

2020 FIRST QUATER REPORT

Presentation to Investors
and Analysts



 ZENITH BANK

PEOPLE | TECHNOLOGY | SERVICE

Agenda

Operating Environment Overview	Pages 04 – 06
Group Results	Pages 07 – 22
Risk Management	Pages 23 – 29
Business Segments Performance & Subsidiary Review	Pages 20 – 35
Strategy & Outlook	Pages 36 – 40



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.

Operating Environment Overview



Nigerian Economy and Key Developments in the Banking Sector

Real GDP Growth:

- Nigeria recorded a real GDP growth of 2.55% y/y in Q4 2019, an increase of 27bps from 2.28% recorded in Q3 2019 and the highest since coming out of recession in 2017.
- The oil sector expanded by 6.36% y/y and contributed 7.32% to total real GDP in Q4 2019, while the non-oil sector grew by 2.26% - driven largely by activities in mainly by Information and Communication, Agriculture (Crop Production), Financial and Insurance Services, and Manufacturing.

Headline Inflation:

- Headline inflation increased in Mar'20 to 12.26% y/y from 12.20% y/y recorded in Feb'20.
- Food inflation rose by 8 bps to print at 14.98% y/y while core inflation advanced by 30 bps to 9.73% y/y.

Oil Production & Price:

- OPEC average monthly basket price decreased by 48% in the 1st quarter of 2020, from \$66.5/bbl recorded at the end of Q4 2019 to \$33.9/bbl recorded at the end of Q1 2020.
- As a result of shock in both the demand and supply of crude oil, OPEC average monthly basket price dipped further to \$17.7/bbl in April 2020. The current daily price as at May 6th stands at \$22.4/bbl.

Foreign Reserves:

- Nigerian foreign reserves declined by 6.5% QoQ from \$38.6bn recorded at the end of Q4 2019 to \$36.1bn recorded at the end of Q1 2020.

Exchange Rate:

- The local currency (NGN) declined in value against the major currencies in Q1 2020. Rates (NGN/USD) as at end of March 2020: NAFEX (I&E) – 381.7; NIFEX – 381.01. (December 2019: NAFEX (I&E) – 363.7; NIFEX – 359.7).

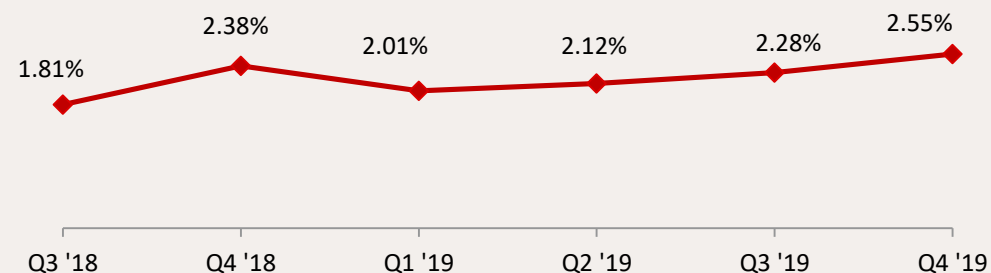
Cash Reserve Ratio (CRR) & Monetary Policy Rate (MPR):

- The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) voted to keep all monetary policy rates the same during the MPC meeting held in March 2020. Cash Reserve Ratio (CRR) - 27.5%; Monetary Policy Rate (MPR) – 13.5%; and Liquidity Ratio - 30%.

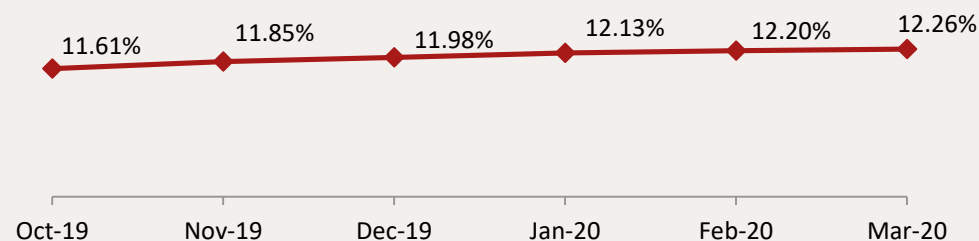
Floor of 65% for Loan-to-Deposit Ratio (LDR) :

- In a bid to drive lending to the real sectors, the Central Bank of Nigeria (CBN) directed all banks to maintain a minimum of 65% LDR by the end of December 2019. A levy of additional CRR equal to 50% of the shortfall will be imposed on banks that fail to meet the minimum LDR which is being monitored on a quarterly basis.

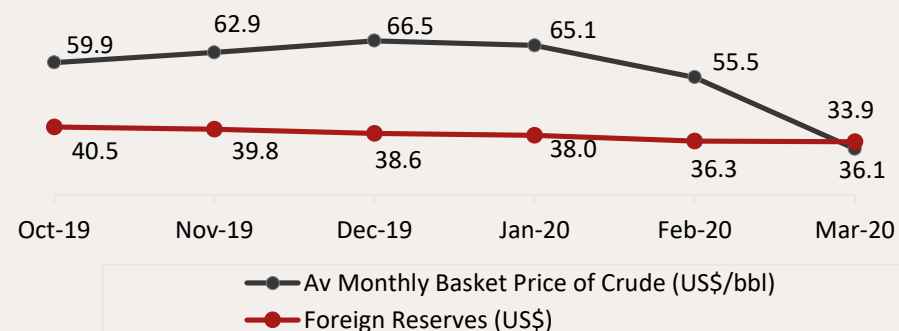
GDP Growth Rate



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.

Growing footprint in the retail and digital space:

- Continues to attract and grow its share of retail customers and retail business in the market.

Strong Focus on Risk Management:

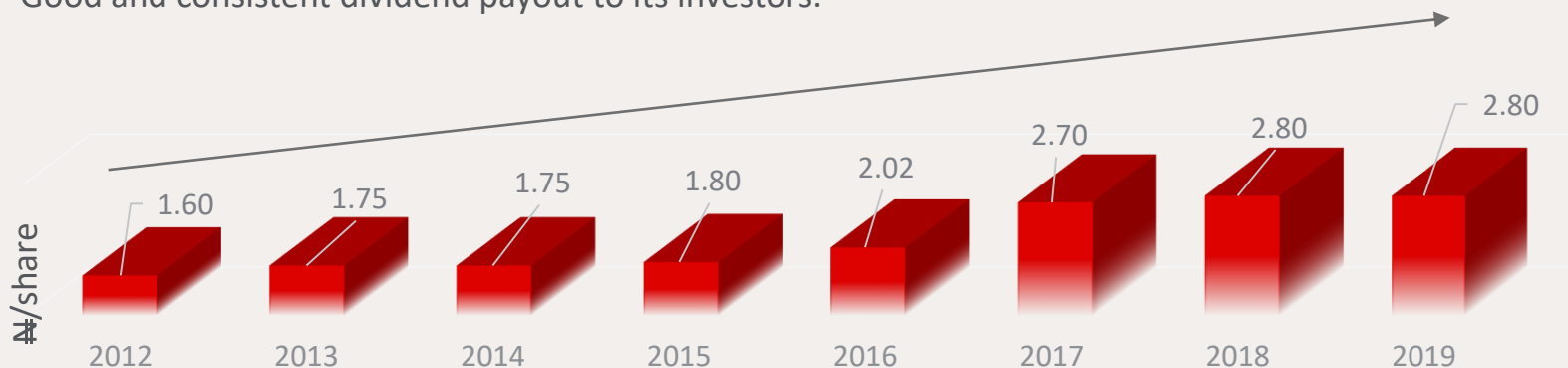
- NPL ratio came in at 4.6% with a coverage ratio of 125.2%. The Group will continue to implement robust risk management practices and to maintain the lowest possible NPL ratio.

Credit Rating: Constrained by Sovereign Ratings

- 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' - Negative Watch; 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 Negative Outlook; 2) Long Term Deposit – B3 with Negative Outlook

Consistent and Growing Dividend Payout:

- Good and consistent dividend payout to its investors.



Non-financial Highlights

SOCIAL IMPACT/CSR

- Member of the Nigeria Coalition against Covid-19
- Official Bank of the Nigerian National Football Teams
- Private Sector Health Alliance Project
- Zenith Bank National Women Basketball League
- Zenith Delta principal's Cup
- Zenith Bank Youth Parade
- The Muson Centre Project

CUSTOMERS/CHANNELS

		Q1 2020	Q1 2019
Number of Customers		10,244,332	8,246,217
Number of Cards Issued		8,203,788	6,543,271
Number of active POS Terminals		46,565	34,862
Number of ATM Terminals		2,028	1,928
Number of Branches		437	420
Number of Cash Centres		176	176
Number of Male Employees		4,054	3,862
Number of Female Employees		3,756	3,528

AWARDS

- Best Commercial Bank 2019 - World Finance
- Most Valuable Bank Brand 2019 - The Banker
- Best Digital Bank 2019 - Augusto & Co.
- Bank of the Year 2019 - BusinessDay
- Best Bank in Retail Banking 2019 - BusinessDay
- Most Innovative Bank of the Year 2019 - Tribute Newspaper
- Best Company Promoting Good Health and Well-being 2019 - The SERAS CSR Award

SHARE HOLDINGS



Number of Shareholders

640,358

PRODUCT INNOVATIONS

Emergency USSD Code **966 911#**

Save4Me

Timeless Account

Dubai Visa
Borrow Me Power (Mobile App & My Bank Statement Internet Banking)

SOCIAL FOLLOWING

5,916,019

1,199,026

390,120

26,196,118

118,718

Group Results

Key Themes

- ✓ Efficiency and risk management for superior performance.
- ✓ Building a shock-proof balance sheet.
- ✓ Growing our footprint in the retail and digital space.

Income Statement

Gross earnings: ₺166.8Bn	+5.5% YoY
Non-interest income: ₺46.6Bn	+42.8% YoY
Profit before tax: ₺58.8Bn	+2.6% YoY
Profit after tax: ₺50.5Bn	+0.6% YoY

Balance Sheet

Customers' deposits: ₺4.46Tn	+4.7% YTD
Gross loans: ₺2.74Tn	+11.3% YTD
Total assets: ₺7.13Tn	+12.3% YTD
Total shareholders' funds: 925.9Bn	-1.7% YTD

Key Ratios			
	31-Mar-20	31-Mar-19	% change
Earnings per share (EPS)	N1.61	N1.60	0.63%
Return on average assets (RoAA)	3.0%	3.4%	-11.8%
Return on average equity (RoAE)	21.6%	25.2%	-14.0%
Net interest margin - NIM	7.7%	8.9%	-13.3%
Cost of funds	2.6%	3.0%	-14.3%
Cost of risk	0.6%	0.4%	45.2%
Cost-to-income ratio	52.7%	50.9%	3.5%
	31-Mar-20	31-Dec-19	% change
Liquidity ratio	41.8%	57.3%	-27.0%
Loan-to-deposit ratio (Group)	61.4%	57.8%	6.3%
Loan-to-deposit ratio (Bank)	71.7%	68.6%	4.4%
Capital adequacy ratio (CAR)	19.6%	22.0%	-10.9%
Non-performing loan ratio (NPL)	4.6%	4.3%	7.0%
Coverage ratio	125.2%	148.2%	-15.5%

Profit or Loss Statement

- Strong top and bottom lines, propelled by growth in non-interest income.

(N'million)	Group 3M 20	Group 3M 19	YOY Change
Gross income	166,814	158,111	5.50%
Interest and similar income	114,330	122,480	-6.65%
Interest and similar expense	(32,829)	(36,343)	-9.67%
Net interest income	81,501	86,137	-5.38%
Impairment charge	(3,951)	(2,096)	88.50%
Net interest income after impairment charge	77,550	84,041	-7.72%
Net fee and commission income	15,439	21,314	-27.56%
Trading income	15,467	7,812	97.99%
Other income	15,733	3,530	345.69%
Amortisation of intangible assets	(788)	(749)	5.21%
Depreciation of property and equipment	(6,271)	(4,750)	32.02%
Personnel expenses	(18,155)	(18,289)	-0.73%
Operating expenses	(40,187)	(35,616)	12.83%
Profit before income tax	58,788	57,293	2.61%
Income tax expense	(8,262)	(7,059)	17.04%
Profit after tax	50,526	50,234	0.58%

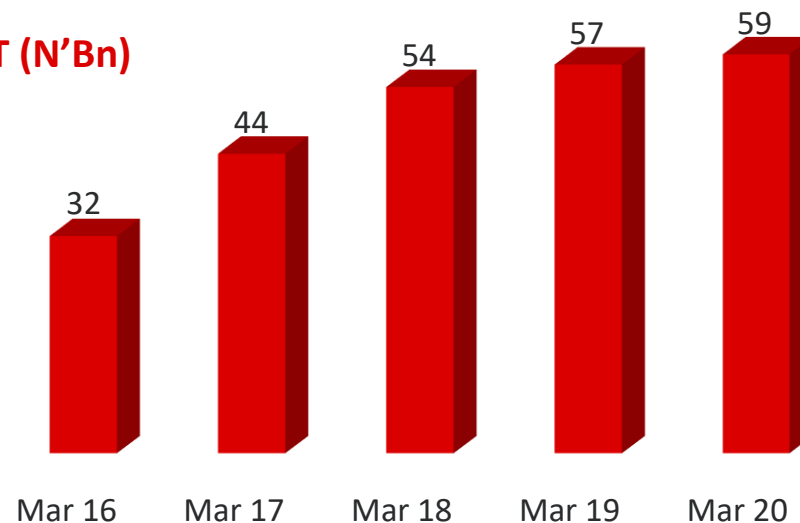
Consolidating Earnings and Profitability



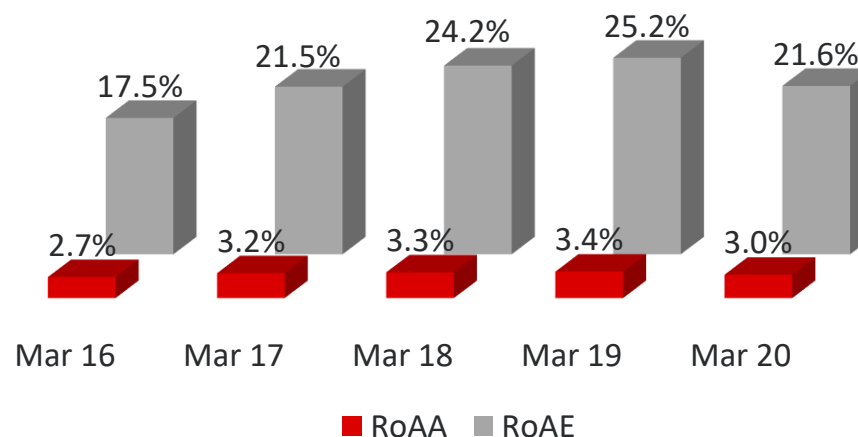
Zenith Group has been consistent in delivering attractive earnings profile, supported by robust revenue base.

- **PBT** increased YoY by 2.6% from N57.3bn in Q1 2019 to N58.7bn in Q1 2020, driven by **Non-interest income** which grew by an impressive 43% YoY.
- **ROAE** declined from 25.2% to 21.6% YoY as a result of our stronger capital base.
- **ROAA** also declined from 3.4% recorded in Q1 2019 to 3.0% recorded in Q1 2020.

PBT (N'Bn)



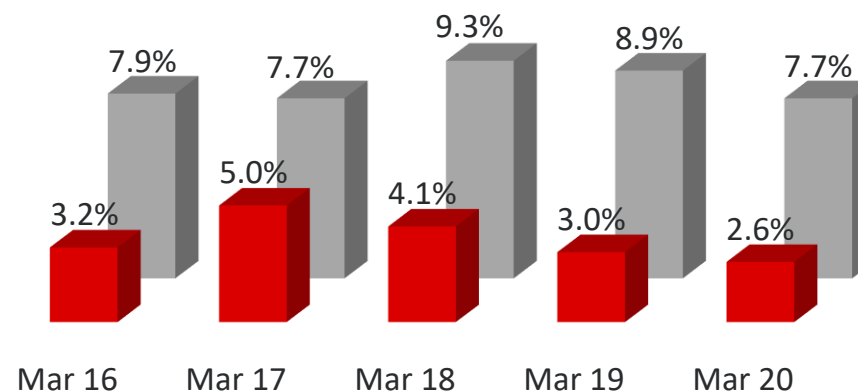
RoAA & RoAE



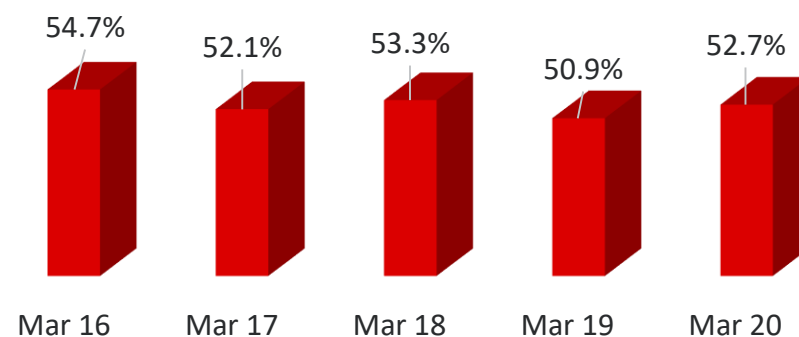
Consolidating Earnings and Profitability Contd.

- **Net Interest Margin - NIM** compressed by 13% YoY (from 8.9% in Q1 2019 to 7.7% in Q1 2020) as a result of decline in the yield environment which led to a drop in average interest rate on interest bearing assets.
- **Cost of Funds** dropped to 2.6% in Q1 2020 from 3.0% recorded in Q1 2019 as a result of rebalancing of our funding mix and the declining yield environment.
- **Cost-to-Income Ratio** increased from 50.9% recorded in Q1 2019 to 52.7% recorded in Q1 2020 due to inflationary pressures.

Cost of Funds & Net Interest Margin



Cost to Income Ratio

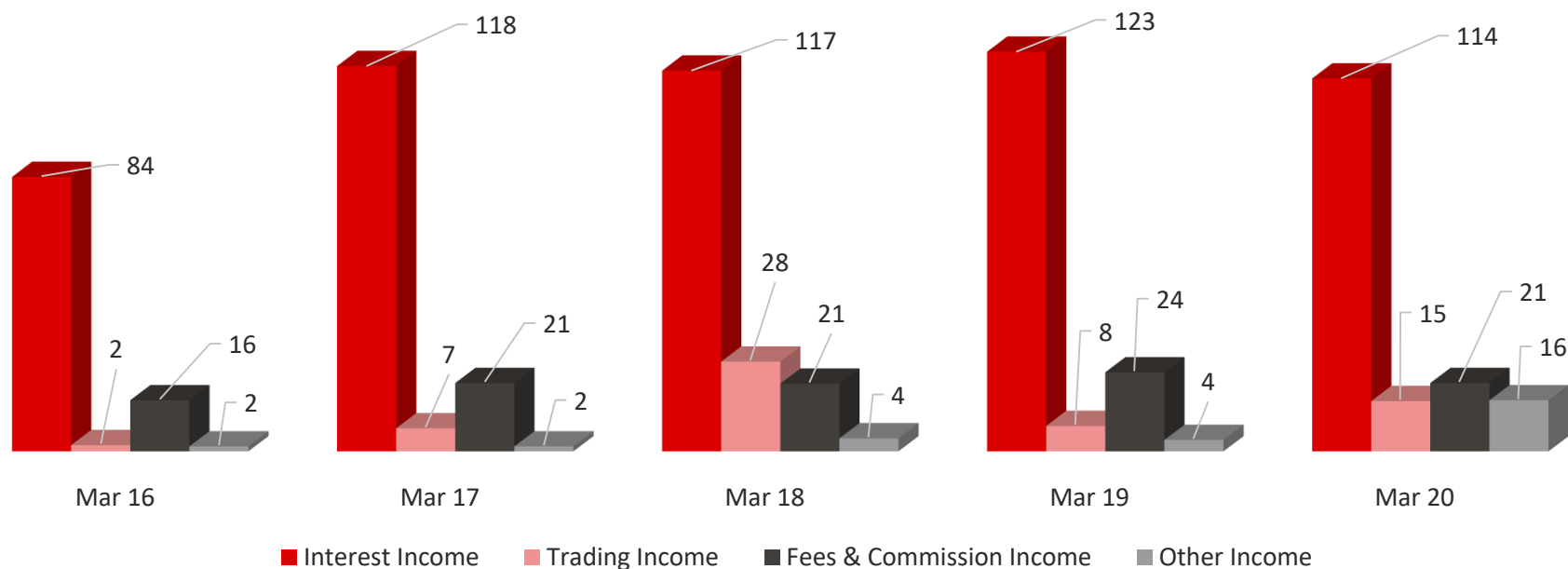


Evolution of Revenue Base

- Contribution of non-interest income lines to the total revenue continues to grow over the years, growing from 22.5% in Q1 2019 to 31.5% in Q1 2020.

N'million	Q1 2020	% to Total Revenue	Q1 2019	% to Total Revenue	YoY
Interest income	114,330	68.5%	122,480	77.5%	-6.7%
Trading income	15,467	9.3%	7,812	4.9%	98.0%
Fees and commissions income	21,284	12.8%	24,290	15.4%	-12.4%
Other Income	15,733	9.4%	3,530	2.2%	345.7%
Total Revenue	166,814		158,112		5.5%

₹'Bn

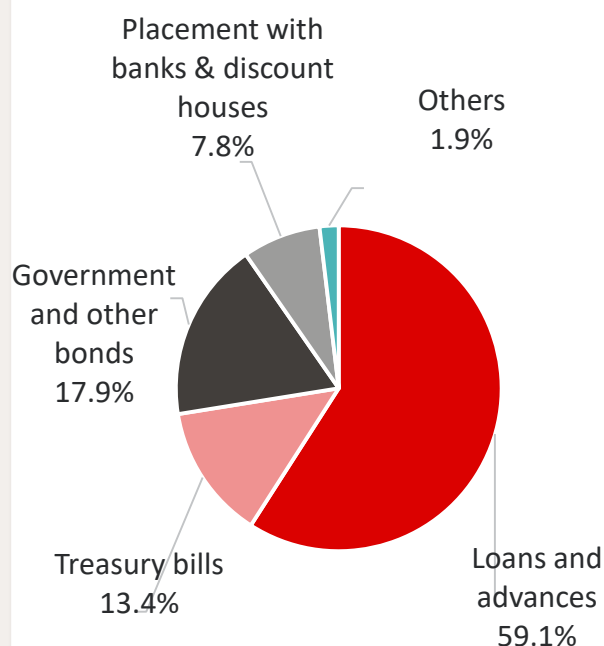


Revenue Base: Interest Income Lines

- Treasury bills interest income dipped by 64% YoY because of the declining yield environment and contraction in T-bills portfolio.
- Expansion of the loan book drove the increase in interest income on loans, as yields were down generally YoY.

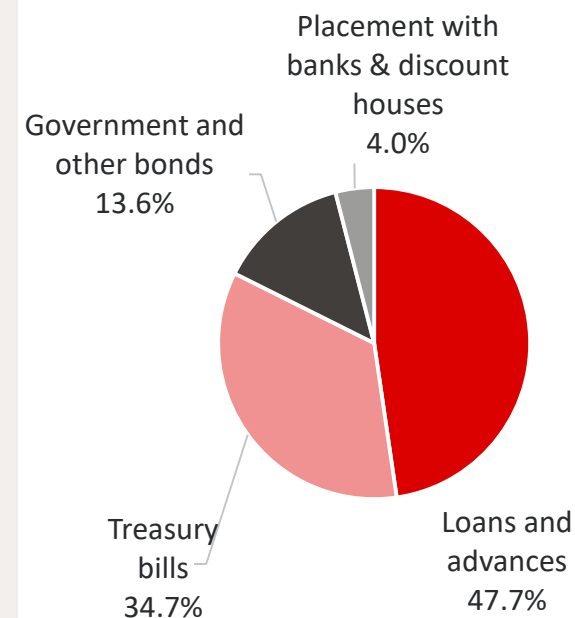
Interest Income

Q1 2020



N'million	Q1 2020	Q1 2019	YoY
Loans and advances	67,540	58,300	16%
Treasury bills	15,305	42,406	-64%
Government and other bonds	20,434	16,654	23%
Placement with banks & discount houses	8,888	4,894	82%
Others	2,163	226	857%
Total	114,330	122,480	-7%

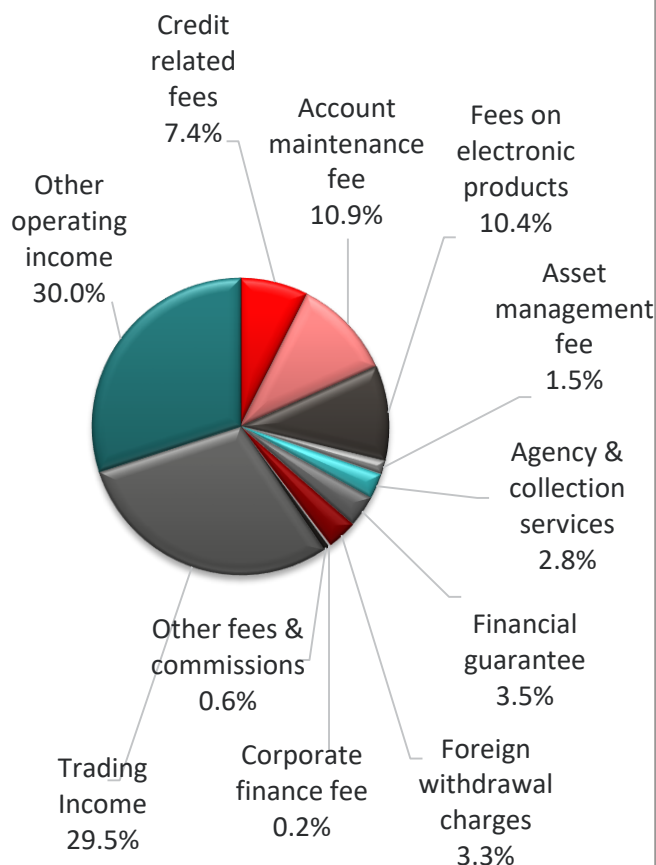
Q1 2019



Revenue Base: Non-Interest Income (NII) Diversification

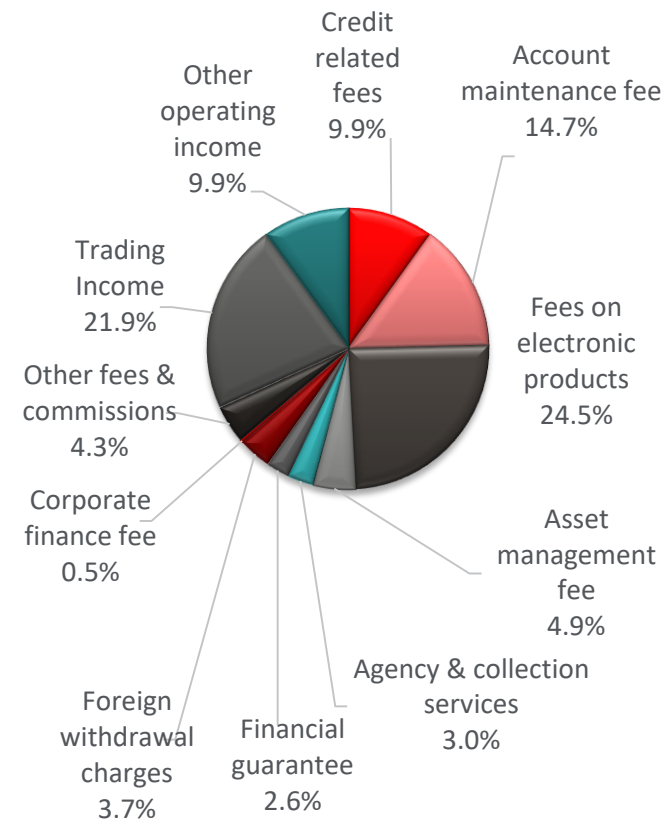
- Sustained growth in Non-Interest Income which grew by an impressive 43% YoY.

Q1 2020



N'million	Q1 2020	Q1 2019	YoY
Credit related fees	3,899	3,537	10%
Account maintenance fee	5,729	5,238	9%
Fees on electronic products	5,442	8,738	-38%
Asset management fee	782	1,741	-55%
Agency & collection services	1,452	1,073	35%
Financial guarantee	1,812	933	94%
Foreign withdrawal charges	1,719	1,324	30%
Corporate finance fee	113	163	-31%
Other fees & commissions	336	1,543	-78%
Total fees & commission income	21,284	24,290	-12%
Fees and commission expense	-5,845	-2,975	96%
Net fee & commission income	15,439	21,315	-28%
Trading Income	15,467	7,811	98%
Other operating income	15,733	3,530	346%
Non- interest income	46,639	32,656	43%

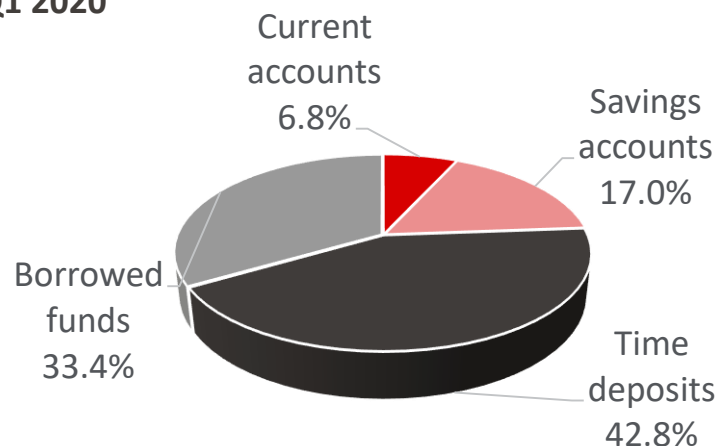
Q1 2019



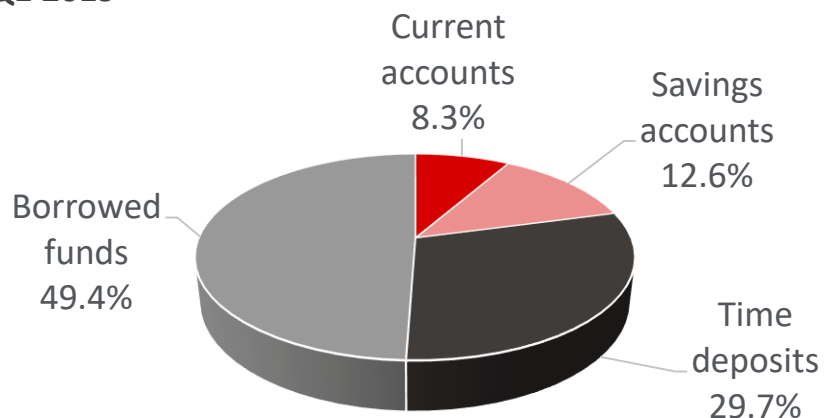
Interest Expense: Funding Cost Optimization

Interest Expenses

Q1 2020



Q1 2019



- Interest expense declined by 10% YoY as a result of switching to cheaper sources of funding and the declining yield environment.

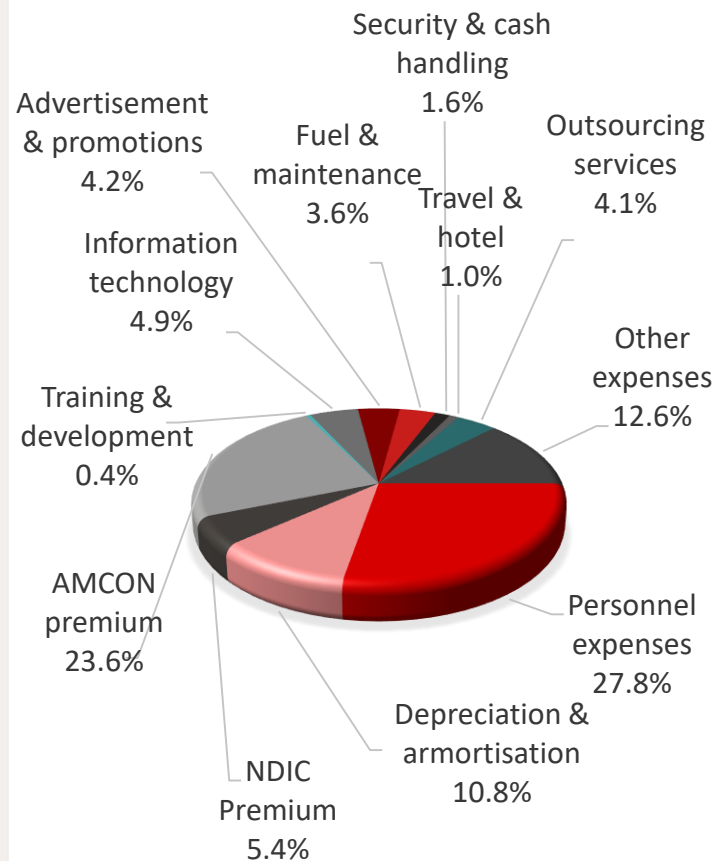
N'million	Q1 2020	Q1 2019	YoY
Current accounts	2,237	3,007	-26%
Savings accounts	5,586	4,566	22%
Time deposits	14,043	10,805	30%
Borrowed funds	10,963	17,965	-39%
Total	32,829	36,343	-10%

Continuous Implimentation of Cost-Reduction Strategies.

- Total operating expense grew by 10% YoY in Q1 2020 as a result of inflationary pressure and foreign denominated expenses (exchange rate movement).

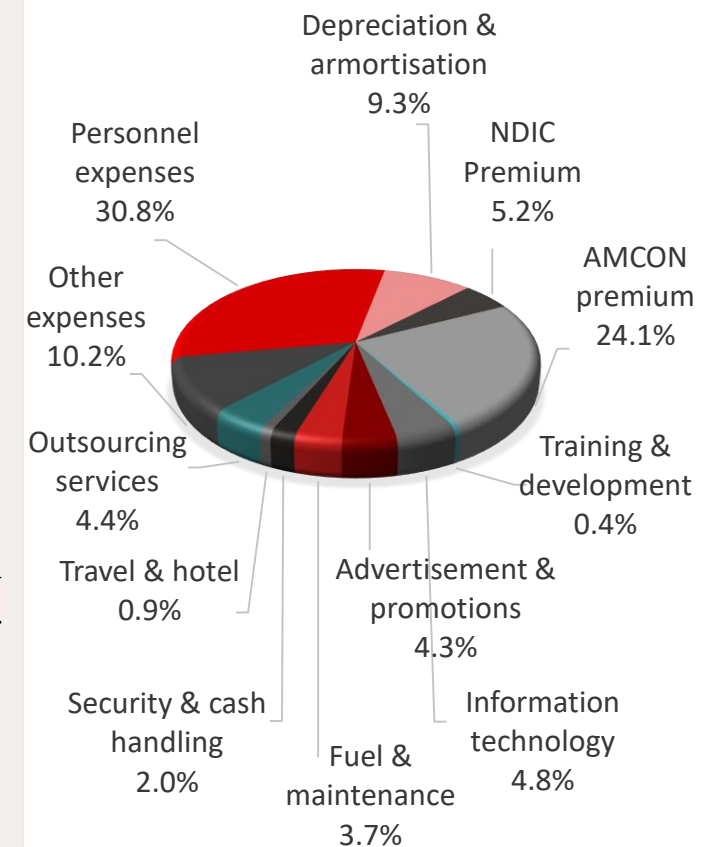
Total Operating Expenses

Q1 2020



N'million	Q1 2020	Q1 2019	YoY
Personnel expenses	18,155	18,289	-1%
Depreciation & amortisation	7,059	5,499	28%
NDIC Premium	3,505	3,090	13%
AMCON premium	15,459	14,327	8%
Training & development	274	247	11%
Information technology	3,222	2,836	14%
Advertisement & promotions	2,772	2,541	9%
Fuel & maintenance	2,383	2,202	8%
Security & cash handling	1,014	1,169	-13%
Travel & hotel	628	532	18%
Outsourcing services	2,670	2,613	2%
Other expenses	8,260	6,059	36%
Total	65,401	59,404	10%

Q1 2019



Balance Sheet – Assets

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

(N'million)	Group Mar-20	Group Dec-19	YTD Change	Group Mar-19
Cash and balances with central banks	1,278,458	936,278	36.55%	965,833
Treasury bills	787,691	991,393	-20.55%	810,086
Assets pledged as collateral	337,645	431,728	-21.79%	549,270
Due from other banks	1,008,256	707,103	42.59%	823,738
Derivative assets	125,722	92,722	35.59%	87,374
Loans and advances	2,580,784	2,305,565	11.94%	1,792,276
Investment securities	595,675	591,097	0.77%	542,188
Deferred tax assets	13,850	11,885	16.53%	11,171
Other assets	197,820	77,395	155.60%	117,445
Property and equipment	186,764	185,216	0.84%	162,810
Intangible assets	15,252	16,497	-7.55%	16,981
Total Assets	7,127,917	6,346,879	12.31%	5,879,172

Balance Sheet – Liabilities & Equity

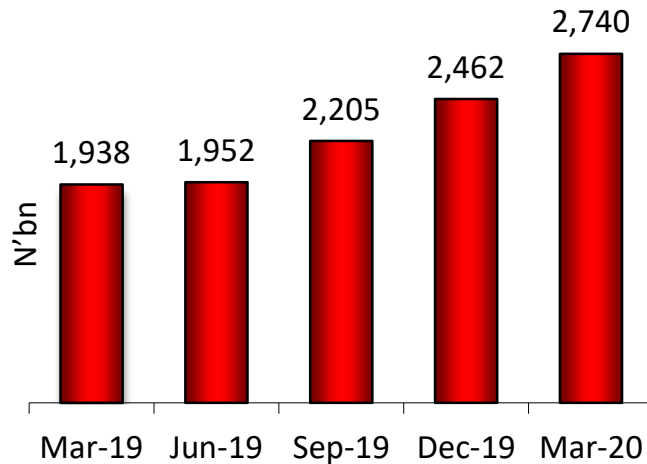
- Assets are largely funded by deposits with a strong capital base providing buffer for further growth.

(N'million)	Group Mar-20	Group Dec-19	YTD Change	Group Mar-19
Liabilities				
Customers deposits	4,462,627	4,262,289	4.70%	3,571,370
Derivative liabilities	38,302	14,762	159.46%	9,258
Current income tax payable	16,307	9,711	67.92%	16,364
Deferred income tax liabilities	7	25	-72.00%	36
Other liabilities	968,972	363,784	166.36%	307,335
On-lending facilities	387,179	392,871	-1.45%	404,995
Borrowings	286,366	322,479	-11.20%	421,322
Debt Securities Issued	42,215	39,092	7.99%	367,604
Total liabilities	6,201,975	5,405,013	14.74%	5,098,284
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	374,049	412,948	-9.42%	290,411
Other reserves	280,328	257,439	8.89%	218,232
Non-controlling Interest	820	754	8.75%	1,500
Total Shareholders' equity	925,942	941,886	-1.69%	780,888

Sustained Assets & Liabilities Match

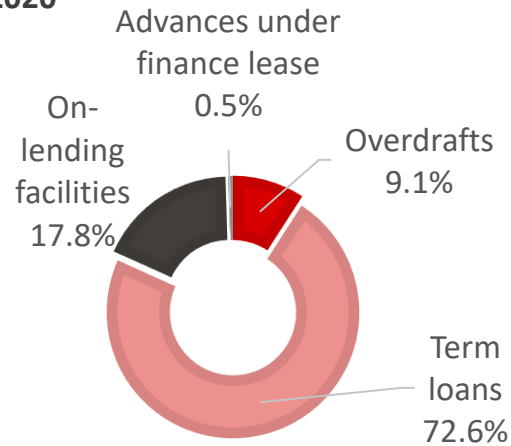
- Gross loans grew by 11% YTD, propelled by both corporate lending activities and new retail loan products.
- The 5% growth in customers' deposits in Q1 2020 is a reflection of the increasing confidence in the Zenith brand.

Gross Loans

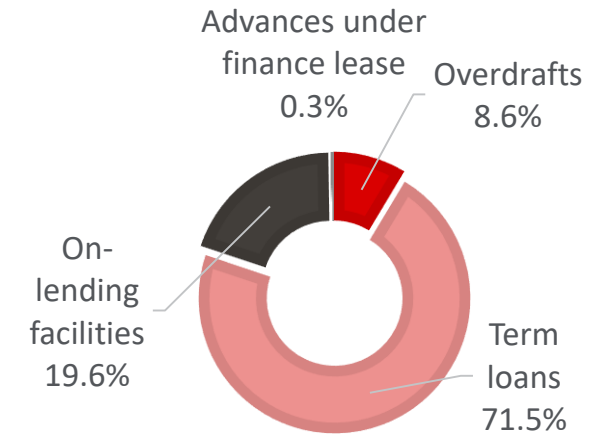


Loans & Advances

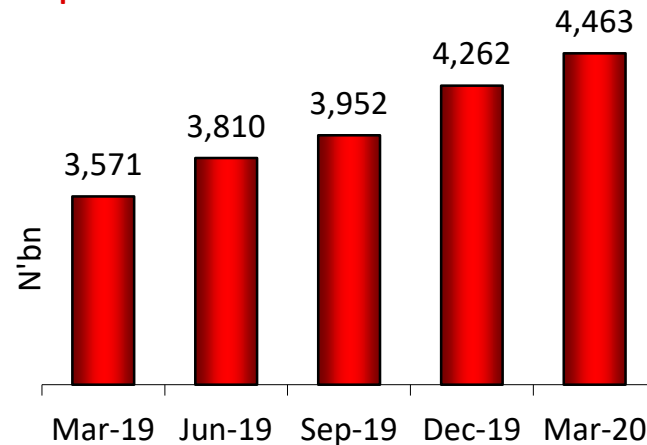
Q1 2020



FYE 2019

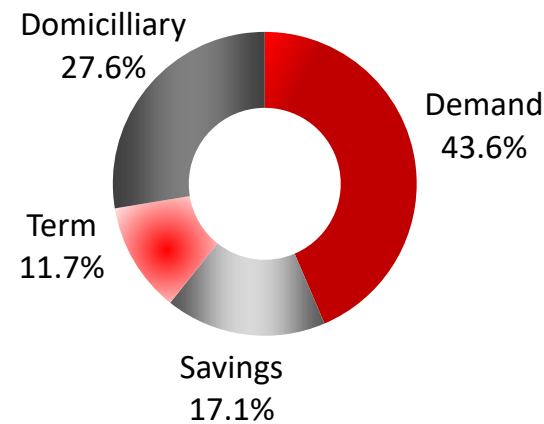


Deposits

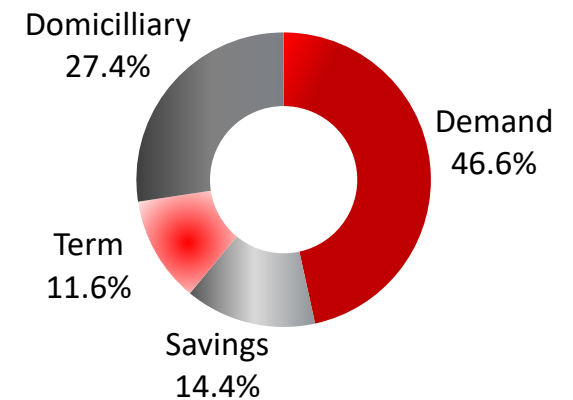


Deposit Mix

Q1 2020



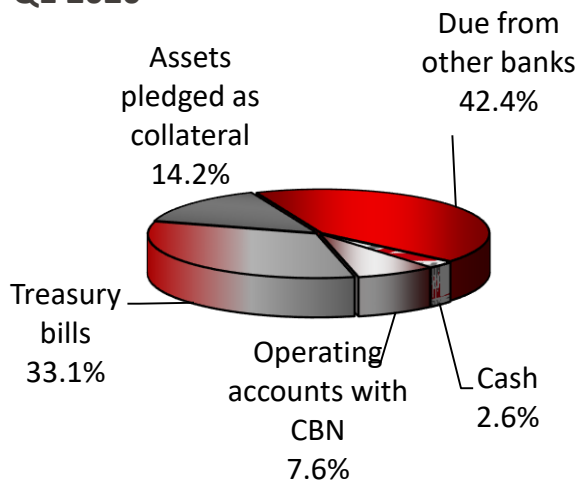
FYE 2019



Continued Market Dominance - Strong Liquid Asset Base & Funding Mix

- High quality and liquid balance sheet, with diversified source of funding.

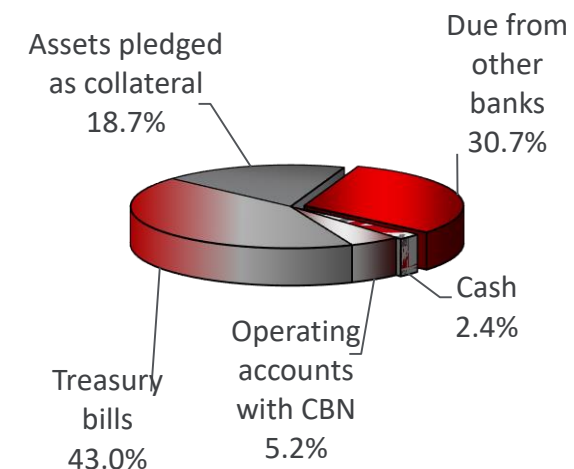
Q1 2020



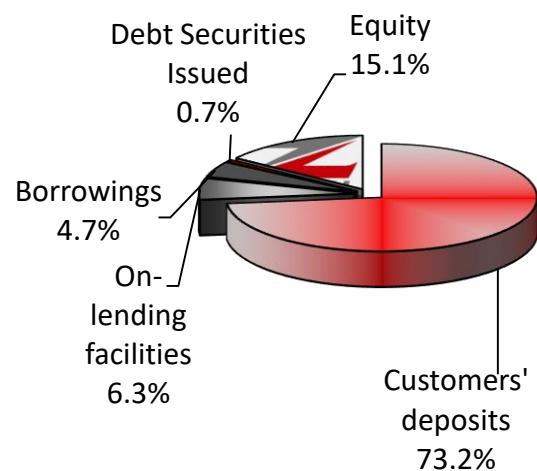
Liquid Assets

N'million	Q1 2020	FYE 2019	YTD
Cash	62,024	55,255	12%
Operating accounts with CBN	181,763	120,073	51%
Treasury bills	787,691	991,393	-21%
Assets pledged as collateral	337,645	431,728	-22%
Due from other banks	1,008,256	707,103	43%
Total	2,377,379	2,305,552	3%

FYE 2019



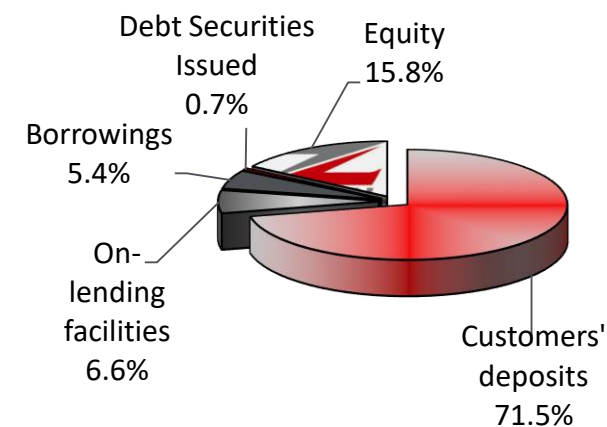
Q1 2020



Funding Mix

N'million	Q1 2020	FYE 2019	YoY
Customers' deposits	4,462,627	4,262,289	5%
On-lending facilities	387,179	392,871	-1%
Borrowings	286,366	322,479	-11%
Debt Securities Issued	42,215	39,092	8%
Equity	925,942	941,132	-2%
Total	6,104,329	5,957,863	2%

FYE 2019



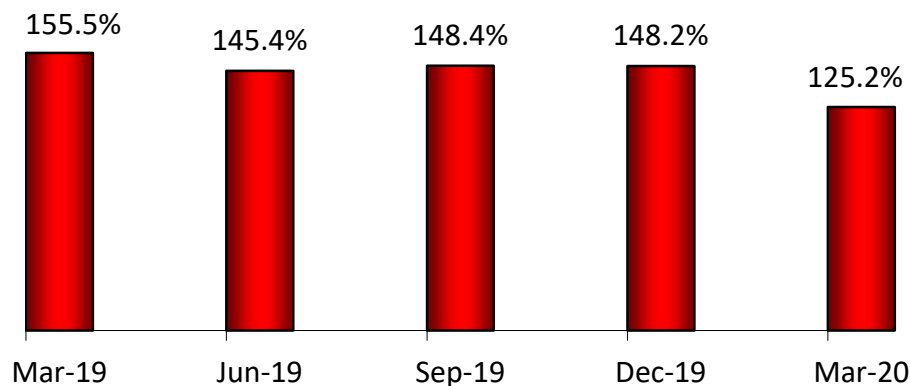
The image shows an offshore oil rig at sea during sunset or sunrise. The rig is a complex structure with multiple levels, cranes, and a central tower. A large, dark pipe is positioned horizontally in the foreground, supported by a structure. The sun is visible on the left side of the frame, creating a bright glow. The water is dark and reflects the light from the sun. A red horizontal bar is overlaid on the left side of the image, containing the text "Risk Management".

Risk Management

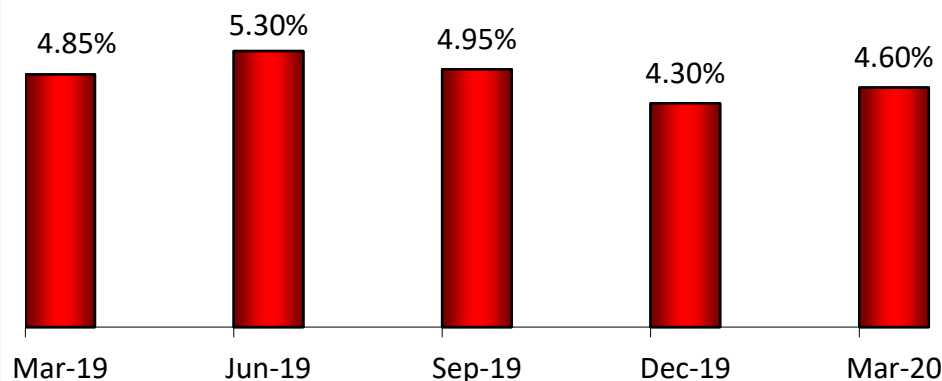
Healthy Risk Assets Portfolio

- 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.

Zenith Bank Current Actions and Response Amidst Covid-19

Coronavirus (COVID-19) pandemic remains the biggest risk to the global economic growth and stability in 2020

- In response to Covid-19 outbreak, Zenith Bank has set a clear direction and communicated this effectively to all staff and other stakeholders in accordance with its robust Business Continuity Plan.
- Our business continuity activities are constantly being reviewed and strengthened to reflect the current and potential impacts of Covid-19 pandemic.
- The bank has also developed a strategic crisis-action plan to guide the organization's response across all Covid-19 scenarios - short, medium and long term.
- The bank has continued all strategic activities and meetings through a secured online tool, with special focus on continuous review of the Impacts of Covid-19 while leveraging emerging opportunities.
- Executive Management has encouraged virtual meetings and discussions of the bank activities across various Teams.
- As we transit to the new normal, the health and safety of our employees and customers are of utmost importance amid this new pandemic. We have established remote working and electronic self-services for our traditional banking services.
- Several stress tests to assess the possible impacts of Covid-19 on our liquidity, capital adequacy and earning capacity had been conducted. The bank remains resilient to short and medium term shocks from the adverse impacts of coronavirus pandemic.
- Continual review of loan book and close monitoring of all assets and liabilities class to ensure sufficient liquidity to meet the bank's financial obligations.
- In line with regulatory requirements, we recognize the Impact of Covid-19 on our risk assets, loan-provisioning and net interest margin. We are engaging our discerning customers in key sectors of the economy to better understand their current challenges and provide effective and bespoke actions to alleviate their hardships while preserving shareholders' funds.
- We provide skeletal banking operations, despite the lockdowns; Critical service offerings and reliable payment channels; Work from home capacity; Physical presence for Essential services; and key banking services – Treasury; Correspondent banking; Lending.
- Continuous cybersecurity reviews and updates.

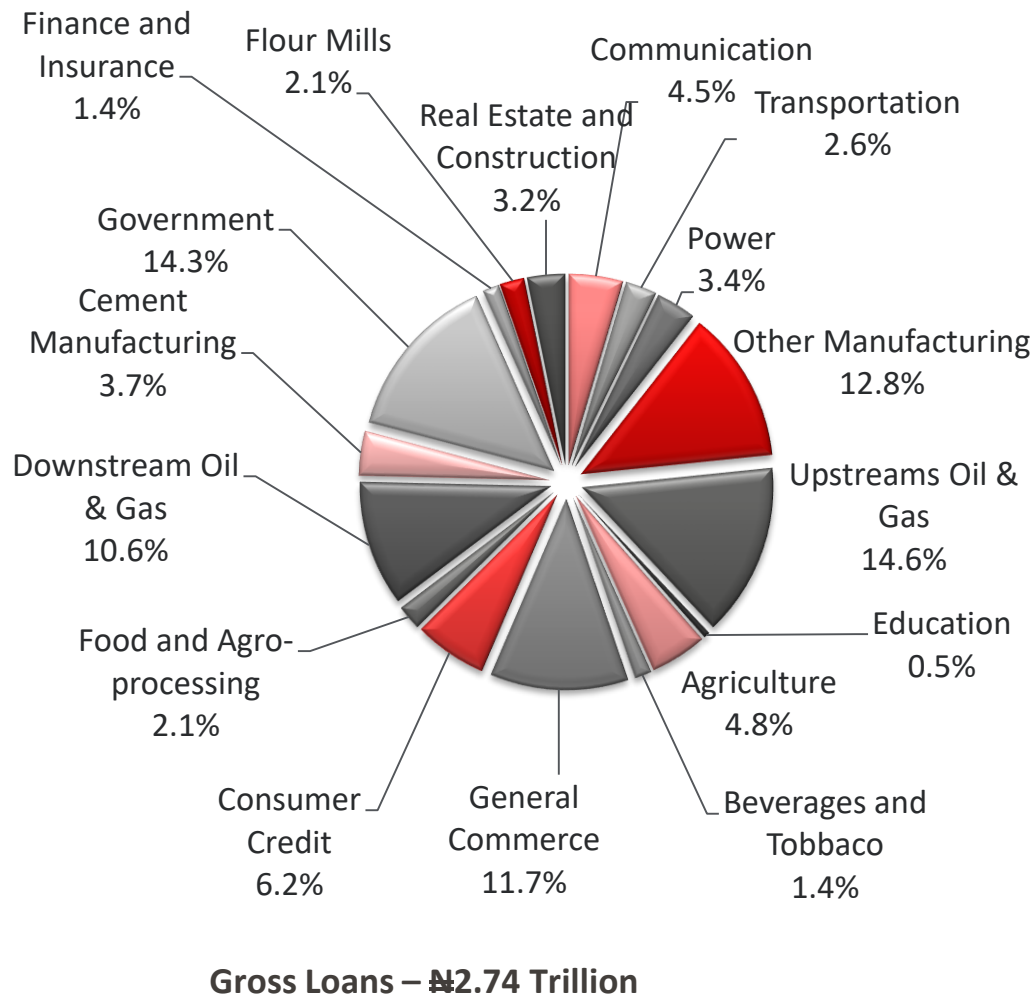
Conclusion

Zenith Bank expects mild to moderate impacts on the bank's financial position and earning capacity in the short term. With sound corporate governance, the bank remains resilient to shocks and other adverse impacts of the coronavirus pandemic. We expect moderate recovery of economic activities starting from H2 2020.

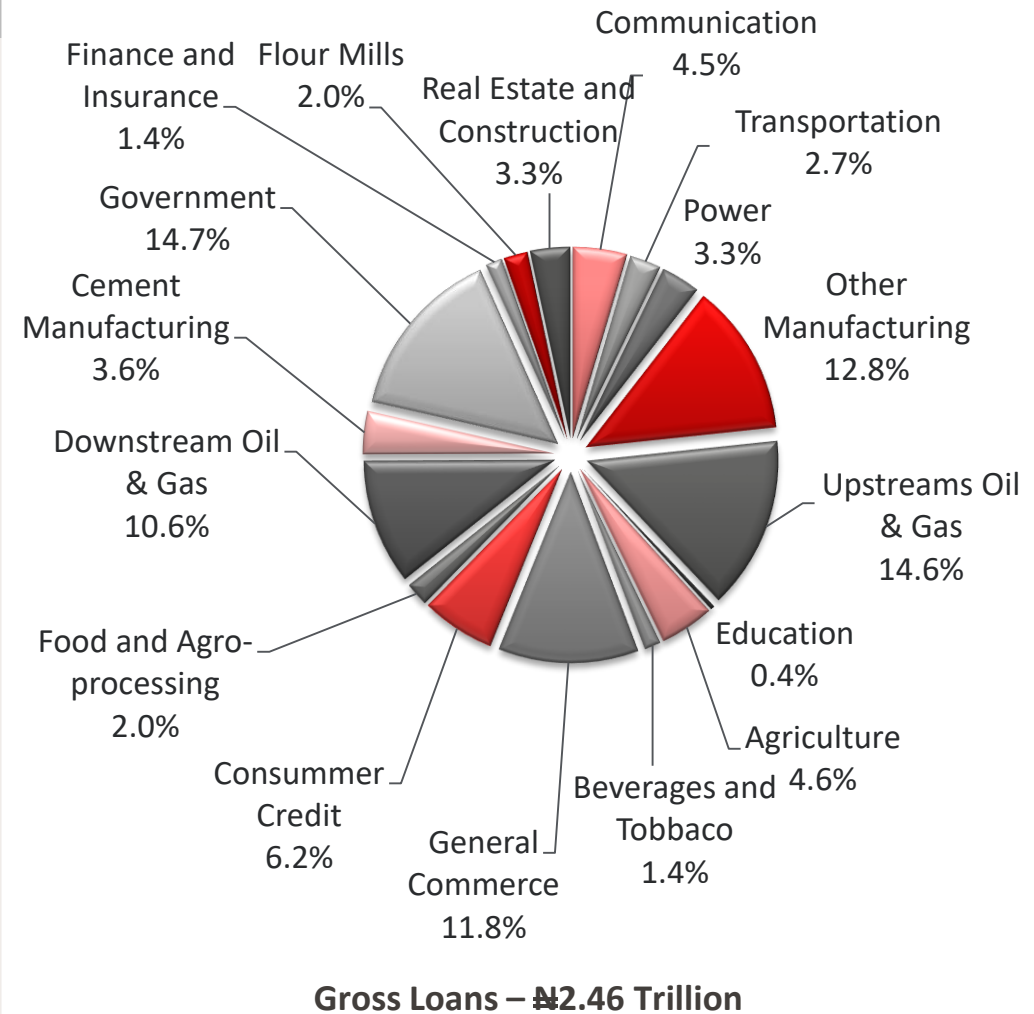
Focused Risk Management via Portfolio Diversification

- Well diversified loan portfolio across sectors supports asset quality.
- Loans and advances grew by 11% in Q1 2020 without compromising on the Group's risk acceptance criteria.

Loans by Sector – Q1 2020

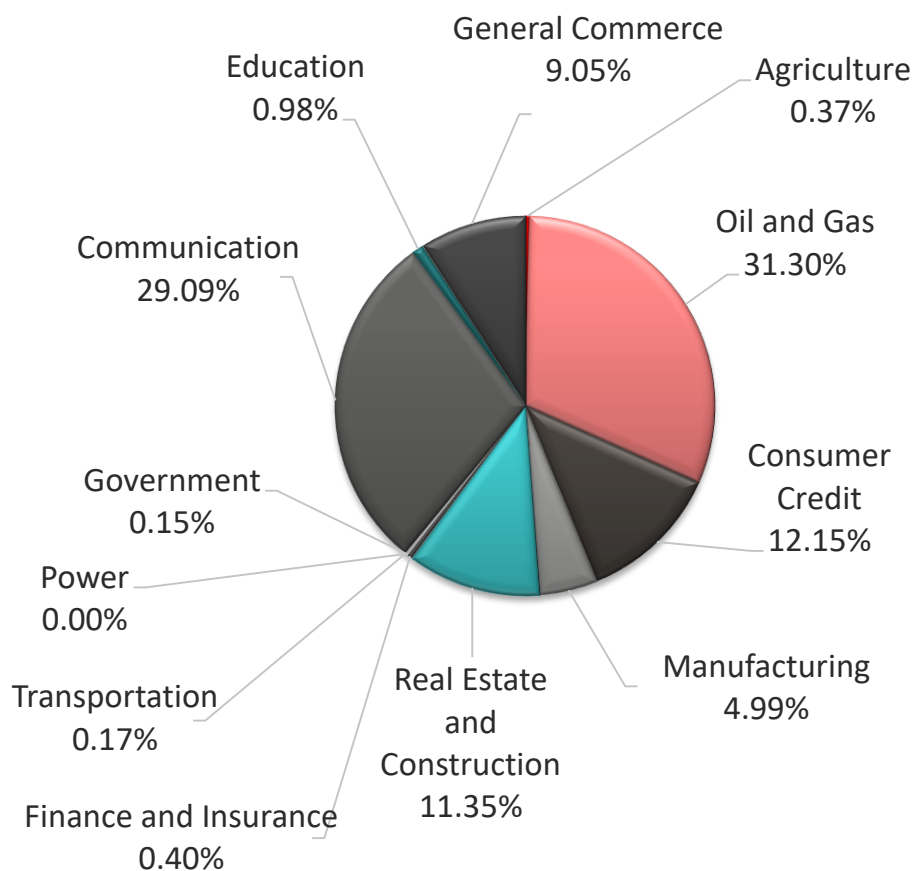


Loans by Sector – FYE 2019



NPL by Sectors

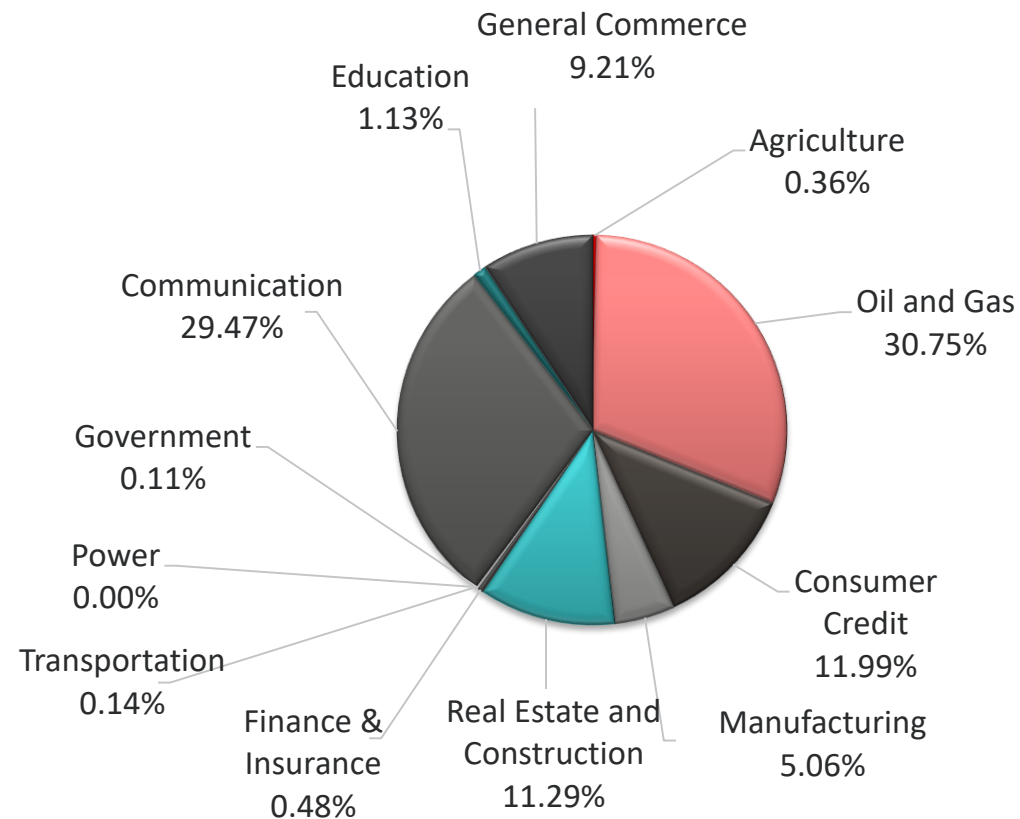
Q1 2020



Total NPLs – ~~₹~~127.13 Billion

NPL Ratio – 4.6%

FYE 2019



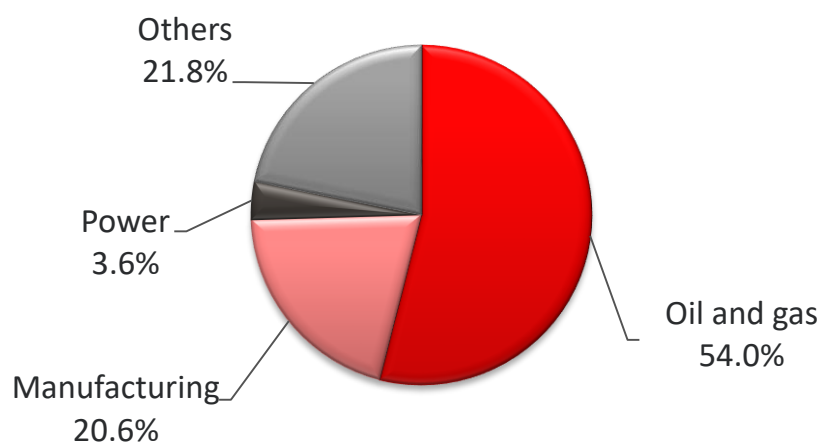
Total NPLs – ~~₹~~105.8 Billion

NPL Ratio – 4.3%

Foreign Currency Loans & Restructured Loans

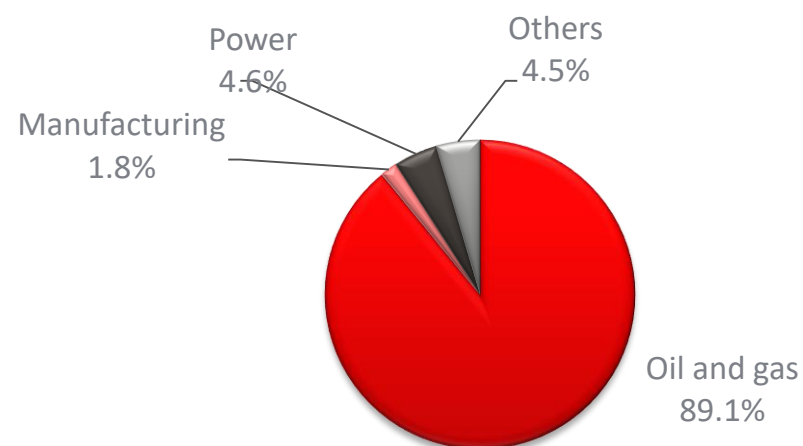
Foreign Currency Loans – Q1 2020

USD loans by sector	US\$' m	N'm	% to US\$ loans	% to Gross loans
Oil and gas	1,593	615,817	53.96%	22.48%
Manufacturing	607	234,773	20.57%	8.57%
Power	107	41,357	3.62%	1.51%
Others	645	249,254	21.84%	9.10%
Total US\$ loans	2,953	1,141,201	100.00%	41.65%



Cumulative Restructured Loans – Q1 2020

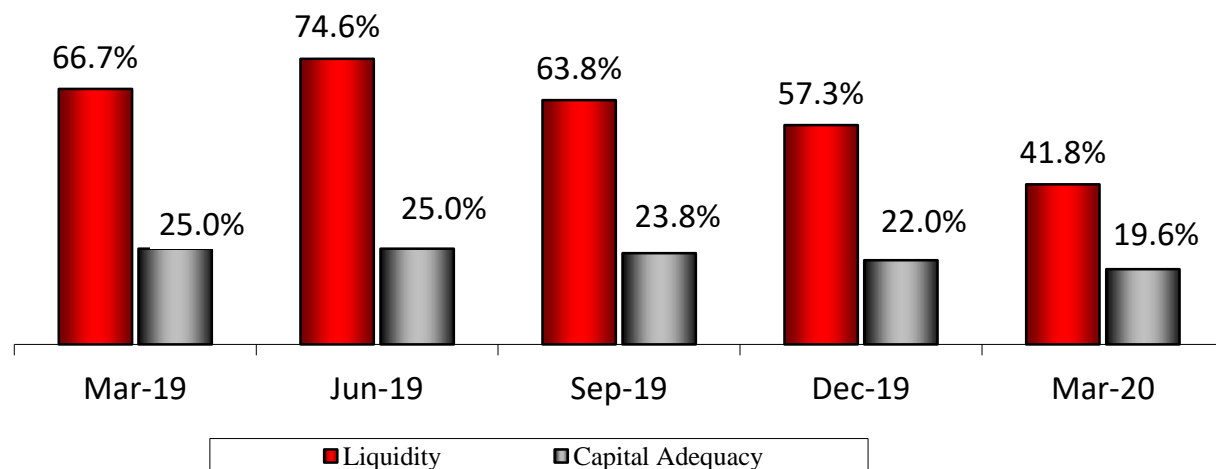
Restructured Loans by sector	N'm	% to Restructured loans	% to Gross loans
Oil and gas	424,687	89.12%	15.50%
Manufacturing	8,513	1.79%	0.31%
Power	21,975	4.61%	0.80%
Others	21,342	4.48%	0.78%
Total restructured loans	476,517	100.00%	17.39%



Strong Capitalisation and Liquidity

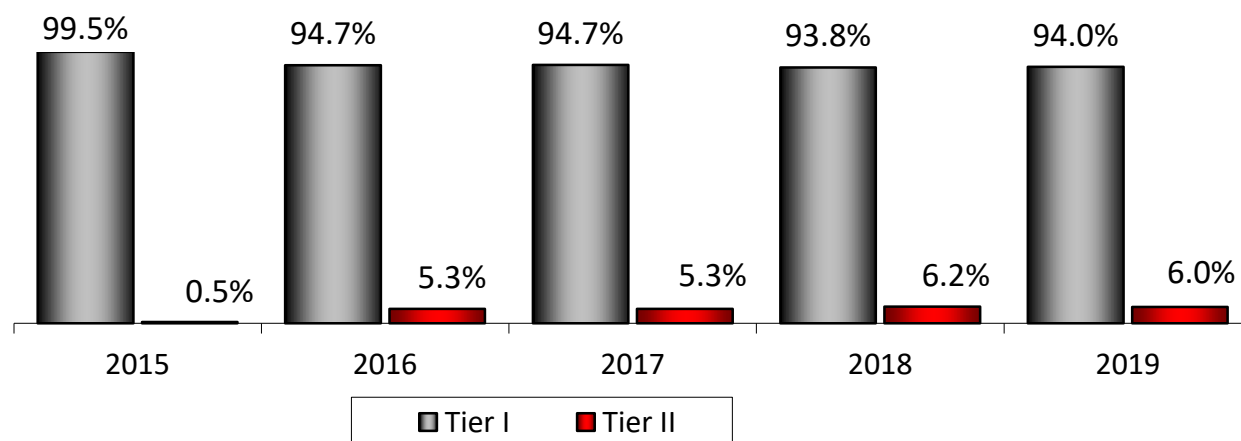
- Liquidity buffer well in excess of regulatory requirements. Solid and high-quality capital position provides room for further growth.

Liquidity & Capital Adequacy

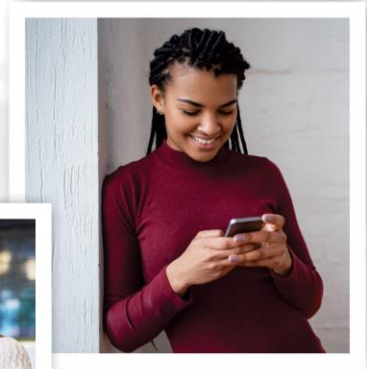
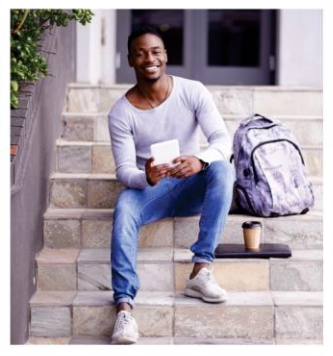


Capital and liquidity ratios for the Bank – **well above regulatory requirements of 30% for Liquidity and 15% for Capital Adequacy Ratio.**

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 increased from 9.0% to 13.5% YoY while PBT contribution increased from 14.3% to 18.1% YoY, as the Group continues on its retail drive.

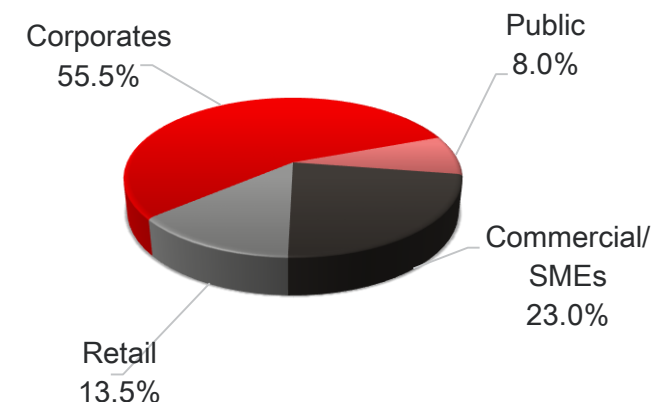
3 Months Ended March 2020

(₹million)

	Corporates	Public	Commercial/ SMEs	Retail	Consolidated
Total revenue	92,587	13,345	38,367	22,515	166,814
Total expenses	(64,816)	(9,722)	(21,605)	(11,883)	(108,026)
Profit before tax	27,771	3,623	16,762	10,632	58,788

Gross Revenue

Q1 2020

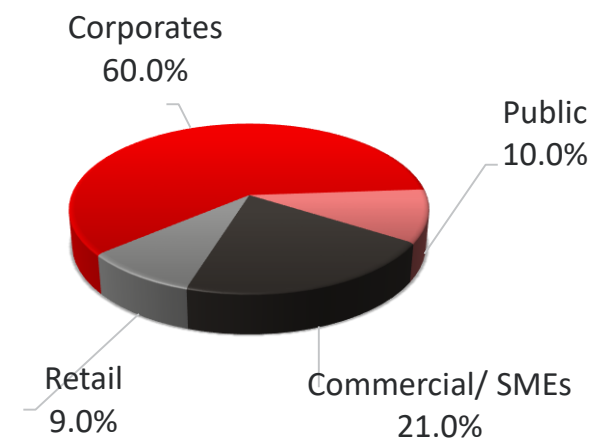


3 Months Ended March 2019

(₹million)

	Corporates	Public	Commercial/ SMEs	Retail	Consolidated
Total revenue	94,867	15,783	33,203	14,258	158,111
Total expenses	(63,515)	(10,082)	(21,172)	(6,049)	(100,818)
Profit before tax	31,352	5,701	12,031	8,209	57,293

Q1 2019

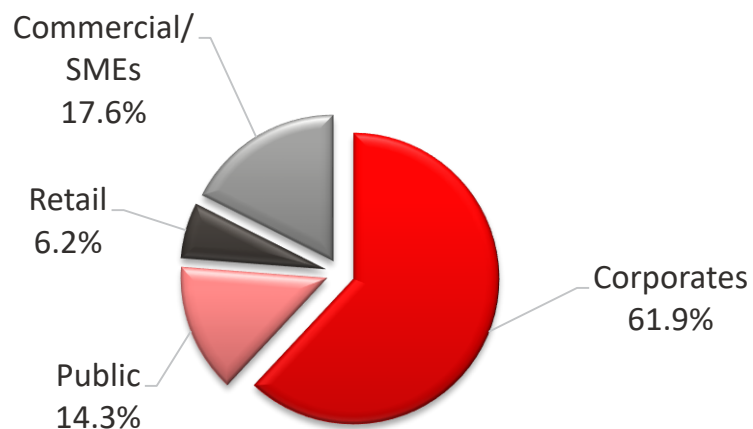


Loans & Deposits – By Business Segments

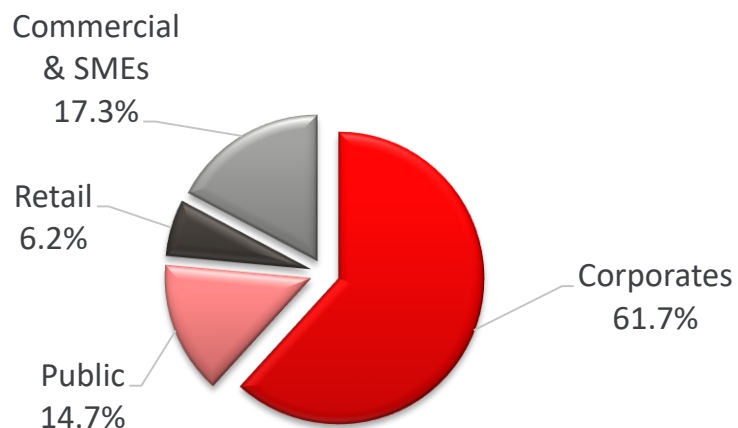
- Our intense retail drive continues to impact positively on our deposit growth and mix as the contribution of retail deposits to total deposits grew from 26.0% to 28.5% QoQ while total deposits grew by 5% in Q1 2020.

Gross Loans

Q1 2020 Gross Loans – ~~₹~~2.74 Trillion

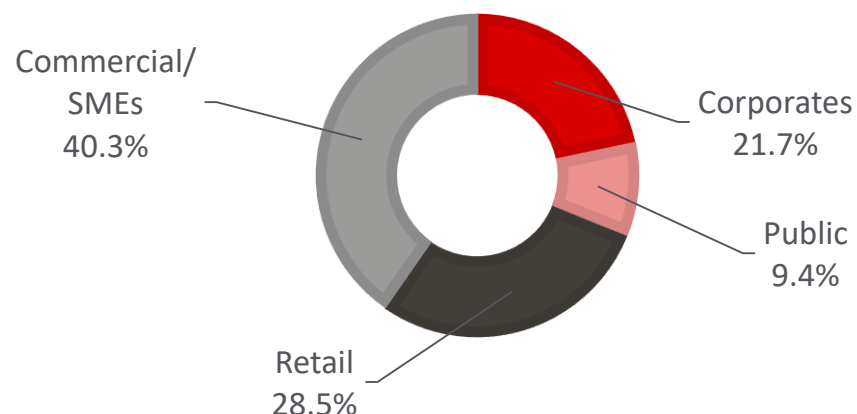


FYE 2019 Gross Loans – ~~₹~~2.46 Trillion

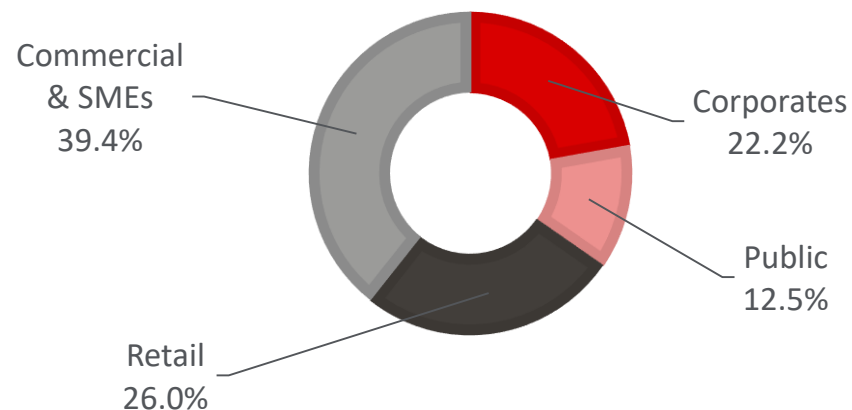


Total Deposit

Q1 2020 Total Deposits – ~~₹~~4.46 Trillion



FYE 2019 Total Deposits – ~~₹~~4.26 Trillion

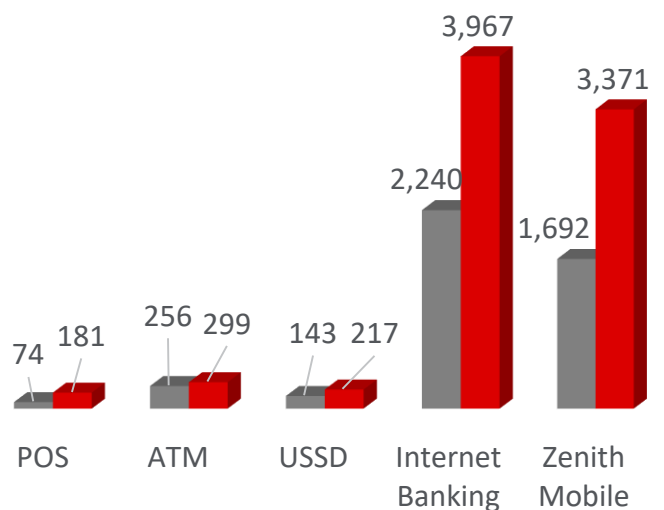


Electronic Banking Products Performance.

- The bank recorded a remarkable improvement in electronic product transactions, resulting in a 82% YoY growth in transaction value and 68% YoY growth in transaction volume.

Value of Electronic Product Transactions

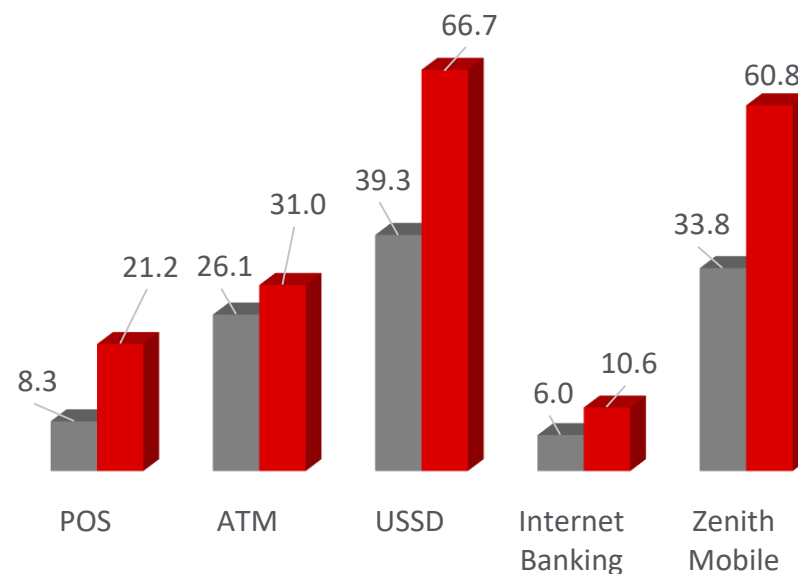
	Q1 2020	Q1 2019	YoY
Total Transaction Value (N'bn)	8,035	4,405	82%



■ Value (N'bn) - Jan. 2019 to Mar. 2019
 ■ Value (N'bn) - Jan. 2020 to Mar. 2020

Volume of Electronic Product Transactions

	Q1 2020	Q1 2019	YoY
Total Transaction Volume (million)	190.3	113.5	68%



■ Volume (million) - Jan. 2019 to Mar. 2019
 ■ Volume (million) - Jan. 2020 to Mar. 2020

Geographical Presence

Zenith Bank Plc. (Parent)

Established: 1990
 Branches: 390
 2020 Q1 PBT: ₦49.2Bn
 Total deposits: ₦3,665Bn
 Total assets: ₦6,148Bn
 ROE: 22%
 Staff strength: 6,545

Zenith Pension

Established: 2005
 Branches: 2
 Zenith ownership: 99%
 2020 Q1 PBT: ₦2.4Bn
 Custody assets: ₦4,263Bn
 Total assets: ₦27Bn
 ROE: 33%
 Staff strength: 107

Zenith Nominee

Established: 2018
 Branches: 1
 Zenith ownership: 99%
 2020 Q1 PBT: ₦87M
 Custody assets: ₦897Bn
 Total assets: ₦1.9Bn
 ROE: 16%
 Staff strength: 12

Gambia

Established: 2009
 Zenith ownership: 99.96%
 Branches: 6
 2020 Q1 PBT: ₦178M
 Total deposits: ₦14Bn
 Total assets: ₦20Bn
 ROE: 12%
 Staff strength: 143

Ghana

Established: 2005
 Zenith ownership: 98.07%
 Branches: 28
 2020 Q1 PBT: ₦6.3Bn
 Total deposits: ₦295Bn
 Total assets: ₦416Bn
 ROE: 23%
 Staff strength: 700

Sierra Leone

Established: 2008
 Zenith ownership: 99.99%
 Branches: 7
 2020 Q1 PBT: ₦279M
 Total deposits: ₦17Bn
 Total assets: ₦22Bn
 ROE: 19%
 Staff strength: 167

United Kingdom

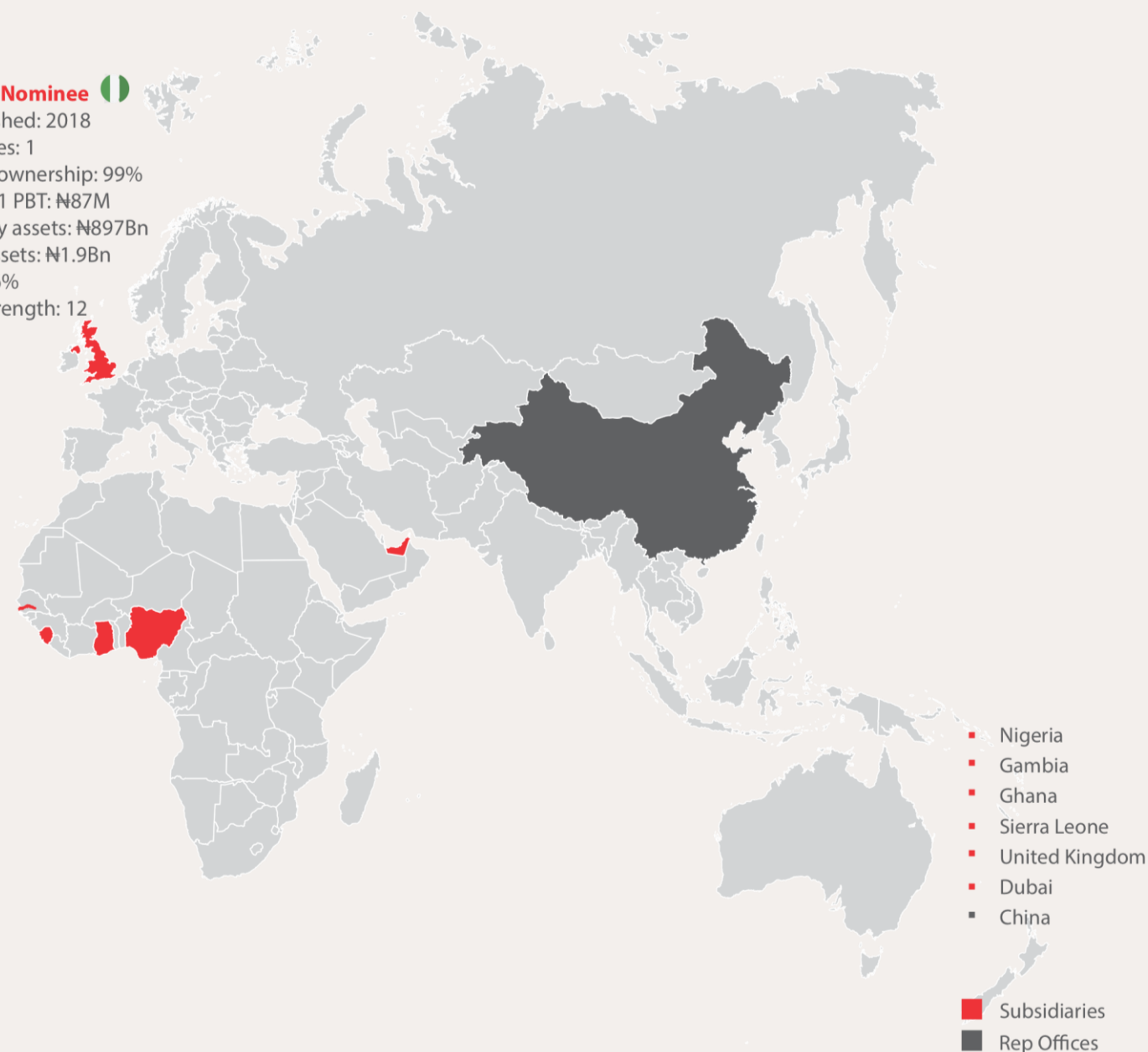
Established 2007
 Zenith ownership: 100%
 Branches: 2
 2020 Q1 PBT: ₦361M
 Total deposits: ₦473Bn
 Total assets: ₦663Bn
 ROE: 1%
 Staff strength: 136

UAE

Branch of Zenith UK
 Established 2016
 1 branch

China

Representative Office
 Established 2011



Performance by Geography

- Subsidiaries' contributions to total revenue stands at about 13%.

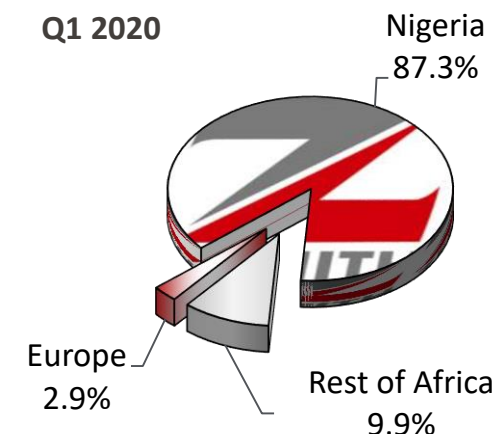
3 Months Ended March 2020

(₦'million)

	Nigeria	Rest of Africa	Europe	Eliminations	Consolidated
Total Revenue	145,892	16,496	4,781	(355)	166,814
Total expense	(94,198)	(9,763)	(4,420)	355	(108,026)
Profit before tax	51,694	6,733	361	-	58,788
Tax	(6,052)	(2,098)	(112)	-	(8,262)
Profit after tax	45,642	4,635	249	-	50,526

Gross Revenue

Q1 2020

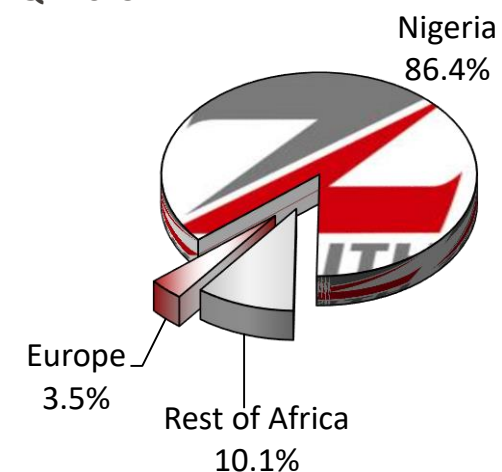


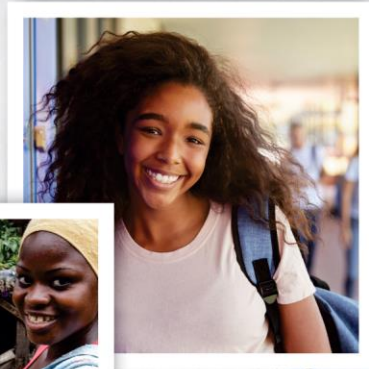
3 Months Ended March 2019

(₦'million)

	Nigeria	Rest of Africa	Europe	Eliminations	Consolidated
Total revenue	137,159	15,955	5,634	(637)	158,111
Total expense	(89,602)	(9,780)	(2,073)	637	(100,818)
Profit before tax	47,557	6,175	3,561	-	57,293
Tax	(5,070)	(1,497)	(492)	-	(7,059)
Profit after tax	42,487	4,678	3,069	-	50,234

Q1 2019





Strategy & Outlook

Strategies for Driving our Vision

1

Compete aggressively for market share, but focus on high quality assets 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.

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.

3

Effective Risk Management

- Entrenched strong risk management and corporate governance practices.
- Value preservation is absolutely important.

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

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.

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
- Robust risk management framework
- Extensive branch network
- Robust ICT and E-bank channels
- Well motivated staff force
- Excellent customer services

Outlook and Prospects for FY2020

- **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 FY2020. 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.

Thank You

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