



2019 FULL YEAR REPORT

Presentation to Investors
and Analysts



PEOPLE | TECHNOLOGY | SERVICE



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

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

Agenda

Operating Environment Overview	Pages 04 – 06
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Strategy & Outlook	Pages 35 – 39

Operating Environment Overview

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

Nigerian Economy and Key Developments in the Banking Sector

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

Real GDP Growth:

- Nigeria recorded a real GDP growth of 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 closed for the year at 11.98% y/y from 11.85% y/y recorded in Nov'19.
- Food inflation rose by 19 bps to print at 14.67% y/y while core inflation advanced by 34 bps to 9.33% y/y.

Oil Production & Price:

- Average daily oil production was 2.00 mbpd in Q4 2019, indicating a rise of 0.09mbpd over the daily average production of 1.91 mbpd recorded in the same quarter of 2018.
- OPEC average monthly basket price increased by 6.6% in the 4th quarter of 2019, from \$62.4/bbl recorded at the end of Q3 2019 to \$66.5/bbl recorded at the end of Q4 2019.

Foreign Reserves:

- Nigerian foreign reserves declined by 8.3% QoQ from \$42.1bn recorded at the end of Q3 2019 to \$38.6bn recorded at the end of Q4 2019.

Exchange Rate:

- Exchange rate remained relatively stable through out 2019. Rates (NGN/USD) as at end of December 2019: NAFEX(I&E) – 363.7; NIFEX – 359.7; December 2018: NAFEX(I&E) – 362.6; NIFEX – 358.8.

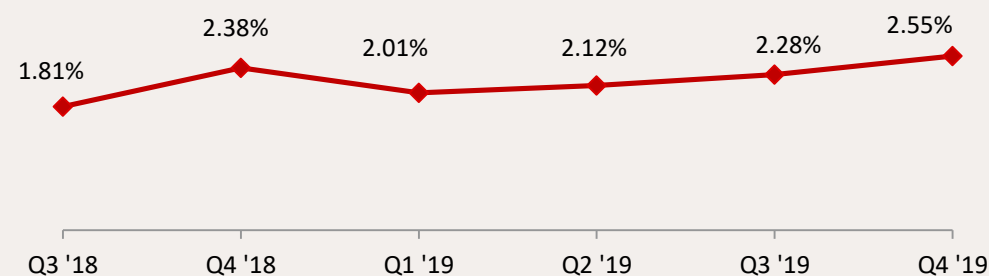
Cash Reserve Ratio (CRR) & Monetary Policy Rate (MPR):

- At the last Monetary Policy Committee (MPC) meeting of the Central Bank of Nigeria (CBN) held in January 2020, Cash Reserve Ratio (CRR) was increased to 27.5% from 22.5% while the Monetary Policy Rate (MPR) and liquidity ratio remained unchanged at 13.5% and 30% respectively.

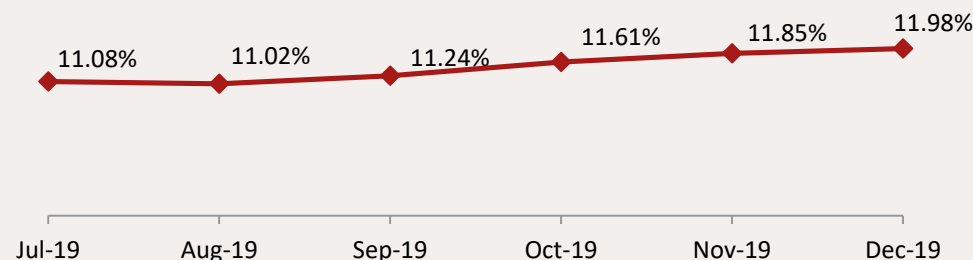
Floor of 65% for Loan-to-Deposit Ratio (LDR) :

- 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 was imposed on banks that failed to meet the minimum LDR.

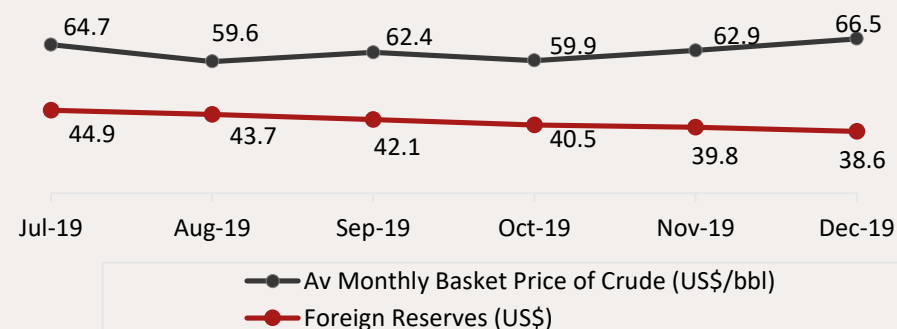
GDP Growth Rate



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 4.3% with a coverage ratio of 148.2%. The Group will continue to implement robust risk management practices and bring NPL ratio down to below 3% in the medium term.

Cost Optimization:

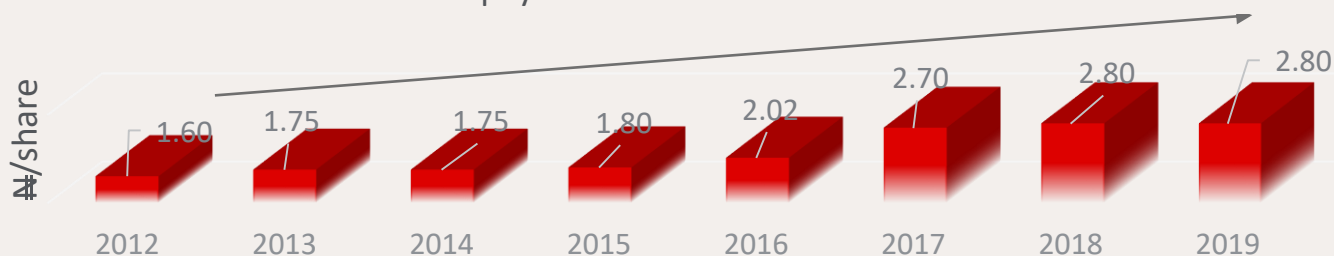
- The bank's drive towards an improved level of efficiency is yielding positively as funding and operational costs have remained muted with declining **cost-to-income ratio (2019: 48.8%; 2018: 49.3%; 2017: 52.8%)**.

Credit Rating:









- Standard and Poor's ratings for Zenith Bank are: B/Stable/B (Issuer Credit Rating) and ngBBB/ngA-2 (National Scale Rating).
- Fitch ratings are: 1) Long-term foreign currency IDR: 'B+' - 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) Long Term Deposit - B3 with Stable Outlook







Consistent and Growing Dividend Payout:

- Good and consistent dividend payout to its investors.



Non-financial Highlights

SOCIAL IMPACT/CSR	CUSTOMERS/CHANNELS		AWARDS	
		2019		2018
<ul style="list-style-type: none"> Zenith Tech Fair Style by Zenith Aba Small & Medium Ent. (SME) Fair Aspire Music Festival 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 	Number of Customers 	9,575,733	7,835,024	<ul style="list-style-type: none"> 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
	Number of Cards Issued 	7,880,411	5,732,820	
	Number of active POS Terminals 	41,536	34,006	
	Number of ATM Terminals 	2,009	1,891	
	Number of Branches 	430	420	
	Number of Cash Centres 	178	176	
	Number of Male Employees 	3,776	3,902	
	Number of Female Employees 	3,441	3,692	

SHARE HOLDINGS	RATINGS	PRODUCT INNOVATIONS	SOCIAL FOLLOWING
 Number of Shareholders 640,358	Fitch - B+/Negative/B	Emergency USSD Code *966*911#	 5,889,788
	Standard & Poors - B/Stable/B	Save4Me	 1,145,263
	Moody - B2/Stable/B3	Timeless Account	 356,656
		Dubai Visa	 25,545,948
		Borrow Me Power } <i>(Mobile App & Internet Banking)</i>	 101,427
		My Bank Statement }	

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:	₺662.3Bn	+5.1% YoY
Profit before tax:	₺243.3Bn	+5.0% YoY
Profit after tax:	₺208.8Bn	+7.8% YoY
Non-interest income:	₺232.1Bn	+29.0% YoY

Balance Sheet

Customers' deposits:	₺4.26Tn	+15.5% YTD
Gross loans:	₺2.46Tn	+22.1% YTD
Total assets:	₺6.35Tn	+6.6% YTD
Total shareholders' funds:	941.9Bn	+15.5% YTD

Key Ratios

	31-Dec-19	31-Dec-18	% change
Earnings per share (EPS)	N6.65	N6.15	8.13%
Return on average assets (RoAA)	3.40%	3.35%	1.49%
Return on average equity (RoAE)	23.76%	23.80%	(0.17%)
Net interest margin - NIM	8.23%	8.90%	(7.35%)
Cost of funds	3.00%	3.10%	(3.23%)
Cost of risk	1.07%	0.90%	18.89%
Cost-to-income ratio	48.79%	49.30%	(1.03%)
Liquidity ratio	57.25%	80.91%	(29.24%)
Loan-to-deposit ratio (Group)	57.77%	54.64%	5.73%
Loan-to-deposit ratio (Bank)	68.60%	68.10%	0.73%
Capital adequacy ratio (CAR)	22.00%	25.00%	(12.00%)
Non-performing loan ratio (NPL)	4.30%	4.98%	(13.65%)
Coverage ratio	148.20%	192.40%	(22.97%)

Profit or Loss Statement

- Strong top and bottom lines, driven by growth in non-interest income and continued cost optimization.

(N'million)	Group 2019	Group 2018	YoY Change
Gross income	662,251	630,344	5.06%
Interest and similar income	415,563	440,052	(5.57%)
Interest and similar expense	-148,532	-144,458	2.82%
Net interest income	267,031	295,594	(9.66%)
Impairment charge	-24,032	-18,372	30.81%
Net interest income after impairment charge	242,999	277,222	(12.34%)
Net fee and commission income	100,106	81,814	22.36%
Trading income	117,798	80,202	46.88%
Other income	14,216	17,947	(20.79%)
Amortisation of intangible assets	-3,078	-2,399	28.30%
Depreciation of property and equipment	-21,436	-16,648	28.76%
Personnel expenses	-77,858	-68,556	13.57%
Operating expenses	-129,453	-137,897	(6.12%)
Profit before income tax	243,294	231,685	5.01%
Income tax expense	-34,451	-38,261	(9.96%)
Profit after tax	208,843	193,424	7.97%

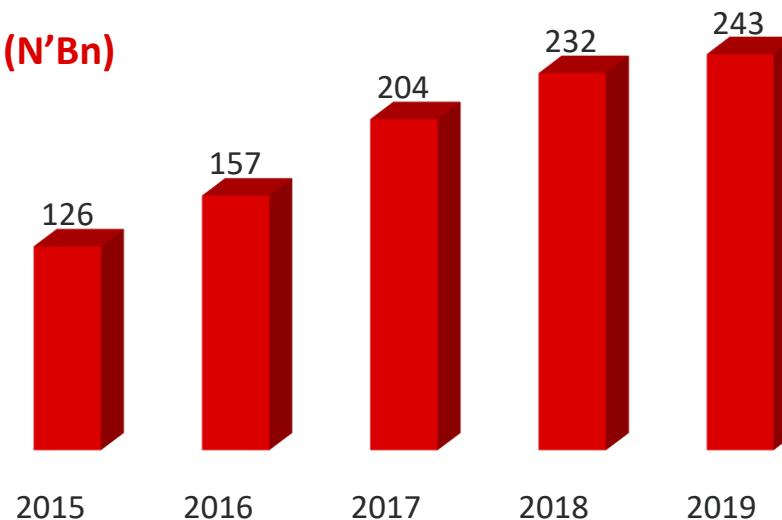
Consolidating Earnings and Profitability



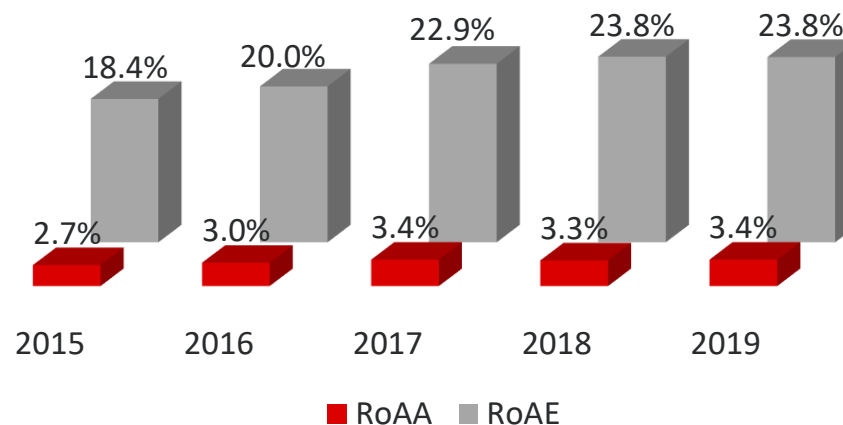
Zenith Group has been consistent in delivering attractive earnings profile, supported by an improved operating efficiency.

- **PBT** increased YoY by 5.0% from N231.7bn in 2018 to N243.3bn in 2019, driven by **Non-interest income** which grew by an impressive 29% YoY.
- **ROAE** came in flat at 23.8% YoY but has experienced a constant growth over the last five years (from 18.4% recorded in 2015). The group remains committed to continue to deliver impressive returns to its investors.
- **ROAA** improved marginally from 3.3% in 2018 to 3.4% in 2019.

PBT (N'Bn)



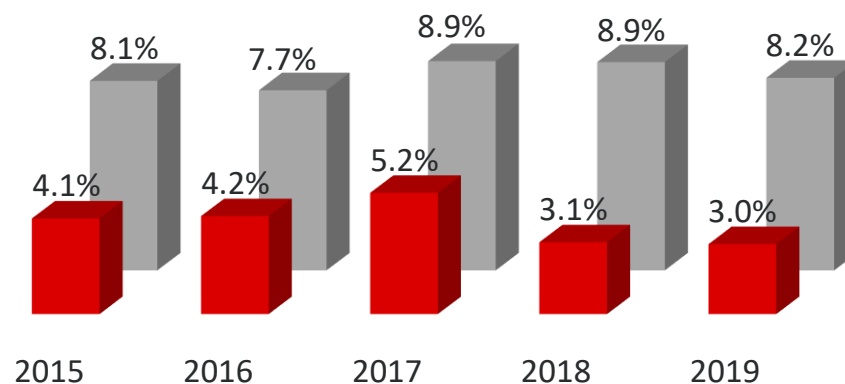
RoAA & RoAE



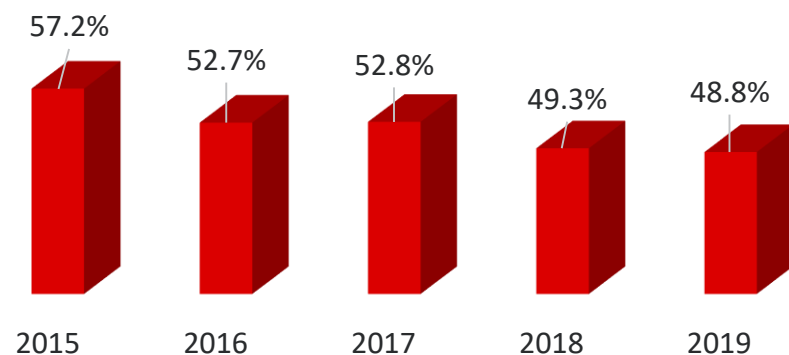
Consolidating Earnings and Profitability Contd.

- **Net Interest Margin - NIM** compressed by 7.5% YoY (from 8.9% in 2018 to 8.2% in 2019) as a result of decline in the yield environment which led to a drop in average interest rate on our interest bearing assets.
- **Cost of Funds** dropped to 3.0% in 2019 from 3.1% recorded in 2018 as a result of acquiring cheaper retail deposits.
- **Cost-to-Income Ratio** has been on a steady decline over the last couple of years as it improved further to 48.8% in 2019 from 49.3% in 2018. The group is committed to maintaining an improved level of operating efficiency.

Cost of Funds & Net Interest Margin

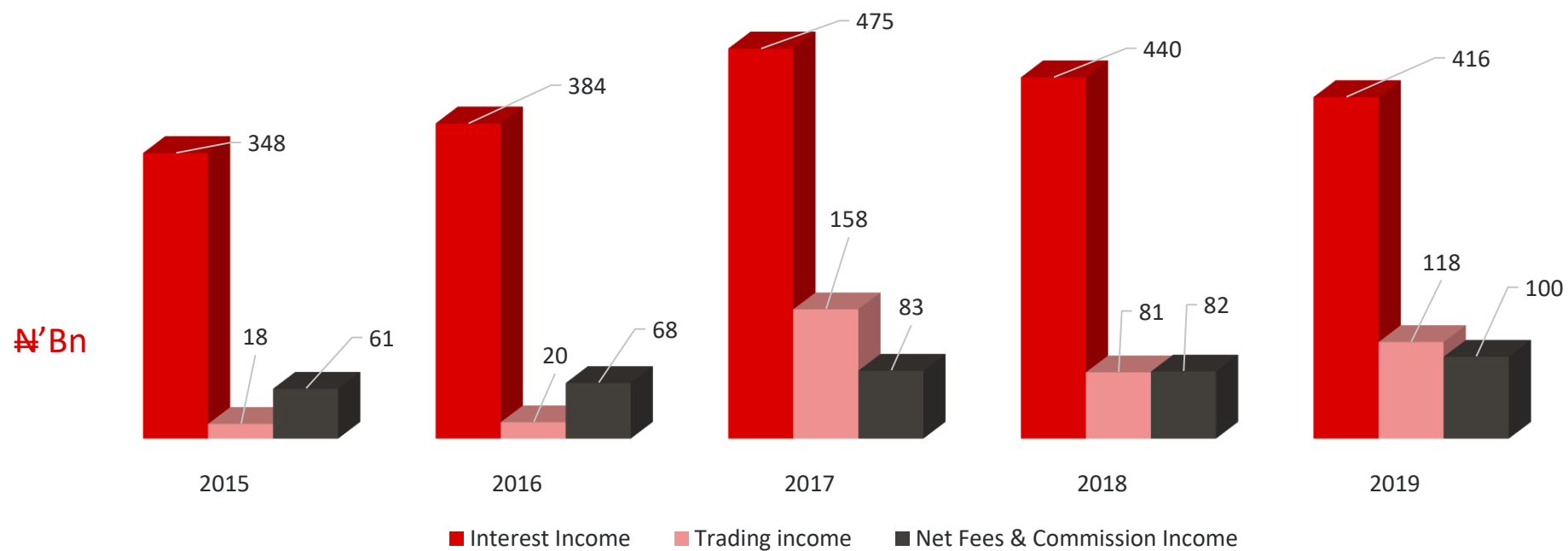


Cost to Income Ratio



Evolution of Revenue Base

- Contribution of non-interest income to the total revenue base (less other income) continues to grow over the years, growing from 26.9% in 2018 to 34.4% in 2019.

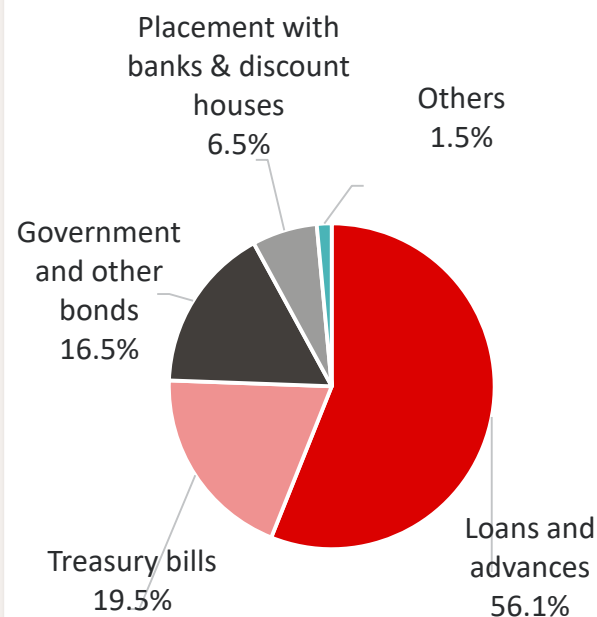


Revenue Base: Interest Income Lines

- Interest income declined by 6% YoY as a result of the decrease in yields on interest bearing assets.

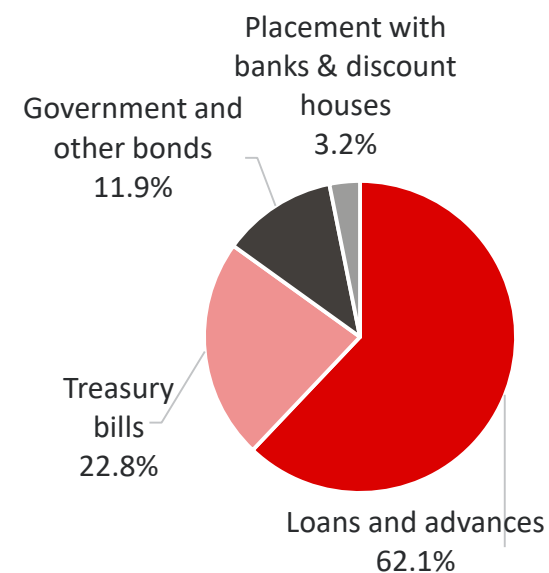
Interest Income

2019



N'million	2019	2018	YoY
Loans and advances	232,946	273,179	-15%
Treasury bills	81,108	100,537	-19%
Government and other bonds	68,497	52,450	31%
Placement with banks & discount houses	26,897	13,886	94%
Others	6,115	-	-
Total	415,563	440,052	-6%

2018

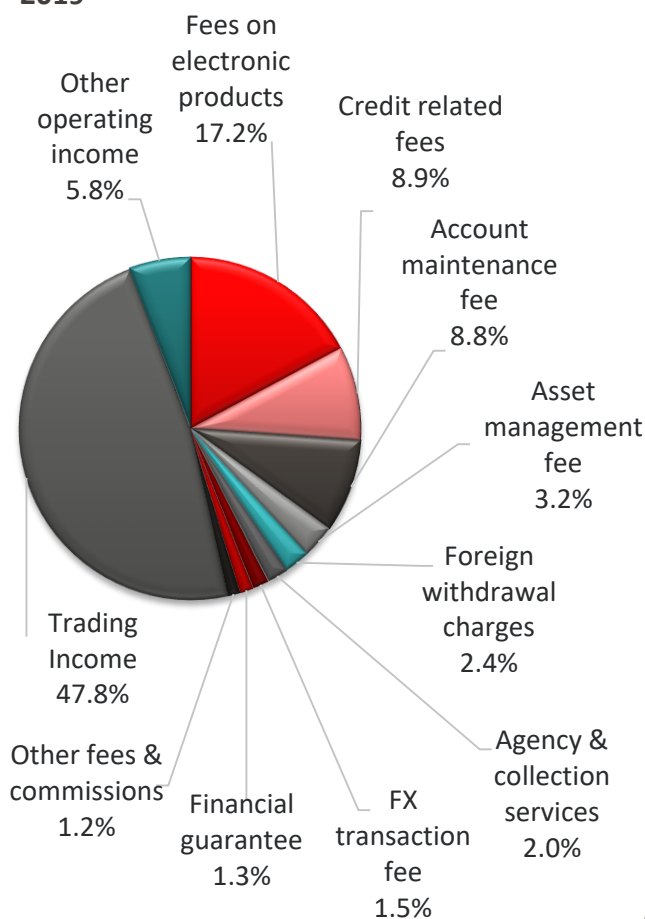


Revenue Base: Non-Interest Income (NII) Diversification

- Significant growth was recorded in almost all the lines of Non-Interest Income (NII) as Net NII grew by an impressive 29% YoY.

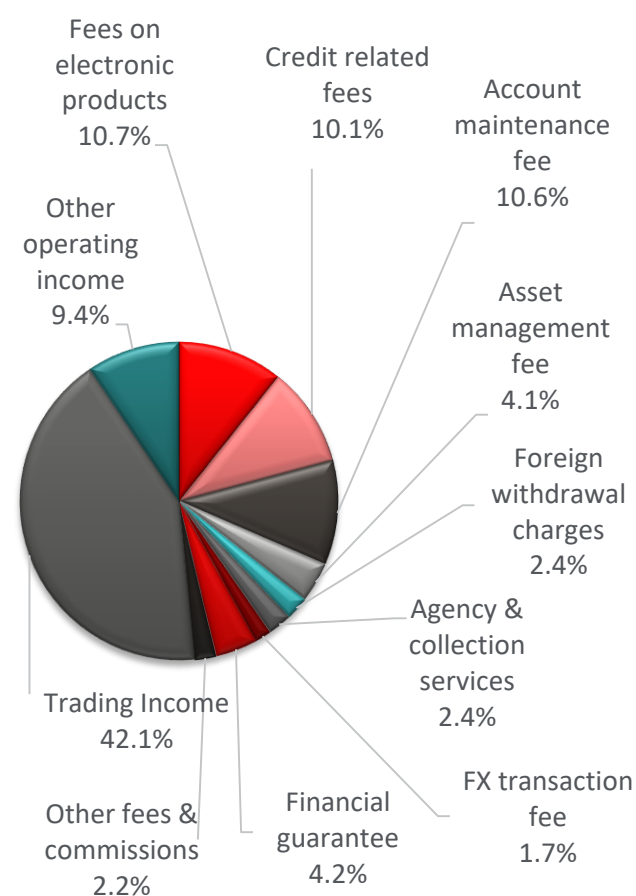
- The Group is committed to continually improve on its income diversification and leverage on its retail drive to grow fees on electronic products.

2019



N'million	2019	2018	YoY
Fees on electronic products	42,511	20,422	108%
Credit related fees	21,879	19,309	13%
Account maintenance fee	21,674	20,168	7%
Asset management fee	7,849	7,708	2%
Foreign withdrawal charges	6,021	4,518	33%
Agency & collection services	4,896	4,597	7%
FX transaction fee	3,725	3,232	15%
Financial guarantee	3,202	8,058	-60%
Other fees & commissions	2,917	4,131	-29%
Total fee & commission income	114,674	92,143	24%
Fees and commission expense	-14,568	-10,329	41%
Net fee & commission income	100,106	81,814	22%
Trading Income	117,798	80,202	47%
Other operating income	14,216	17,947	-21%
Net non- interest income	232,120	179,963	29%

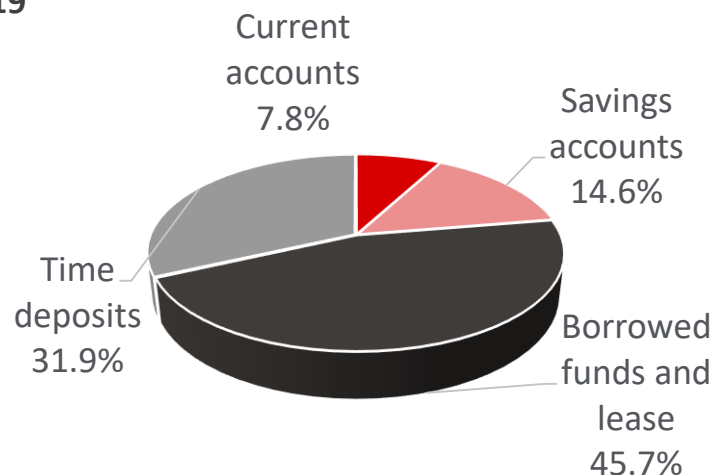
2018



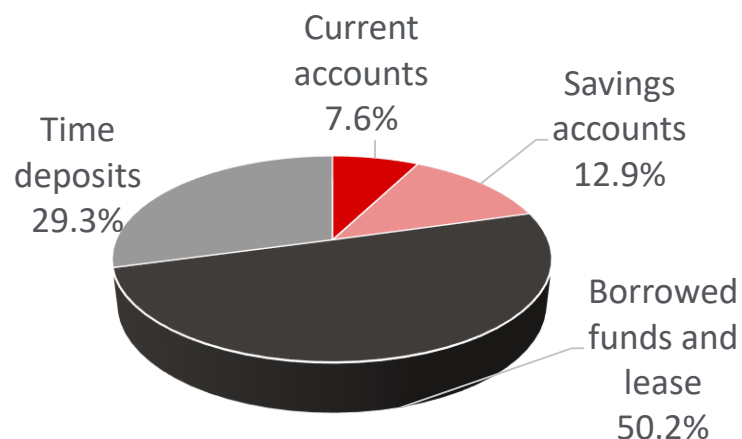
Interest Expense: Funding Cost Optimization

Interest Expenses

2019



2018



- Interest expense grew by 3% YoY, driven by the significant growth in deposits (16% YoY).
- Cost of funds declined from 3.1% in 2018 to 3.0% in 2019 despite the growth in interest expense over the same period.

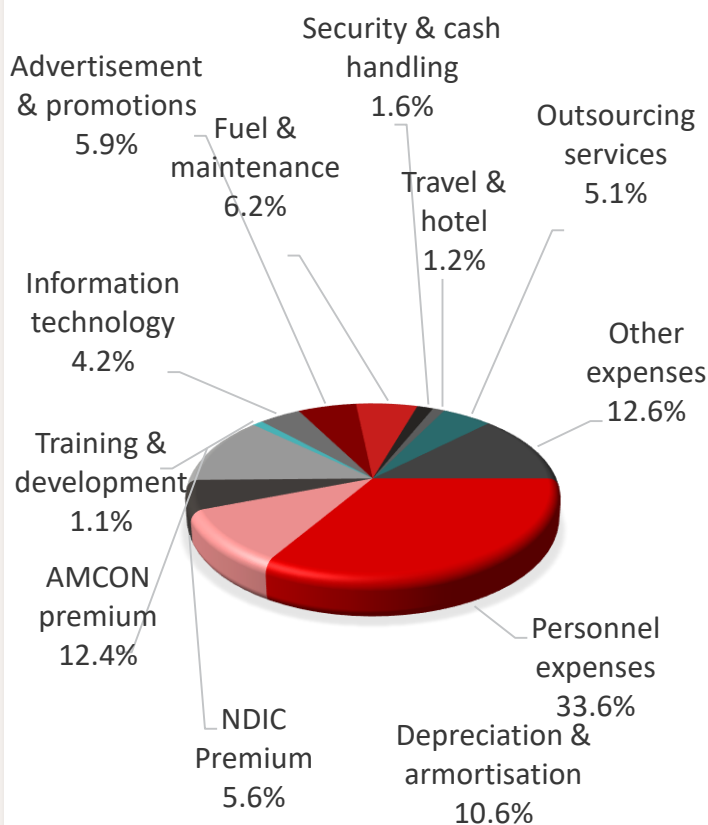
N'million	2019	2018	YoY
Current accounts	11,624	10,952	6%
Savings accounts	21,625	18,698	16%
Borrowed funds and lease	67,949	72,509	-6%
Time deposits	47,334	42,299	12%
Total	148,532	144,458	3%

Continuous Efforts in Cost-Reduction Strategies.

- The group's drive towards cost optimization continues to yield positive results as total operating expense increased by only 3% YoY (Dec'19 Inflation: 11.98%) while cost-to-income ratio improved from 49.3% to 48.8% YoY.

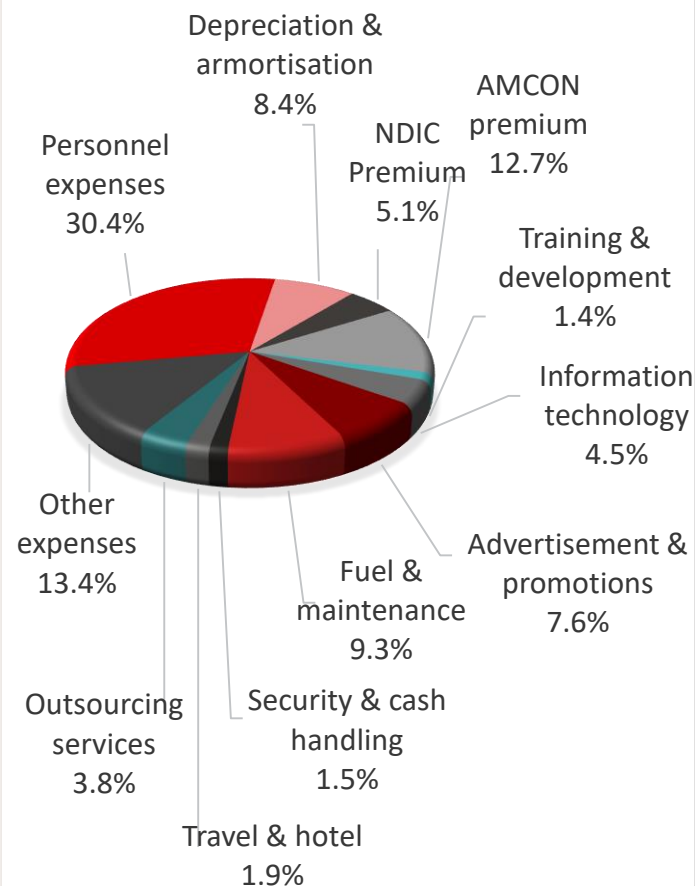
Total Operating Expenses

2019



N'million	2019	2018	YoY
Personnel expenses	77,858	68,556	14%
Depreciation & amortisation	24,514	19,047	29%
NDIC Premium	12,898	11,500	12%
AMCON premium	28,654	28,542	0%
Training & development	2,439	3,246	-25%
Information technology	9,846	10,137	-3%
Advertisement & promotions	13,755	17,211	-20%
Fuel & maintenance	14,429	20,908	-31%
Security & cash handling	3,824	3,327	15%
Travel & hotel	2,751	4,197	-34%
Outsourcing services	11,762	8,672	36%
Other expenses	29,095	30,157	-4%
Total	231,825	225,500	3%

2018



Balance Sheet – Assets

- Strong and liquid balance sheet led by investments in securities portfolio and interbank placements.
- Loans and advances grew significantly (Gross loans: 22% YoY) without compromising on the Group's risk acceptance criteria.
- Total assets crossed the 6 trillion mark, growing by 6.57% to N6.35trn in 2019.

(N'million)	Group 2019	Group 2018	YTD Change
Cash and balances with central banks	936,278	954,416	-1.90%
Treasury bills	991,393	1,000,560	-0.92%
Assets pledged as collateral	431,728	592,935	-27.19%
Due from other banks	707,103	674,274	4.87%
Derivative assets	92,722	88,826	4.39%
Loans and advances	2,305,565	1,823,111	26.46%
Investment securities	591,097	565,312	4.56%
Deferred tax assets	11,885	9,513	24.93%
Other assets	77,395	80,948	-4.39%
Property and equipment	185,216	149,137	24.19%
Intangible assets	16,497	16,678	-1.09%
Total Assets	6,346,879	5,955,710	6.57%

Balance Sheet – Liabilities & Equity

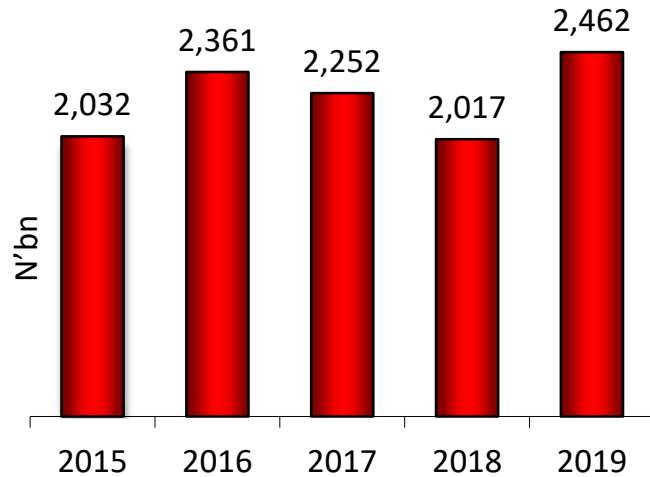
- Assets are largely funded by deposits with a strong capital base providing buffer for further growth.

(N'million)	Group	Group	YoY
	2019	2018	Change
Liabilities			
Customers deposits	4,262,289	3,690,295	15.50%
Derivative liabilities	14,762	16,995	-13.14%
Current income tax payable	9,711	9,154	6.08%
Deferred income tax liabilities	25	67	-62.69%
Other liabilities	363,784	231,716	57.00%
On-lending facilities	392,871	393,295	-0.11%
Borrowings	322,479	437,260	-26.25%
Debt Securities Issued	39,092	361,177	-89.18%
Total liabilities	5,405,013	5,139,959	5.16%
Equities and reserves			
Share capital	15,698	15,698	0.00%
Share premium	255,047	255,047	0.00%
Retained earnings	412,948	322,237	28.15%
Other reserves	257,439	221,231	16.37%
Non-controlling Interest	754	1,538	-50.98%
Total Shareholders' equity	941,886	815,751	15.46%

Sustained Assets & Liabilities Match

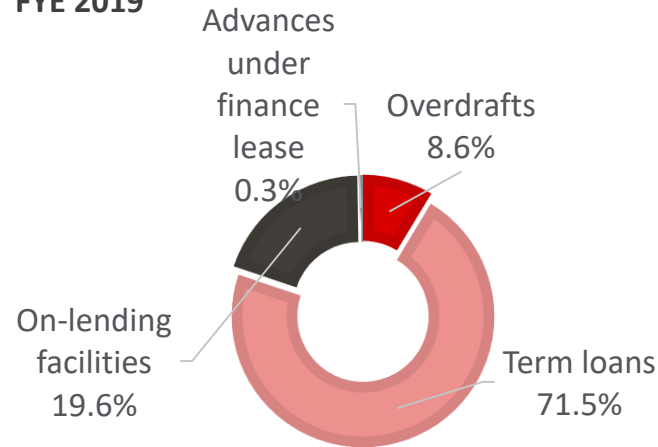
- Gross loans grew by 22% YoY, propelled by both corporate lending activities and new retail loan products.
- The 16% YoY growth in customers' deposits is a reflection of the increasing confidence in the Zenith brand.

Gross Loans

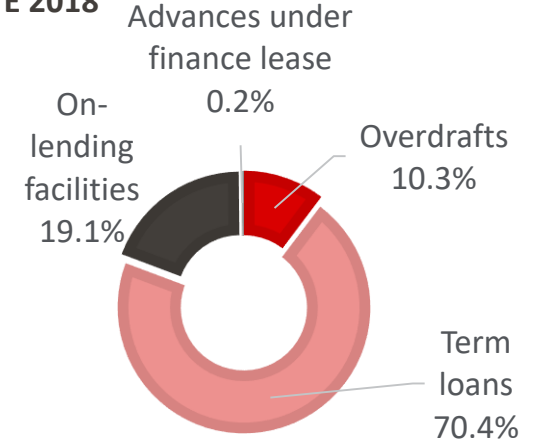


Loans & Advances

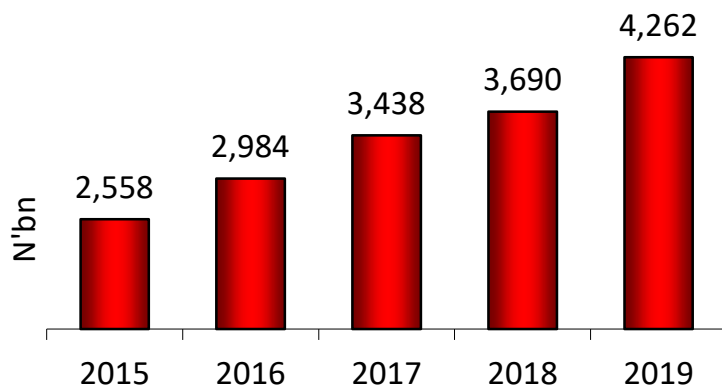
FYE 2019



FYE 2018

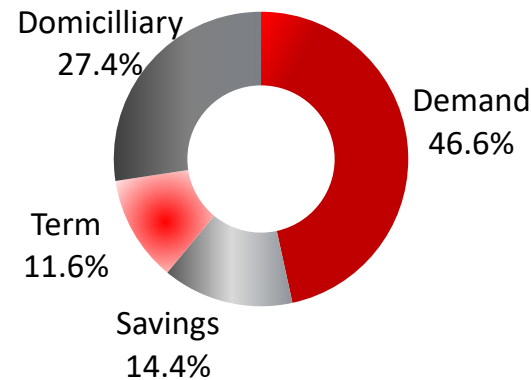


Deposits

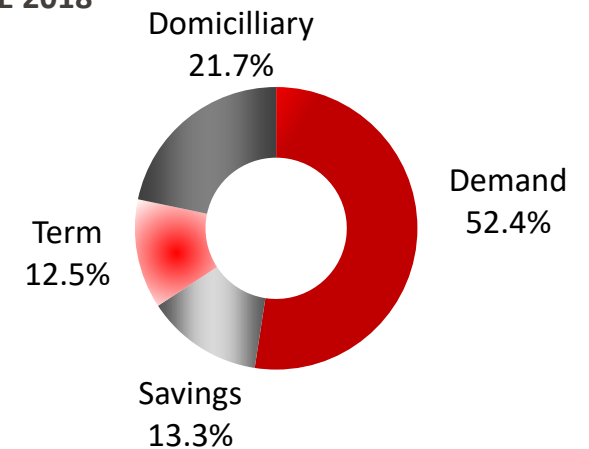


Deposit Mix

FYE 2019



FYE 2018

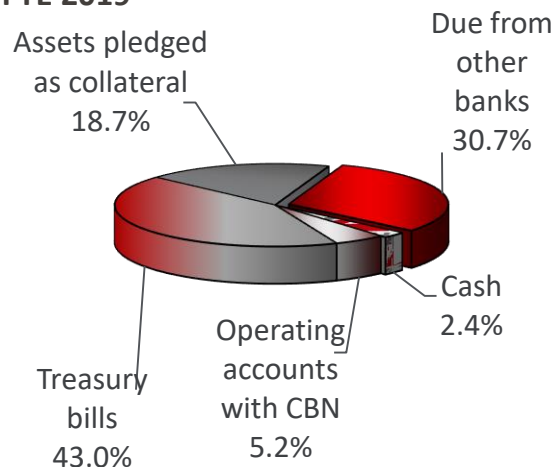


Continued Market Dominance - Strong Liquid Asset Base & Funding Mix

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

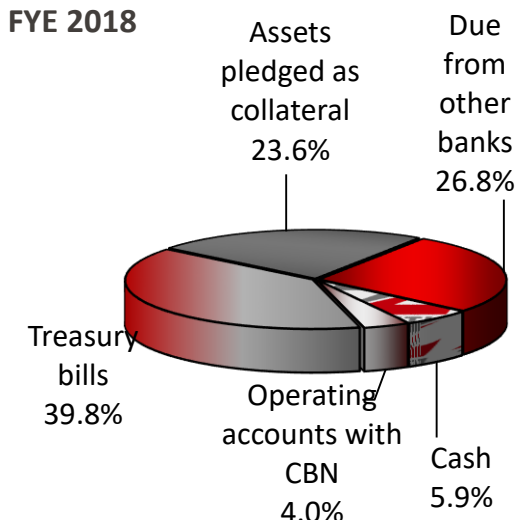
Liquid Assets

FYE 2019

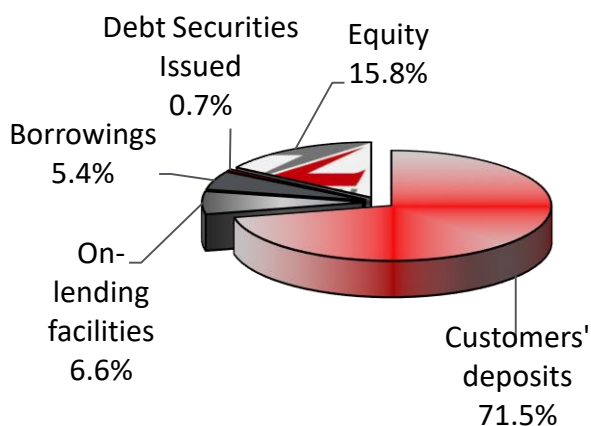


N'million	2019	2018	YoY
Cash	55,255	148,266	-63%
Operating accounts with CBN	120,073	100,679	19%
Treasury bills	991,393	1,000,560	-1%
Assets pledged as collateral	431,728	592,935	-27%
Due from other banks	707,103	674,274	5%
Total	2,305,552	2,516,714	-8%

FYE 2018



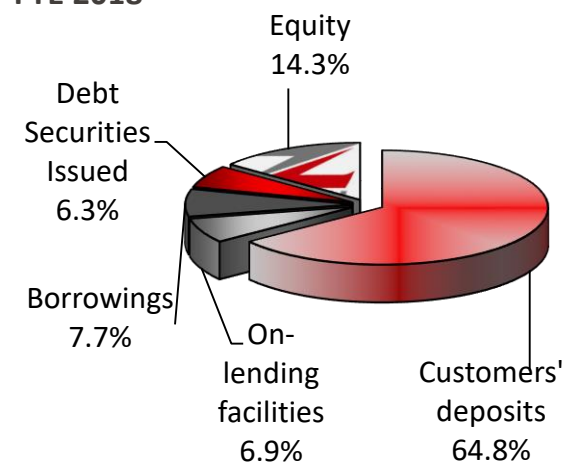
FYE 2019



Funding Mix

N'million	2019	2018	YoY
Customers' deposits	4,262,289	3,690,295	15%
On-lending facilities	392,871	393,295	0%
Borrowings	322,479	437,260	-26%
Debt Securities Issued	39,092	361,177	-89%
Equity	941,132	815,751	15%
Total	5,957,863	5,697,778	5%

FYE 2018



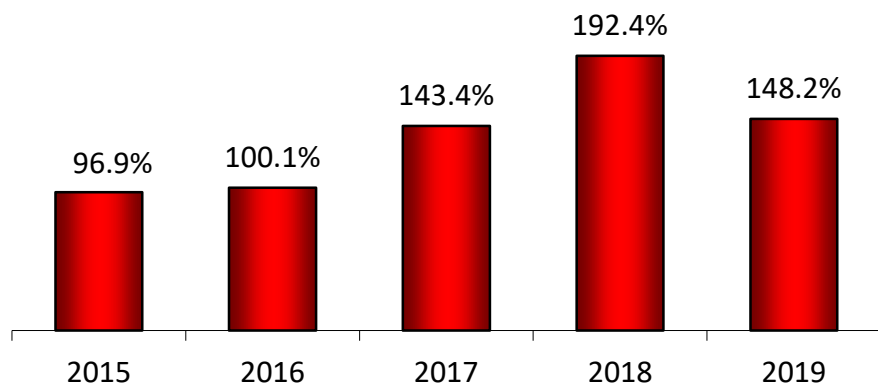
The background image shows an offshore oil rig at sea. The rig is a complex structure with multiple levels, pipes, and cranes. A large, dark pipe is in the foreground, extending from the right side towards the center. The sun is visible on the left side of the image, creating a bright glow. The water is dark and reflects the rig and the pipe. A red horizontal bar is overlaid on the left side of the image, containing the text "Risk Management".

Risk Management

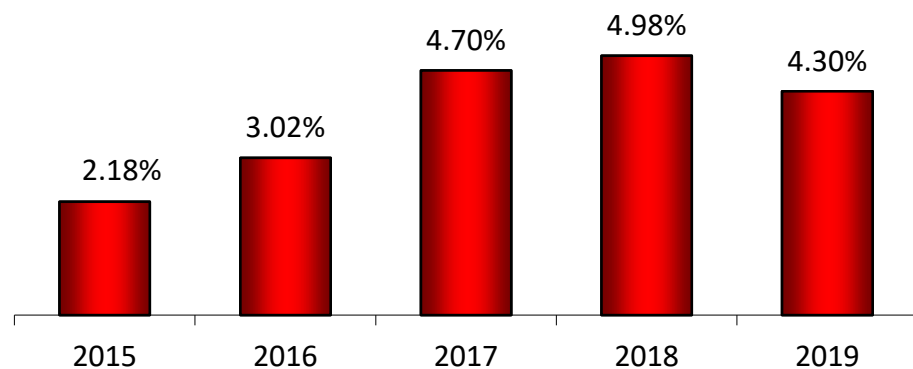
Healthy Risk Assets Portfolio

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

NPL Coverage Ratio



NPL Ratio



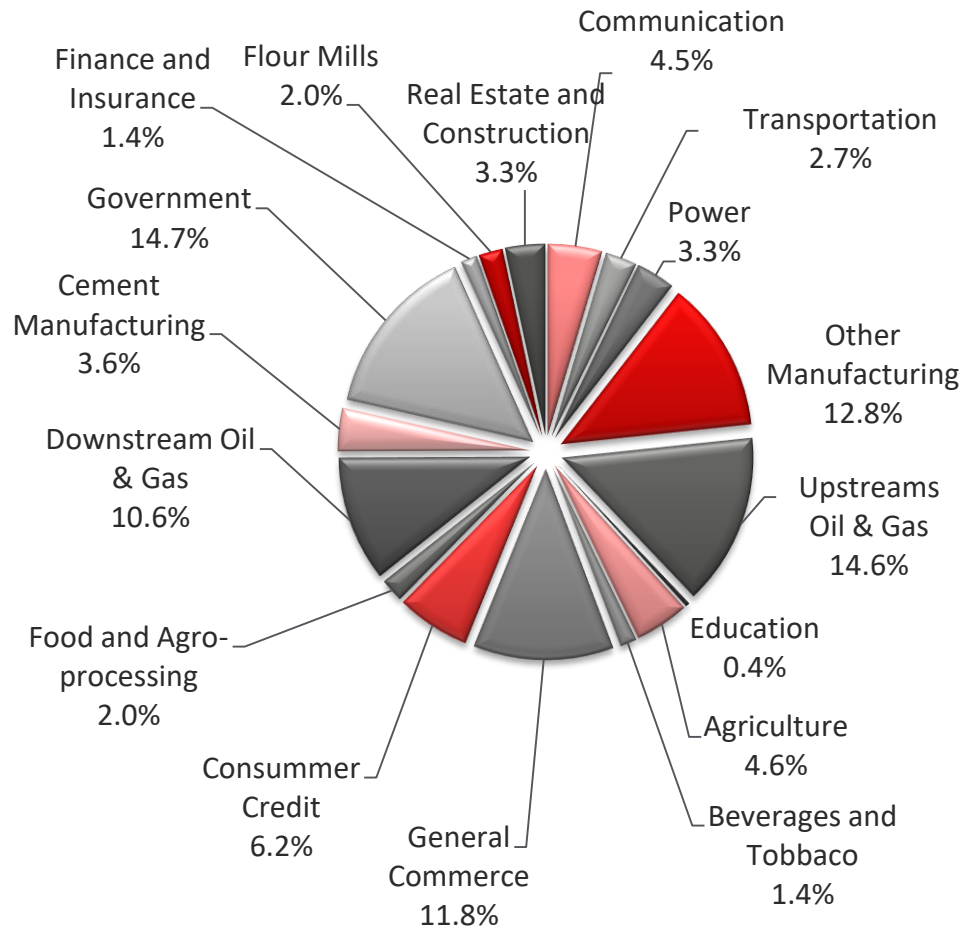
Our Risk Management Strategy

- 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.

Focused Risk Management via Portfolio Diversification

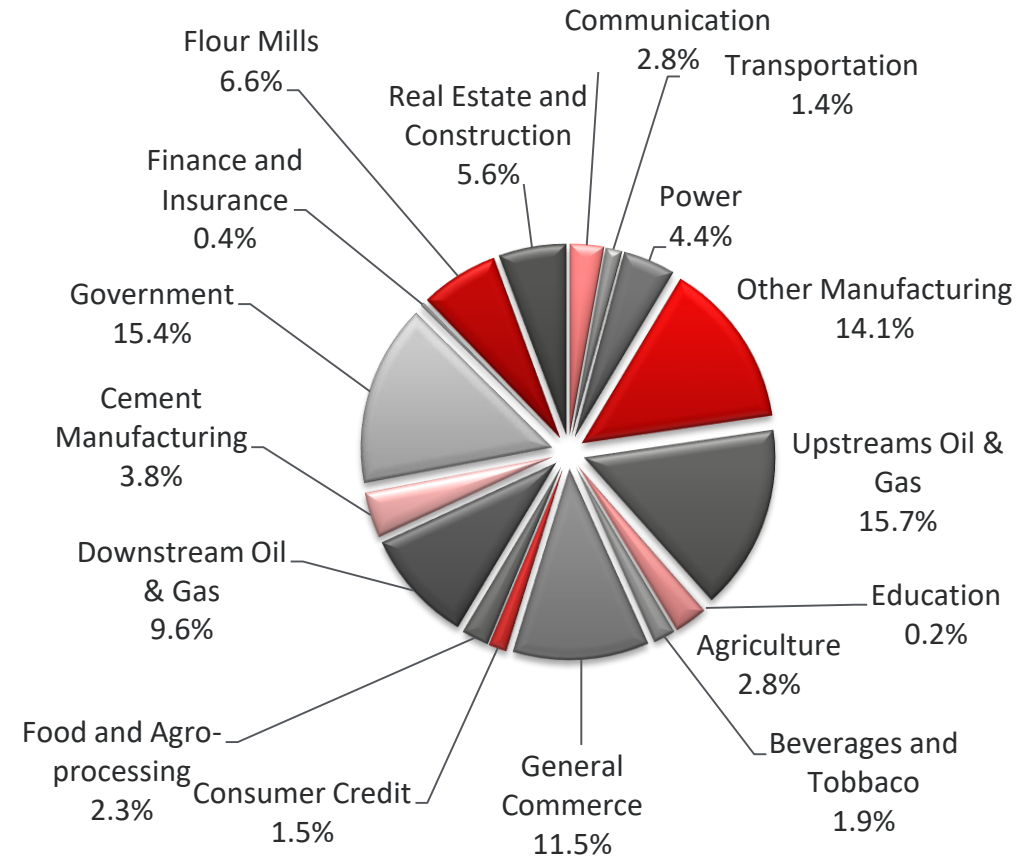
- Well diversified loan portfolio across sectors supports asset quality.
- Loans and advances grew significantly (Gross loans: 22% YoY) without compromising on the Group's risk acceptance criteria.

Loans by Sector – FYE 2019



Gross Loans – ~~₹~~2.46 Trillion

Loans by Sector – FYE 2018

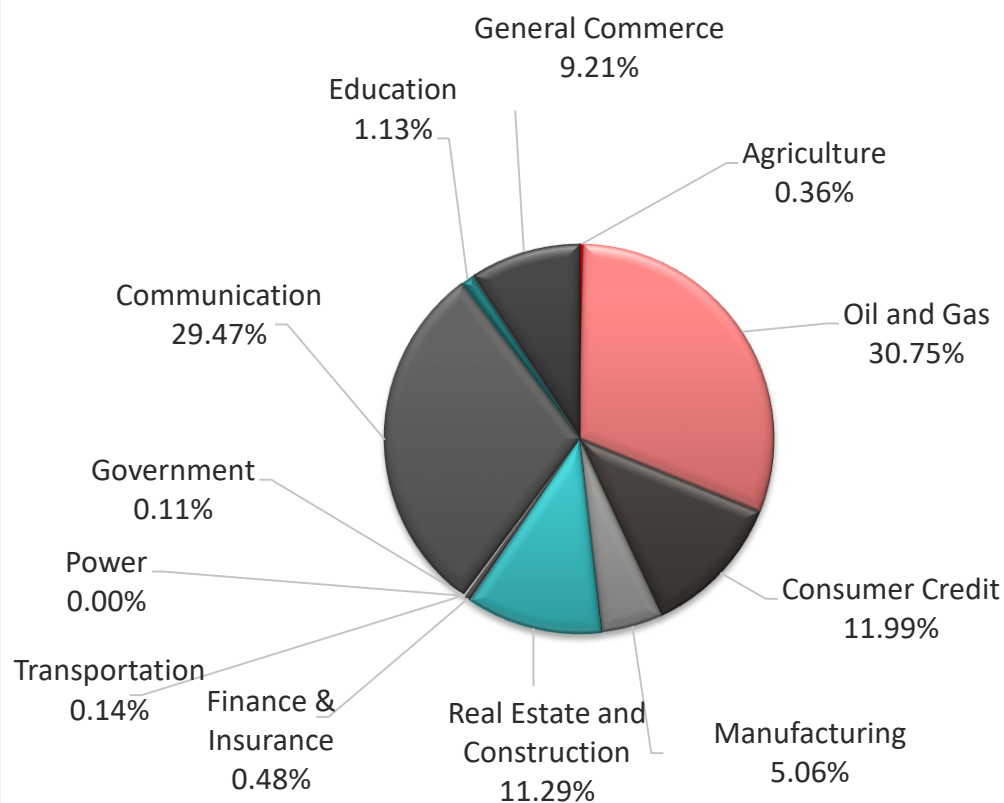


Gross Loans – ~~₹~~2.02 Trillion

NPL by Sectors

- NPL ratio improved from 4.98% in 2018 to 4.30% in 2019

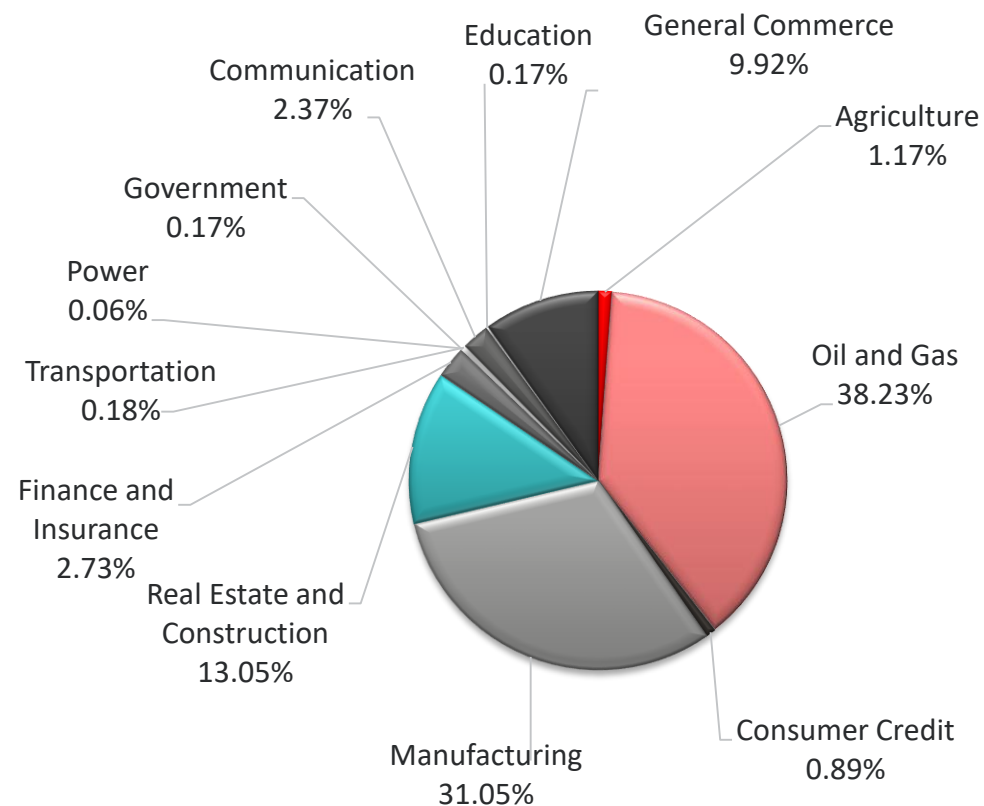
FYE 2019



Total NPLs – ~~₹~~105.8 Billion

NPL Ratio – 4.30%

FYE 2018



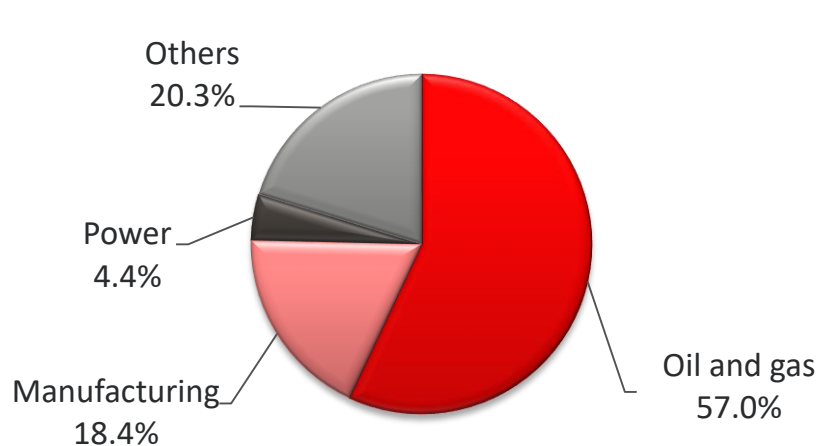
Total NPLs – ~~₹~~100.5 Billion

NPL Ratio – 4.98%

Foreign Currency Loans & Restructured Loans

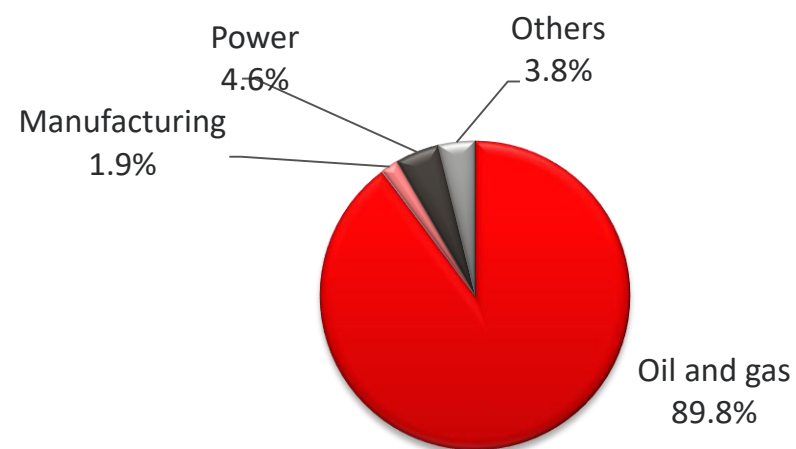
Foreign Currency Loans – FYE 2019

USD loans by sector	US\$' m	N'm	% to US\$ loans	% to Gross loans
Oil and gas	1,510	550,852	56.98%	22.37%
Manufacturing	487	177,710	18.38%	7.22%
Power	116	42,392	4.38%	1.72%
Others	537	195,810	20.25%	7.95%
Total US\$ loans	2,651	966,764	100.00%	39.26%



Cumulative Restructured Loans – FYE 2019

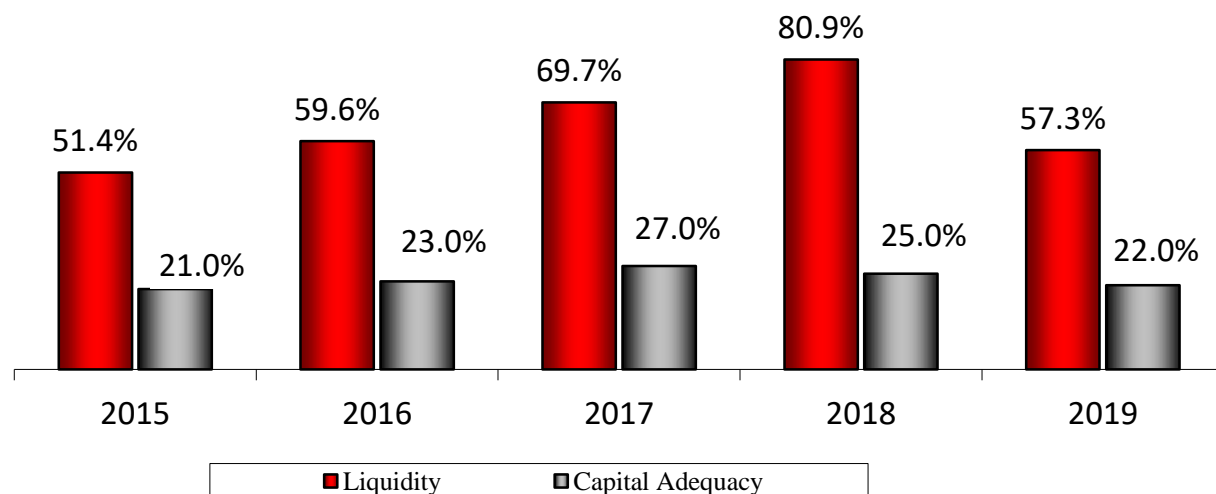
Restructured Loans by sector	N'm	% to Restructured loans	% to Gross loans
Oil and gas	406,443	89.77%	16.51%
Manufacturing	8,583	1.90%	0.35%
Power	20,735	4.58%	0.84%
Others	17,002	3.76%	0.69%
Total restructured loans	452,763	100.00%	18.39%



Strong Capitalisation and Liquidity

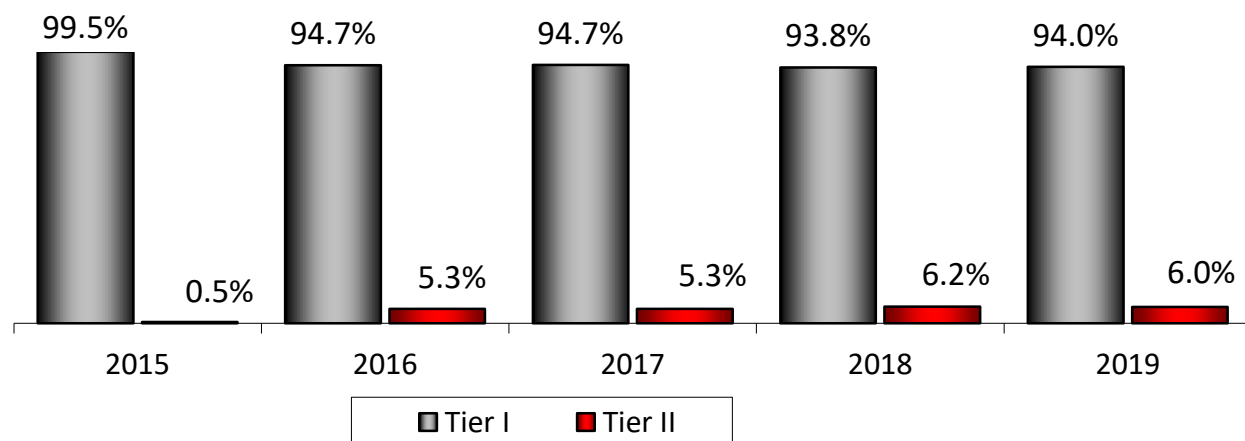
- Liquidity buffer well in excess of regulatory requirements. Solid and high-quality capital position provides room for further growth.

Liquidity & Capital Adequacy

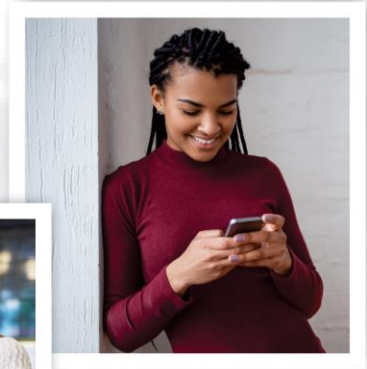
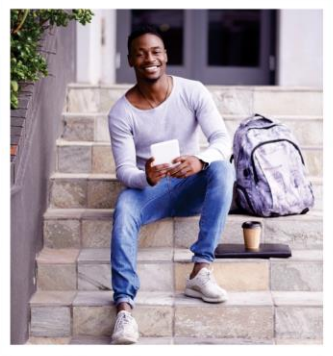
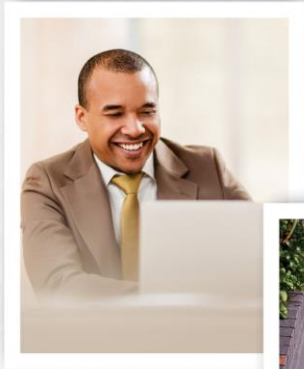


Capital and liquidity ratios for the Bank – well above industry requirements of 30% for Liquidity and 15% for Capital Adequacy Ratio

Capital Mix



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



Business Segments Performance & Subsidiary Review

Performance – By Business Segments

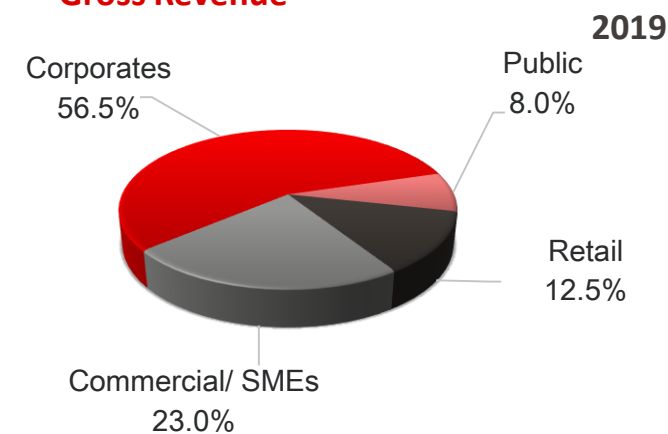
- Continuous diversification and improved profitability across core business segments
- Contribution of retail segment to gross revenues increased from 6.7% to 12.5% YoY while PBT contribution increased from 10.1% to 16.5% YoY, as the Group continues on its retail expansion drive.

12 Months Ended December 2019

(£'million)

	Corporates	Public	Retail	Commercial / SMEs	Consolidated
Total revenue	374,191	52,980	82,763	152,318	662,251
Total expenses	(255,564)	(33,517)	(41,896)	(87,981)	(418,957)
Profit before tax	118,627	19,464	40,867	64,337	243,294

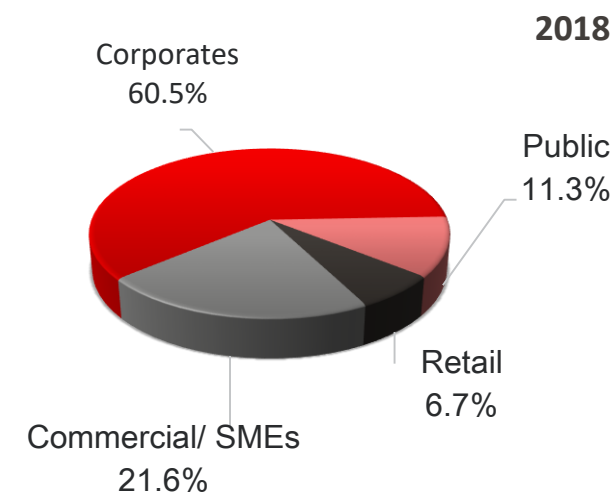
Gross Revenue



12 Months Ended December 2018

(£'million)

	Corporates	Public	Retail	Commercial / SMEs	Consolidated
Total revenue	384,583	66,197	49,359	130,204	630,344
Total expenses	(249,371)	(39,866)	(25,822)	(83,601)	(398,659)
Profit before tax	135,213	26,332	23,537	46,603	231,685

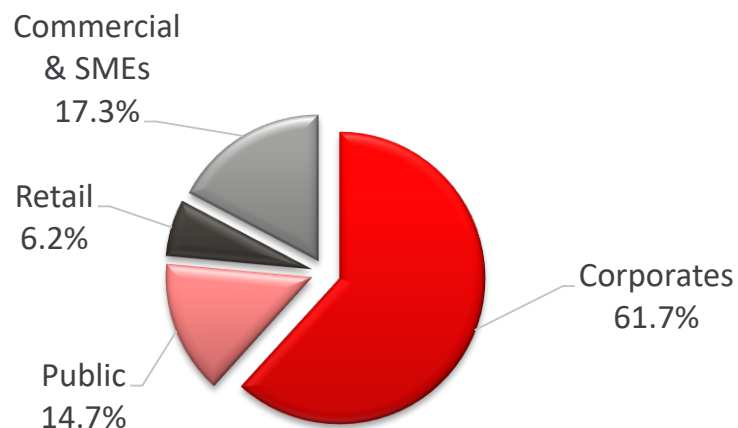


Loans & Deposits – By Business Segments

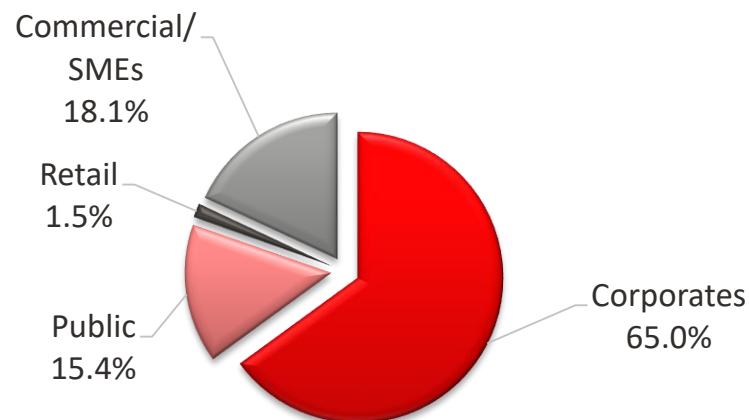
- The bank will continue to grow the contribution of retail deposits and loans to its business as retail deposits contribution grew from 23% to 26% YoY while loans grew from 1.5% to 6.2% YoY.

Gross Loans

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

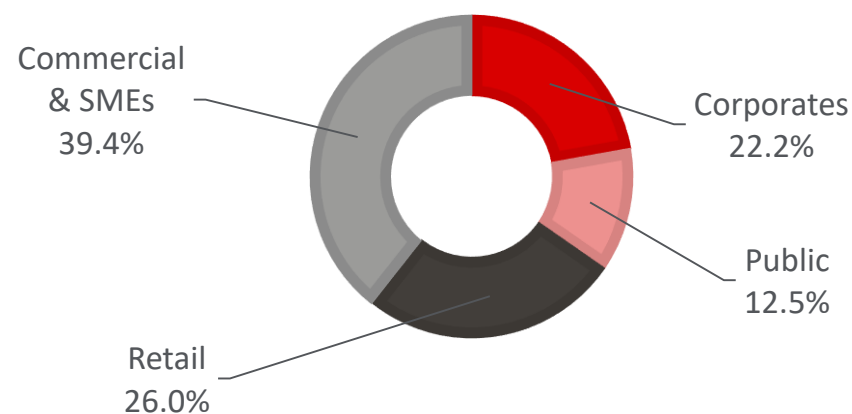


FYE 2018 Gross Loans – ~~₹~~2.02 Trillion

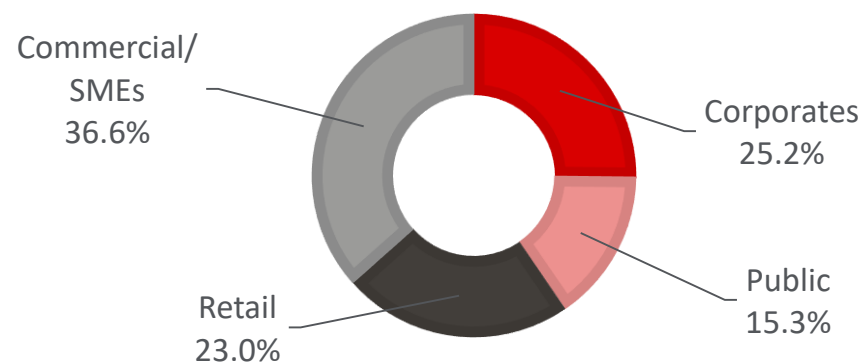


Total Deposit

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



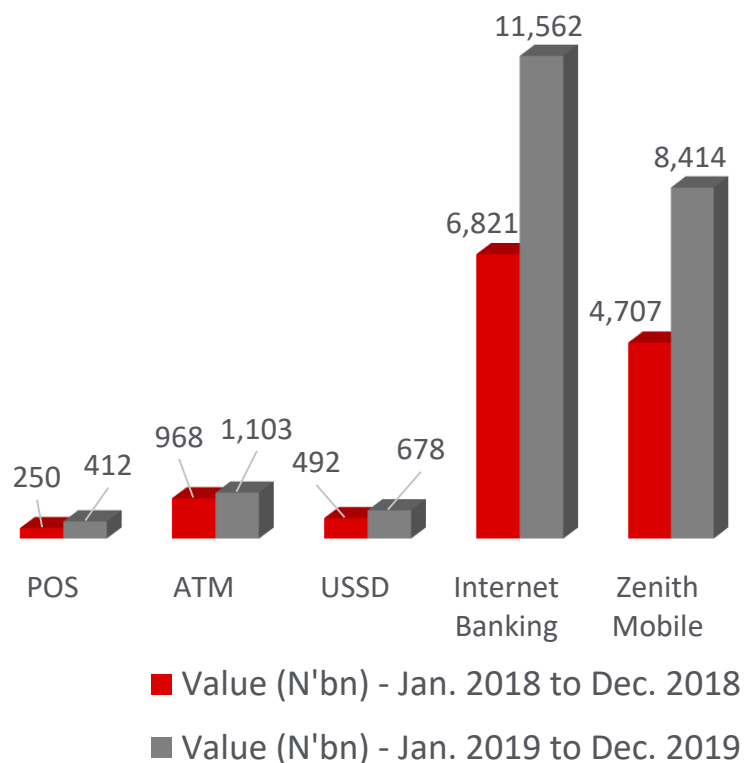
FYE 2018 Total Deposits – ~~₹~~3.69 Trillion



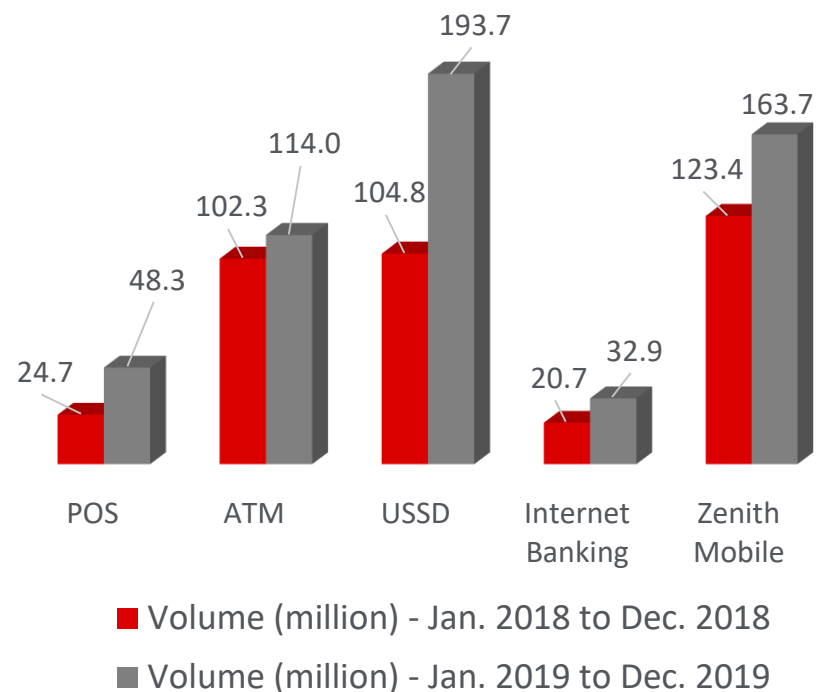
Electronic Banking Products Performance.

- The bank recorded a remarkable growth in both value and volume of electronic product transactions, resulting in a 108% (ref.: slide 16) growth in income on electronic products.

Value of Electronic Product Transactions



Volume of Electronic Product Transactions



Geographical Presence

Zenith Bank Plc. (Parent)

Established: 1990
 Branches: 384
 2019 PBT: ₦200 Bn
 Total deposits: ₦3,487Bn
 Total assets: ₦5,435Bn
 ROE: 24%
 Staff strength: 5,982

Gambia

Established: 2009
 Zenith ownership: 99.96%
 Branches: 6
 2019 PBT: ₦790M
 Total deposits: ₦12Bn
 Total assets: ₦18Bn
 ROE: 15%
 Staff strength: 142

Sierra Leone

Established: 2008
 Zenith ownership: 99.99%
 Branches: 7
 2019 PBT: ₦903M
 Total deposits: ₦17Bn
 Total assets: ₦23Bn
 ROE: 13%
 Staff strength: 161

UAE

Branch of Zenith UK
 Established 2016
 1 branch

Zenith Pension

Established: 2005
 Branches: 2
 Zenith ownership: 99%
 2019 PBT: ₦7.6Bn
 Custody assets: ₦4,103Bn
 Total assets: ₦25Bn
 ROE: 25%
 Staff strength: 109

Ghana

Established: 2005
 Zenith ownership: 98.07%
 Branches: 27
 2019 PBT: ₦24Bn
 Total deposits: ₦324Bn
 Total assets: ₦431Bn
 ROE: 24%
 Staff strength: 696

United Kingdom

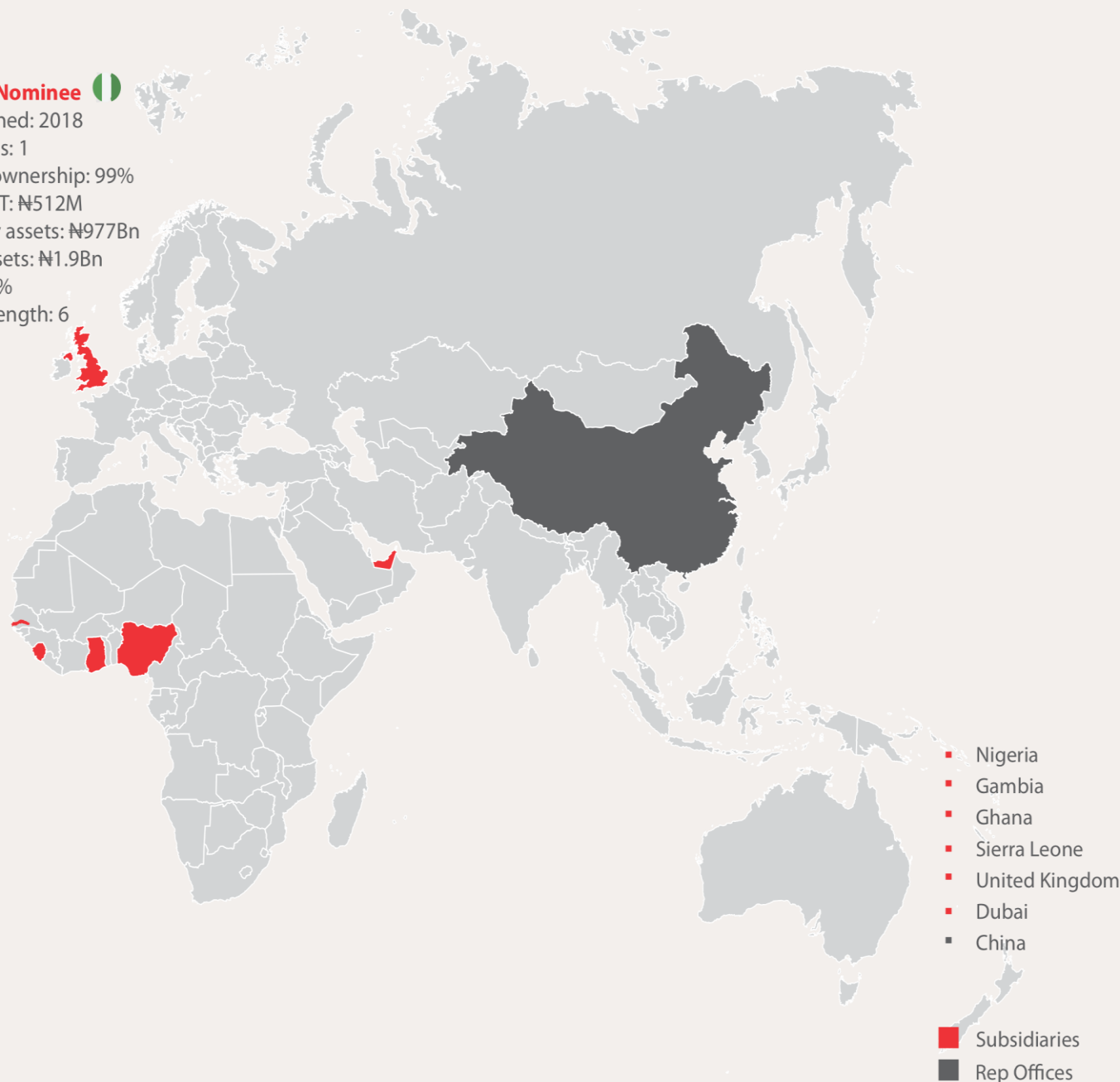
Established 2007
 Zenith ownership: 100%
 Branches: 2
 2019 PBT: ₦13.7Bn
 Total deposits: ₦422Bn
 Total assets: ₦617Bn
 ROE: 13%
 Staff strength: 121

China

Representative Office
 Established 2011

Zenith Nominee

Established: 2018
 Branches: 1
 Zenith ownership: 99%
 2019 PBT: ₦512M
 Custody assets: ₦977Bn
 Total assets: ₦1.9Bn
 ROE: 27%
 Staff strength: 6



Performance by Geography

- Subsidiaries contribution to revenue increased from 13.8% to 14.0% YoY, improving revenue diversification by geography while PBT contribution grew from 12.9% to 14.0% YoY.

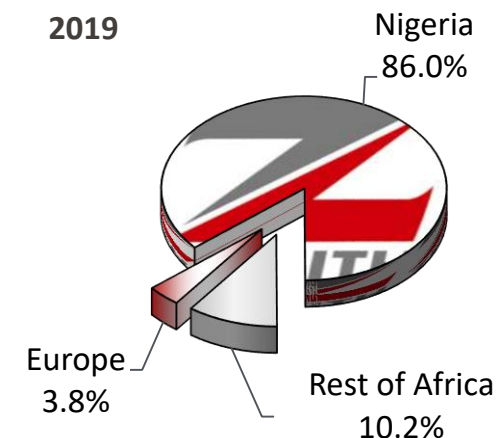
12 Months Ended December 2019

(₦'million)

	Nigeria	Rest of Africa	Europe	Eliminations	Consolidated
Total Revenue	575,078	68,232	25,127	(6,186)	662,251
Total expense	(366,929)	(42,739)	(11,475)	2,186	(418,957)
Profit before tax	208,149	25,493	13,652	(4,000)	243,294
Tax	(24,459)	(7,753)	(2,239)	-	(34,451)
Profit after tax	183,690	17,740	11,413	(4,000)	208,843

Gross Revenue

2019

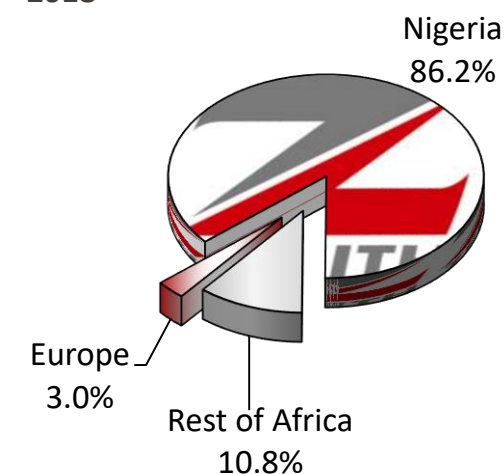


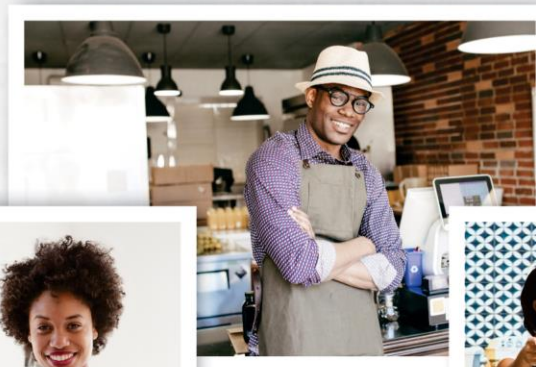
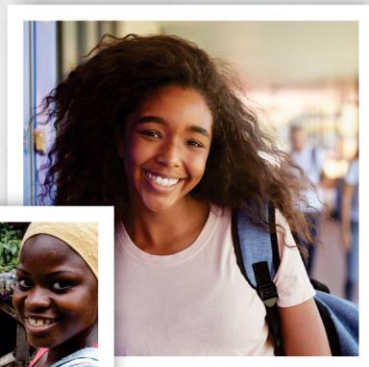
12 Months Ended December 2018

(₦'million)

	Nigeria	Rest of Africa	Europe	Eliminations	Consolidated
Total Revenue	548,324	68,547	19,496	(6,023)	630,344
Total expense	(347,239)	(46,479)	(6,964)	2,023	(398,659)
Profit before tax	201,085	22,068	12,532	(4,000)	231,685
Tax	(28,585)	(7,313)	(2,363)	-	(38,261)
Profit after tax	172,500	14,755	10,169	(4,000)	193,424

2018





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 FY2019. We are committed to be a dominant player in the money market space to drive up income and profitability going forward.
- **Customer Services:** At the center of the Group's pursuit of excellent customer service, we would continue to focus on strengthening our relationship management in a bid to surpass stakeholders' expectations.
- **Investments in Technology and Product Innovations:** The Group has over the years become synonymous with the use of ICT in banking and general innovation in the Nigerian banking industry. We have renewed our commitment in ensuring that all our activities are anchored on the e-platform and providing service delivery through the electronic media to all customers irrespective of place, time and distance. Zenith group is the first Nigerian institution to be awarded a triple ISO certification by the British Standards International (BSI): the ISO 22301, 27001 and 20000 standards
- **Risk Assets:** The Group would continue to seek opportunities to grow its risk assets while maintaining a low NPL ratio and sustaining our improved coverage ratio. We would continue to strive for the optimal protection of our shareholders' wealth through the continuous review and improvement of our risk management culture and processes
- **Manufacturing and Real Sector:** More emphasis will be placed on manufacturing and the real sector by providing support to local production. This is expected to drive the self sustainability policy of the federal government. We are also taking advantage of the Differentiated CRR scheme to lend part of our CRR to manufacturing and agricultural related projects.

Guidance for FYE 2020

	FYE 2019 Guidance	FYE 2019 Achieved	FYE 2020 Guidance
PBT	₦240.0Bn	₦243.3Bn	₦253.0Bn
Effective Tax Rate	15.00%	14.16%	12.00%
PAT	₦204.0Bn	₦208.8Bn	₦222.6Bn
ROAE	24.00%	23.76%	24.00%
ROAA	3.60%	3.40%	3.50%
NIM	9.00%	8.23%	8.00%
Cost of Funds	3.20%	3.00%	3.00%
Cost of Risk	1.00%	1.07%	1.00%
Cost to Income	48.00%	48.80%	48.00%
Deposit Growth	10.00%	15.50%	2.00%
Loan Growth	15.00%	22.11%	2.00%
Loan to Deposit (Group)	65.00%	57.77%	58.00%
Loan to Deposit (Bank)	68.60%	68.10%	69.00%
Capital Adequacy	25.00%	22.00%	20.00%
Liquidity Ratio	60.00%	57.25%	55.00%
NPL	4.85%	4.30%	4.20%
NPL Coverage	150.00%	148.20%	150.00%

Thank You

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