

**2021**

THIRD  
QUARTER  
**REPORT**

Presentation to  
Investors & Analysts

# Agenda

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# 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.

A nighttime photograph of a cityscape. In the foreground, a bridge with blue-lit pillars spans across a body of water. The water reflects the blue and yellow lights. In the background, an industrial area with cranes and buildings is illuminated by warm yellow lights. A semi-transparent red box is overlaid on the left side of the image, containing white text.

# Overview of Operating Environment



# Nigerian Economy and Key Developments in the Banking Sector

## Real GDP Growth:

- Nigeria's real GDP grew by 4.03% y/y in Q3 2021, indicating a sustained positive growth over the last four quarters since the recession witnessed in 2020. However, it was 0.98% lower than the 5.01% y/y growth rate recorded in Q2 2021.
- The oil sector contracted by -10.73% y/y and contributed 7.49% to total real GDP in Q3 2021 while the non-oil sector expanded by 5.44% and contributed the balance of 92.51%. The expansion in non-oil sector was driven mainly by growth in Trade, Information and Communication (Telecommunication), Financial and Insurance (Financial Institutions); Manufacturing (Food, Beverage & Tobacco); Agriculture (Crop Production); and Transportation and Storage (Road Transport),

## Headline Inflation:

- Headline inflation declined to 16.63% y/y in Sept'21 from 17.01% y/y recorded in Aug'21.
- Over the same period, food inflation declined by 74 bps to close at 19.57% y/y while core inflation rose by 26 bps to close at 13.74% y/y.

## Oil Production & Price:

- OPEC average monthly basket price increased by 2.7% in the 3<sup>rd</sup> quarter of 2021, from \$71.9/bbl recorded in Jun'21 to \$73.9/bbl recorded in Sept'21. The average daily basket price currently stands at \$81.6/bbl as at 12<sup>th</sup> Nov. 2021.
- Nigeria recorded an average daily oil production of 1.57 mbpd in Q3 2021, a decrease of 0.04 mbpd from 1.61 mbpd recorded in Q2 2021.

## Foreign Reserves:

- Nigerian foreign reserves increased by 10.5% QoQ from \$33.3bn recorded at the end of Q2 2021 to \$41.5bn recorded at the end of Q3 2021. The foreign reserves currently stands at \$41.5bn as at 11<sup>th</sup> Nov. 2021.

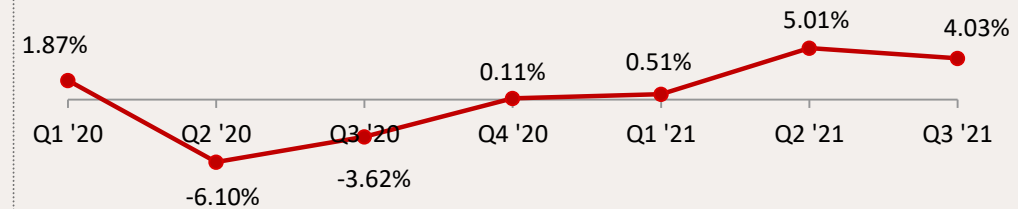
## Exchange Rate:

- At the end of Q3 2021 vs. 2020 FYE, the local currency (NGN) had depreciated by about 3.2% against the USD. NAFEX (I&E) window exchange rate (NGN/USD) as at end of September 2021 - 413.05 (December 2020 - 400.30)

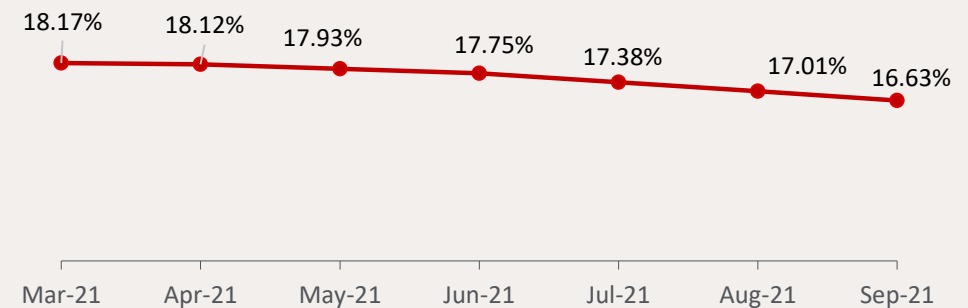
## Cash Reserve Ratio (CRR) & Monetary Policy Rate (MPR):

- 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 September 2021. Cash Reserve Ratio (CRR) - 27.5%; Monetary Policy Rate (MPR) – 11.5%; and Liquidity Ratio - 30%.

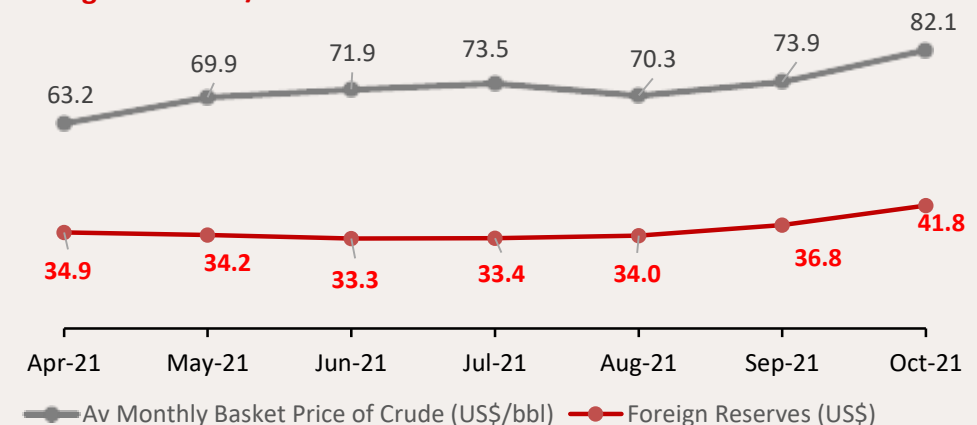
## GDP Growth Rate



## Inflation Rate



## Foreign Reserves / Oil Price



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

# Our Investment Proposition

Market leadership, growth capacity, formidable capital and liquidity buffer, 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 all 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 its customers.

## 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:

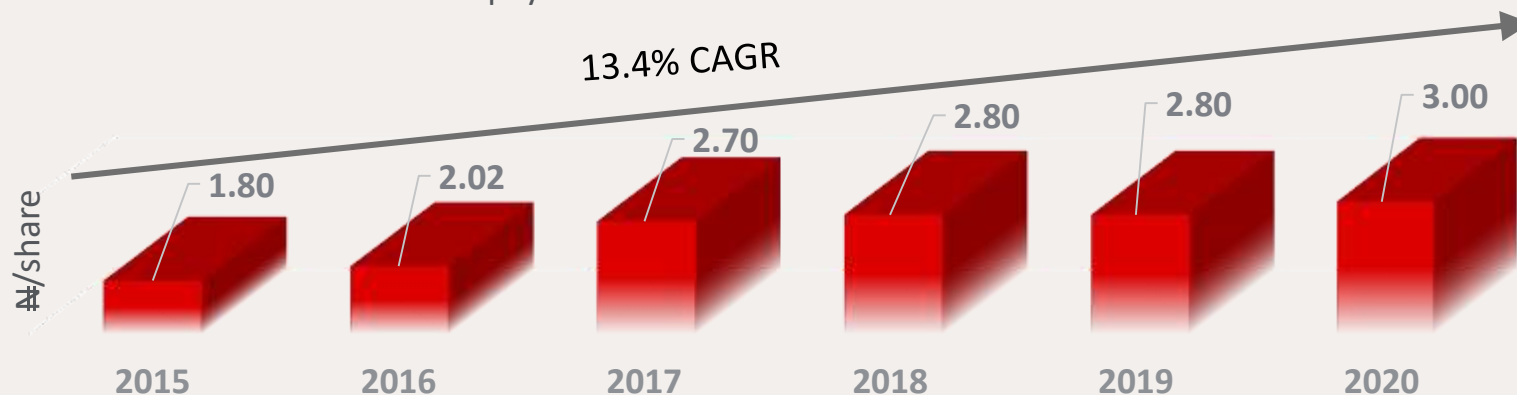
- NPL ratio came in at 4.5% with a coverage ratio of 112.4%. The Group will continue to implement robust risk management practices and maintain the lowest possible NPL ratio.

## 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' – 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 Negative Outlook; 2) Long Term Deposit – B2 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
- Private Sector Health Alliance Project
- Zenith Bank National Women Basketball League
- The Muson Centre Project
- Construction of Radiology and Orthopedic Center
- States' Governments Security Trust Fund and infrastructure

## CUSTOMERS/CHANNELS

		Q3 2021	Q3 2020
Number of Customers		15,867,302	12,004,914
Number of Cards Issued		13,232,791	9,884,272
Number of active POS Terminals		161,950	72,824
Agents		70,398	33,048
Number of ATM Terminals		2,080	2,039
Number of Branches		441	437
Number of Cash Centres		181	176
Number of Male Employees		3,974	3,950
Number of Female Employees		3,746	3,687
Total Number of Staff		7,720	7,637

## AWARDS

- Most Valuable Banking Brand in Nigeria 2021 - *The Banker*
- Number One Bank in Nigeria by Tier-1 Capital - *The Banker*
- Best Bank in Nigeria 2021 - *Global Finance Magazine*
- Best Corporate Governance 'Financial Services' Africa 2021 - *Ethical Boardroom*
- Best Commercial Bank in Nigeria 2021 - *World Finance*
- Bank of the Decade (People's Choice) - *Thisday Awards 2020*
- Bank CEO of the Year 2020 - *BusinessDay Newspapers*
- Retail Bank of the Year 2020 - *BusinessDay Newspapers*
- Bank of the Year 2020 (Nigeria) - *The Banker*

## SHARE HOLDINGS



Number of Shareholders

**644,282**

## ONBOARDING CHANNELS

- +966\*0\*#
- Zenith Mobile App
- www.zenithbank.com
- Zenith Bank ATMs
- Zenith Bank Branches
- Zenith Bank Agents

## PRODUCT INNOVATIONS

- Emergency USSD Code **+966\*911#**
- Virtual Debit Card
- ZiVA on WhatsApp (07040004422)
- USSD on POS
- Biometric ATM operations

## SOCIAL MEDIA FOLLOWING

	6,215,765
	516,250
	28,653,214 (views)
	170,896

The background image shows a person's hands typing on a laptop keyboard. Overlaid on this are several semi-transparent data visualization elements: a line graph in the top left, a bar chart in the top right, and a network diagram with nodes and lines in the center and right. A red horizontal bar is positioned across the middle of the image, containing the text 'Group Results'.

# 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:	<b>₺518.7Bn</b>	<b>+1.91% YoY</b>
Net-interest income:	<b>₺234.7Bn</b>	<b>+4.25% YoY</b>
Non-interest income:	<b>₺192.8Bn</b>	<b>+11.0% YoY</b>
Profit before tax:	<b>₺179.8Bn</b>	<b>+1.43% YoY</b>
Profit after tax:	<b>₺160.6Bn</b>	<b>+0.8% YoY</b>

## Balance Sheet

Customers' deposits:	<b>₺6.04Tn</b>	<b>+13.1% YtD</b>
Gross loans:	<b>₺3.18Tn</b>	<b>+9.0% YtD</b>
Total assets:	<b>₺8.75Tn</b>	<b>+3.2% YtD</b>
Total shareholders' funds:	<b>₺1.19Tn</b>	<b>+6.2% YtD</b>

# Financial Highlights – Q3 2021 Contd.

<b>Key Ratios</b>			
	<b>30-Sept-21</b>	<b>30-Sept-20</b>	<b>% change</b>
Earnings per share (EPS)	<b>N5.11</b>	N5.07	0.8%
Return on average equity (RoAE)	<b>18.6%</b>	21.5%	(13.6%)
Return on average assets (RoAA)	<b>2.5%</b>	3.0%	(16.2%)
Net interest margin - NIM	<b>6.8%</b>	8.3%	(18.1%)
Cost of funds	<b>1.4%</b>	2.2%	(35.0%)
Cost of risk	<b>1.3%</b>	1.3%	0.6%
Cost-to-income ratio	<b>54.9%</b>	52.5%	4.5%
	<b>30-Sept-21</b>	<b>31-Dec-20</b>	
Liquidity ratio (Group)	<b>52.9%</b>	66.2%	(20.1%)
Liquidity ratio (Bank)	<b>50.9%</b>	62.5%	(18.6%)
Loan-to-deposit ratio (Group)	<b>52.7%</b>	54.7%	(3.7%)
Loan-to-deposit ratio (Bank)	<b>60.2%</b>	64.5%	(6.6%)
Capital adequacy ratio (CAR)	<b>20.1%</b>	23.0%	(12.8%)
Non-performing loan ratio (NPL)	<b>4.5%</b>	4.3%	4.9%
Coverage ratio	<b>112.4%</b>	112.1%	0.2%

# Profit or Loss Statement

- Strong bottom line, boosted by strong growth in fees & commission income and reduction in funding cost.

(N'million)	Group 9M 21	Group 9M 20	YoY Change
<b>Gross income</b>	<b>518,673</b>	<b>508,975</b>	<b>1.91%</b>
Interest and similar income	308,844	318,820	-3.13%
Interest and similar expense	(74,098)	(93,641)	-20.87%
<b>Net interest income</b>	<b>234,746</b>	<b>225,179</b>	<b>4.25%</b>
Impairment charge	(28,798)	(25,108)	14.70%
<b>Net interest income after impairment charge</b>	<b>205,948</b>	<b>200,071</b>	<b>2.94%</b>
Net fee and commission income	78,296	59,123	32.43%
Trading income	90,662	89,817	0.94%
Other income	23,811	24,548	-3.00%
Amortisation of intangible assets	(2,753)	(2,375)	15.92%
Depreciation of property and equipment	(18,893)	(18,733)	0.85%
Personnel expenses	(60,307)	(59,925)	0.64%
Operating expenses	(136,954)	(115,243)	18.84%
<b>Profit before income tax</b>	<b>179,810</b>	<b>177,283</b>	<b>1.43%</b>
Income tax expense	(19,216)	(17,968)	6.95%
<b>Profit after tax</b>	<b>160,594</b>	<b>159,315</b>	<b>0.80%</b>

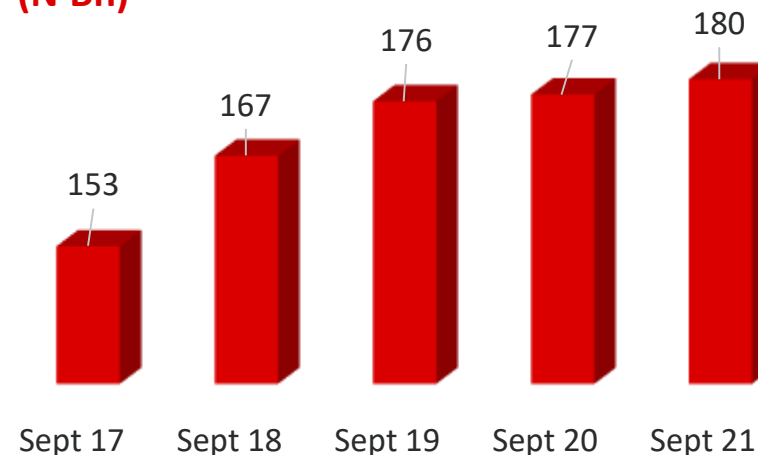
# Consolidating Earnings and Profitability



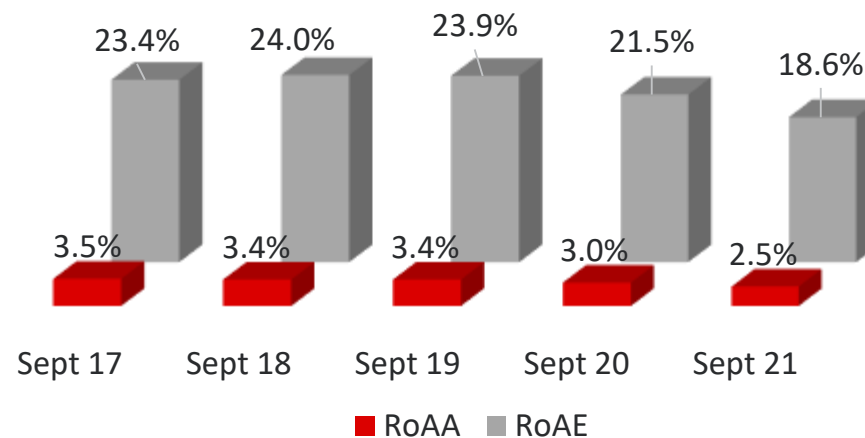
Zenith Group continues to deliver attractive earnings profile, supported by diversified revenue base.

- **PBT** increased by 1.4% YoY from N177.3 billion in Q3 2020 to N179.8 billion in Q3 2021 amidst a challenging macro environment.
- **ROAE** declined from 21.5% to 18.6% YoY due to the 14.8% YoY increase in capital base and the slow recovery of the economy.

## PBT (N'Bn)



## RoAA & RoAE

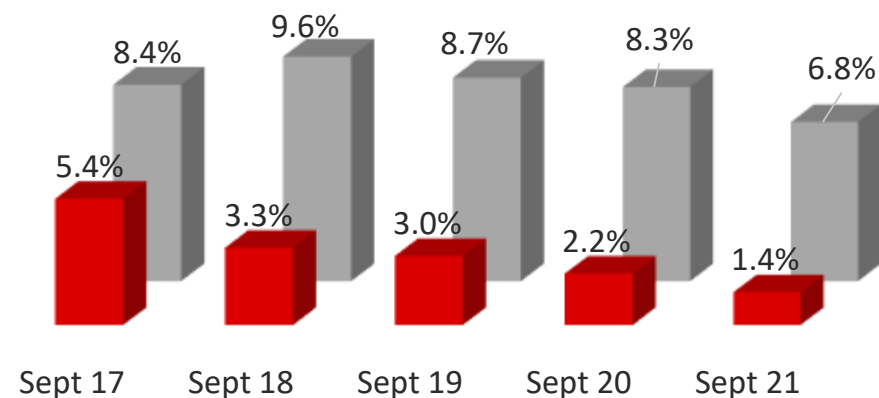




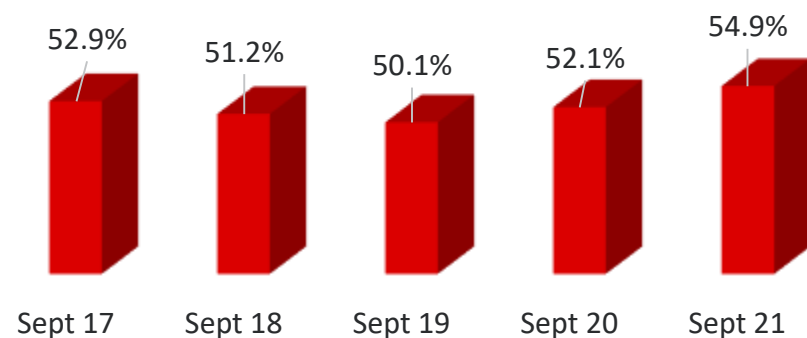
# Consolidating Earnings and Profitability Contd.

- **Net Interest Margin - NIM** contracted from 8.3% in Q3 2020 to 6.8% in Q3 2021 due to the lower yield environment.
- **Cost of Funds** dropped to 1.4% in Q3 2021 from 2.2% recorded in Q3 2020 as a result of rebalancing of our funding mix and low interest rates.
- **Cost-to-Income Ratio** increased from 52.1% recorded in Q3 2020 to 54.9% recorded in Q3 2021 due to inflationary pressures and regulatory costs.

## Cost of Funds & Net Interest Margin



## Cost to Income Ratio

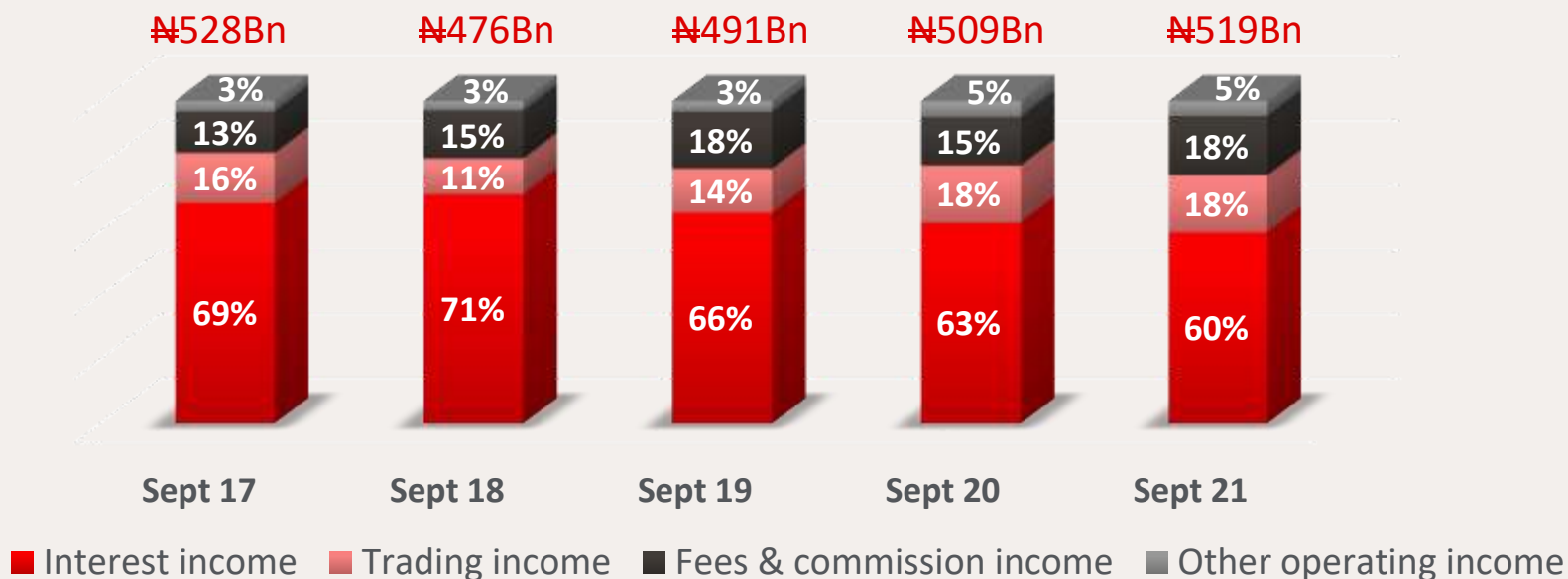


# Evolution of Revenue Base

- Contribution of non-interest income to total revenue increased from 37.4% in Q3 2020 to 40.5% in Q3 2021.

N'million	Q3 2021	% to Total Revenue	Q3 2020	% to Total Revenue	YoY
Interest income	308,844	59.5%	318,820	62.6%	-3.1%
Trading income	90,662	17.5%	89,817	17.6%	0.9%
Fees and commissions income	95,356	18.4%	75,790	14.9%	25.8%
Other operating Income	23,811	4.6%	24,548	4.8%	-3.0%
<b>Non Interest Income</b>	<b>209,829</b>	<b>40.5%</b>	<b>190,155</b>	<b>37.4%</b>	<b>10.3%</b>
<b>Total Revenue</b>	<b>518,673</b>	<b>100.0%</b>	<b>508,975</b>	<b>100.0%</b>	<b>1.9%</b>

### Share of Total Revenue

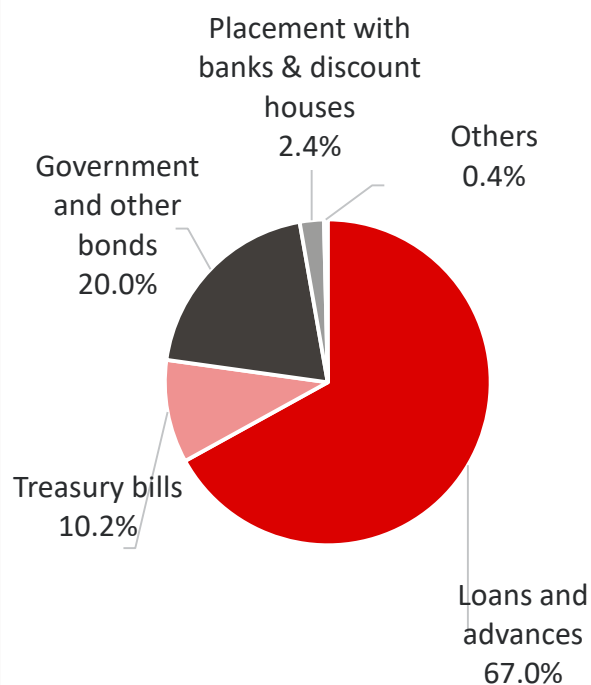


# Revenue Base: Interest Income Lines

- Interest income declined by 3% YoY due to the prevailing low yield environment which affected yields on some marketable securities.

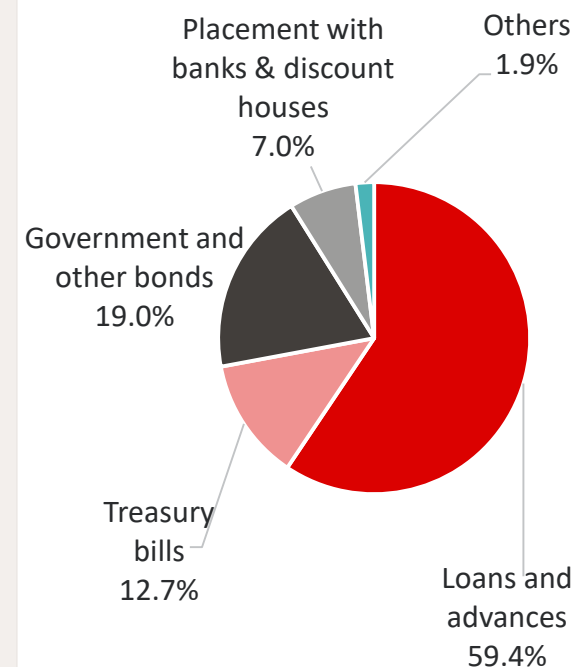
## Interest Income

Q3 2021



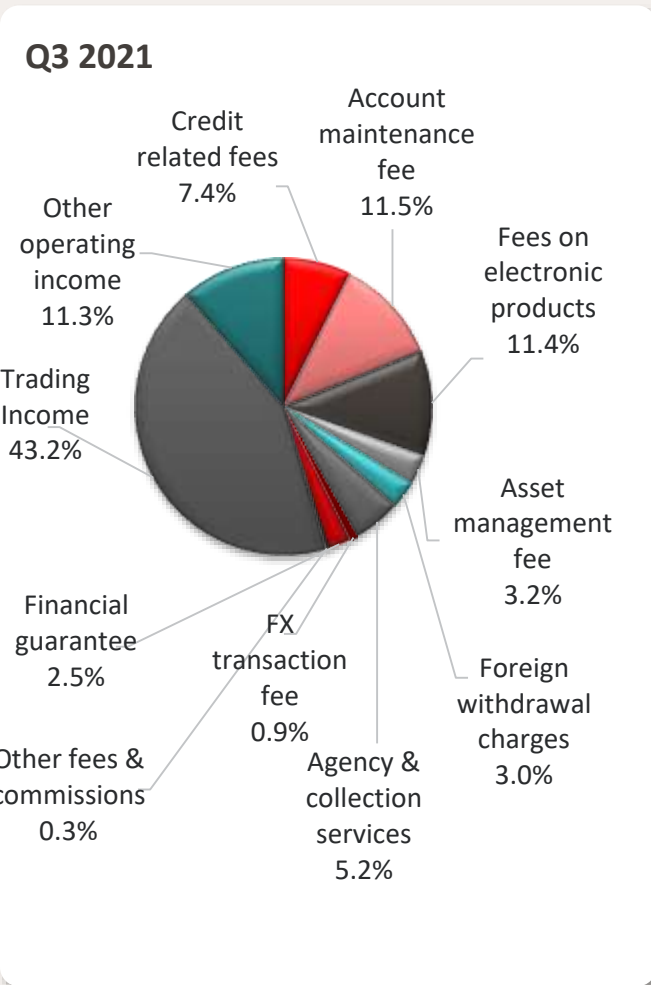
N'million	Q3 2021	Q3 2020	YoY
Loans and advances	206,861	189,386	9%
Treasury bills	31,587	40,392	-22%
Government and other bonds	61,861	60,643	2%
Placement with banks & discount houses	7,392	22,274	-67%
Others	1,143	6,125	-81%
<b>Total</b>	<b>308,844</b>	<b>318,820</b>	<b>-3%</b>

Q3 2020

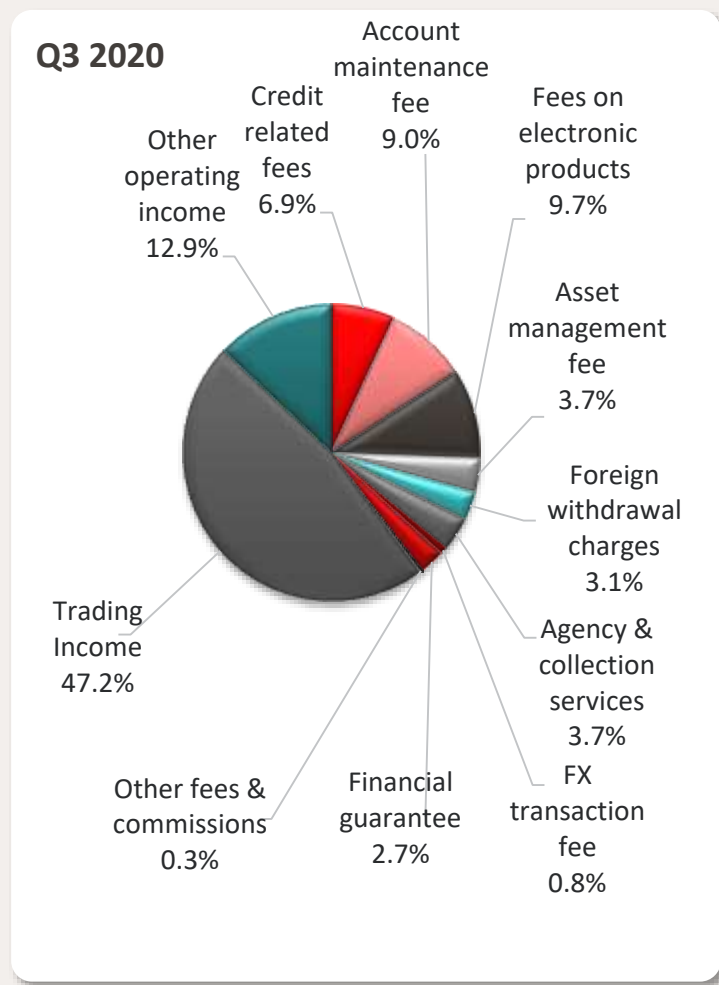


# Revenue Base: Non-Interest Income (NII) Diversification

- The impressive growth recorded in fees on electronic products (30%), account maintenance fee (42%) and agency & collection (55%) sustained net non-interest income which grew by 11% YoY.



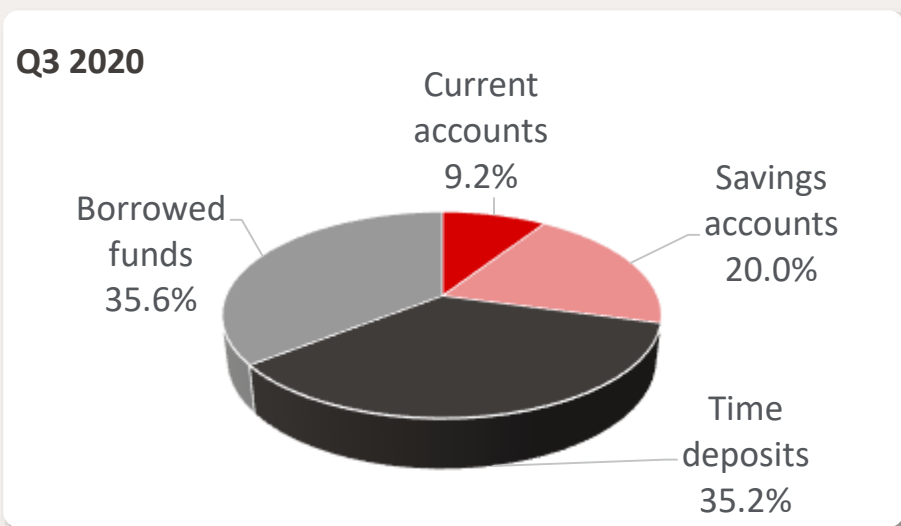
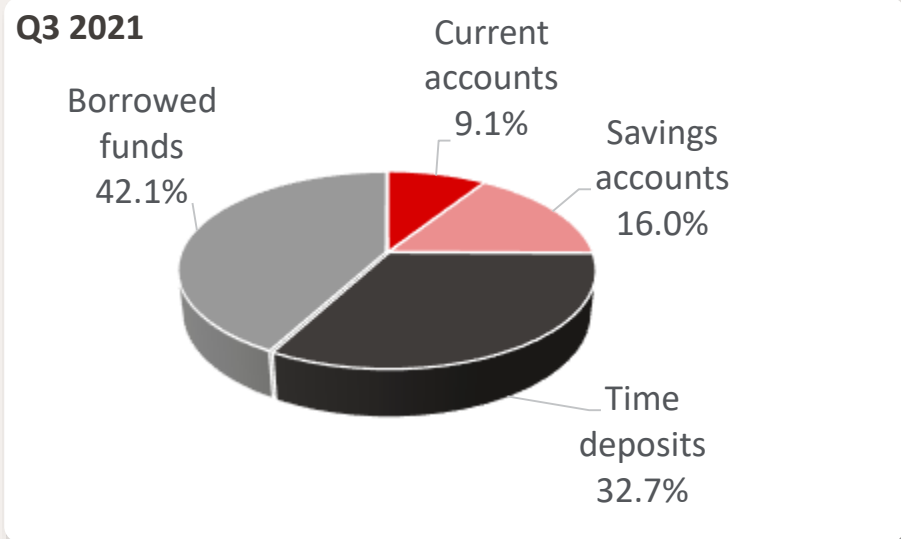
N'million	Q3 2021	Q3 2020	YoY
Credit related fees	15,439	13,106	18%
Account maintenance fee	24,189	17,045	42%
Fees on electronic products	23,993	18,464	30%
Asset management fee	6,734	7,031	-4%
Foreign withdrawal charges	6,388	5,834	9%
Agency & collection services	10,895	7,017	55%
FX transaction fee	1,832	1,510	21%
Financial guarantee	5,259	5,121	3%
Other fees & commissions	637	662	-4%
<b>Total fees &amp; commission income</b>	<b>95,366</b>	<b>75,790</b>	<b>26%</b>
Fees and commission expense	-17,060	-16,667	2%
<b>Net fee &amp; commission income</b>	<b>78,306</b>	<b>59,123</b>	<b>32%</b>
Trading Income	90,662	89,817	1%
Other operating income	23,811	24,548	-3%
<b>Net non- interest income</b>	<b>192,779</b>	<b>173,488</b>	<b>11%</b>





# Interest Expense: Funding Cost Reduction

## Interest Expenses



- Interest expense declined by 21% YoY as a result of rebalancing of deposit mix and the declining yield environment.

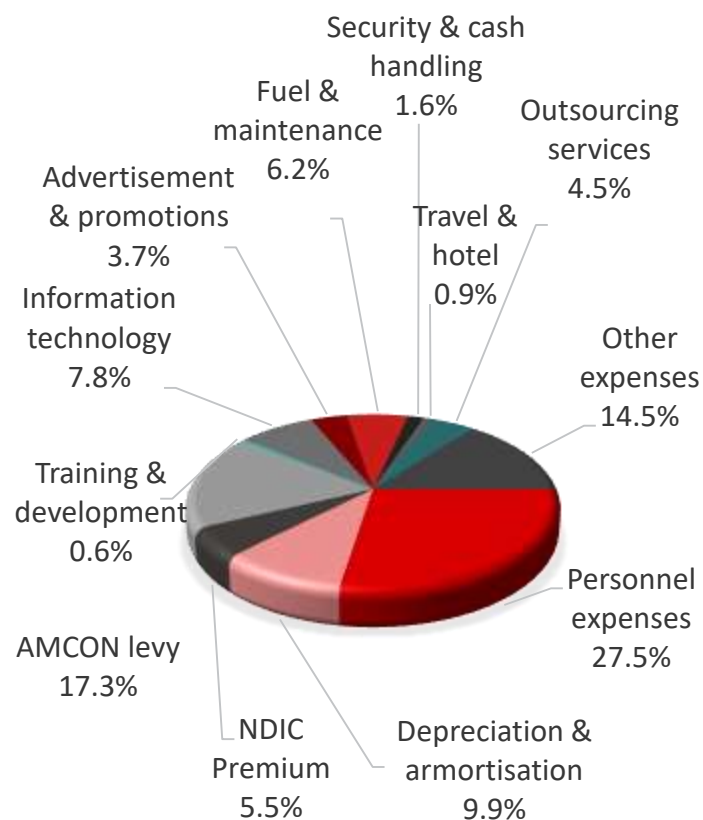
N'million	Q3 2021	Q3 2020	YoY
Current accounts	6,744	8,600	-22%
Savings accounts	11,884	18,741	-37%
Time deposits	24,260	32,986	-26%
Borrowed funds	31,210	33,314	-6%
<b>Total</b>	<b>74,098</b>	<b>93,641</b>	<b>-21%</b>

# Continuous Efforts Towards Cost Optimisation.

- Total operating expenses grew by 12% YoY due to regulatory costs, inflationary pressure and exchange rate movement.

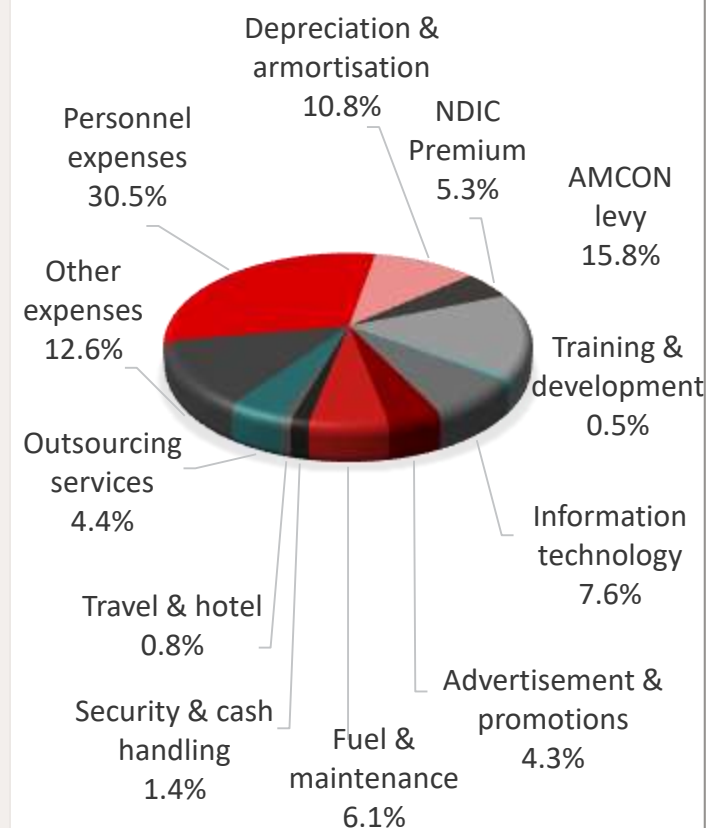
## Total Operating Expenses

### Q3 2021



N'million	Q3 2021	Q3 2020	YoY
Personnel expenses	60,307	59,925	1%
Depreciation & amortisation	21,646	21,108	3%
NDIC Premium	12,109	10,365	17%
AMCON premium	37,920	30,948	23%
Training & development	1,369	1,048	31%
Information technology	16,970	14,881	14%
Advertisement & promotions	8,057	8,389	-4%
Fuel & maintenance	13,568	12,032	13%
Security & cash handling	3,531	2,750	28%
Travel & hotel	1,915	1,493	28%
Outsourcing services	9,773	8,676	13%
Other expenses	31,742	24,664	29%
<b>Total</b>	<b>218,907</b>	<b>196,279</b>	<b>12%</b>

### Q3 2020



# Balance Sheet – Assets

- Robust balance sheet - well positioned for growth opportunities as the economy continues to recover.

(N'million)	Group Sep-21	Group Dec-20	YTD Change	Group Sep-19
Cash and balances with central banks	1,581,848	1,591,768	-0.62%	913,830
Treasury bills	1,788,167	1,577,875	13.33%	854,328
Assets pledged as collateral	361,066	298,530	20.95%	558,320
Due from other banks	576,721	810,494	-28.84%	685,211
Derivative assets	54,677	44,496	22.88%	86,183
Loans and advances	3,020,414	2,779,027	8.69%	2,043,012
Investment securities	962,066	996,916	-3.50%	491,984
Deferred tax assets	4,847	5,786	-16.23%	12,013
Other assets	192,757	169,967	13.41%	140,941
Property and equipment	197,596	190,170	3.90%	176,182
Intangible assets	11,428	16,243	-29.64%	16,440
<b>Total Assets</b>	<b>8,751,587</b>	<b>8,481,272</b>	<b>3.19%</b>	<b>5,978,444</b>

# Balance Sheet – Liabilities & Equity

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

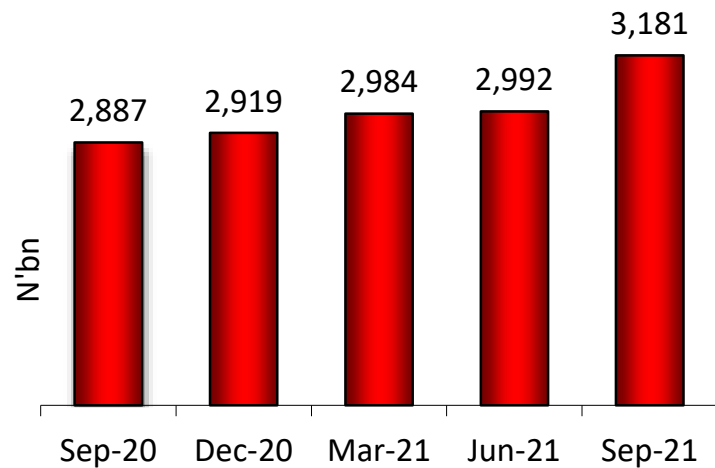
(N'million)	Group Sep-21	Group Dec-20	YTD Change	Group Sep-19
<b>Liabilities</b>				
Customers deposits	6,040,887	5,339,911	13.13%	5,224,564
Derivative liabilities	14,754	11,076	33.21%	19,496
Current income tax payable	18,064	11,690	54.53%	15,965
Deferred income tax liabilities	-	-	-	1
Other liabilities	491,847	703,292	-30.07%	687,503
On-lending facilities	385,590	384,573	0.26%	386,394
Borrowings	568,005	870,080	-34.72%	562,675
Debt Securities Issued	45,386	43,177	5.12%	42,326
<b>Total liabilities</b>	<b>7,564,533</b>	<b>7,363,799</b>	<b>2.73%</b>	<b>6,938,924</b>
<b>Equities and reserves</b>				
Share capital	15,698	15,698	0.00%	15,698
Share premium	255,047	255,047	0.00%	255,047
Retained earnings	558,041	521,293	7.05%	459,318
Other reserves	357,160	324,461	10.08%	303,345
Non-controlling interest	1,108	974	13.76%	933
<b>Total Shareholders' equity</b>	<b>1,187,054</b>	<b>1,117,473</b>	<b>6.23%</b>	<b>1,034,341</b>



# Sustained Assets & Liabilities Match

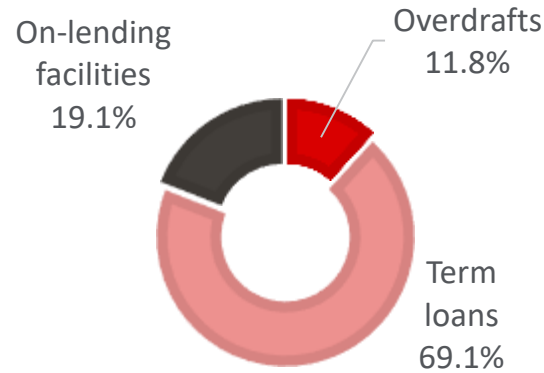
- Total deposits grew by 13.1% YTD, partly driven by increased customer acquisition via our retail channels.
- Gross loans was up 9.0% YTD as additional funding were extended to the productive sectors of the economy.

## Gross Loans

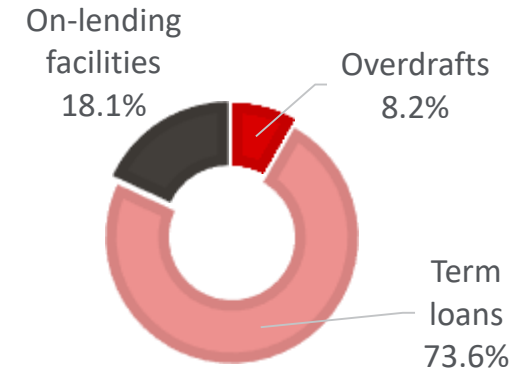


## Loans & Advances

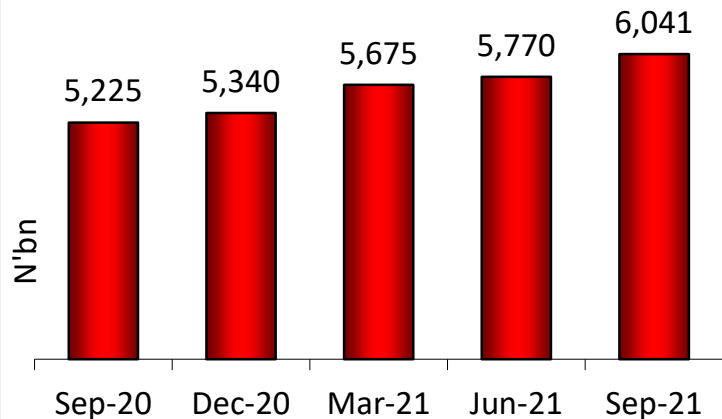
### Q3 2021



### FYE 2020

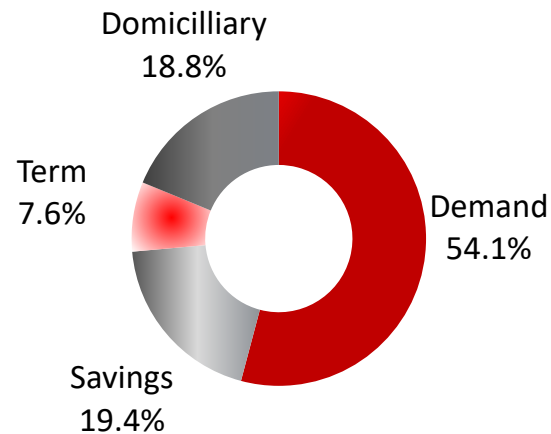


## Deposits

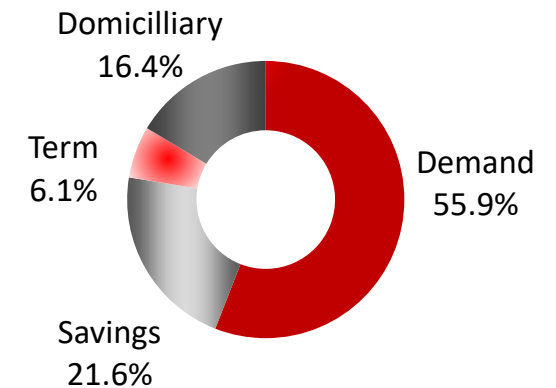


## Deposit Mix

### Q3 2021



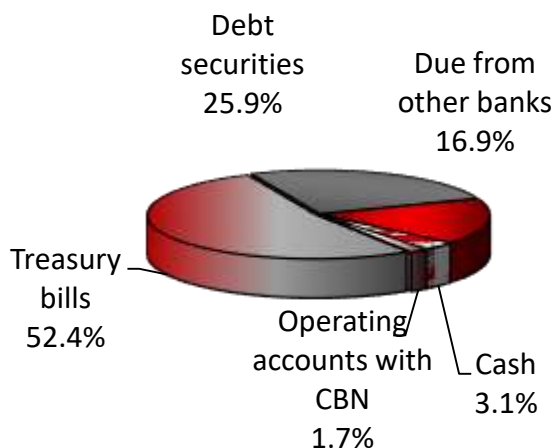
### FYE 2020



# Continued Market Dominance - Strong Liquid Asset Base & Funding Mix

- High quality balance sheet with diversified funding sources.

Q3 2021

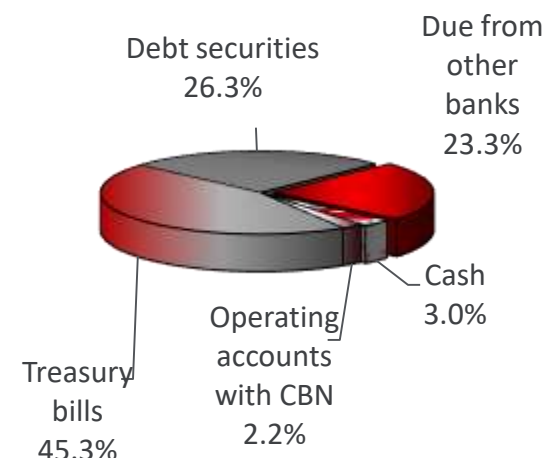


## Liquid Assets

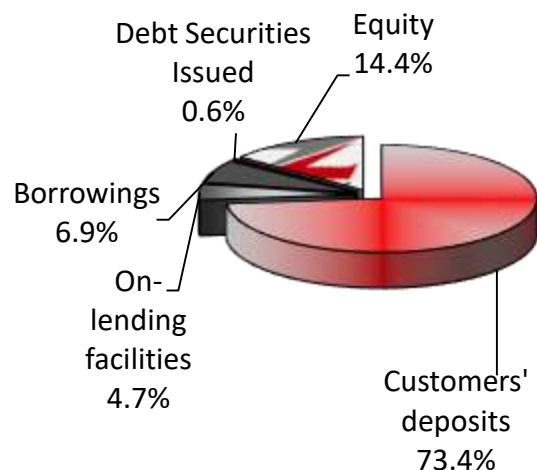
N'million	Q3 2021	FYE 2020	YTD
Cash	105,151	104,544	1%
Operating accounts with CBN	58,690	75,802	-23%
Treasury bills	1,790,465	1,579,450	13%
Debt securities	882,707	917,714	-4%
Due from other banks	576,721	810,494	-29%
<b>Total</b>	<b>3,413,734</b>	<b>3,485,656</b>	<b>-2%</b>

□ **Total CRR balance: N1.42 Trillion (Dec. 2020: N1.41 Trillion)**

FYE 2020



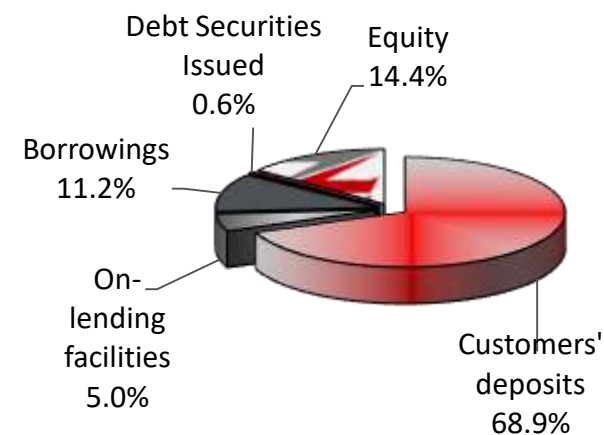
Q3 2021



## Funding Mix

N'million	Q3 2021	FYE 2020	YTD
Customers' deposits	6,040,887	5,339,911	13%
On-lending facilities	385,590	384,573	0%
Borrowings	568,005	870,080	-35%
Debt securities issued	45,386	43,177	5%
Equity	1,187,054	1,117,473	6%
<b>Total</b>	<b>8,226,922</b>	<b>7,755,214</b>	<b>6%</b>

FYE 2020

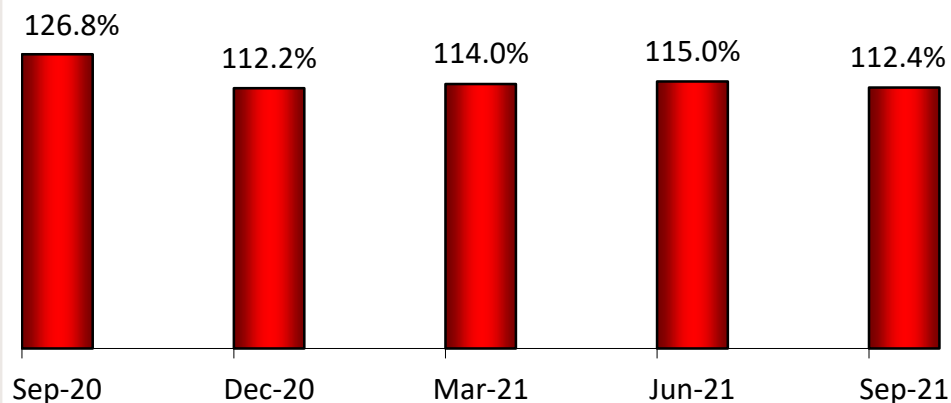


The background image shows an offshore oil rig at sea. A large, dark pipe is in the foreground, supported by a structure. The rig is a complex of steel and concrete with various cranes and platforms. The sun is visible in the sky, creating a hazy, golden light. A red horizontal bar is overlaid on the left side of the image, containing the text 'Risk Management'.

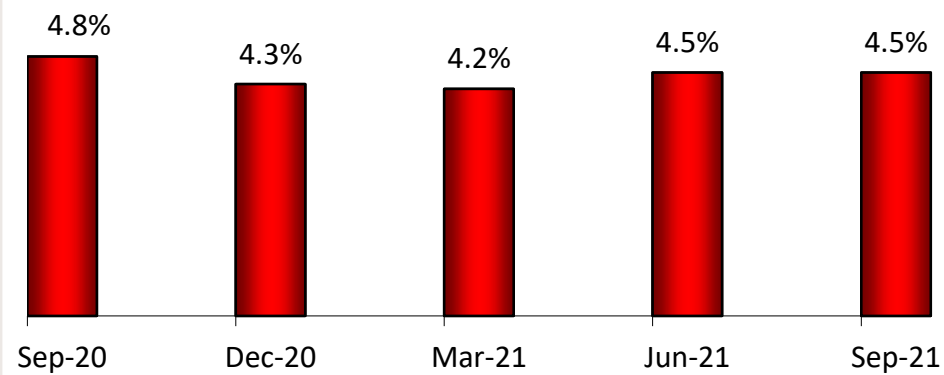
# Risk Management

# Healthy Risk Assets Portfolio

## NPL Coverage Ratio



## NPL Ratio



## Credit Risk Management Amidst Covid-19

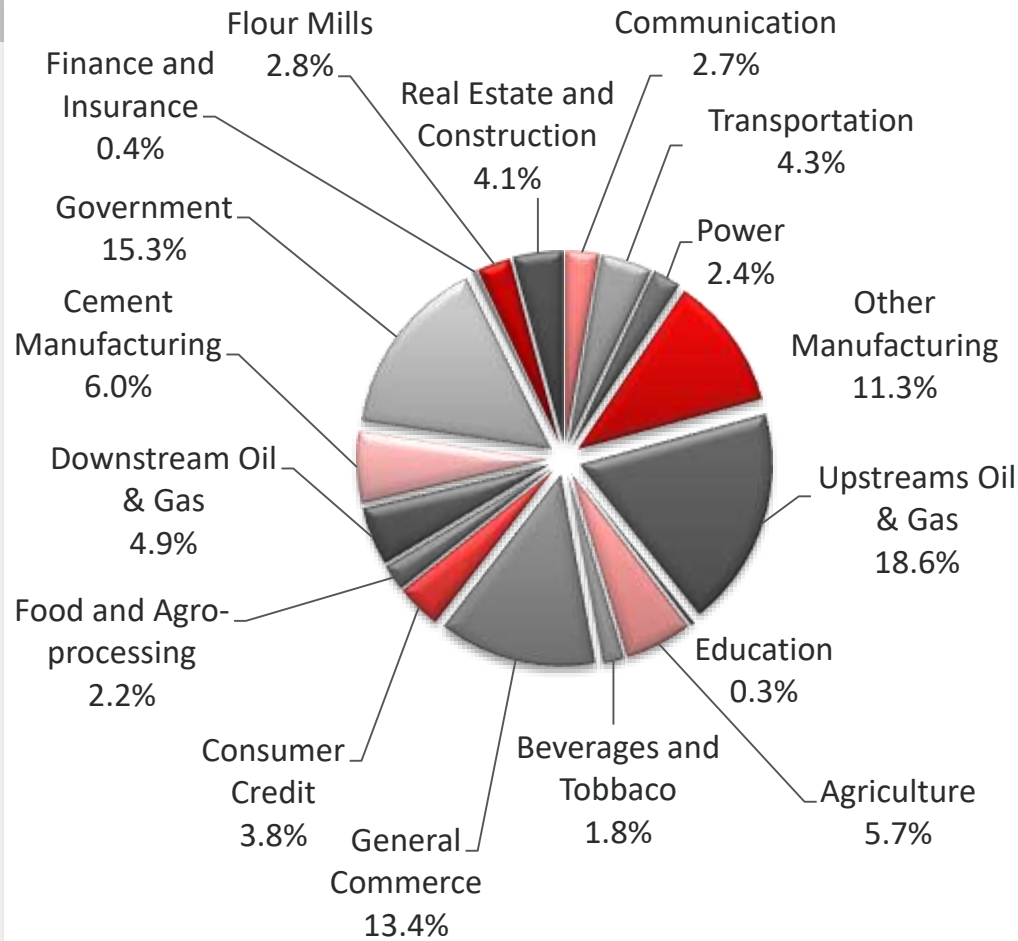
- Engaging our customers in key sectors of the economy to better understand their current challenges and provide effective and bespoke actions to alleviate their hardships while preserving shareholders' funds.
- Deployment of tools and models to recalibrate and measure the impact of Covid-19 on our loan books.
- Creating innovative mitigants to further protect us from downside risk on the loan books.
- Providing critical support to our loan customers to help them navigate through the challenges posed by the pandemic.
- Continuous adoption of a complete and integrated approach to risk management that is driven from the Board level to the operational activities of the bank.



# Focused Risk Management via Portfolio Diversification

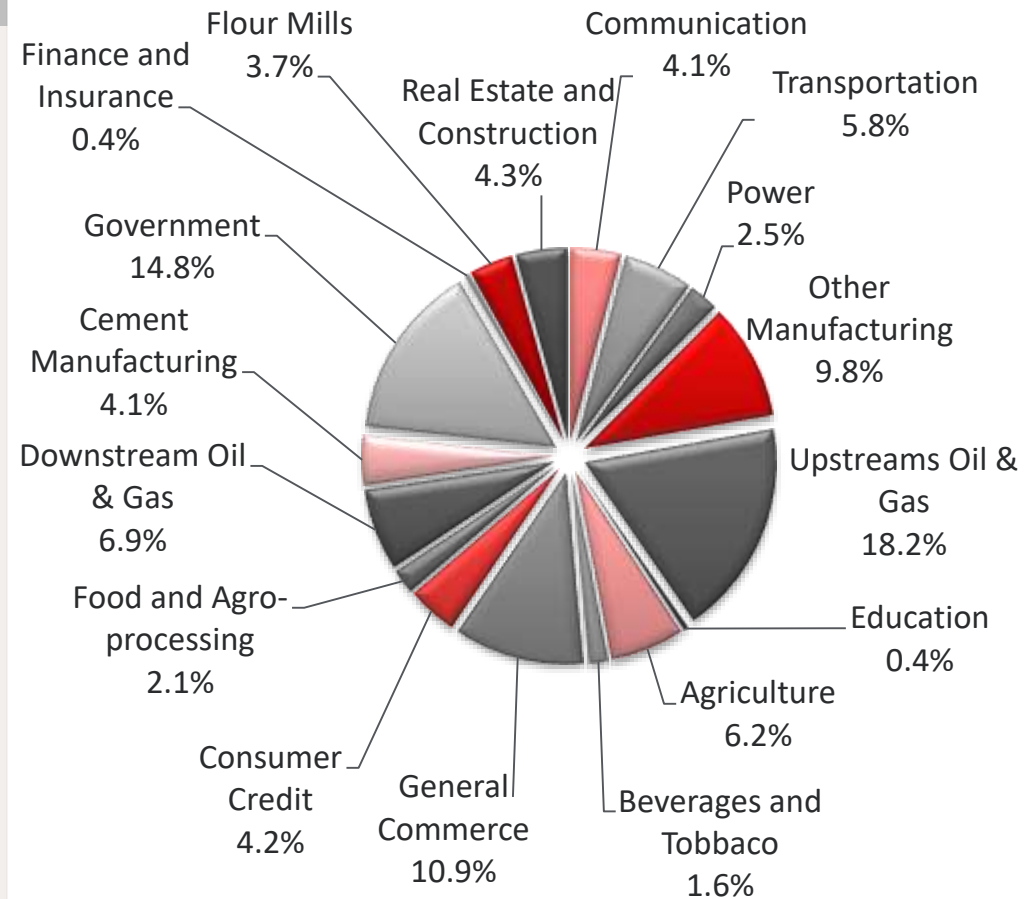
- Well diversified loan portfolio across sectors supports asset quality.

## Loans by Sector – Q3 2021



Gross Loans – ₦3.18 Trillion

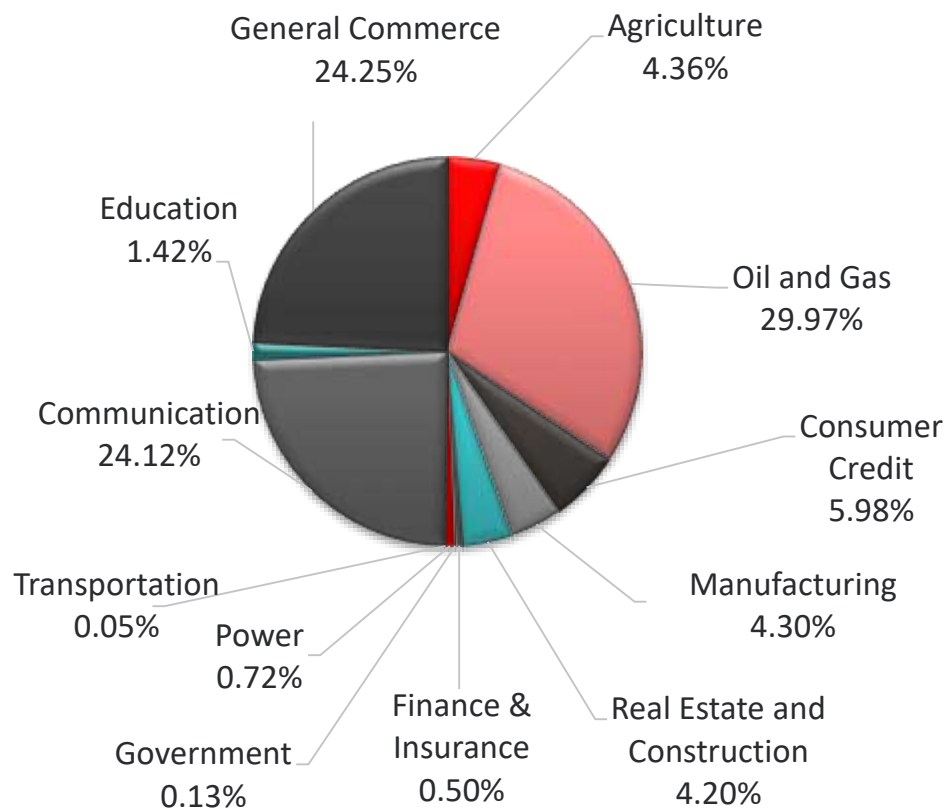
## Loans by Sector – FYE 2020



Gross Loans – ₦2.92 Trillion

# NPL by Sectors

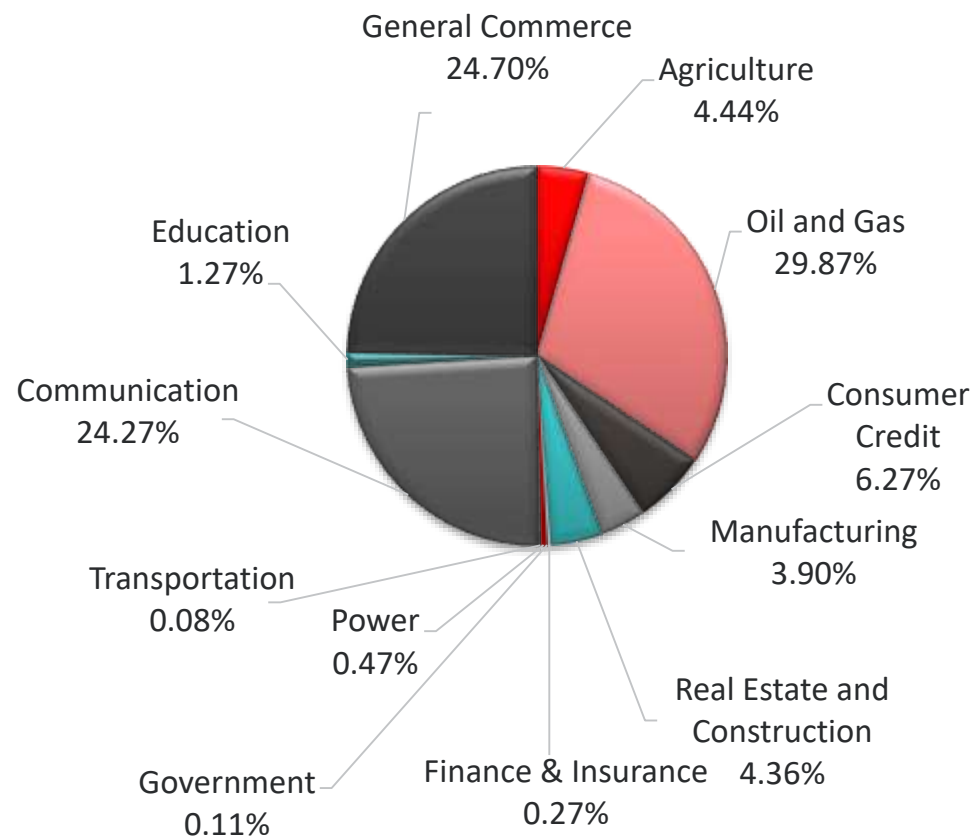
Q3 2021



Total NPLs – ₱134.8 Billion

NPL Ratio – 4.52%

FYE 2020



Total NPLs – ₱125.2 Billion

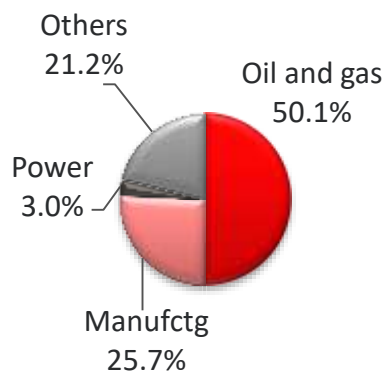
NPL Ratio – 4.29%

# Foreign Currency Loans & Restructured Loans

## Foreign Currency Loans

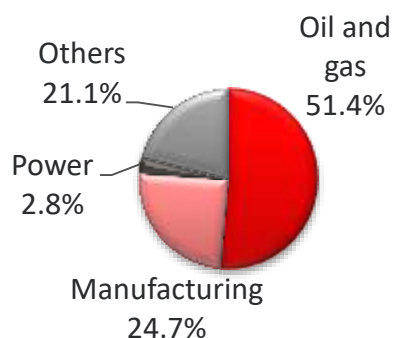
### Q3 2021

USD loans by sector	US\$' m	N'm	% to US\$ loans	% to Gross loans
Oil and gas	1,532	632,693	50.1%	19.9%
Manufctg	786	324,609	25.7%	10.2%
Power	92	38,001	3.0%	1.2%
Others	648	267,656	21.2%	8.4%
<b>Total US\$ loans</b>	<b>3,058</b>	<b>1,262,959</b>	<b>100.0%</b>	<b>39.7%</b>



### FYE 2020

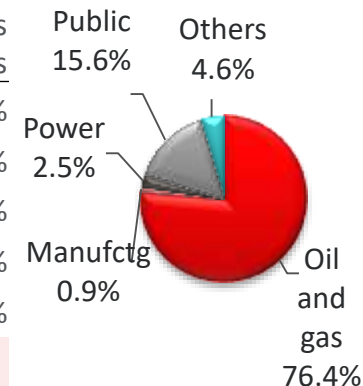
USD loans by sector	US\$' m	N'm	% to US\$ loans	% to Gross loans
Oil and gas	1,606	642,996	51.4%	22.0%
Manufctg	771	308,562	24.7%	10.6%
Power	88	35,291	2.8%	1.2%
Others	659	263,963	21.1%	9.0%
<b>Total US\$ loans</b>	<b>3,124</b>	<b>1,250,812</b>	<b>100.0%</b>	<b>42.8%</b>



## Cumulative Restructured Loans

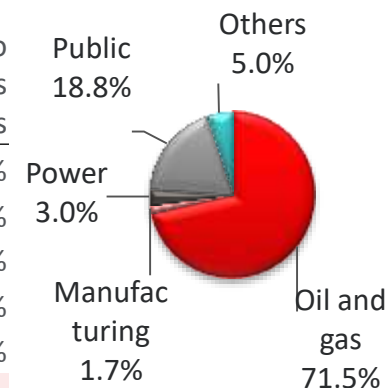
### Q3 2021

Restructured Loans by sector	N'm	% to Restructured loans	% to Gross loans
Oil and gas	513,502	76.4%	16.1%
Manufctg	6,203	0.9%	0.2%
Power	16,725	2.5%	0.5%
Public	105,080	15.6%	3.3%
Others	30,832	4.6%	1.0%
<b>Total restructured loans</b>	<b>672,342</b>	<b>100.0%</b>	<b>21.1%</b>



### FYE 2020

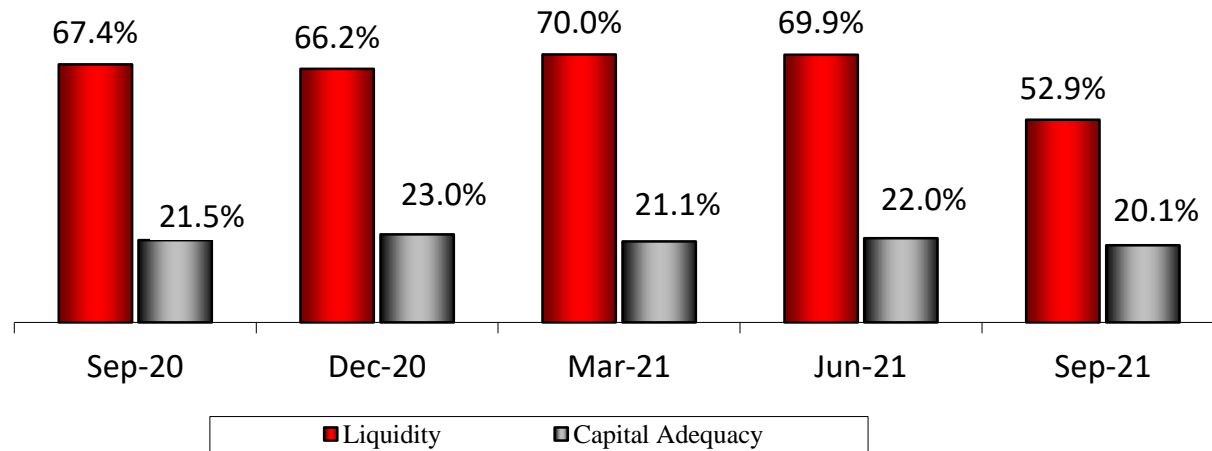
Restructured Loans by sector	N'm	% to Restructured loans	% to Gross loans
Oil and gas	465,403	71.5%	15.9%
Manufctg	10,847	1.7%	0.4%
Power	19,627	3.0%	0.7%
Public	122,595	18.8%	4.2%
Others	32,746	5.0%	1.1%
<b>Total restructured loans</b>	<b>651,216</b>	<b>100.0%</b>	<b>22.3%</b>



# Strong Capitalisation

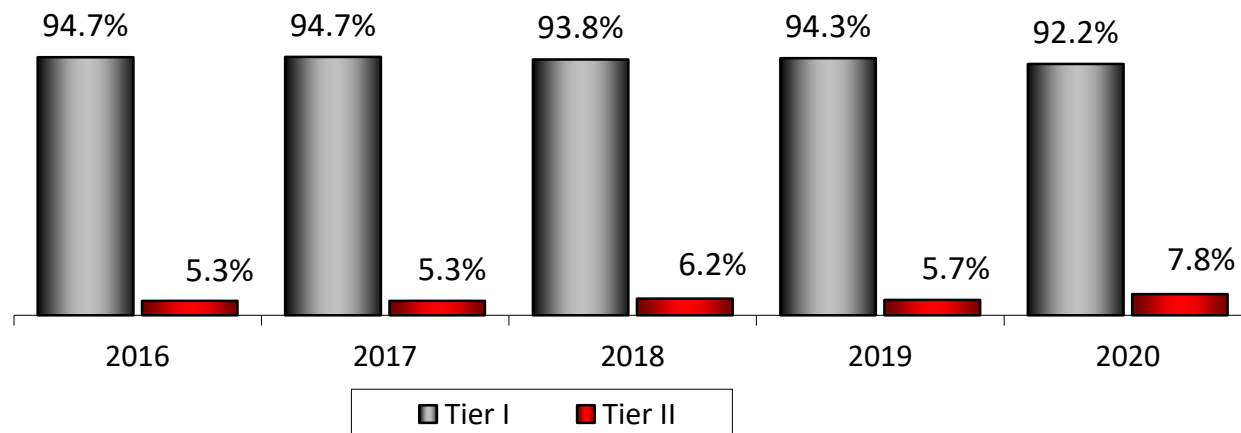
- Solid and high-quality capital position provides room for further growth.

## Liquidity & Capital Adequacy



Capital and liquidity ratios – 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 the group's gross revenue increased from 12.4% to 12.5% YoY while its PBT contribution increased from 17.4% to 17.9% YoY.

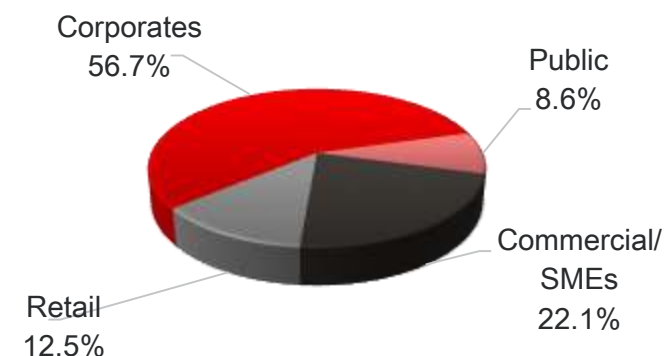
## 9 Months Ended September 2021

(₹'million)

	Corporates	Public	Commercial/ SMEs	Retail	Consolidated
<b>Gross revenue</b>	<b>294,209</b>	<b>44,606</b>	<b>114,793</b>	<b>65,065</b>	<b>518,673</b>
Total expenses	(199,929)	(30,329)	(75,713)	(32,893)	(338,863)
Profit before tax	94,280	14,277	39,080	32,173	179,810

## Gross Revenue

Q3 2021

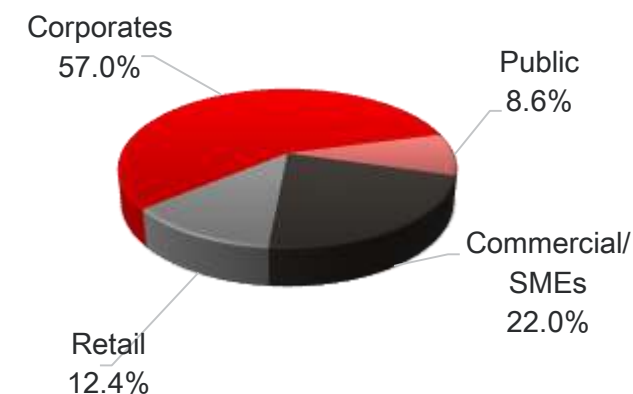


## 9 Months Ended September 2020

(₹'million)

	Corporates	Public	Commercial/ SMEs	Retail	Consolidated
<b>Total revenue</b>	<b>290,013</b>	<b>43,756</b>	<b>111,935</b>	<b>63,091</b>	<b>508,795</b>
Total expenses	(195,592)	(29,670)	(74,071)	(32,179)	(331,512)
Profit before tax	94,421	14,086	37,864	30,912	177,283

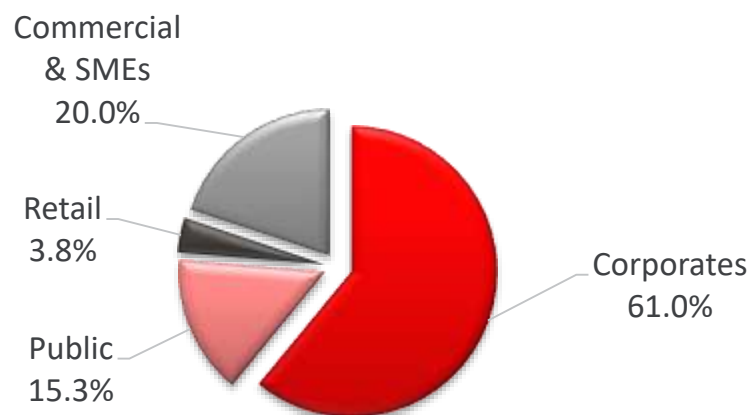
Q3 2020



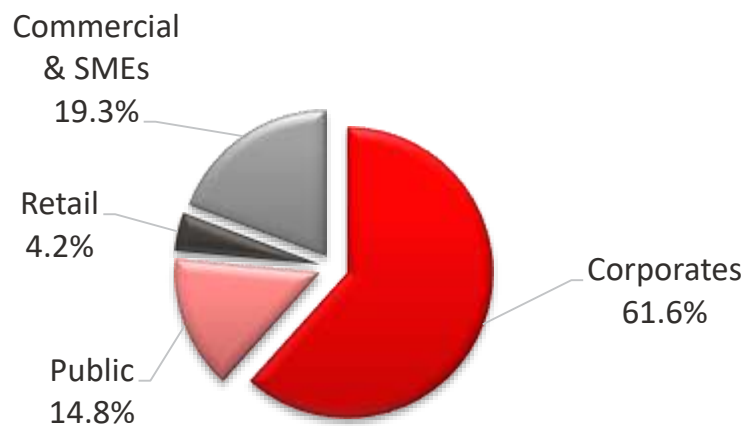
# Loans & Deposits – By Business Segments

## Gross Loans

### Q3 2021 Gross Loans – ~~₱~~3.18 Trillion

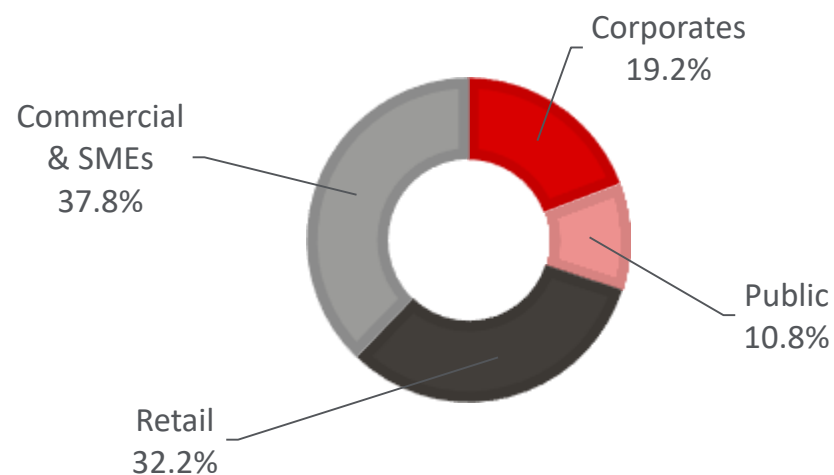


### FYE 2020 Gross Loans – ~~₱~~2.92 Trillion

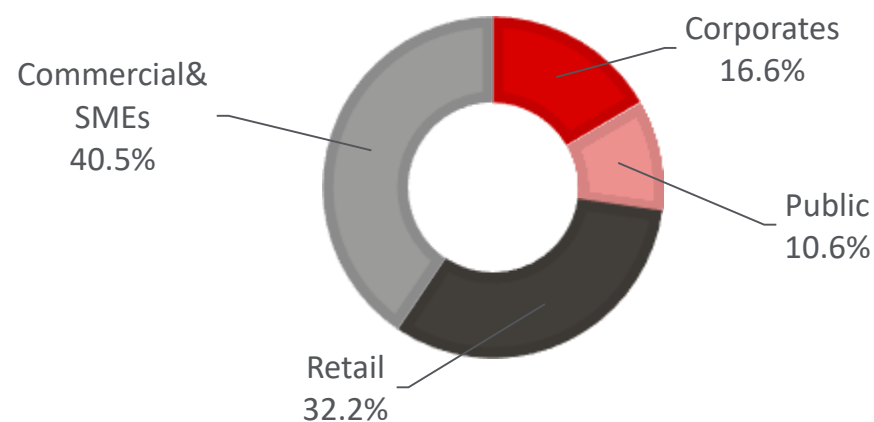


## Total Deposit

### Q3 2021 Total Deposits – ~~₱~~6.04 Trillion



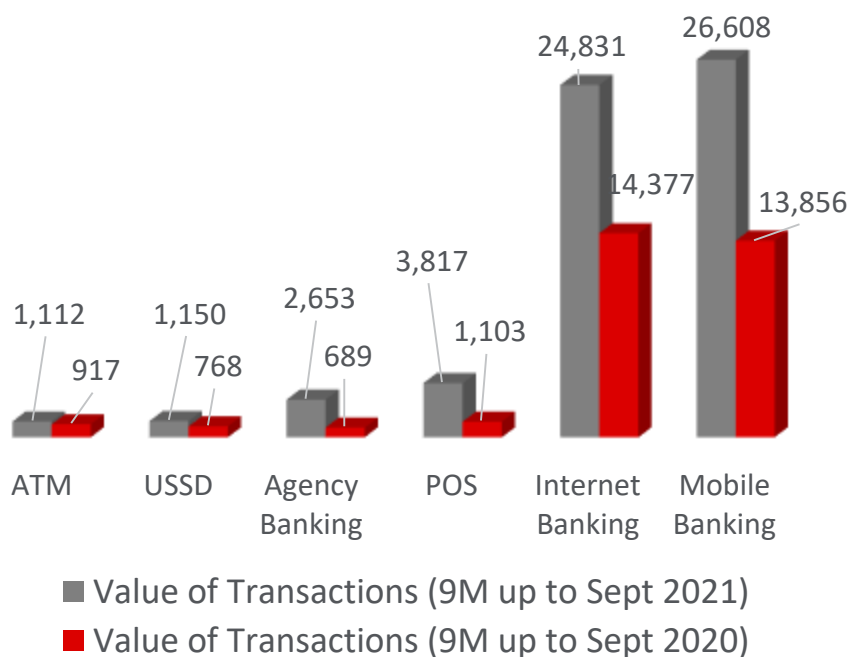
### FYE 2020 Total Deposits – ~~₱~~5.34 Trillion



# Electronic Banking Products Performance by Channels.

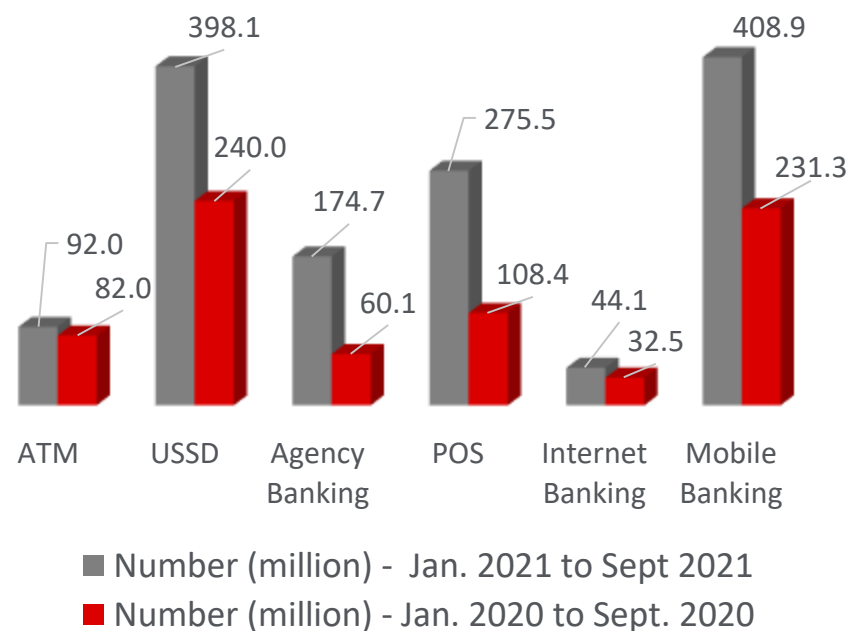
## Value of Electronic Product Transactions

	Q3 2021	Q3 2020	YoY
Total Transaction Value (N'bn)	60,171	31,710	90%



## Number of Electronic Product Transactions

	Q3 2021	Q3 2020	YoY
Total Number of Transactions (million)	1,393.3	754.3	85%



- The bank recorded a remarkable growth in both value and volume of electronic product transactions, resulting in a 30% (ref.: slide 16) growth in income on electronic products.

## The Bank and its Subsidiaries

### Zenith Bank Plc. (Parent)

Established: 1990  
 Branches: 393  
 2021 Q3 PBT: ₦163.5Bn  
 Total deposits: ₦4,906Bn  
 Total assets: ₦7,346Bn  
 ROE: 22%  
 Staff strength: 6,480

### Zenith Pension

Established: 2005  
 Branches: 2  
 Zenith ownership: 99%  
 2021 Q3 PBT: ₦6.5Bn  
 Custody assets: ₦5,402Bn  
 Total assets: ₦25Bn  
 ROE: 28%  
 Staff strength: 117

### Zenith Nominee

Established: 2018  
 Branches: 1  
 Zenith ownership: 99%  
 2021 Q3 PBT: ₦130M  
 Custody assets: ₦695Bn  
 Total assets: ₦2.1Bn  
 ROE: 7%  
 Staff strength: 7

### Gambia

Established: 2009  
 Zenith ownership: 99.96%  
 Branches: 7  
 2021 Q3 PBT: ₦782M  
 Total deposits: ₦20Bn  
 Total assets: ₦28Bn  
 ROE: 13%  
 Staff strength: 140

### Ghana

Established: 2005  
 Zenith ownership: 99.42%  
 Branches: 30  
 2021 Q3 PBT: ₦21.1Bn  
 Total deposits: ₦416Bn  
 Total assets: ₦591Bn  
 ROE: 18%  
 Staff strength: 699

### Sierra Leone

Established: 2008  
 Zenith ownership: 99.99%  
 Branches: 7  
 2021 Q3 PBT: ₦1.9Bn  
 Total deposits: ₦25Bn  
 Total assets: ₦33Bn  
 ROE: 30%  
 Staff strength: 154

### United Kingdom

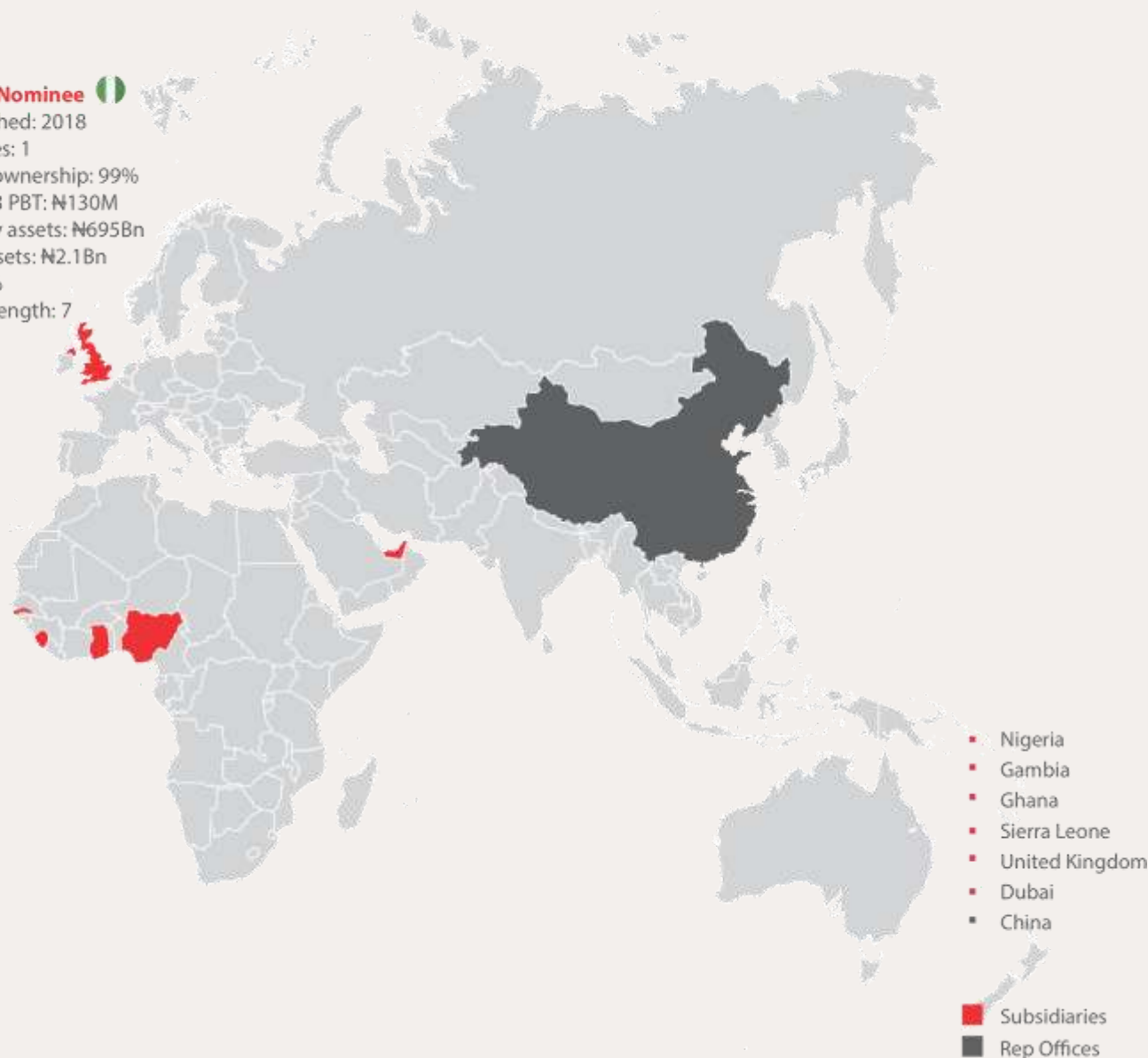
Established 2007  
 Zenith ownership: 100%  
 Branches: 2  
 2021 Q3 PBT: ₦3.7Bn  
 Total deposits: ₦862Bn  
 Total assets: ₦980Bn  
 ROE: 4%  
 Staff strength: 121

### UAE

Branch of Zenith UK  
 Established 2016  
 1 branch

### China

Representative Office  
 Established 2011



# Performance by Geography

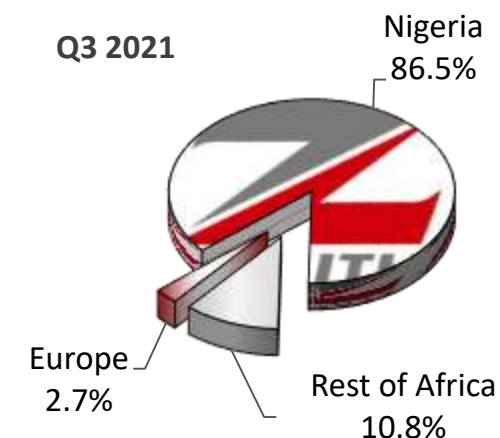
## 9 Months Ended September 2021

(₦'million)

	Nigeria	Rest of Africa	Europe	Eliminations	Consolidated
<b>Total Revenue</b>	<b>462,842</b>	<b>57,919</b>	<b>14,433</b>	<b>(16,521)</b>	<b>518,673</b>
Total expense	(292,698)	(34,232)	(10,757)	(1,176)	(338,863)
Profit before tax	170,144	23,687	3,676	(17,697)	179,810
Tax	(11,089)	(7,518)	(609)	-	(19,216)
Profit after tax	159,055	16,169	3,067	(17,697)	160,594

## Total Revenue

Q3 2021

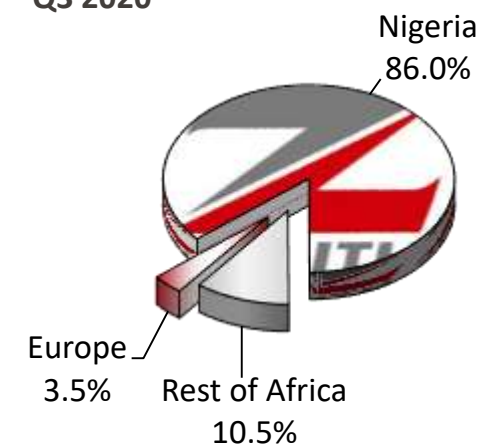


## 9 Months Ended September 2020

(₦'million)

	Nigeria	Rest of Africa	Europe	Eliminations	Consolidated
<b>Total Revenue</b>	<b>441,593</b>	<b>53,941</b>	<b>17,816</b>	<b>(4,375)</b>	<b>508,975</b>
Total expense	(289,266)	(30,581)	(12,220)	375	(331,692)
Profit before tax	152,327	23,360	5,596	(4,000)	177,283
Tax	(11,408)	(5,429)	(1,131)	-	(17,968)
Profit after tax	140,919	17,931	4,465	(4,000)	159,315

Q3 2020







# Strategy & Outlook



# Strategies for Driving our Vision

1

Compete aggressively for market share while focusing on high quality assets and adopting cost reduction strategies

- Attracting cost effective deposits from the retail end of the market for deployment in the corporate segment with emphasis on emerging sectors.

2

Deliver superior service experience to all our clients and customers

- Adopting efficient digital channels.
- Attracting talented people and investing in training.
- Employing cutting edge technology.
- Enhancing the experience customer with excellent service.

3

Effective Risk Management

- Entrenching robust risk management and corporate governance practices.
- Value preservation is absolutely important.

4

Treasury Management

- Taking advantage of our liquidity in Naira and foreign currencies to optimize 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 robust platform to serve as an integrated financial solutions provider to our diverse customers.

6

Retail and Digital Footprint

- Official launch of the Zenith Bank Intelligent Virtual Assistant (ZIVA)
- Deepening retail market penetration using our digital platforms
- Increasing the volume of transactions processed on our digital platforms.

# Our Key Growth Target Sectors

## Driving Profitability with our Competitive Advantages

### Identified Growth Sectors

- Retail/SMEs
- Agriculture
- Healthcare/Pharmaceuticals
- 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 digital channels
- Well motivated staff force
- Excellent customer services

# Guidance for FYE 2021

	Q3 2021 Achieved	FYE 2021 Guidance	FYE 2020 Achieved
PBT	₦179.8Bn	₦270Bn	₦255.9Bn
Effective Tax Rate	10.7%	13.0%	9.9%
PAT	₦160.6Bn	₦235Bn	₦230.6Bn
ROAE	18.6%	23.0%	22.4%
ROAA	2.5%	3.2%	3.1%
NIM	6.8%	8.0%	7.9%
Cost of Funds	1.4%	2.0%	2.1%
Cost of Risk	1.3%	2.0%	1.5%
Cost to Income	54.9%	48.0%	50.0%
Deposit Growth	13.1%	10.0%	25.3%
Loan Growth	9.0%	10.0%	18.6%
Loan to Deposit (Group)	52.7%	60.0%	54.7%
Loan to Deposit (Bank)	60.2%	65.0%	64.5%
Capital Adequacy	20.1%	20.0%	23.0%
Liquidity Ratio	52.9%	60.0%	66.2%
NPL	4.5%	4.5%	4.3%
NPL Coverage	112.4%	130.0%	112.1%

# Thank You

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