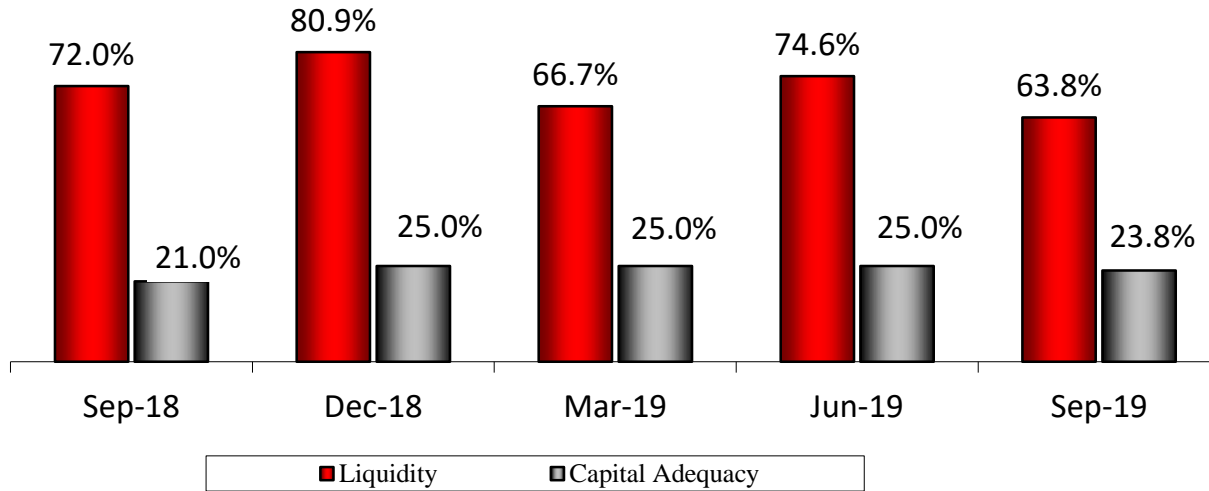
Restructured Loans by sector	N'm	% to Restructured loans	% to Gross loans
Oil and gas	192,889	77.72%	8.75%
Manufacturing	8,087	3.26%	0.37%
Power	26,121	10.52%	1.18%
Others	21,085	8.50%	0.96%
Total restructured loans	248,182	100.00%	11.26%



Strong Capitalisation and Liquidity

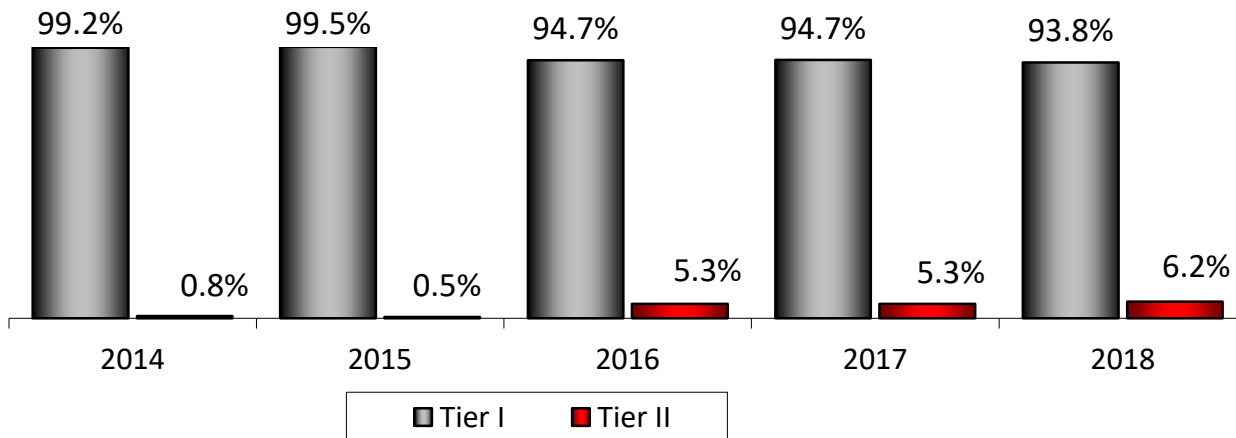
- Liquidity buffer well in excess of regulatory requirements. Solid and high-quality capital position provides room for further growth.

Liquidity & Capital Adequacy



Capital and liquidity ratios for the Bank – well above industry requirements of 30% for Liquidity and 15% for Capital Adequacy Ratio

Capital Mix



Capital base – predominantly made up of Tier 1 (core capital) which consists of share capital and reserves.



Business Segments Performance & Subsidiary Review

Performance – By Business Segments

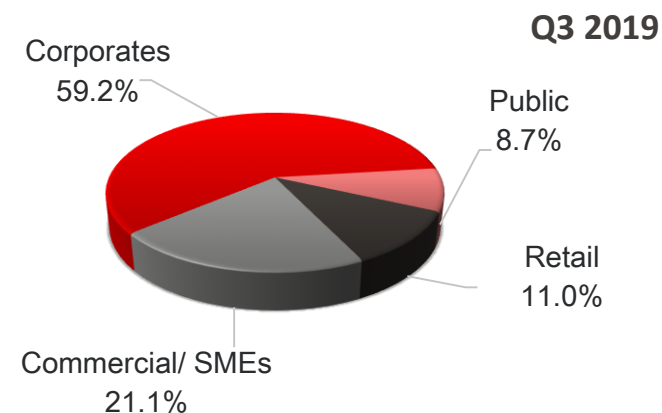
- Continuous diversification and improved profitability across core business segments
- Contribution of retail segment to gross revenues and PBT increased respectively from 6.7% and 9.4% to 11.0% and 16.5% YoY, as the Group continues on its retail expansion drive.

9 Months Ended September 2019

(₹ million)

	Corporates	Public	Retail	Commercial/ SMEs	Consolidated
Gross revenue	290,735	42,631	54,269	103,633	491,268
Total expenses	(195,457)	(26,706)	(25,143)	(67,779)	(315,085)
Profit before tax	95,278	15,925	29,125	35,854	176,183

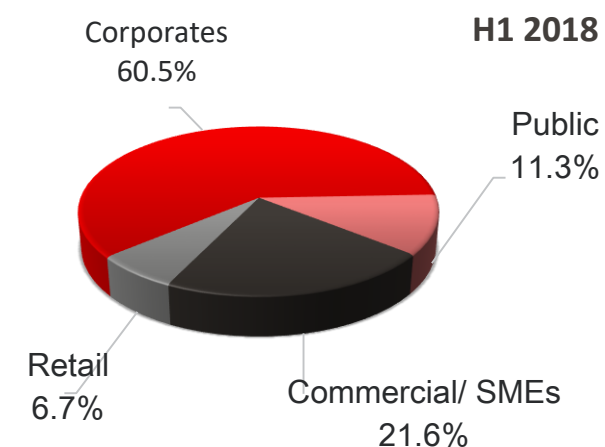
Gross Revenue



9 Months Ended September 2018

(₹ million)

	Corporates	Public	Retail	Commercial/ SMEs	Consolidated
Total revenue	287,088	53,540	31,671	102,309	474,607
Total expenses	(191,893)	(32,906)	(15,973)	(66,528)	(307,300)
Profit before tax	95,196	20,634	15,698	35,780	167,307

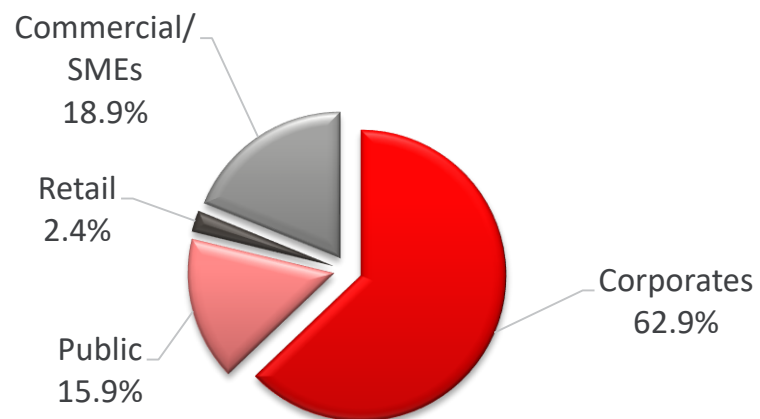


Loans & Deposits – By Business Segments

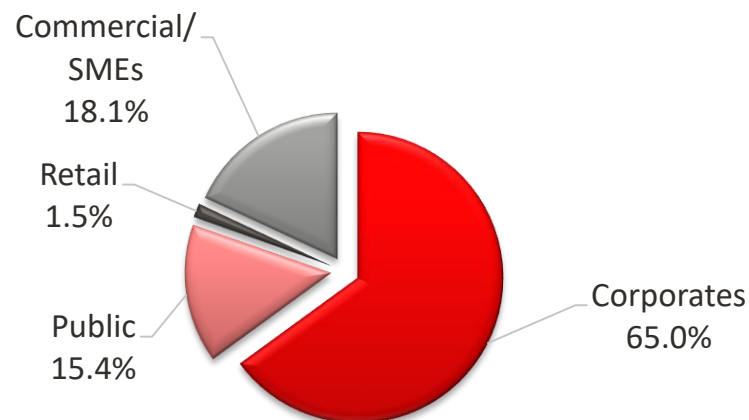
- The bank will continue to grow the contribution of retail deposits and loans to its business

Gross Loans

Q3 2019 Gross Loans – ~~₹~~2.20 Trillion

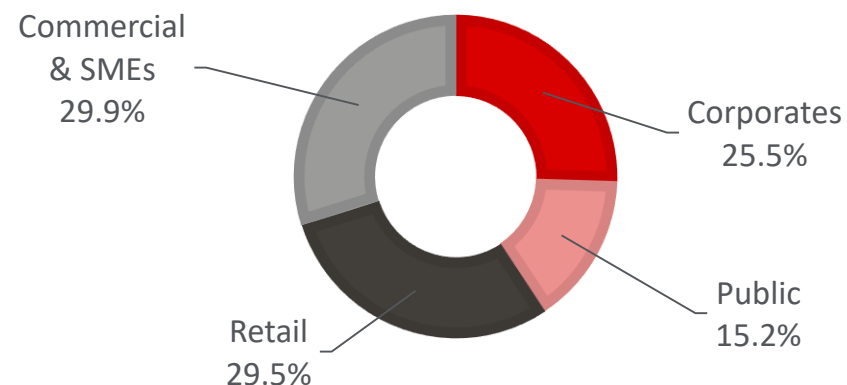


FYE 2018 Gross Loans – ~~₹~~2.02 Trillion

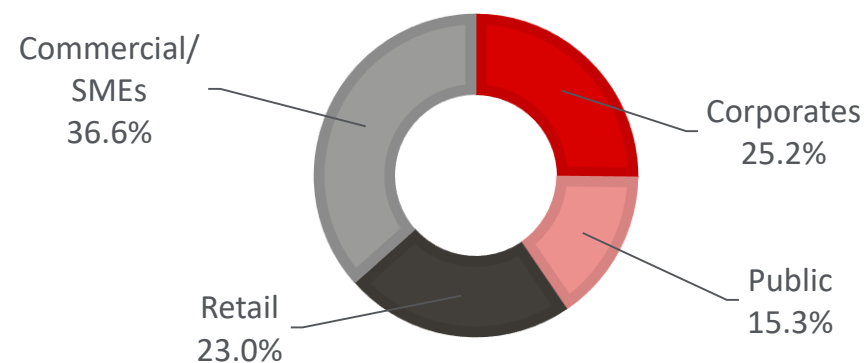


Total Deposit

Q3 2019 Total Deposits – ~~₹~~3.95 Trillion



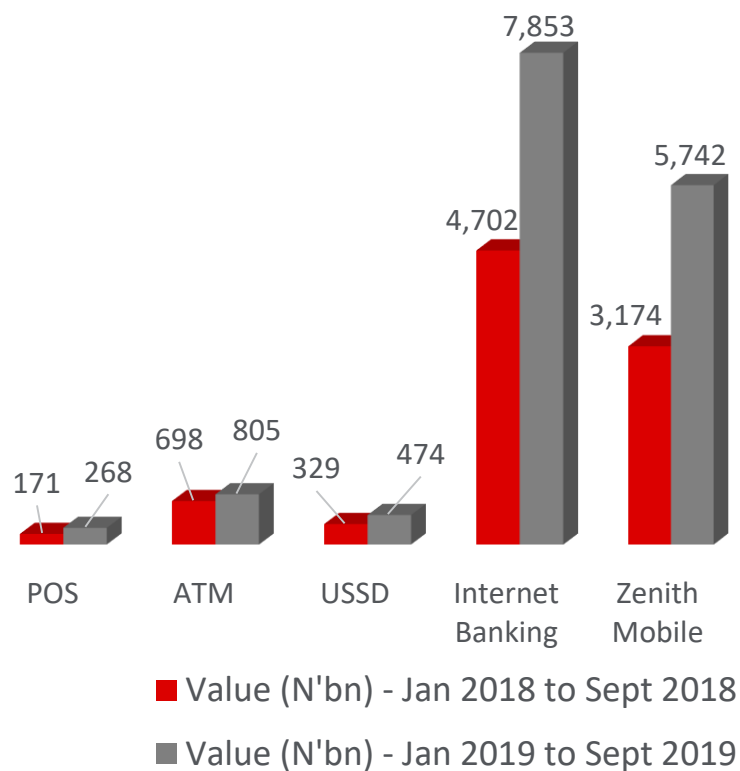
FYE 2018 Total Deposits – ~~₹~~3.69 Trillion



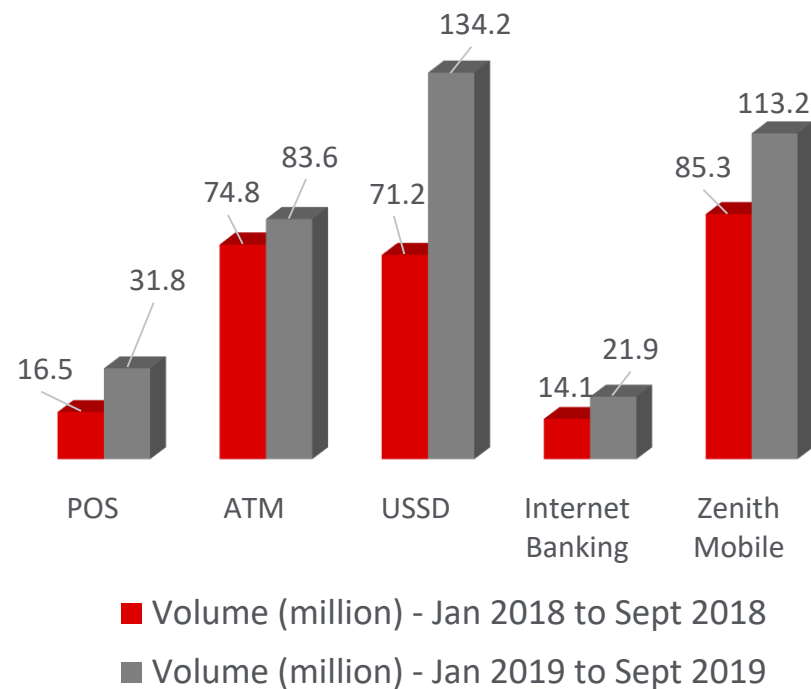
Electronic Banking Products Performance.

- The bank recorded a remarkable growth in both value and volume of electronic product transactions, resulting in a 100% (ref.: slide 16) growth in income on electronic products.

Value of Electronic Product Transactions



Volume of Electronic Product Transactions



Geographical Presence

Zenith Bank Plc. (Parent)

Established: 1990
 Branches: 383
 Q3 2019 PBT: N145.8 Bn
 Total deposits: N3,205Bn
 Total assets: N5,076Bn
 ROE: 25.0%
 Staff strength: 6,005

Zenith Pension

Established: 2005
 Branches: 2
 Zenith ownership: 99%
 Q3 2019 PBT: N5.6Bn
 Custody assets: N3,962Bn
 Total assets: N23Bn
 ROE: 25%
 Staff strength: 125

Zenith Nominee

Established: 2018
 Branches: 1
 Zenith ownership: 99%
 Q3 2019 PBT: N385M
 Custody assets: N1,929Bn
 Total assets: N2Bn
 ROE: 28%
 Staff strength: 5

Gambia

Established: 2009
 Zenith ownership: 99.96%
 Branches: 6
 Q3 2019 PBT: N648M
 Total deposits: N12Bn
 Total assets: N17Bn
 ROE: 17%
 Staff strength: 139

Ghana

Established: 2005
 Zenith ownership: 98.07%
 Branches: 27
 Q3 2019 PBT: N19.6Bn
 Total deposits: N308Bn
 Total assets: N413Bn
 ROE: 29%
 Staff strength: 685

Sierra Leone

Established: 2008
 Zenith ownership: 99.99%
 Branches: 6
 Q3 2019 PBT: N780M
 Total deposits: N17Bn
 Total assets: N23Bn
 ROE: 15%
 Staff strength: 159

United Kingdom

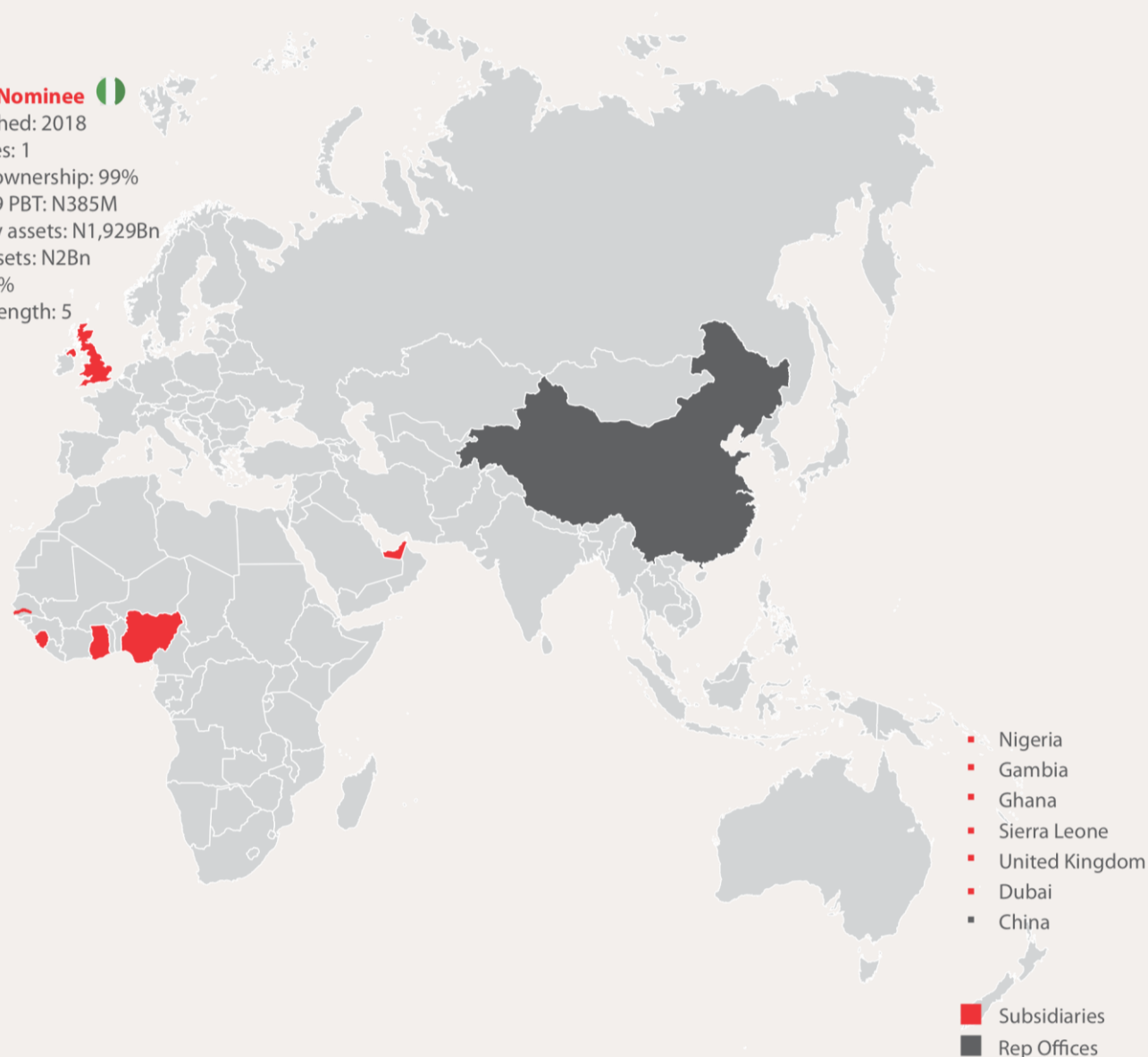
Established 2007
 Zenith ownership: 100%
 Branches: 2
 Q3 2019 PBT: N7Bn
 Total deposits: N411Bn
 Total assets: N587Bn
 ROE: 10%
 Staff strength: 121

UAE

Branch of Zenith UK
 Established 2016
 1 branch

China

Representative Office
 Established 2011



Performance by Geography

- Subsidiaries contribution to revenue increased from 13.2% to 14.5% YoY, improving revenue diversification by geography while PBT contribution grew from 14.4% to 16.1% YoY.

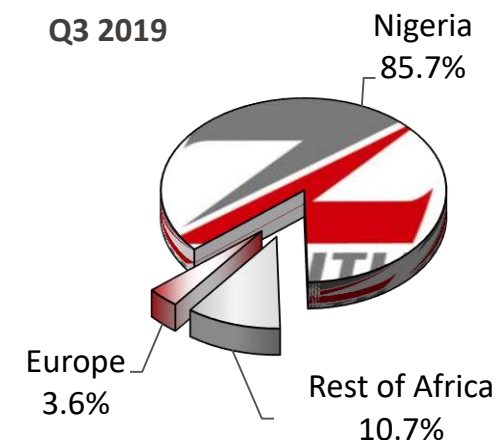
9 Months Ended September 2019

(₦million)

	Nigeria	Rest of Africa	Europe	Eliminations	Consolidated
Total Revenue	425,818	53,026	18,012	(5,588)	491,268
Total expense	(274,021)	(31,988)	(10,664)	1,588	(315,085)
Profit before tax	151,797	21,038	7,348	(4,000)	176,183
Tax	(19,450)	(4,798)	(1,212)	-	(25,460)
Profit after tax	132,347	16,240	6,136	(4,000)	150,723

Gross Revenue

Q3 2019

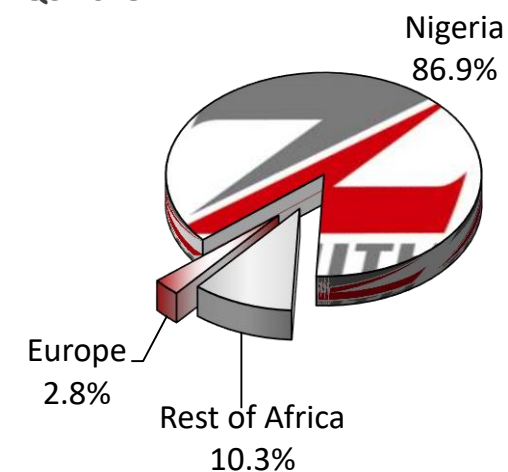


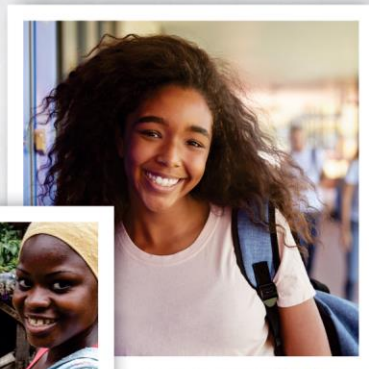
9 Months Ended September 2018

(₦million)

	Nigeria	Rest of Africa	Europe	Eliminations	Consolidated
Total Revenue	417,223	49,609	13,269	(5,494)	474,607
Total expense	(270,396)	(32,806)	(6,028)	1,930	(307,300)
Profit before tax	146,827	16,803	7,241	(3,564)	167,307
Tax	(20,320)	(2,679)	(129)	-	(23,128)
Profit after tax	126,507	14,124	7,112	(3,564)	144,179

Q3 2018





Strategy & Outlook

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

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

2

Delivering superior service experience to all clients and customers

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

4

Treasury Management

- We are taking advantage of our liquidity in Naira and foreign currencies to optimize our yields in the FX and money markets.

5

Retail

- Deepen retail market penetration by leveraging on our retail platforms.
- Continue to create innovative solutions to grow market share.

Our Key Growth Target Sectors

Driving Profitability with our Competitive Advantages

Identified Growth Sectors

- Retail
- Agriculture
- Infrastructure
- Manufacturing
- Petrochemicals
- Real Estate and Construction
- Service Industry
- Telecoms
- Transportation and General Commerce

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 FY2019

- **Retail Banking:** The bank is committed to continue to grow its retail business. This will be achieved through the deployment of innovative products in mobile banking, internet banking and cards services. The capturing of bio-data (BVN) of all bank's customers across the industry into a single data base has also boosted our retail banking business as we are now able to grow our retail loans.
- **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) 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.
- **Deposit Base:** Our drive for low cost and appropriately mixed deposit base to fund our credit and money market transactions would continue in FY2019. We are committed to be a dominant player in the money market space to drive up income and profitability going forward.
- **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.
- **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. Zenith group is the first Nigerian institution to be awarded a triple ISO certification by the British Standards International (BSI): the ISO 22301, 27001 and 20000 standards
- **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
- **Manufacturing and Real Sector:** More emphasis will be placed on manufacturing and the real sector by providing support to local production. This is expected to drive the self sustainability policy of the federal government. We are also taking advantage of the Differentiated CRR scheme to lend part of our CRR to manufacturing and agricultural related projects.

Guidance for FYE 2019

	FYE 2019 Guidance	9 Months – Q3 2019 Achieved	FYE 2018 Achieved
PBT	₦240.0Bn	₦176.2Bn	₦231.7Bn
Effective Tax Rate	15.00%	14.45%	16.50%
PAT	₦204.0Bn	₦150.7Bn	₦193.4Bn
ROAE	24.00%	23.80%	23.80%
ROAA	3.60%	3.37%	3.40%
NIM	9.00%	8.69%	8.90%
Cost of Funds	3.20%	2.95%	3.10%
Cost of Risk	1.00%	1.15%	0.90%
Cost to Income	48.00%	50.11%	49.30%
Deposit Growth	10.00%	7.09%	7.30%
Loan Growth	15.00%	9.30%	-10.50%
Loan to Deposit	65.00%	55.80%	54.60%
Capital Adequacy	25.00%	23.80%	25.00%
Liquidity Ratio	60.00%	63.82%	80.90%
NPL	4.85%	4.95%	4.98%
NPL Coverage	150.00%	148.36%	192.40%

Thank You

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