



2018

Third Quarter Report

Group Results

Presentation to Investors & Analysts

Disclaimer

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

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

Agenda

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Q&A	



Overview & Operating Environment

Nigerian Economy and Key Developments in the Banking Sector

- With improving macroeconomic environment, Nigeria remains Africa's largest economy with strong sectors and significant opportunities.

Real GDP Growth:

- Nigeria recorded a real GDP growth of 1.50% YoY in Q2 2018, a drop of 45bps from 1.95% recorded in Q1 2018.
- The Oil sector contracted by -3.95% YoY, while the non-oil sector grew by 2.05% - driven largely by activities in the services sub-sector, which grew by 4.1% YoY in Q2 2018.

Headline Inflation:

- Headline Inflation increased marginally to 11.28% YoY in September 2018, representing a 5bps tickup from the preceding month. The Food Index (which contributed the most) increased by 13.31% YoY, up from 13.16% recorded in August 2018
- This rise in the food index was caused by increases in prices of Potatoes, yams and other tubers, vegetables, fruits, meat, milk, cheese and egg, Bread and cereals, and Fish.

Oil Production & Price:

- OPEC Average Monthly Basket Price grew by 5.4% in the 3rd quarter of 2018, from \$73.2/bbl recorded at the end of Q2 2018 to \$77.2/bbl recorded at the end of Q3 2018.

Foreign Reserves:

- Nigerian foreign reserves declined by 7.3% QoQ from \$47.8bn recorded at the end of Q2 2018 to \$44.3bn recorded at the end of Q3 2018.

Exchange Rate:

- Since the beginning of 2018, we have seen a gradual convergence between the NAFEX and NIFEX exchange rates. Current rates (NGN/USD): NAFEX(I&E) – 364.1; NIFEX – 362.1

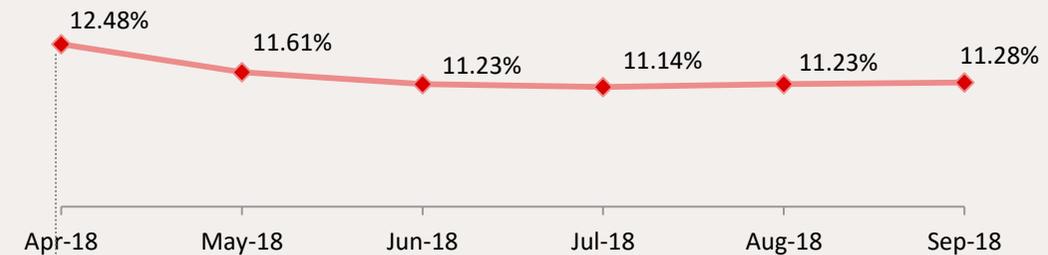
Cash Reserve Ratio (CRR) & Monetary Policy Rate (MPR):

- Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) voted to leave all policy rates unchanged during the meeting held in September 2018 - the Monetary Policy Rate (MPR) at 14%, the Cash Reserve Ratio (CRR) at 22.5% and liquidity ratio at 30%.

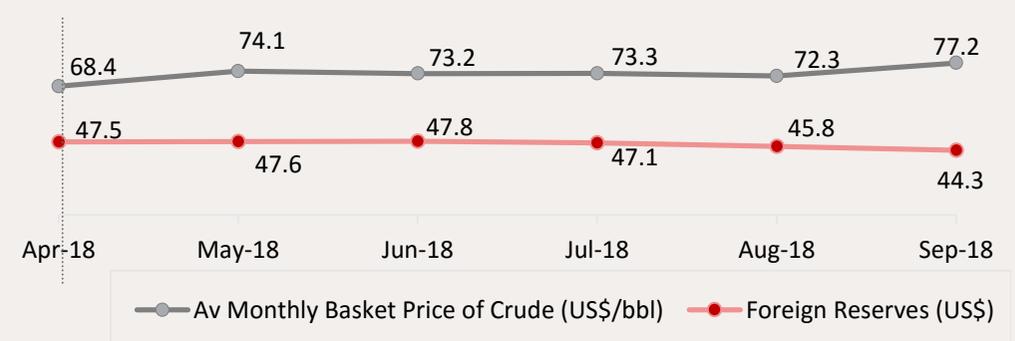
GDP Growth Rate



Inflation Rate



Foreign Reserves / Oil Price



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

Our Investment Proposition

Strong earnings capacity and growth, solid and liquid capital base, strengthened ERM practices, good returns on 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.

Strong Focus on Risk Management:

- Despite the tough operating environment, NPL ratio came in at 4.9% with a coverage ratio of 238.4%.

Decent Dividend Payout:

- Good and consistent dividend payout to its investors.
- The Bank paid a dividend of N1.60 per share for FY2012, N1.75 per share for both FY2013 and FY2014, N1.80 per share for FY2015 and N2.02 per share for FY2016
- A final dividend of N2.45 per share was paid for FY2017, which in addition to the N0.25 per share earlier paid as interim dividend amounted to N2.70 per share.
- An interim dividend of N9.42 billion, being N0.30 per share from the retained earnings account was paid in H1 2018.

Credit Rating/Certifications:

- Standard and Poor's ratings for Zenith Bank 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 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) Foreign currency deposit - B3.

Group Results

80000
70000



Financial Highlights – Q3 2018

Key Themes

Efficiency and Risk
Management for Superior
Performance

Building A Shock-Proof
Balance Sheet

P or L

Gross Earnings:
₹474.6Bn (10.7%) YoY

Net Interest Income:
₹228.5Bn +13.4% YoY

Profit Before Tax:
₹167.3Bn +9.7% YoY

Profit After Tax:
₹144.2Bn +11.6% YoY

Balance Sheet

Gross Loans &
Advances: **₹2.1Tn** (8.3%) YtD

Total Assets: **₹5.6Tn** +0.4% YtD

Customers' Deposits:
₹3.3Tn (4.7%) YtD

Total Shareholders'
Funds: **₹777.9Bn** (5.3%) YtD

Financial Highlights – Q3 2018 Contd.

Key Ratios			
	30-Sept-18	30-Sept-17	% change
Return on average equity (RoAE)	24.0%	23.4%	3%
Return on average assets (RoAA)	3.4%	3.5%	(2%)
EPS	₹4.6	₹4.1	11%
Net interest margin - NIM (Adjusted)	9.6%	8.4%	14%
Cost of funds	3.3%	5.4%	(40%)
Cost of risk	0.9%	2.7%	(67%)
Cost-to-income ratio	52.2%	52.9%	(1%)
	30-Sept-18	31-Dec-17	% change
Liquidity ratio	72.0%	69.7%	3%
Loan-to-deposit ratio	50.9%	60.5%	(16%)
Capital adequacy ratio (CAR)	21.0%	27.0%	(22%)
Non-performing loan ratio (NPL)	4.9%	4.7%	4%
Coverage ratio	238.4%	143.4%	66.2%

Profit or Loss Statement

Strong bottom-line profitability, driven by improved operating efficiencies in:

- Funding cost
- Risk cost
- Operational cost

(₹'million)	Group 9M 18	Group 9M 17	YoY Change
Gross earnings	474,607	531,266	(10.66%)
Interest and similar income	339,063	361,789	(6.28%)
Interest and similar expense	(110,546)	(160,297)	(31.04%)
Net interest income	228,517	201,492	13.41%
Impairment loss on financial assets	(14,338)	(47,053)	(69.53%)
Net interest income after impairment loss on financial assets	214,179	154,439	38.68%
Fees and commission income	69,967	71,021	(1.48%)
Trading income	52,934	81,809	(35.30%)
Other income	12,643	16,647	(24.05%)
Amortisation of intangible assets	(1,745)	(1,163)	50.04%
Depreciation of property and equipment	(12,244)	(8,660)	41.39%
Personnel expenses	(51,687)	(45,930)	12.53%
Operating expenses	(116,740)	(115,611)	0.98%
Profit before income tax	167,307	152,552	9.67%
Income tax expense	(23,128)	(23,317)	-0.81%
Profit after tax	144,179	129,235	11.56%

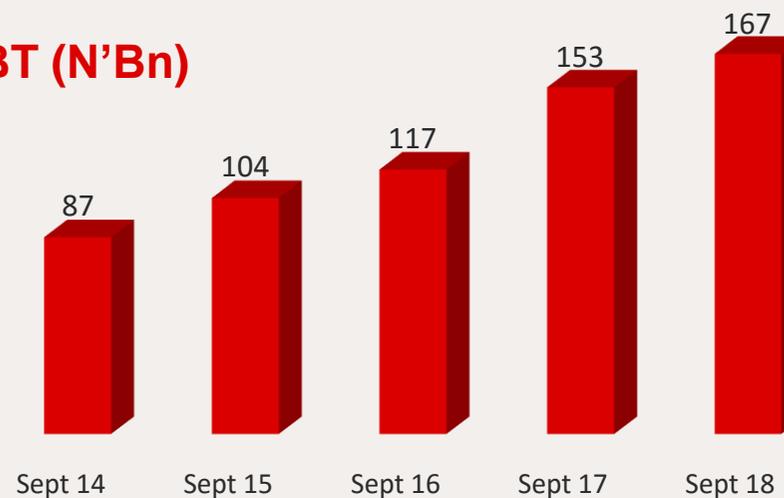
Consolidating Earnings and Profitability

- In spite of the macroeconomic backdrop, Zenith Bank has delivered an attractive earnings profile, supported by improving operating efficiency

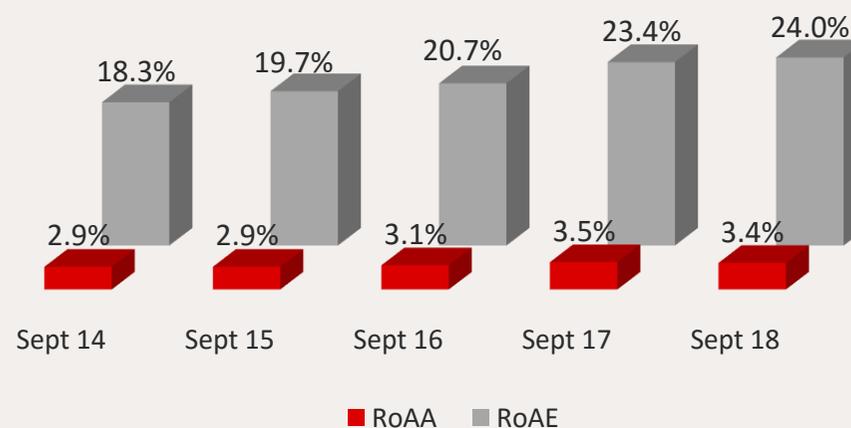
Comments

- PBT** increased YoY by 9.7% from N152.5bn in Q3 2017 to N167.3bn in Q3 2018. The 13.4% YoY growth in net interest income and 69.5% reduction in impairment loss accounted for PBT growth.
- RoAE** increased marginally YoY from 23.4% to 24.0%. The bank remains committed to continue to deliver impressive returns to its investors.
- ROAA** dropped marginally from 3.5% to 3.4% YoY despite the significant decline in the yield environment for money market instruments and drop in average interest rate on loans and advances to customers.

PBT (N'Bn)



RoAA & RoAE



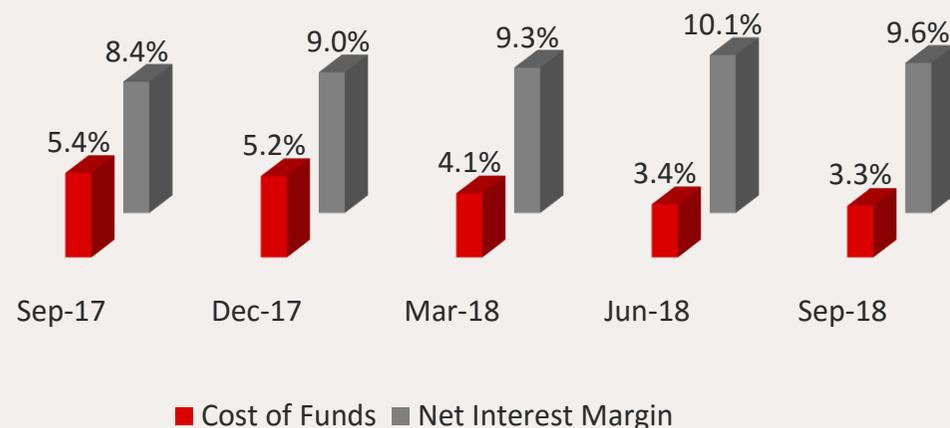
Consolidating Earnings and Profitability Contd.

- In spite of the macroeconomic backdrop, Zenith Bank has delivered an attractive earnings profile, supported by improving operating efficiency.

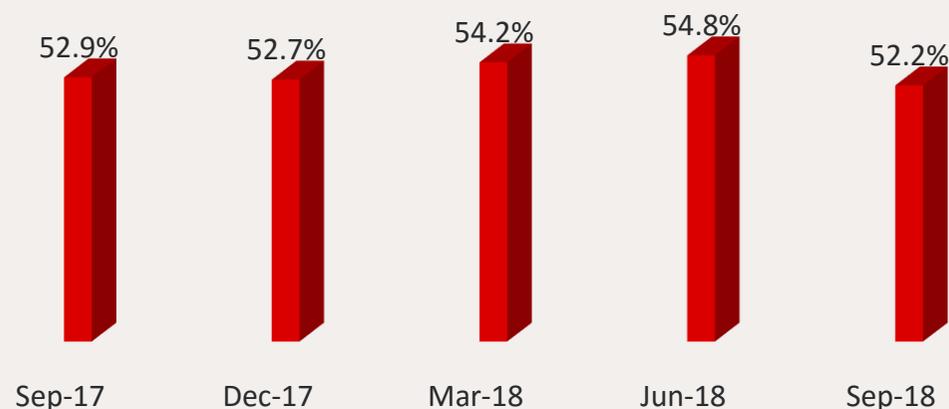
Comments

- Net Interest Margin - NIM (Adjusted)** increased YoY by 14.3% (from 8.4% in Q3 2017 to 9.6% in Q3 2018), demonstrating the Group's ability in delivering optimal pricing for its interest-bearing assets and liabilities even in a declining yield environment.
- Cost of Funds** decreased from 5.4% recorded in Q3 2017 to 3.3% in Q3 2018 as the bank continues to focus on its drive for low cost deposit mix.
- Cost-to-Income Ratio** decreased by 1.0% YoY, from 52.9% in Q3 2017 to 52.2% in Q3 2018. We expect an improved ratio for the full year, as the full year AMCON charge was taken in H1 2018.

Cost of Funds & Net Interest Margin (Adjusted)

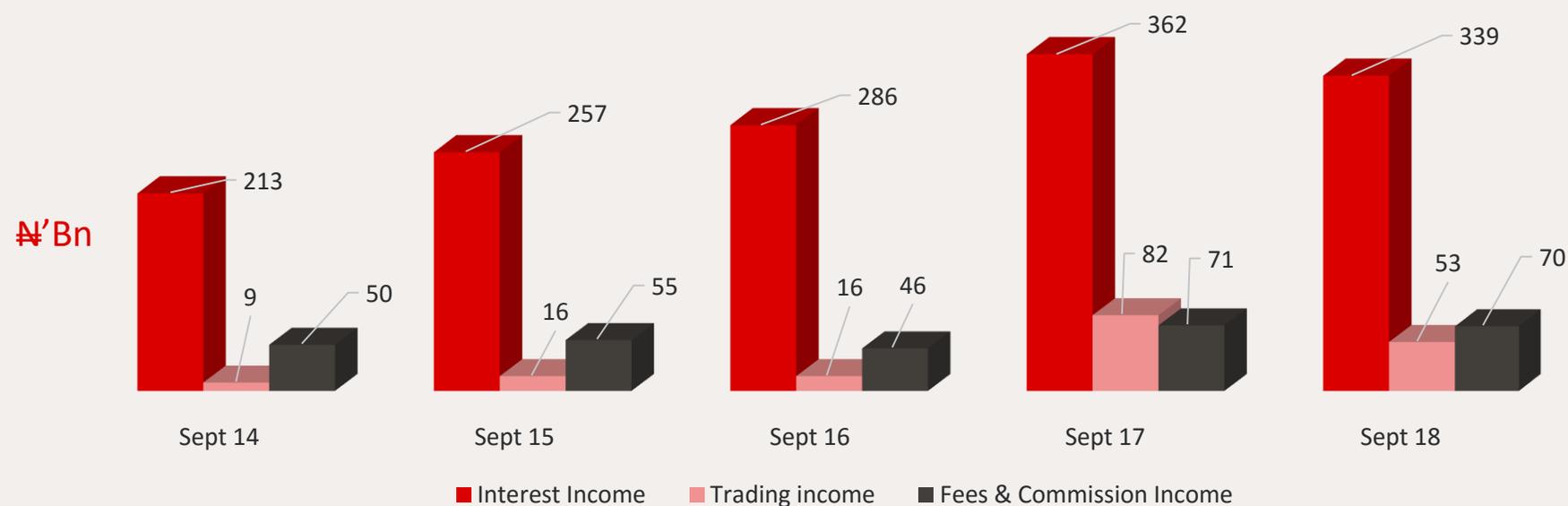


Cost to Income Ratio



Evolution of Revenue Base

- Upward trend in revenue lines over the years.
- Decline in interest income and trading income was due to the lower yielding environment in 2018 compared to 2017.

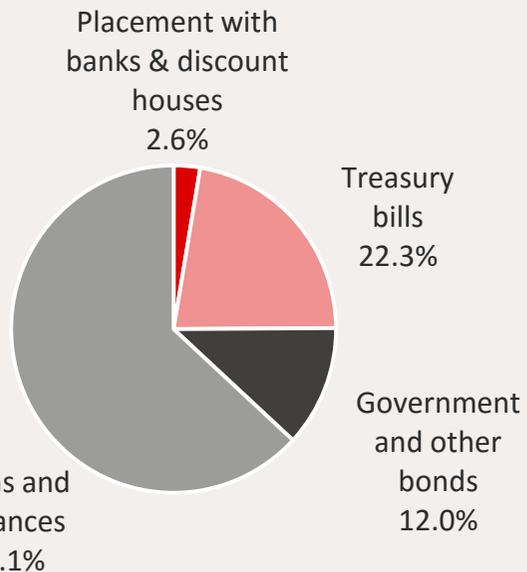


Revenue Base: Interest Income Diversification

- Interest income declined by 6% YoY as a result of the decline in total loans to customers and lower yielding environment
- The Group has maintained a consistent mix of interest income across the various interest-generating assets over the years

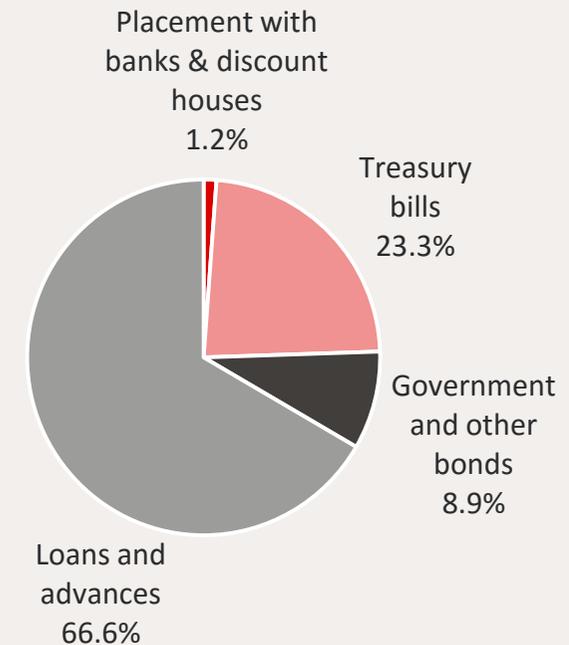
Interest Income

Q3 2018



N'million	Q3 2018	Q3 2017	YoY
Placement with banks & discount houses	8,918	4,213	112%
Treasury bills	75,507	84,332	-10%
Government and other bonds	40,578	32,245	26%
Loans and advances	214,060	240,999	-11%
Total	339,063	361,789	-6%

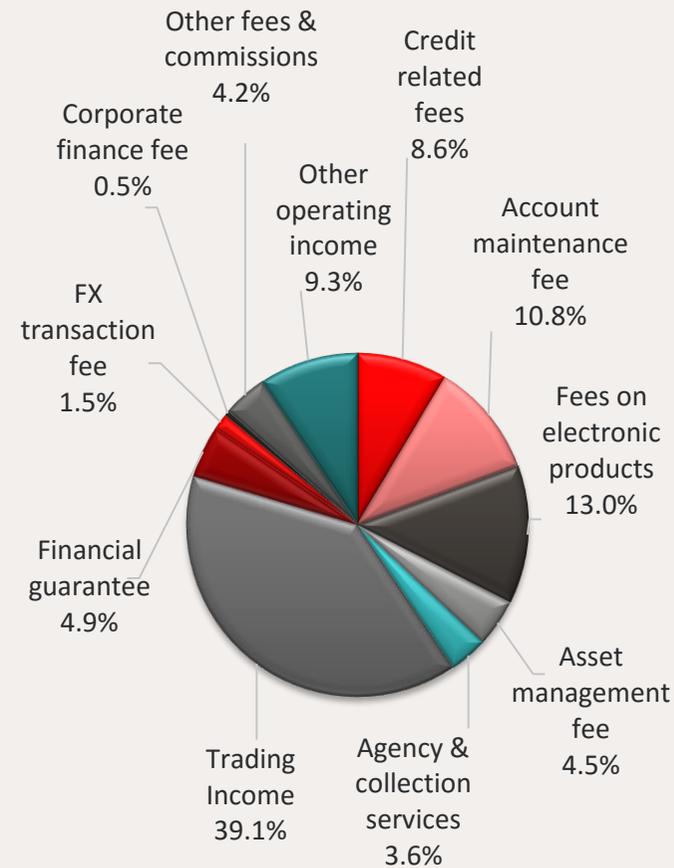
Q3 2017



Revenue Base: Non-Interest Income Diversification

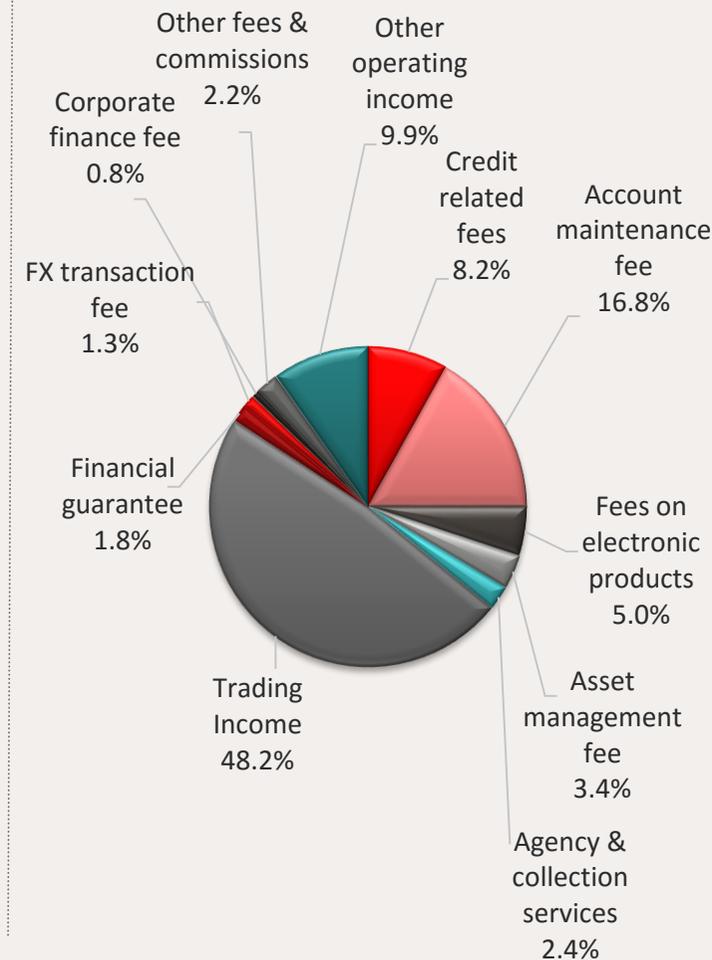
- The bank is committed to continually improve on its income diversification and growth.
- Fees on electronics products grew by over 100% as the bank continues to improve on its electronic platforms and increase its share of the retail business.

Q3 2018



₹'Million	Q3 2018	Q3 2017	YoY
Credit related fees	11,627	13,861	-16%
Account maintenance fee	14,672	28,584	-49%
Fees on electronic products	17,658	8,442	109%
Asset management fee	6,063	5,832	4%
Agency & collection services	4,899	4,115	19%
Trading Income	52,934	81,809	-35%
Financial guarantee	6,606	3,018	119%
FX transaction fee	2,091	2,152	-3%
Corporate finance fee	659	1,394	-53%
Other fees & commissions	5,692	3,803	50%
Other operating income	12,643	16,744	-24%
Total	135,544	169,754	-20%

Q3 2017

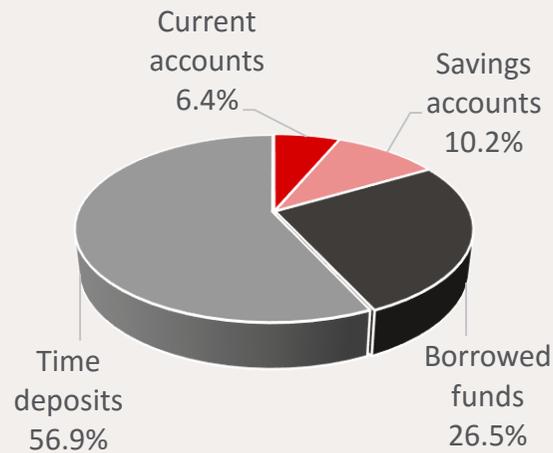


Interest Expense: Funding Cost Optimization

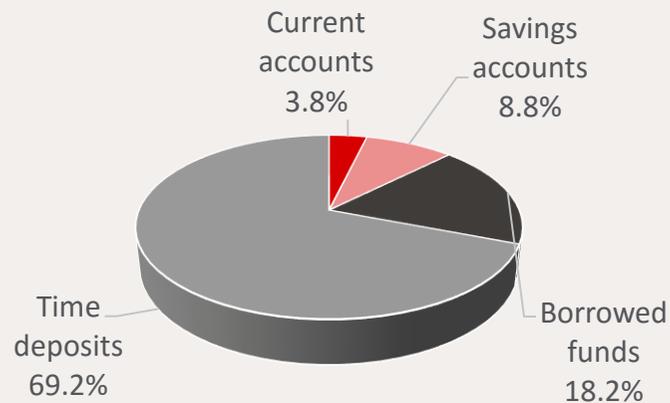
- The Group achieved a massive 31% drop in interest expense as it continues its drive towards cost optimization

Interest Expenses

Q3 2018



Q3 2017



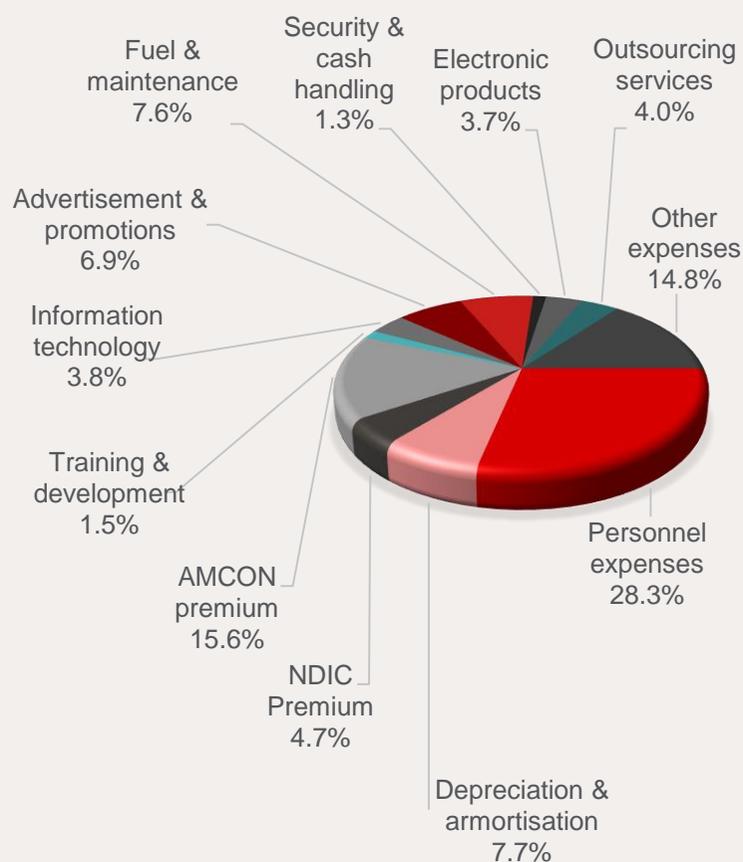
N'million	Q3 2018	Q3 2017	YoY
Current accounts	8,277	6,755	23%
Savings accounts	12,790	12,270	4%
Borrowed funds	56,496	33,287	70%
Time deposits	32,983	107,985	-69%
Total	110,546	160,297	-31%

Continuous Efforts in Cost-Reduction Strategies

- Despite the significant increase in AMCON charge, the Group was able to contain its operating expenses growth at 6% YoY.
- We expect a moderation in operating expenses for the remaining part of the year as we continue to improve on our operational efficiency

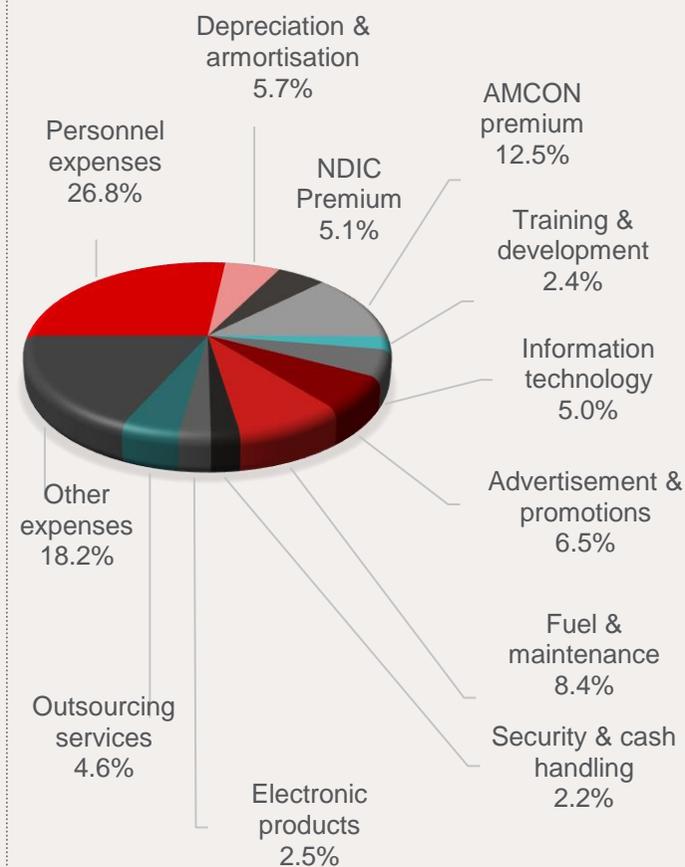
Total Operating Expenses

Q3 2018



N'million	Q3 2018	Q3 2017	YoY
Personnel expenses	51,687	45,930	13%
Depreciation & amortisation	13,989	9,823	42%
NDIC Premium	8,515	8,762	-3%
AMCON premium	28,542	21,419	33%
Training & development	2,792	4,159	-33%
Information technology	6,898	8,640	-20%
Advertisement & promotions	12,617	11,106	14%
Fuel & maintenance	13,902	14,432	-4%
Security & cash handling	2,449	3,851	-36%
Electronic products	6,810	4,215	62%
Outsourcing services	7,232	7,810	-7%
Other expenses	26,983	31,217	-14%
Total	182,416	171,364	6%

Q3 2017



Balance Sheet – Assets

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

(₹ Million)	Group Sep-18	Group Dec-17	YTD Change	Group Sep-17
Cash and balances with central banks	904,235	957,663	-5.58%	767,394
Treasury bills	818,395	936,817	-12.64%	718,964
Assets pledged as collateral	579,704	468,010	23.87%	455,875
Due from other banks	536,445	495,803	8.20%	520,988
Derivative assets	95,222	57,219	66.42%	63,508
Loans and advances	1,824,724	2,100,362	-13.12%	2,155,749
Investment securities	590,305	330,951	78.37%	242,348
Deferred tax assets	13,119	9,561	37.21%	9,598
Other assets	96,039	92,494	3.83%	70,130
Property and equipment	145,125	133,384	8.80%	115,807
Intangible assets	14,472	12,989	11.42%	11,457
Total Assets	5,617,785	5,595,253	0.40%	5,131,818

Balance Sheet – Liabilities & Equity

- Assets are well funded by a significant deposit base and the balance sheet remains robustly capitalised, providing a buffer for further growth.

(₹'Million)	Group Sep-18	Group Dec-17	YTD Change	Group Sep-17
Customers deposits	3,275,547	3,437,915	-4.72%	3,062,214
Derivative liabilities	15,585	20,805	-25.09%	15,357
Current income tax payable	8,009	8,915	-10.16%	9,426
Deferred income tax liabilities	68	18	277.78%	-
Other liabilities	297,446	233,481	27.40%	205,390
On-lending facilities	400,503	383,034	4.56%	380,460
Borrowings	473,310	356,496	32.77%	378,751
Debt Securities Issued	369,413	332,931	10.96%	312,530
Total liabilities	4,839,881	4,773,595	1.39%	4,364,128

(₹'Million)	Group Sep-18	Group Dec-17	YTD Change	Group Sep-17
Share capital	15,698	15,698	0.00%	15,698
Share premium	255,047	255,047	0.00%	255,047
Retained earnings	310,801	365,757	-15.03%	312,673
Other reserves	194,848	183,839	5.99%	183,114
Total Shareholders' equity	777,904	821,658	-5.33%	767,690
Non-controlling interest	1,510	1,317	14.65%	1,158
Total liabilities & equity	5,617,785	5,595,253	0.40%	5,131,818

Balance Sheet – Currency Breakdown

- Diversification of funding base contributes to matching FX loan exposures.
- The short USD on- balance sheet position is covered by off-balance sheet derivative assets in the form of swaps

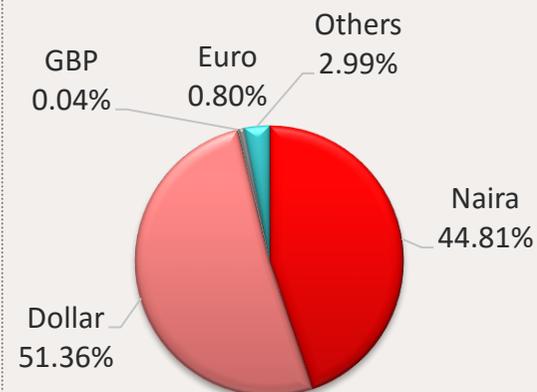
(₦'Million) @September 30, 2018	Naira	Dollar	GBP	Euro	Others	Total
Cash and balances with central banks	829,283	26,306	5,390	2,372	40,884	904,235
Treasury bills	595,736	-	-	-	222,659	818,395
Assets pledged as collateral	579,704	-	-	-	-	579,704
Due from other banks	51,052	353,195	72,815	15,022	44,362	536,446
Derivative assets	-	95,222	-	-	-	95,222
Loans and advances to customers	817,657	937,109	644	14,676	54,639	1,824,725
Investment securities	214,261	353,378	-	-	22,666	590,305
Other financial assets	56,105	574	-	-	2,010	58,689
Total Financial Assets	3,143,798	1,765,784	78,849	32,070	387,220	5,407,721

(₦'Million)	Naira	Dollar	GBP	Euro	Others	Total
Customers' deposits	2,128,872	845,089	33,223	40,241	228,122	3,275,547
Derivative liabilities	-	15,585	-	-	-	15,585
Other financial liabilities	8,642	204,361	1380	16,279	4301	234,963
On-lending facilities	400,503	-	-	-	-	400,503
Borrowings	-	473,310	-	-	-	473,310
Debt securities issued	-	369,413	-	-	-	369,413
Total Financial Liabilities	2,538,017	1,907,758	34,603	56,520	232,423	4,769,321
Net On-balance Sheet Position	605,781	-141,974	44,246	-24,450	154,797	638,400

- Total absolute nominal value of derivative is USD4.04Bn
- Total off-balance sheet (forward) position is USD1.75Bn

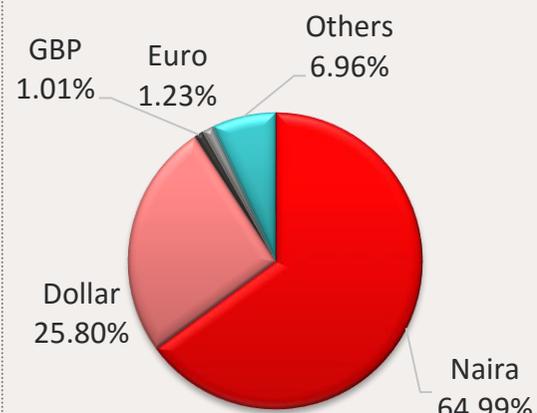
Loans and Advances (Net)

Sept. 2018



Deposits

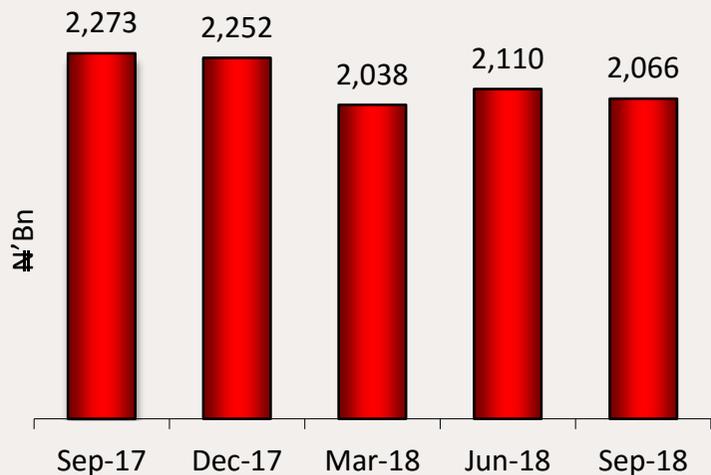
Sept. 2018



Sustained Assets & Liabilities Match

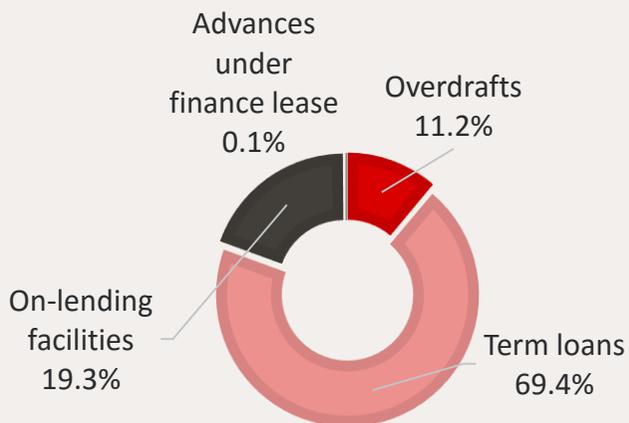
- Deposit funded loan portfolio, with largely term loans to top-rated corporates.
- Deposit base is predominantly current accounts which supports attractive net interest margin extraction with increasing savings account balance.

Gross Loans Evolution

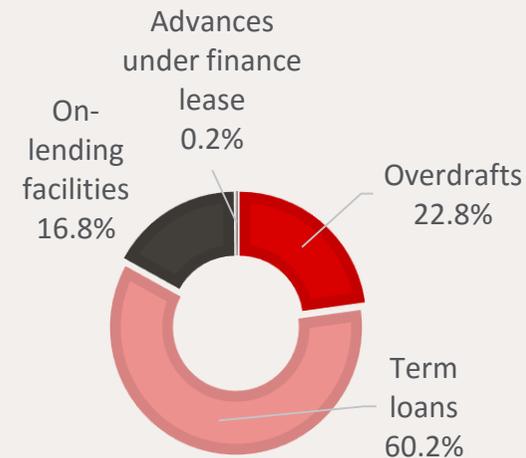


Loans & Advances

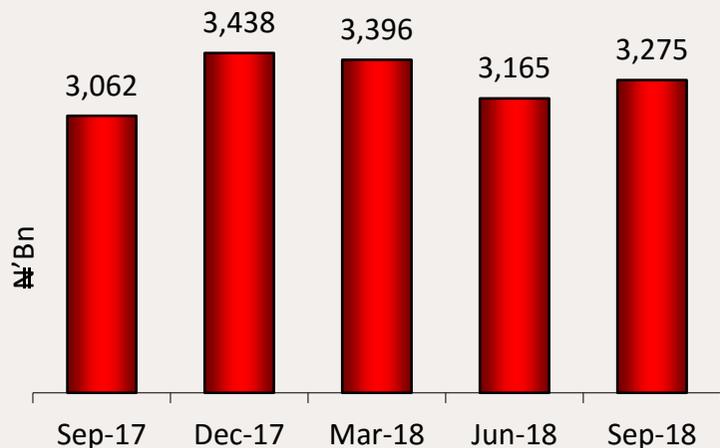
Q3 2018



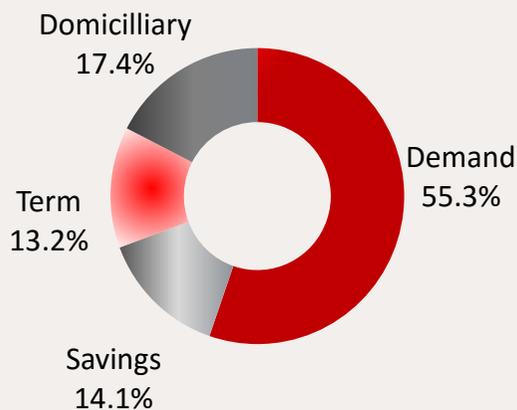
FYE 2017



Deposit Evolution

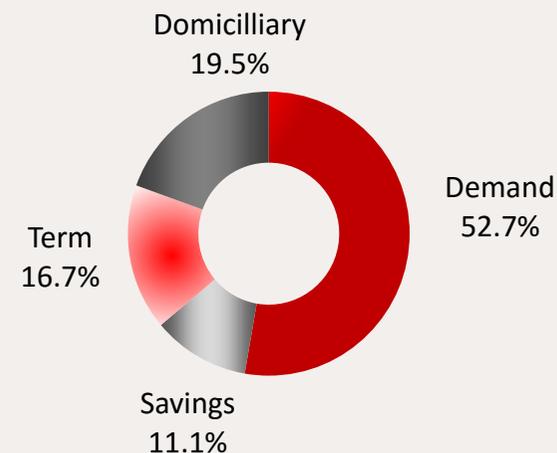


Q3 2018



Deposit Mix

FYE 2017

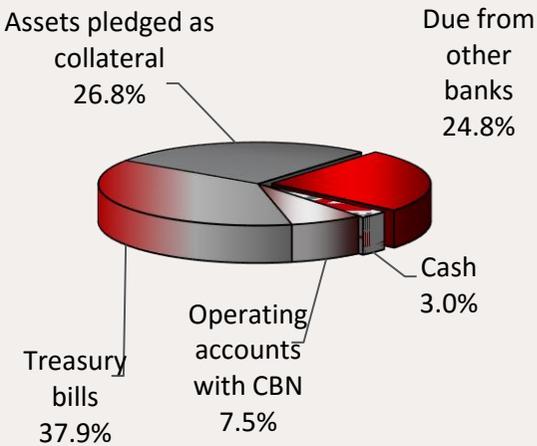


Continued Market Dominance through Strong Liquid Asset Base and Funding Mix

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

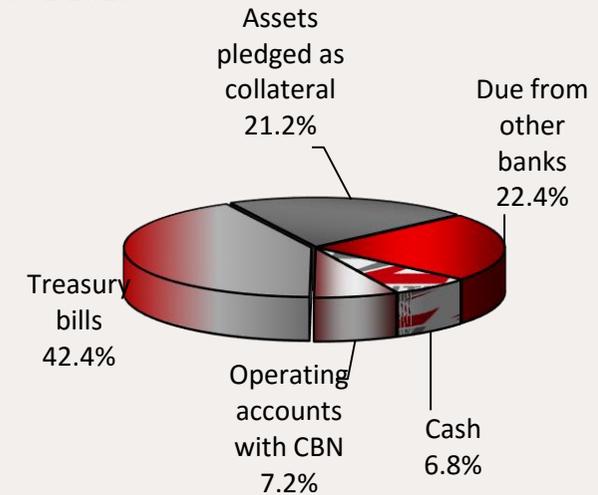
Liquid Assets

Q3 2018



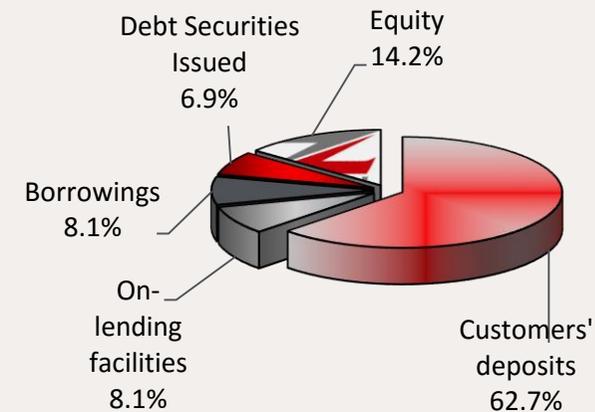
N'million	Q3 2018	FYE 2017	YoY
Cash	64,866	150,883	-57%
Operating accounts with CBN	161,273	159,666	1%
Treasury bills	818,395	936,817	-13%
Assets pledged as collateral	579,704	468,010	24%
Due from other banks	536,445	495,803	8%
Total	2,160,683	2,211,179	-2%

FYE 2017



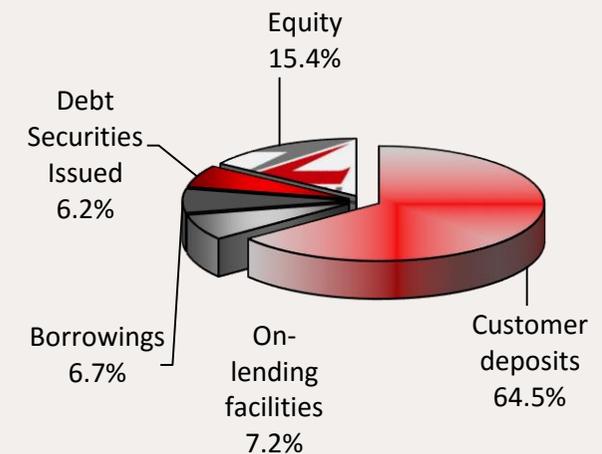
Funding Mix

Q3 2018



N'million	Q3 2018	FYE 2017	YoY
Customers' deposits	3,275,547	3,437,915	-5%
On-lending facilities	400,503	383,034	5%
Borrowings	473,310	356,496	33%
Debt securities issued	369,413	332,931	11%
Equity	777,904	821,658	-5%
Total	5,296,677	5,332,034	-1%

FYE 2017



The background 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 series of vertical posts. The sun is visible on the left side of the frame, creating a bright glow. A red horizontal bar is overlaid on the left side of the image, containing the text 'Risk Management'.

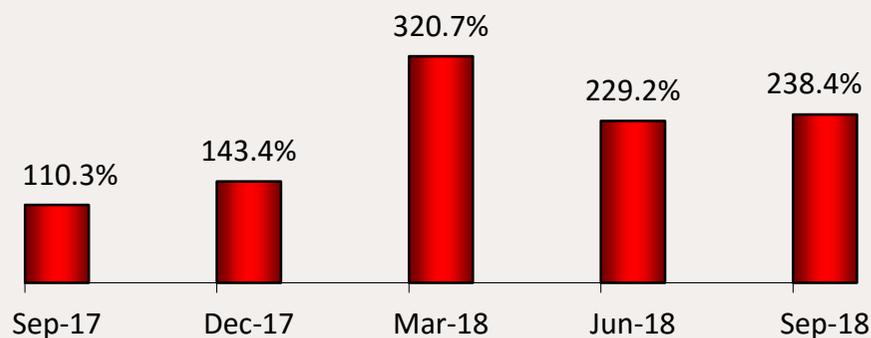
Risk Management

Healthy Risk Assets Portfolio

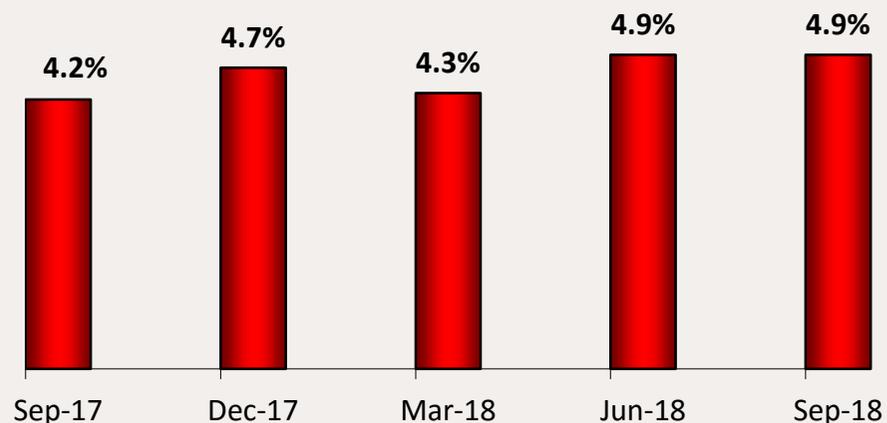
- Historically strong risk management have resulted in a contained NPL ratio, with robust coverage levels that compare favourably with peers and the sector.

NPL Coverage Ratio

- The significant growth in Coverage Ratio from Q1 2018 was as a result of IFRS 9 implementation



NPL Ratio



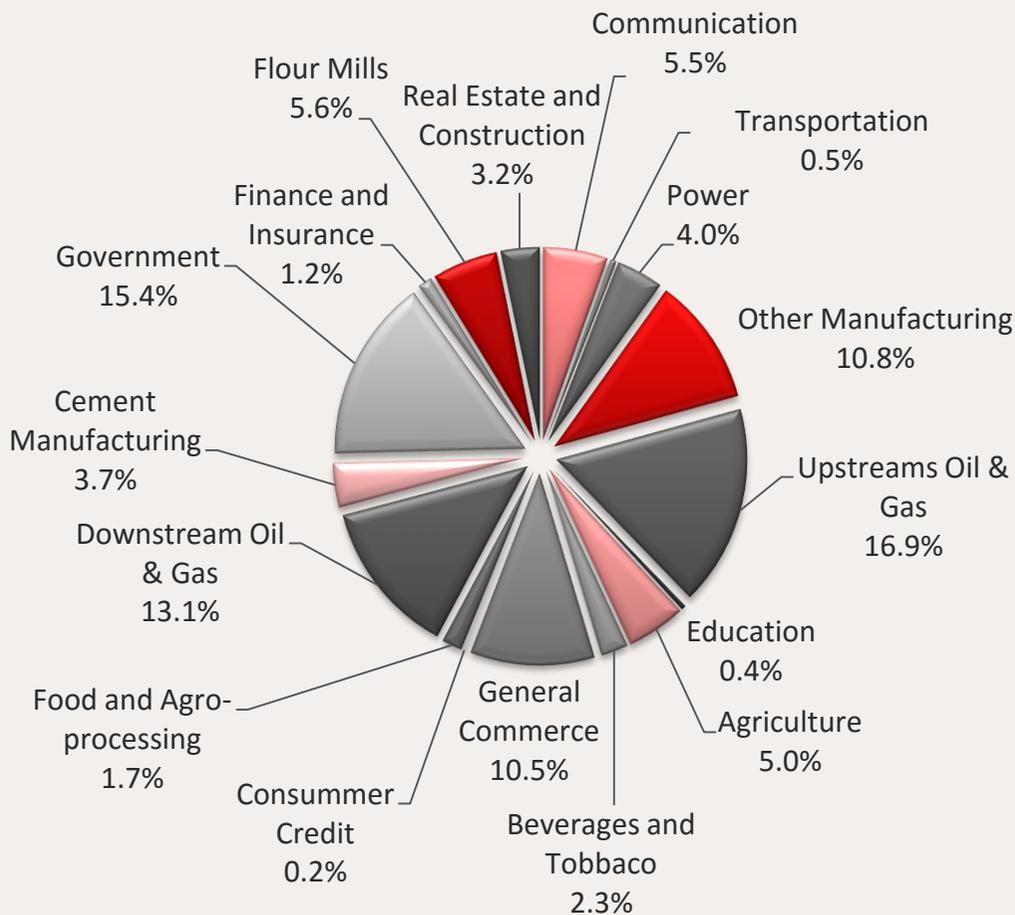
Our Risk Management Strategy

- 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

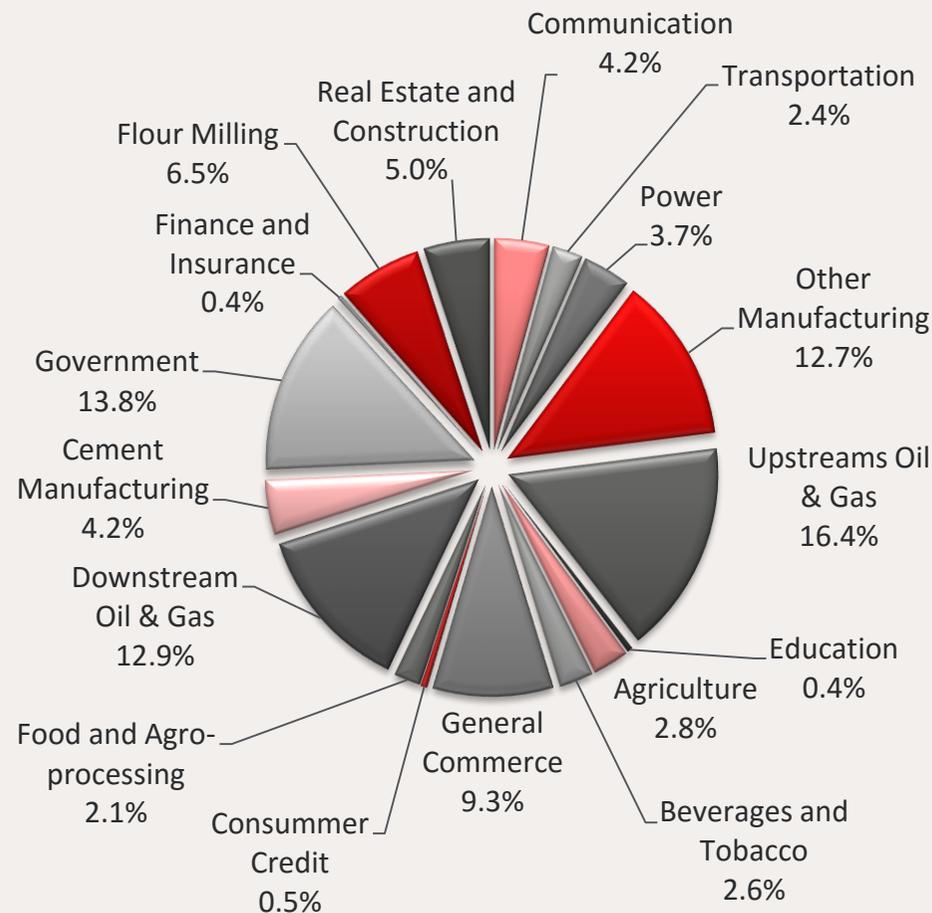
- Well diversified loan portfolio across sectors supports asset quality.

Loans by Sector – Q3 2018



Gross Loans – ₦2.07 Trillion

Loans by Sector – FYE 2017

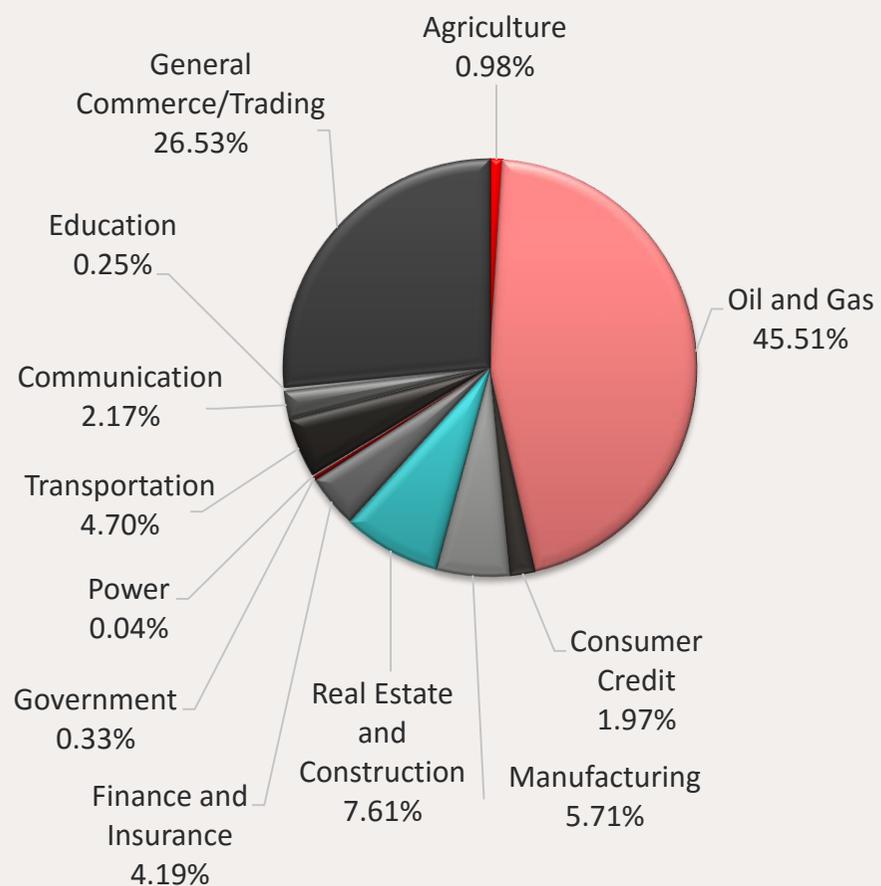


Gross Loans – ₦2.25 Trillion

NPL by Sectors

- Zenith Bank continues to develop its risk management strategy and maintain a good quality loan portfolio.

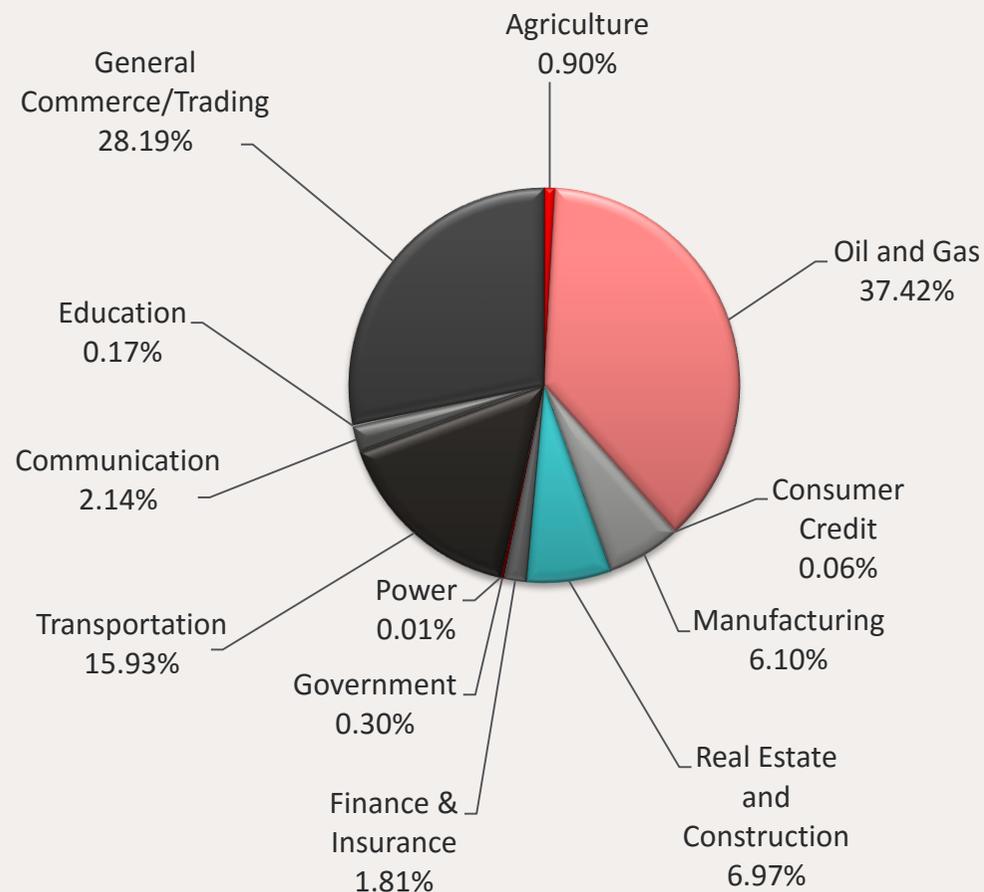
Q3 2018



Total NPLs – ~~N~~101.24 Billion

NPL Ratio – 4.9%

FYE 2017



Total NPLs – ~~N~~105.87 Billion

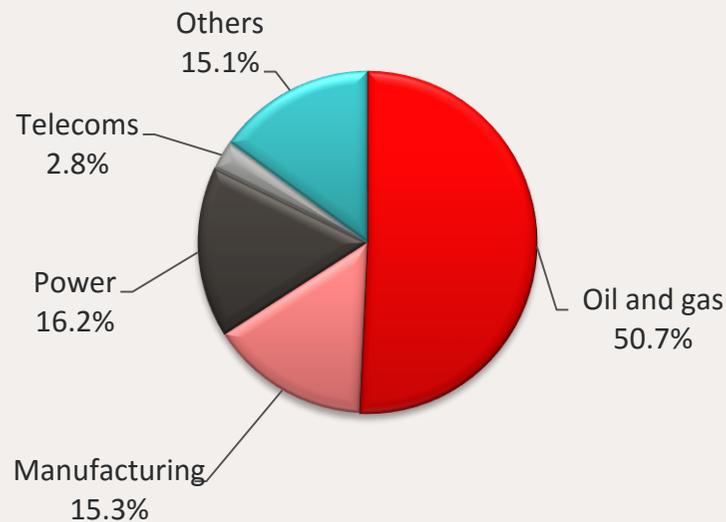
NPL Ratio – 4.7%

Foreign Currency Loans & Restructured Loans

- Well diversified loan portfolio across sectors support asset quality.

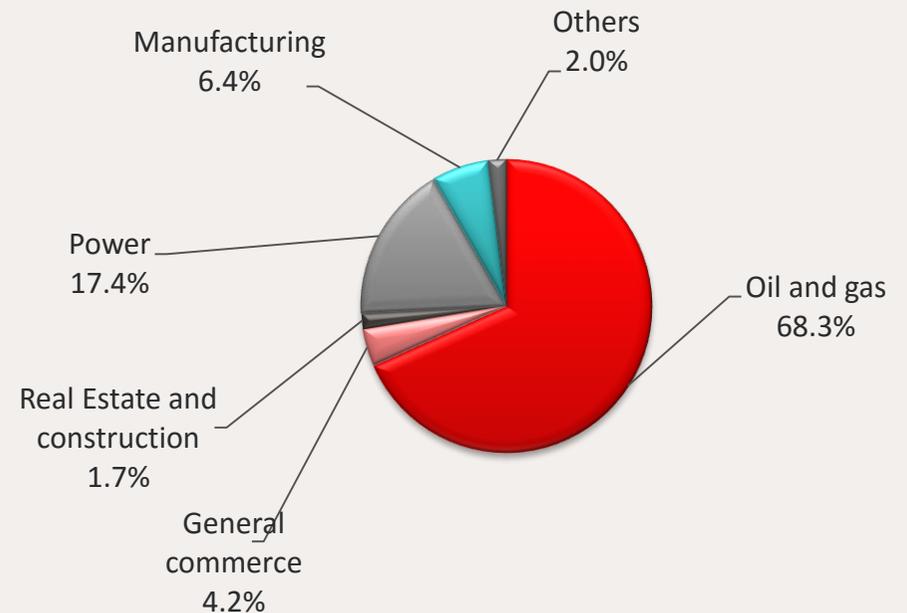
Foreign Currency Loans – Q3 2018

USD loans by sector	US\$' m	N'm	% to US\$ loans	% to Total loans
Oil and gas	475,423	1,317	50.73%	23.01%
Manufacturing	142,949	396	15.25%	6.92%
Power	151,674	420	16.19%	7.34%
Telecoms	26,024	72	2.78%	1.26%
Others	141,039	391	15.05%	6.83%
Total US\$ loans	937,109	2,596	100.00%	45.36%



Cumulative Restructured Loans – Q3 2018

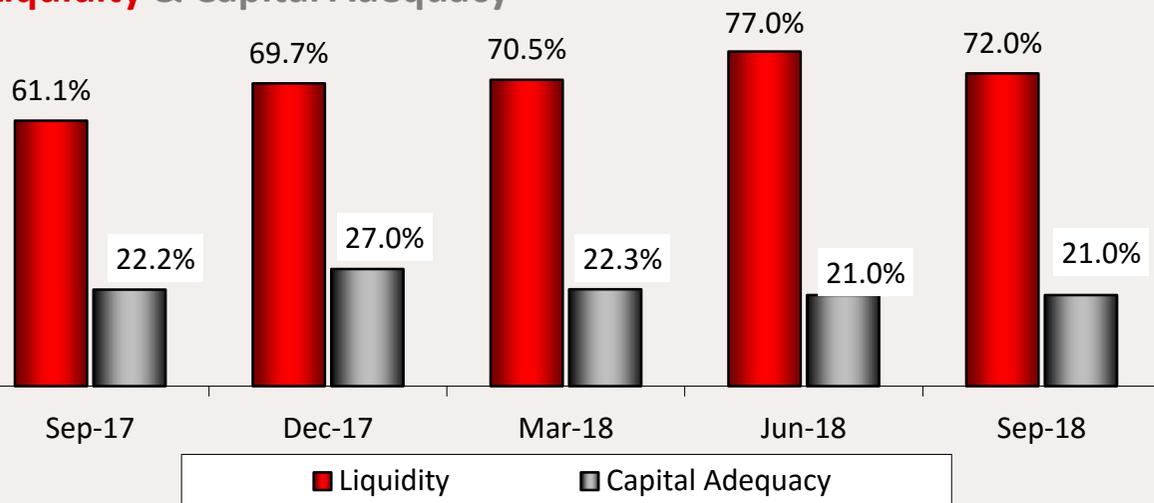
Restructured Loans by sector	N'm	% to Restructured loans	% to Gross loans
Oil and gas	182,143	68.34%	8.82%
Power	11,188	4.20%	0.54%
Manufacturing	4,579	1.72%	0.22%
General commerce	46,311	17.38%	2.24%
Real Estate and construction	16,971	6.37%	0.82%
Others	5,338	2.00%	0.26%
Total restructured loans	266,530	100.00%	12.90%



Strong Capitalisation and Liquidity

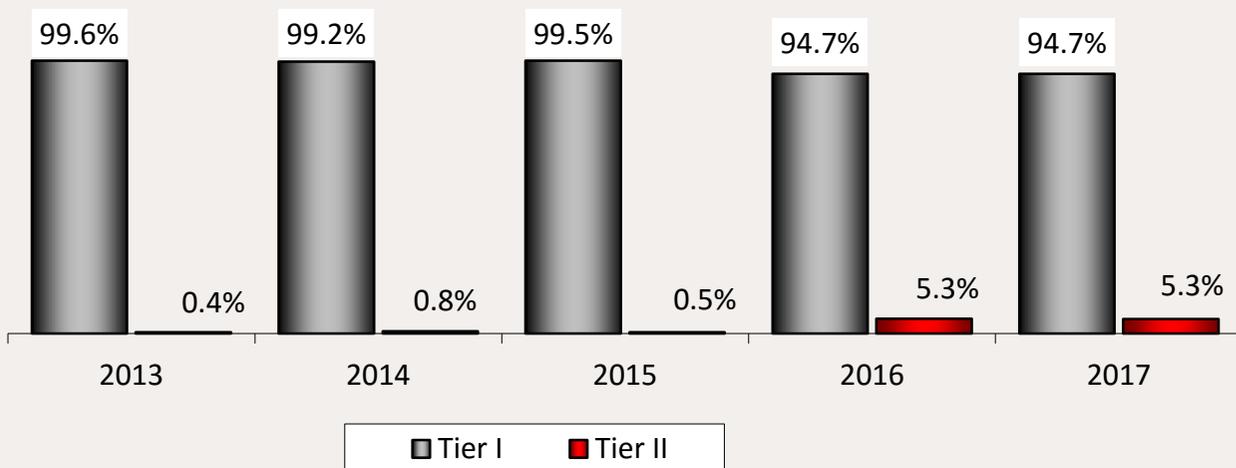
- Liquidity buffer well in excess of regulatory requirements. Solid and high-quality capital position provides room for further growth and has supported Zenith Bank's historically strong dividend pay-out ratio.

Liquidity & Capital Adequacy

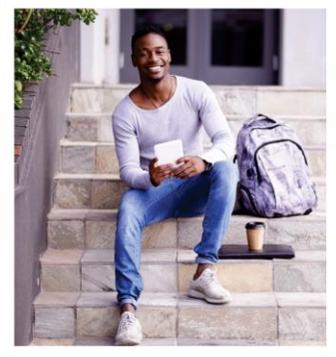
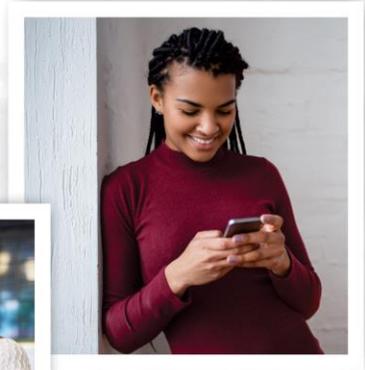


Capital and liquidity ratios for the Bank – well above industry requirements of 30% for Liquidity and 15% for Capital Adequacy Ratio

Capital Mix



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



Business Segments Performance & Subsidiary Review

Performance – By Business Segments

- Continuous diversification and improved profitability across core business segments

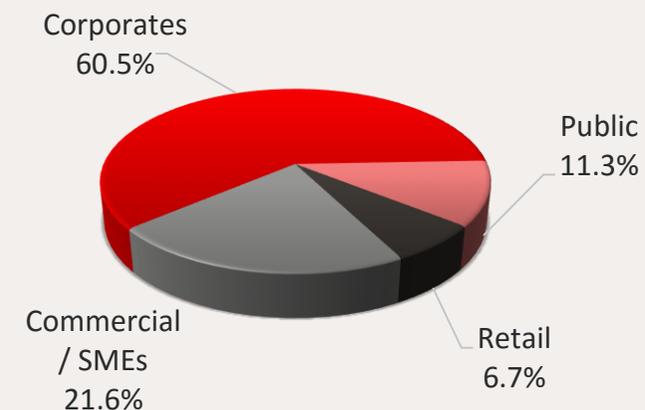
9 Months Ended September 2018

(¥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
Tax	(15,330)	(1,901)	(1,740)	(4,157)	(23,128)
Profit after tax	79,866	18,733	13,958	31,623	144,179

Gross Revenue

Q3 2018

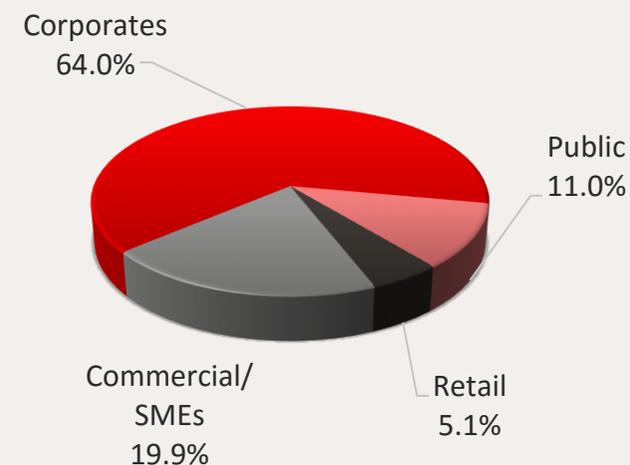


9 Months Ended September 2017

(¥million)

	Corporates	Public	Retail	Commercial/ SMEs	Consolidated
Total revenue	340,010	58,439	27,095	105,722	531,266
Total expenses	(249,951)	(37,871)	(16,360)	(74,531)	(378,713)
Profit before tax	90,059	20,568	10,734	31,192	152,553
Tax	(13,765)	(3,144)	(1,025)	(5,383)	(23,317)
Profit after tax	76,294	17,424	9,709	25,809	129,236

Q3 2017

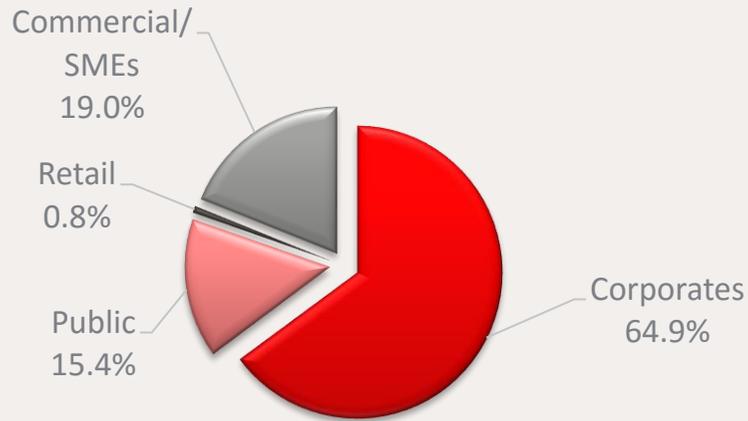


Loans & Deposits – By Business Segments

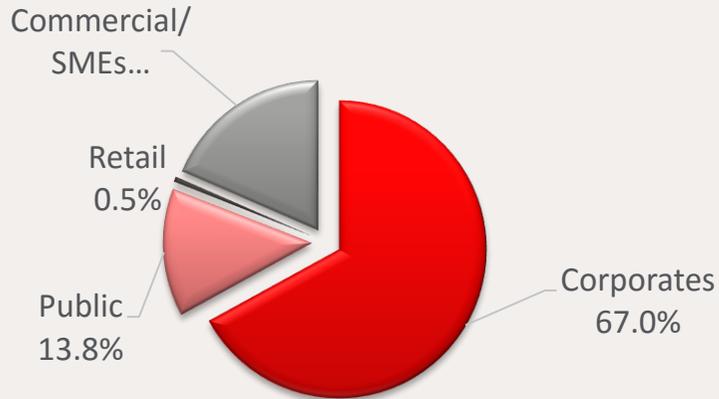
- Corporate-oriented franchise, with improving retail component.

Gross Loans

Q3 2018 Gross Loans – ~~₹~~2.07 Trillion

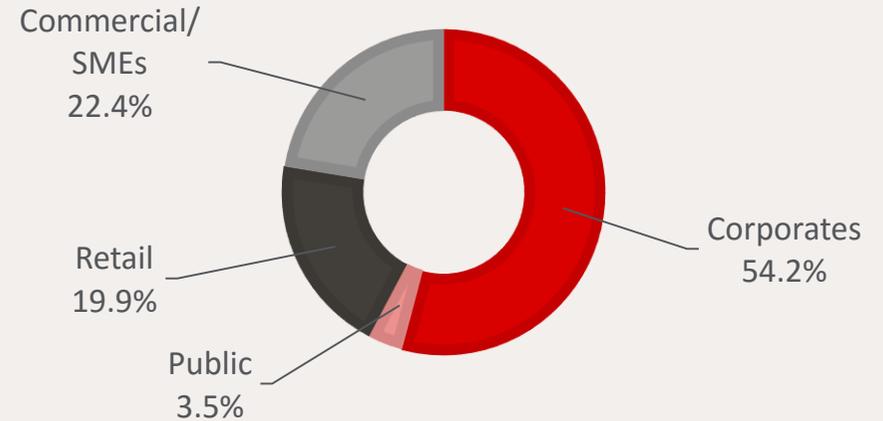


2017 Gross Loans – ~~₹~~2.25 Trillion

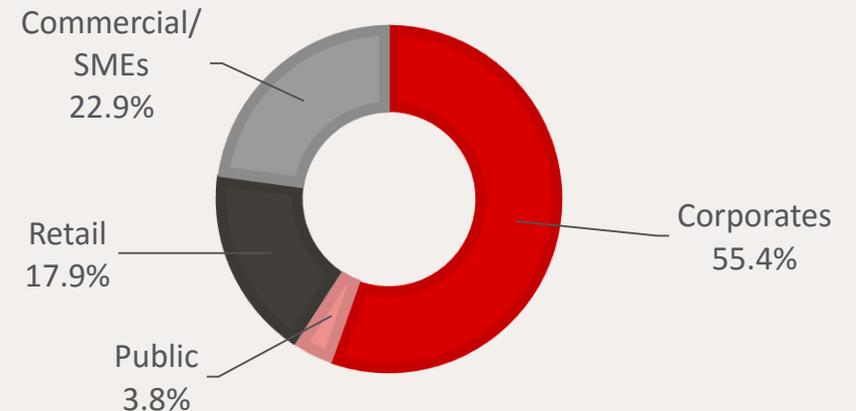


Total Deposits

Q3 2018 Total Deposits – ~~₹~~3.28 Trillion



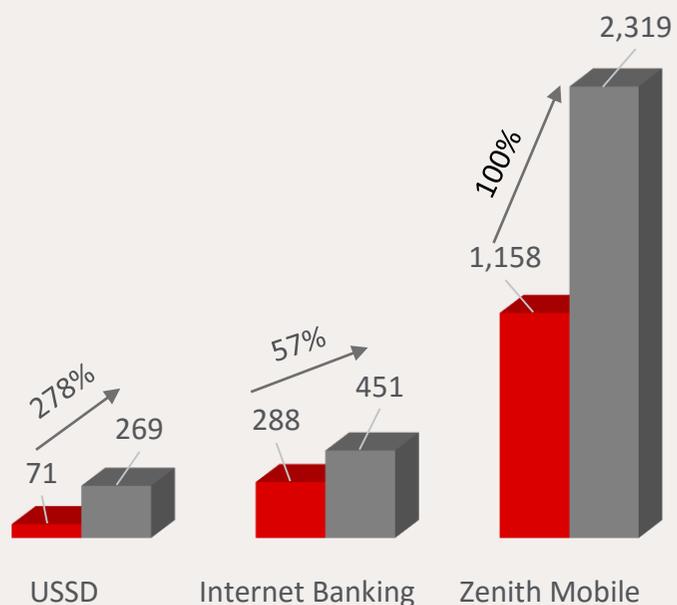
2017 Total Deposits – ~~₹~~3.44 Trillion



Electronic Banking Products Performance

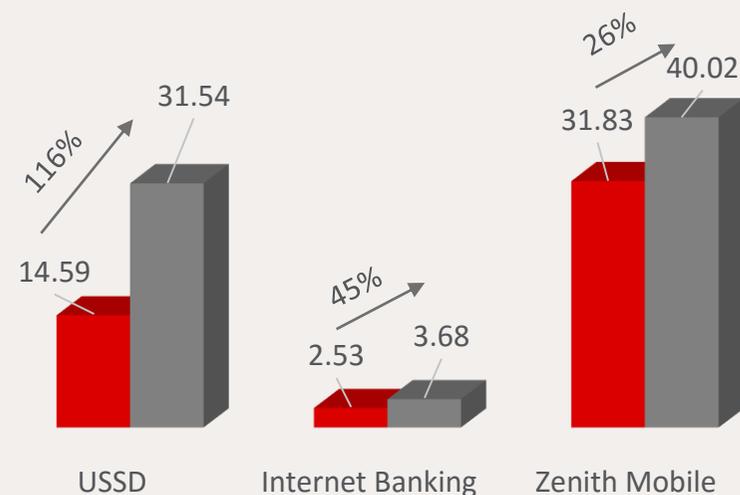
- The bank recorded a remarkable growth in both value and volume of electronic product transactions, resulting in a 109% (ref.: slide 15) growth in income on electronic products

Value of Electronic Product Transactions



- Value (N'bn) - Jan 2017 to Sept 2017
- Value (N'bn) - Jan 2018 to Sept 2018

Volume of Electronic Product Transactions



- Volume (million) - Jan 2017 to Sept 2017
- Volume (million) - Jan 2018 to Sept 2018

Geographical Presence

Zenith Bank Plc. (Parent)

Established: 1990
 Branches: 370
 Q3 2018 PBT: N139.6Bn
 Total deposits: N2,451Bn
 Total assets: N4,649Bn
 ROE: 24.0%
 Staff strength: 6,198

Zenith Pension

Established: 2005
 Branches: 2
 Zenith ownership: 99%
 Q3 2018 PBT: N7.0Bn
 Custody assets: N3,392Bn
 Total assets: N2.5Bn
 ROE: 38.9%
 Staff strength: 108

Gambia

Established: 2009
 Zenith ownership: 99.96%
 Branches: 6
 Q3 2018 PBT: N405M
 Total deposits: N9.6Bn
 Total assets: N15.0Bn
 ROE: 11.5%
 Staff strength: 136

Ghana

Established: 2005
 Zenith ownership: 98.07%
 Branches: 27
 Q3 2018 PBT: N15.6Bn
 Total deposits: N344.3Bn
 Total assets: N436.9Bn
 ROE: 30.3%
 Staff strength: 691

Sierra Leone

Established: 2008
 Zenith ownership: 99.99%
 Branches: 6
 Q3 2018 PBT: N765M
 Total deposits: N15.0Bn
 Total assets: N20.9Bn
 ROE: 30.5%
 Staff strength: 158

United Kingdom

Established 2007
 Zenith ownership: 100%
 Branches: 2
 Q3 2018 PBT: N7.2Bn
 Total deposits: N456.0Bn
 Total assets: N593.4Bn
 ROE: 13.9%
 Staff strength: 100

UAE

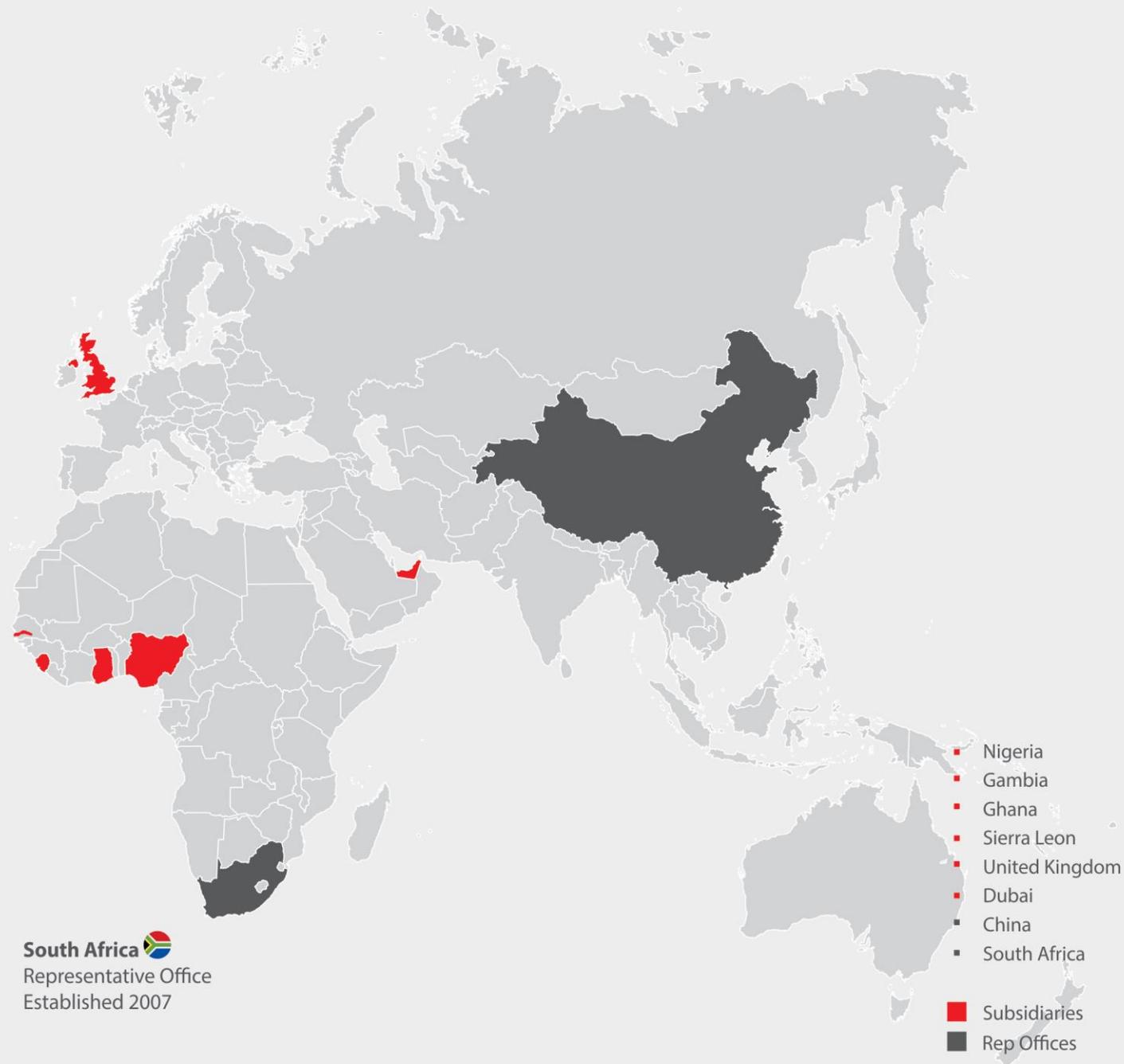
Branch of Zenith UK
 Established 2016
 1 branch

China

Representative Office
 Established 2011

South Africa

Representative Office
 Established 2007



Performance by Geography

- Subsidiaries contribution to revenue has improved YoY from 8.9% to 13.1%, improving revenue diversification by geography

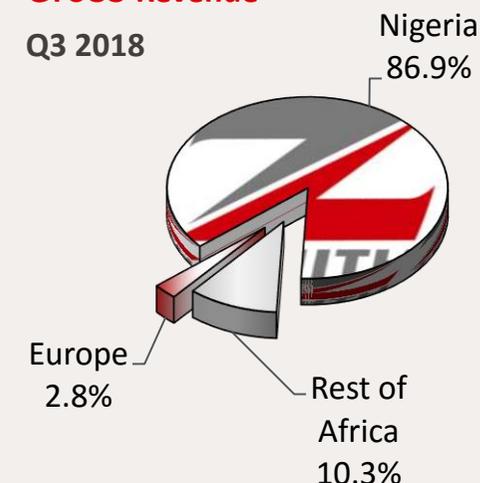
9 Months Ended September 2018

(₦' Million)

	Nigeria	Rest of Africa	Europe	Eliminations	Consolidated
Total Revenue	417,223	49,609	13,269	(5,494)	474,607
Total expenses	(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

Gross Revenue

Q3 2018

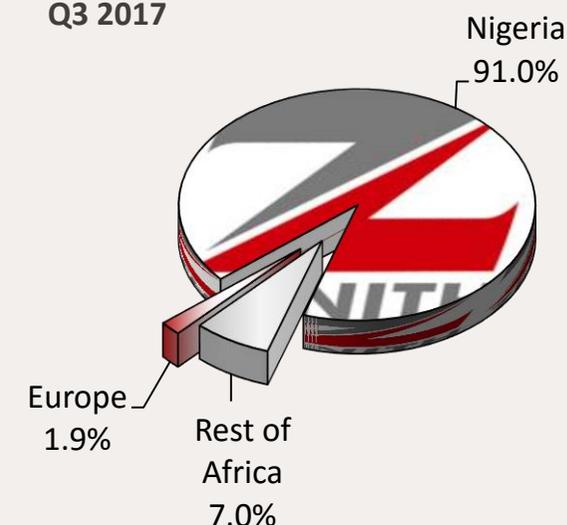


9 Months Ended September 2017

(₦' Million)

	Nigeria	Rest of Africa	Europe	Eliminations	Consolidated
Total Revenue	477,959	36,968	10,176	(2,241)	522,862
Total expense	(337,031)	(25,048)	(10,566)	2,241	(370,404)
Profit before tax	140,928	11,920	(390)	-	152,458
Tax	(19,632)	(3,771)	86	-	(23,317)
Profit after tax	121,296	8,149	(304)	-	129,141

Q3 2017



Non-financial Highlights – Q3 2018

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

PRODUCT INNOVATIONS



Zenith Trade Portal

CUSTOMERS/CHANNELS

Number of Customers  **5,380,415**

Number of Cards Issued  **5,158,402**

Number of POS Terminals  **29,061**

Number of ATM Terminals  **1,853**

Number of Branches  **410**

Number of Cash Centres  **177**

Number of Male Employees  **3,854**

Number of Female Employees  **3,537**

SHAREHOLDING

Number of Shareholders  **642,455**

SOCIAL FOLLOWING

 5,044,418  191,048

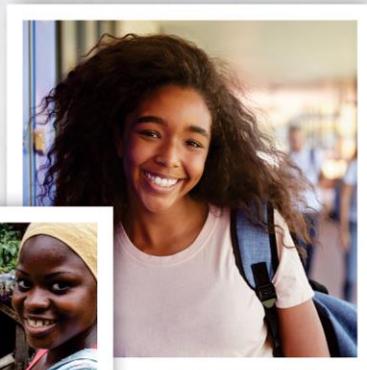
 916,140  43,999

AWARD

Best Bank in Corporate Governance 2018
- World Finance

RATINGS

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



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

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

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

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

- Agriculture
- Infrastructure
- Manufacturing
- Petrochemicals
- Real Estate and Construction
- Retail
- 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 FY2018

- **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 of all bank's customers across the industry into a single data base has also boosted our retail banking business. Each customer now has a unique Biometric Verification Number (BVN) and this has helped to reduce fraud in the banking system.
- **Agriculture:** The Federal government's resolve to boost the agricultural sector in the country would no doubt create quite a number of opportunities in the areas of funding, job creation and indeed food security to Africa's most populous nation. Various Funding Schemes to ensure that the country's economy is diversified have been put in place. These include Commercial Agriculture Credit Scheme (CACCS) that has 159 projects and Nigeria Incentive-Based Risk Sharing for Agricultural Lending (NIRSAL). Others are Seed and Fertilizer Scheme launched for banks to lend at a subsidized rate to local farmers and the value chain for the production of fertilizer. Zenith Bank has played a major role in this sector to support the various government's projects aimed at boosting our economy.
- **Deposit Base:** Our drive for low cost and appropriately mixed deposit base to fund our credit and money market transactions would continue in FY2018. 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 only recently scored another first, becoming 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.

Guidance for FYE 2018

	FYE 2018 Guidance	9 Months – September 2018 Achieved	FYE 2017 Achieved
PBT	₺ 215.0Bn	₺ 167.3Bn	₺ 203.5Bn
Effective Tax Rate	15.0%	13.82%	12.6%
PAT	₺ 182.7Bn	₺ 144.2Bn	₺ 177.9Bn
ROAE	23.4%	24.0%	23.3%
ROAA	3.5%	3.4%	3.4%
NIM (Adjusted)	9.0%	9.6%	9.0%
Cost of Funds	3.5%	3.3%	5.2%
Cost of Risk	1.0%	0.9%	4.3%
Cost to Income	51.8%	52.2%	52.7%
Deposit Growth	5.0%	(4.7%)	15.2%
Loan Growth	2.5%	(8.3%)	(4.60%)
Loan to Funding	65.0%	50.9%	60.5%
Capital Adequacy	22.0%	21.0%	27.0%
Liquidity Ratio	60.0%	72.0%	69.7%
NPL	3.95%	4.90%	4.70%
NPL Coverage	200.0%	238.4%	143.4%

Thank You

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