

# 2021

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## FULL YEAR REPORT

Presentation to  
Investors & Analysts

# Agenda

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| Operating Environment & Non-financial Highlights  | Pages 04 – 10 |
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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 and white lights spans across a body of water. The background shows a city with various buildings and lights, including a large industrial or port area with cranes and bright lights. The sky is dark, and the overall scene is illuminated by the city lights.

# Operating Environment & Non- financial Highlights

# Nigerian Economy and Key Developments in the Banking Sector

## Real GDP Growth:

- Nigeria's real GDP grew by 3.98% y/y in Q4 2021, showing a sustained positive growth for the fifth quarter since the 2020 recession. However, it was 0.05% lower than the 4.03% growth recorded in Q3 2021.
- The oil sector contracted by 8.06% y/y and contributed 5.19% to total real GDP in Q4 2021 while the non-oil sector grew by 4.73% and contributed the balance of 94.81%. The growth in non-oil sector was driven mainly by growth in Agriculture (Crop Production); Information and Communication (Telecommunication), Trade, and Financial and Insurance (Financial Institutions).

## Headline Inflation:

- Headline inflation declined marginally to 15.60% y/y in Jan'22 from 15.63% y/y recorded in Dec'21.
- Over the same period, food inflation declined by 24 bps to close at 17.13% y/y while core inflation came in flat at 13.87% y/y.

## Oil Production & Price:

- OPEC average monthly basket price increased by 0.68% in the 4th quarter of 2021, from \$73.9/bbl recorded in Sept'21 to \$74.4/bbl recorded in Dec'21. The average monthly basket price rose further to \$85.4/bbl in Jan'22 while the current daily price stands at \$112.2/bbl as at 2<sup>nd</sup> March 2022.
- Nigeria recorded an average daily oil production of 1.50 mbpd in Q4 2021, a decrease of 0.07 mbpd from 1.57 mbpd recorded in Q3 2021.

## Foreign Reserves:

- Nigerian foreign reserves increased by 10.1% QoQ from \$36.8bn recorded at the end of Q3 2021 to \$40.5bn recorded at the end of Q4 2021. The foreign reserves currently stands at \$39.9bn as at 28<sup>th</sup> February 2022.

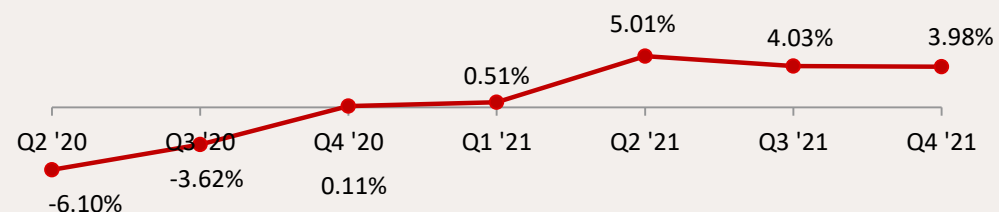
## Exchange Rate:

- As at 2021 FYE, the local currency (NGN) had depreciated by about 6% YoY against the USD. NAFEX (I&E) window exchange rate (NGN/USD) as at 2021 FYE- 424.11 (2020 FYE NAFEX - 400.30) .

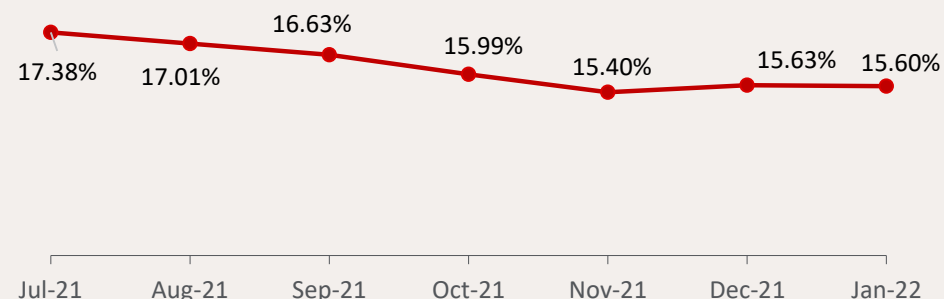
## Cash Reserve Ratio (CRR) & Monetary Policy Rate (MPR):

- The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) voted to retain all existing monetary policy rates all through the year 2021. Cash Reserve Ratio (CRR) - 27.5%; Monetary Policy Rate (MPR) – 11.5%; and Liquidity Ratio - 30%.

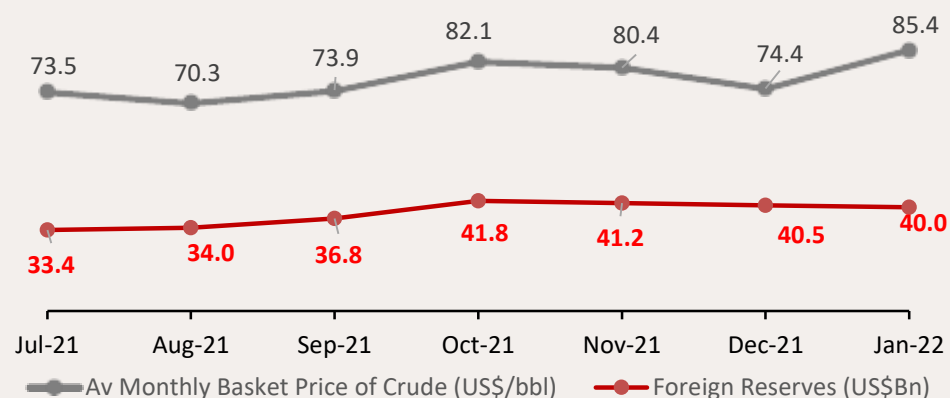
## GDP Growth Rate



## Inflation Rate



## Foreign Reserves / Oil Price



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

# Nigerian Economy and Key Developments in the Banking Sector

- Launch of new forex repatriation scheme “Race to US\$200 billion in FX Repatriation (RT200FX) Program”. It is a set of policies and program issued to enable Nigeria achieve the goal of US\$200 billion in FX repatriation over the next 3-5 years via non-oil exports revenue.
- Implementation of Basel III Reporting Guidelines for Banks commenced in November 2021. This will run parallel to the existing Basel II for an initial period of six months.
- The e-Naira is gaining traction with circa 700,000 downloads globally as at 28<sup>th</sup> January, 2021. Launched 25<sup>th</sup> October, 2021.
- Launch of NIPOST e-debit card and banking platform to further contribute to financial literacy and inclusion of the Nigerian populace.
- The 10-year tax exemption period on some government securities expired on 2 January 2022.
- The new Petroleum Industry Act expected to bring respite to oil producing host communities, reduce incidence of youth restiveness and pipeline vandalization, improve efficiency and increase government revenue.
- Commencement of Road Infrastructure Credit Scheme is expected improve infrastructure development across the country.
- LIBOR transition to Secured Overnight Financing Rate (SOFR) commenced on 31 December 2021.

# Our Investment Proposition

Market dominance in both corporate and retail space, formidable capital and liquidity buffer, strengthened ERM practices and excellent value creation for shareholders.

## 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.

## Thriving 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:

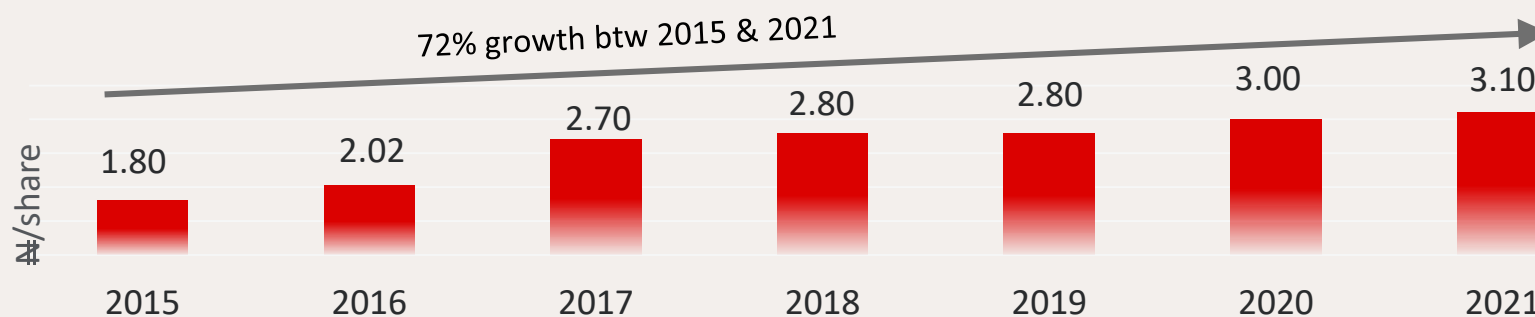
- NPL ratio came in at 4.2% with a coverage ratio of 114.4%. The Group will continue to implement robust risk management practices and maintain the lowest possible NPL ratio.

## 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 Stable Outlook; 2) Long Term Deposit – B2 with Stable Outlook

## Consistent and Growing Dividend Payout:

- Good and growing dividend payout to its investors.



## ZENITH QR BANKING



Account Opening | Mobile Banking | Virtual Card | Scan to Pay | BVN Update | eToken  
Zenith Intelligent Virtual Assistant (ZiVA) | Account Reactivation | Dispense Error Resolution (ATM, POS & Web)  
Hardware Token Unlock/Reset | Zenith Trade Portal | NXP Processing (CBN) | Form M Processing (CBN)



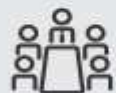
# Non-financial Highlights

|                                |   | FYE 2021   | FYE 2020   | PERCENTAGE GROWTH |
|--------------------------------|---|------------|------------|-------------------|
| Number of Customers            |  | 18,698,586 | 13,125,135 | 42%               |
| Number of Cards Issued         |  | 14,743,191 | 10,985,869 | 34%               |
| Number of active POS Terminals |  | 163,398    | 89,636     | 82%               |
| Agents                         |  | 75,827     | 42,992     | 76%               |
| Number of ATM Terminals        |  | 2,086      | 2,044      | 2%                |
| Number of Branches             |  | 441        | 440        | 0%                |

## ON-BOARDING CHANNELS

- ZIVA
- USSD ( \*966\*0\*# )
- Zenith Mobile App
- www.zenithbank.com
- Zenith Bank ATMs
- Zenith Bank Branches
- Zenith Bank Agents

## SHARE HOLDINGS



Number of Shareholders

**643,965**

## PRODUCT INNOVATIONS

QR Solutions

Virtual Debit Card

ZIVA on WhatsApp (07040004422)

Emergency USSD Code ( \*966 \*911# )


Biometric ATM operations

## SOCIAL MEDIA FOLLOWING

 6,248,247

 528,784

 1,362,708

 182,781

 27,667,969 (views)

## Social Impact/CSR

- State Governments' Security Funds And Infrastructure
- Private Sector Health Alliance Project
- Construction of Radiology and Orthopedic Centre
- The Nigerian Law School
- University of Lagos
- Sponsorship: 2021 Microsoft Office Specialist World Championship
- Zenith Bank Delta State Principal's Cup
- Zenith Bank Headmasters' Cup
- Zenith Bank Next Gen Tennis Championship.

## Awards

- Most Valuable Banking Brand in Nigeria 2021 – The Banker.
- Number One Bank in Nigeria by Tier-1 Capital 2021 – 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
- Most Responsible Organisation in Africa 2021 - SERAS Awards
- Best Company in Infrastructure Development 2021 - SERAS Awards
- Best Company in Reporting and Transparency 2021 - SERAS Awards
- Best Company in Promotion of Gender Equality and Women Empowerment 2021 - SERAS Awards
- Best Bank in Retail Banking 2021 - Businessday Awards

The image features a person's hands typing on a laptop keyboard. Overlaid on the scene are several data visualization elements: a line graph in the top left showing an upward trend; a bar chart in the top right with bars of varying heights; a network diagram with nodes and connecting lines; and a bar chart in the bottom right. A red banner is positioned across the middle of the image, containing the text 'Group Results'.

# Group Results

## Income Statement

|                      |                 |                 |
|----------------------|-----------------|-----------------|
| Gross earnings:      | <b>₺765.6Bn</b> | <b>+10% YoY</b> |
| Net-interest income: | <b>₺320.8Bn</b> | <b>+7% YoY</b>  |
| Non-interest income: | <b>₺309.0Bn</b> | <b>+23% YoY</b> |
| Profit before tax:   | <b>₺280.4Bn</b> | <b>+10% YoY</b> |
| Profit after tax:    | <b>₺244.6Bn</b> | <b>+6% YoY</b>  |

## Balance Sheet

|                            |                |                 |
|----------------------------|----------------|-----------------|
| Customers' deposits:       | <b>₺6.47Tn</b> | <b>+21% YoY</b> |
| Gross loans:               | <b>₺3.50Tn</b> | <b>+20% YoY</b> |
| Total assets:              | <b>₺9.45Tn</b> | <b>+11% YoY</b> |
| Total shareholders' funds: | <b>₺1.28Tn</b> | <b>+15% YoY</b> |

| <b>Key Ratios</b>               |                  |                  |                 |
|---------------------------------|------------------|------------------|-----------------|
|                                 | <b>31-Dec-21</b> | <b>31-Dec-20</b> | <b>% change</b> |
| Earnings per share (EPS)        | <b>N7.78</b>     | N7.34            | 6%              |
| Return on average equity (RoAE) | <b>20.4%</b>     | 22.4%            | (9%)            |
| Return on average assets (RoAA) | <b>2.7%</b>      | 3.1%             | (12%)           |
| Net interest margin - NIM       | <b>6.7%</b>      | 7.9%             | (15%)           |
| Cost of funds                   | <b>1.5%</b>      | 2.1%             | (28%)           |
| Cost of risk                    | <b>1.9%</b>      | 1.5%             | 27%             |
| Cost-to-income ratio            | <b>50.8%</b>     | 50.0%            | 2%              |
|                                 |                  |                  |                 |
| Liquidity ratio (Group)         | <b>71.6%</b>     | 66.2%            | 8%              |
| Liquidity ratio (Bank)          | <b>61.9%</b>     | 62.5%            | (1%)            |
| Loan-to-deposit ratio (Group)   | <b>54.1%</b>     | 54.7%            | (1%)            |
| Loan-to-deposit ratio (Bank)    | <b>62.6%</b>     | 64.5%            | (3%)            |
| Capital adequacy ratio (CAR)    | <b>21.0%</b>     | 23.0%            | (9%)            |
| Non-performing loan ratio (NPL) | <b>4.2%</b>      | 4.3%             | (2%)            |
| Coverage ratio                  | <b>114.4%</b>    | 113.9%           | 0%              |

# Profit or Loss Statement

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

| (N'million)  | Group<br>2021  | Group<br>2020  | YoY<br>Change |
|--|----------------|----------------|---------------|
| <b>Gross earnings</b>                              | <b>765,558</b> | <b>696,450</b> | <b>10%</b>    |
| Interest and similar income                        | 427,597        | 420,813        | 2%            |
| Interest and similar expense                       | (106,793)      | (121,131)      | (12%)         |
| <b>Net interest income</b>                         | <b>320,804</b> | <b>299,682</b> | <b>7%</b>     |
| Impairment charge                                  | (59,932)       | (39,534)       | 52%           |
| <b>Net interest income after impairment charge</b> | <b>260,872</b> | <b>260,148</b> | <b>0%</b>     |
| Net income on fees and commission                  | 103,958        | 79,332         | 31%           |
| Trading gains                                      | 167,483        | 121,678        | 38%           |
| Other operating income                             | 37,594         | 50,735         | (26%)         |
| Amortisation of intangible assets                  | (3,779)        | (3,537)        | 7%            |
| Depreciation of property and equipment             | (25,305)       | (25,125)       | 1%            |
| Personnel expenses                                 | (79,885)       | (79,520)       | 1%            |
| Operating expenses                                 | (180,564)      | (147,850)      | 22%           |
| <b>Profit before income tax</b>                    | <b>280,374</b> | <b>255,861</b> | <b>10%</b>    |
| Income tax expense                                 | (35,816)       | (25,296)       | 42%           |
| <b>Profit after tax</b>                            | <b>244,558</b> | <b>230,565</b> | <b>6%</b>     |

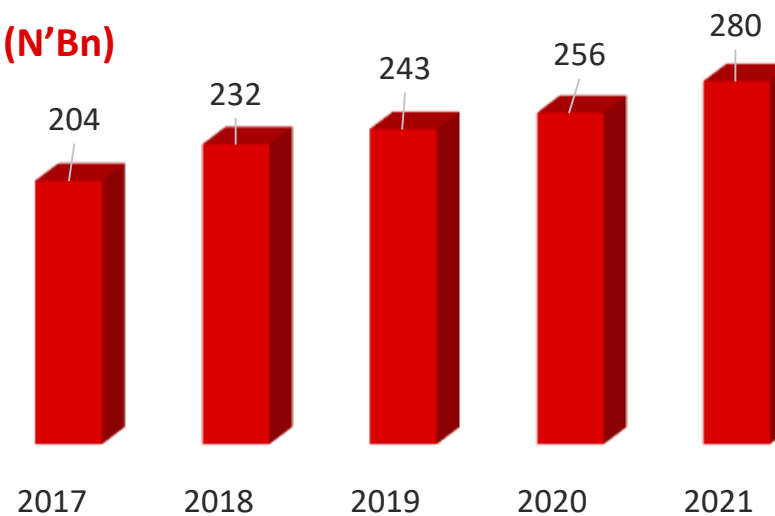
# Consolidating Earnings and Profitability



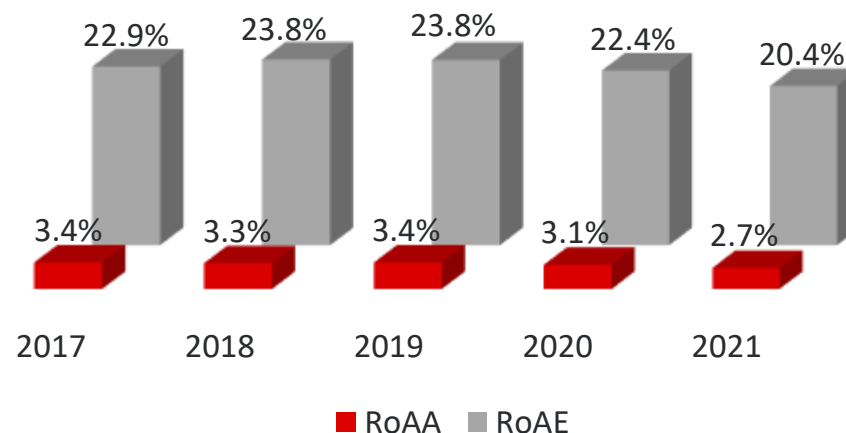
Zenith Group continues to deliver attractive earnings profile, supported by robust revenue base.

- **PBT** increased by 10% YoY from N255.9bn in 2020 to N280.3bn in 2021 as the Group continues to strengthen its non-interest revenue base.
- **ROAE** declined from 22.4% in 2020 to 20.4% in 2021 as a result of the stronger capital base.
- **ROAA** declined from 3.1% in 2020 to 2.7% in 2021 due to the significant growth in balance sheet.

**PBT (N'Bn)**



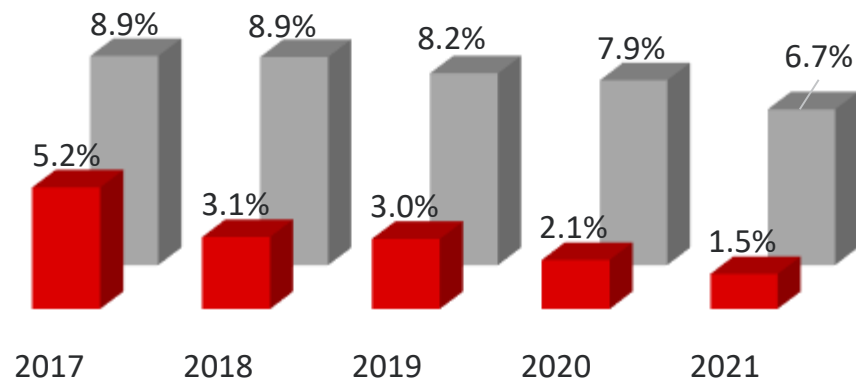
**RoAA & RoAE**



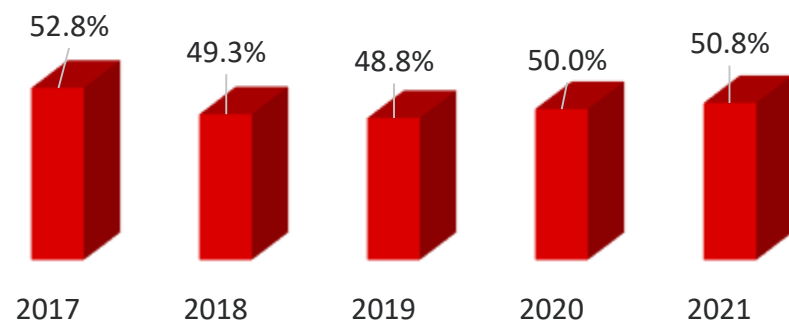
# Consolidating Earnings and Profitability Contd.

- **Net Interest Margin - NIM** contracted from 7.9% in 2020 to 6.7% in 2021 due to lower yields on HTM investment securities.
- **Cost of Funds** declined to 1.5% in 2021 from 2.1% recorded in 2020 as a result of strategic rebalancing of our funding base.
- **Cost-to-Income Ratio** increased marginally from 50.0% in 2020 to 50.8% recorded in 2021 due to inflationary pressures, exchange rate movement and heightened regulatory costs.

## Cost of Funds & Net Interest Margin



## Cost to Income Ratio



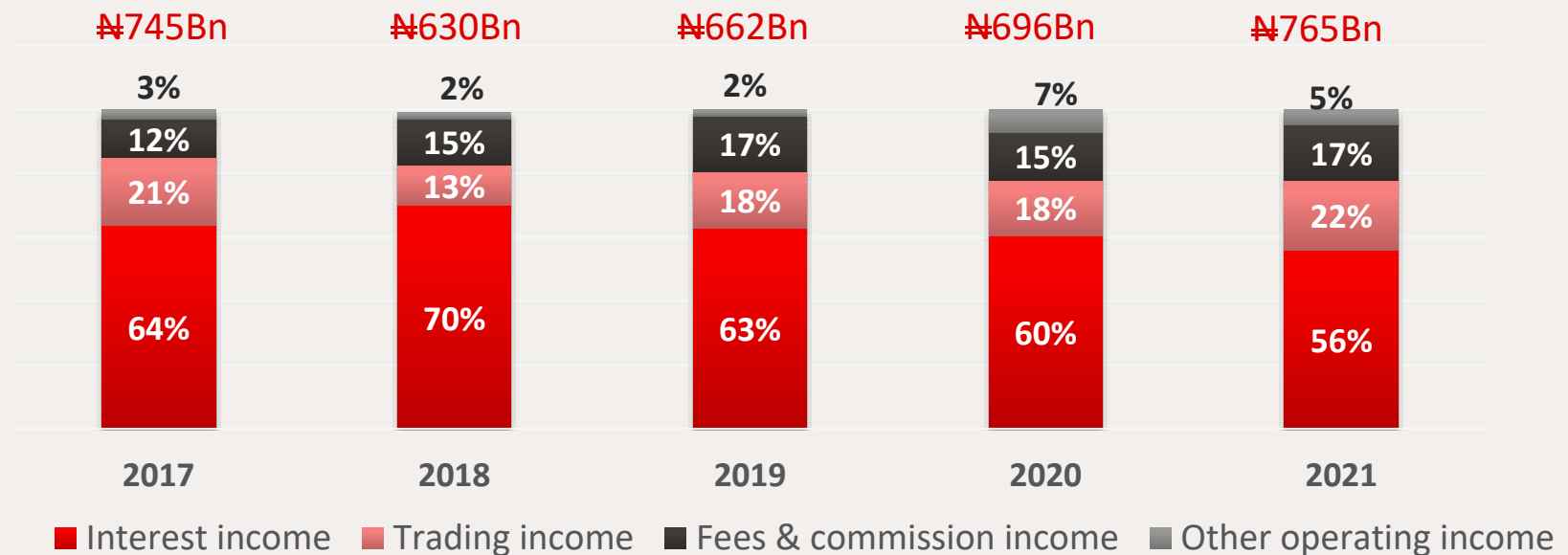


# Evolution of Revenue Base

- Contribution of non-interest income to total revenue increased from 39.6% in FYE 2020 to 44.1% in FYE 2021.

| N'million                   | 2021           | % to Total Revenue | 2020           | % to Total Revenue | YoY          |
|-----------------------------|----------------|--------------------|----------------|--------------------|--------------|
| Interest income             | 427,597        | 55.9%              | 420,813        | 60.4%              | 1.6%         |
| Trading income              | 167,483        | 21.9%              | 121,678        | 17.5%              | 37.6%        |
| Fees and commissions income | 132,884        | 17.4%              | 103,224        | 14.8%              | 28.7%        |
| Other operating Income      | 37,594         | 4.9%               | 50,735         | 7.3%               | -25.9%       |
| <b>Non Interest Income</b>  | <b>337,961</b> | <b>44.1%</b>       | <b>275,637</b> | <b>39.6%</b>       | <b>22.6%</b> |
| <b>Total Revenue</b>        | <b>765,558</b> | <b>100.0%</b>      | <b>696,450</b> | <b>100.0%</b>      | <b>9.9%</b>  |

## Share of Total Revenue

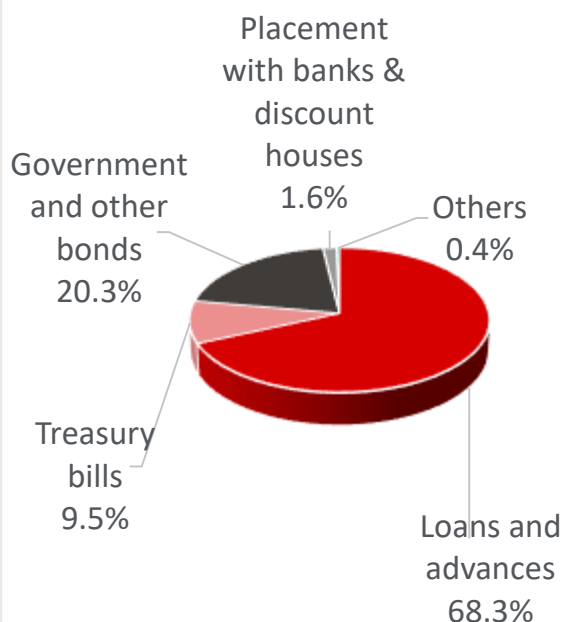


# Revenue Base: Interest Income Lines

- Interest income increased by 2% YoY, driven mainly by the expansion in loan books.

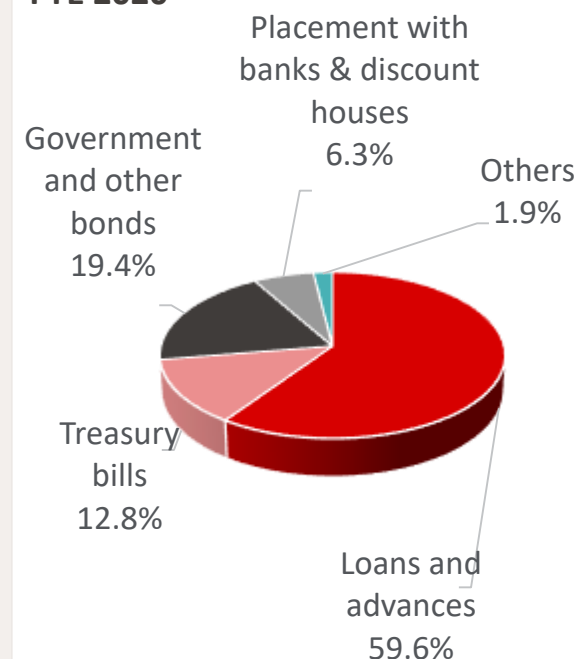
## Interest Income

### FYE 2021



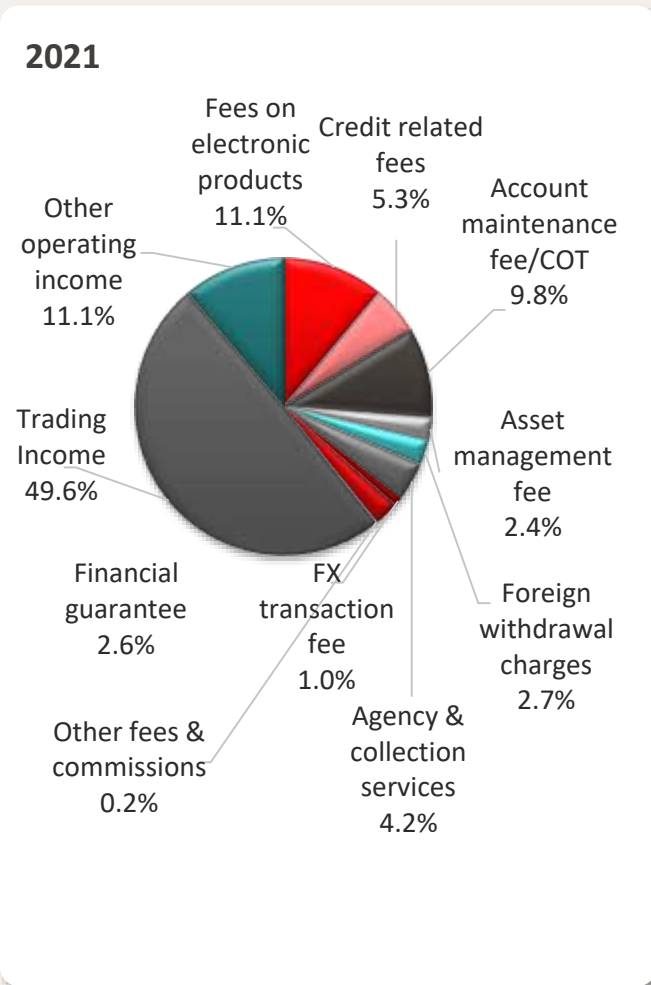
| N'million                              | 2021           | 2020           | YoY       |
|--|----------------|----------------|-----------|
| Loans and advances                     | 292,224        | 250,812        | 17%       |
| Treasury bills                         | 40,426         | 53,797         | -25%      |
| Government and other bonds             | 86,669         | 81,511         | 6%        |
| Placement with banks & discount houses | 6,766          | 26,398         | -74%      |
| Others                                 | 1,512          | 8,295          | -82%      |
| <b>Total</b>                           | <b>427,597</b> | <b>420,813</b> | <b>2%</b> |

### FYE 2020

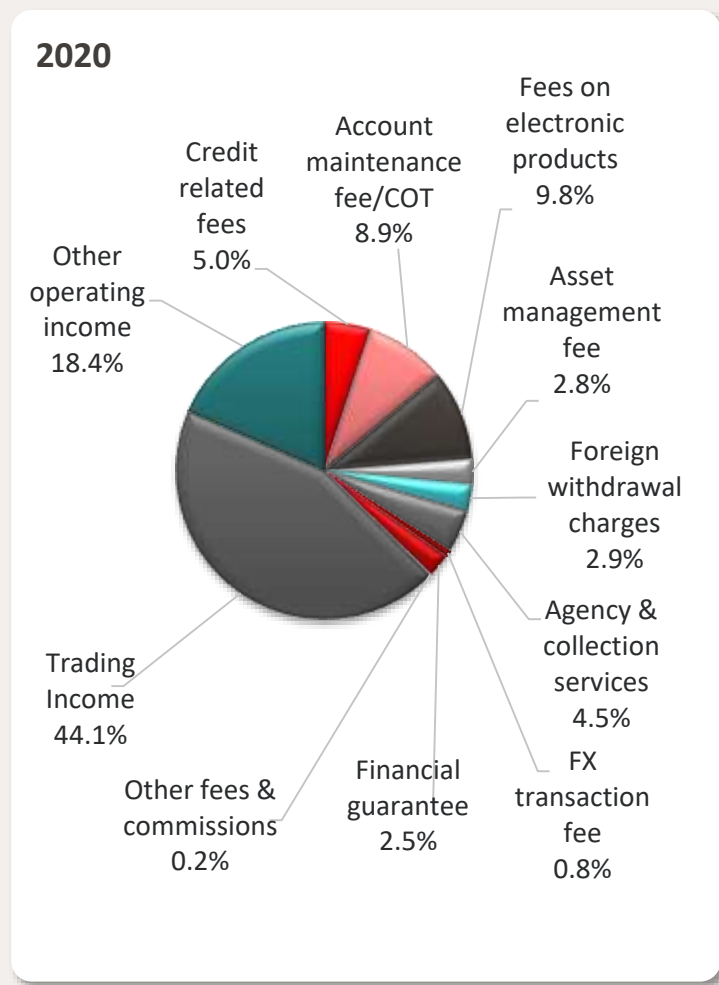


# Revenue Base: Non-Interest Income (NII) Diversification

- Non-interest income increased by 23% YoY as impressive growths were recorded across almost all lines of income.



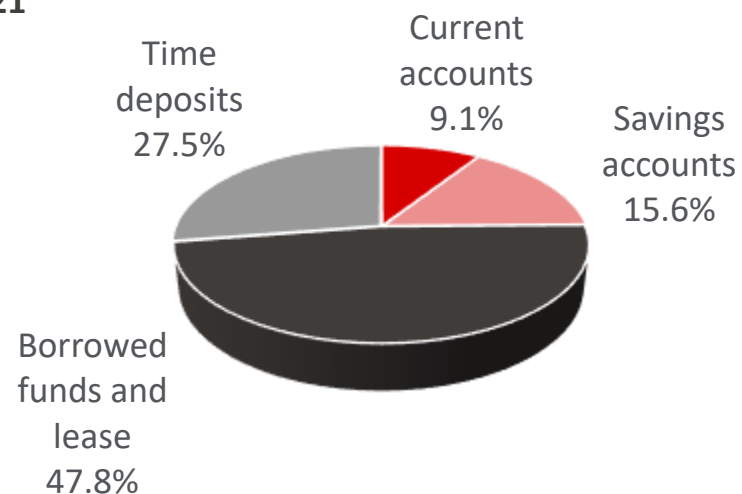
| N'million                                | 2021           | 2020           | YoY        |
|--|----------------|----------------|------------|
| Fees on electronic products              | 37,470         | 27,078         | 38%        |
| Account maintenance fee/COT              | 33,003         | 24,479         | 35%        |
| Credit related fees                      | 18,054         | 13,913         | 30%        |
| Financial guarantee                      | 8,894          | 6,802          | 31%        |
| Agency & collection services             | 14,057         | 12,472         | 13%        |
| FX transaction fee                       | 3,298          | 2,135          | 54%        |
| Foreign withdrawal charges               | 9,129          | 8,061          | 13%        |
| Asset management fee                     | 8,276          | 7,612          | 9%         |
| Other fees & commissions                 | 703            | 672            | 5%         |
| <b>Total fee &amp; commission income</b> | <b>132,884</b> | <b>103,224</b> | <b>29%</b> |
| Fees and commission expense              | (28,926)       | (23,892)       | 21%        |
| <b>Net fee &amp; commission income</b>   | <b>103,958</b> | <b>79,332</b>  | <b>31%</b> |
| Trading Income                           | 167,483        | 121,678        | 38%        |
| Other operating income                   | 37,594         | 50,735         | -26%       |
| <b>Net non- interest income</b>          | <b>309,035</b> | <b>251,745</b> | <b>23%</b> |



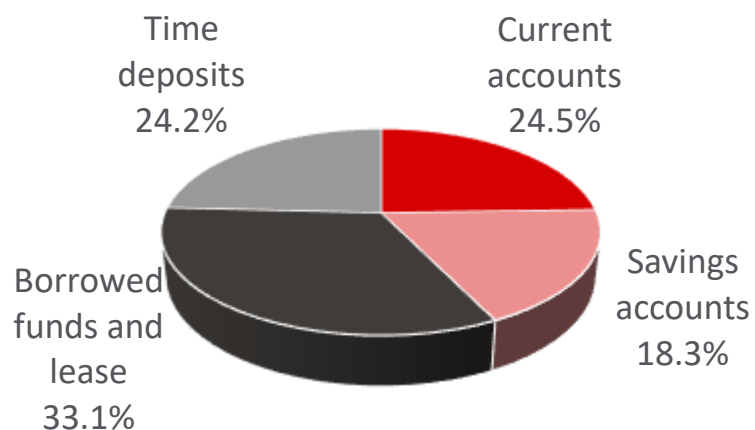
# Interest Expense: Funding Cost Optimization

## Interest Expenses

2021



2020



- Interest expense declined by 12% YoY as a result of the strategic rebalancing of our funding base.

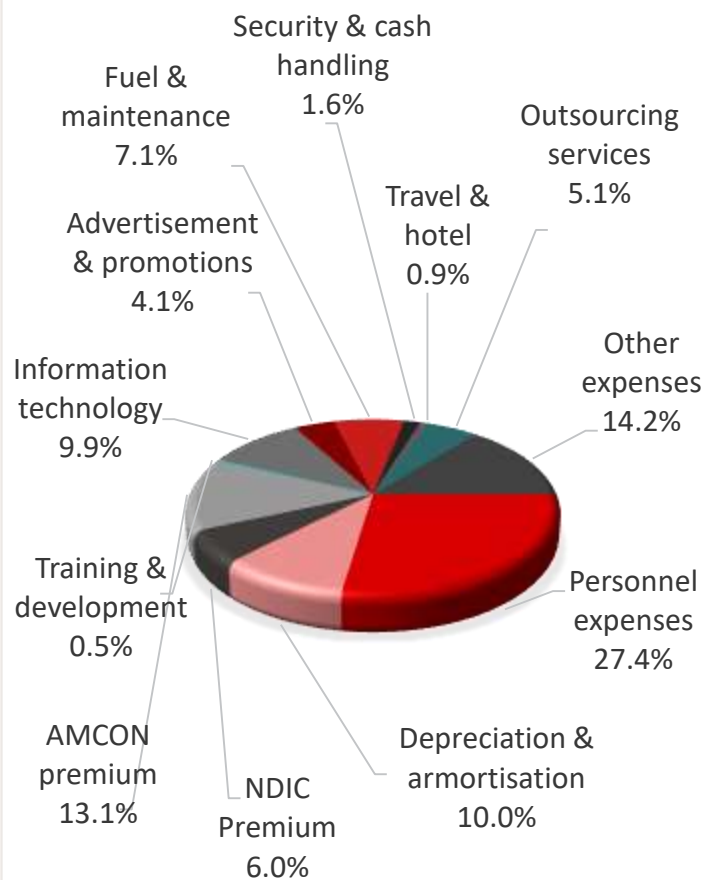
| N'million                | 2021           | 2020           | YoY         |
|--------------------------|----------------|----------------|-------------|
| Current accounts         | 9,758          | 29,657         | -67%        |
| Savings accounts         | 16,653         | 22,130         | -25%        |
| Time deposits            | 29,377         | 29,274         | 0%          |
| Borrowed funds and lease | 51,005         | 40,070         | 27%         |
| <b>Total</b>             | <b>106,793</b> | <b>121,131</b> | <b>-12%</b> |

# Continuous Efforts Towards Cost Optimisation.

- Total operating expense grew by 13% YoY due to inflationary pressures, exchange rate movement and heightened regulatory costs.

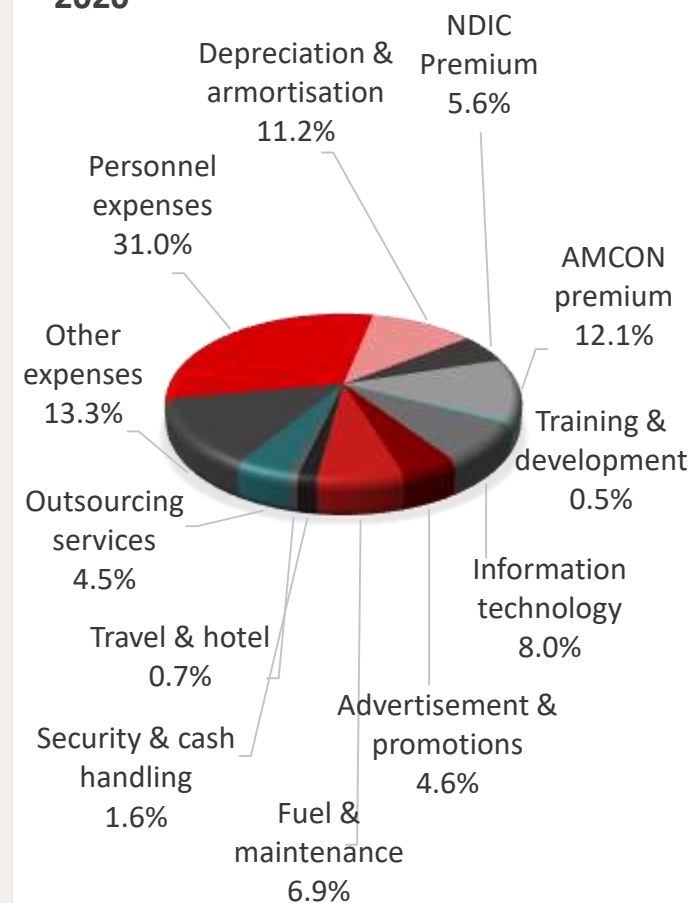
## Total Operating Expenses

2021



| N'million                   | 2021           | 2020           | YoY        |
|-----------------------------|----------------|----------------|------------|
| Personnel expenses          | 79,885         | 79,520         | 0%         |
| Depreciation & amortisation | 29,084         | 28,662         | 1%         |
| NDIC Premium                | 17,273         | 14,405         | 20%        |
| AMCON premium               | 37,920         | 30,948         | 23%        |
| Training & development      | 1,588          | 1,191          | 33%        |
| Information technology      | 28,716         | 20,440         | 40%        |
| Advertisement & promotions  | 11,798         | 11,835         | 0%         |
| Fuel & maintenance          | 20,618         | 17,778         | 16%        |
| Security & cash handling    | 4,766          | 3,980          | 20%        |
| Travel & hotel              | 2,628          | 1,883          | 40%        |
| Outsourcing services        | 14,773         | 11,500         | 28%        |
| Other expenses              | 40,484         | 33,890         | 19%        |
| <b>Total</b>                | <b>289,533</b> | <b>256,032</b> | <b>13%</b> |

2020



# Balance Sheet – Assets

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

| (N'million)                         | Group<br>Dec 21  | Group<br>Dec 20  | YoY<br>Change |
|-------------------------------------|------------------|------------------|---------------|
| Cash and balances with central bank | 1,488,363        | 1,591,768        | (7%)          |
| )Treasury bills                     | 1,764,945        | 1,577,875        | 12%           |
| Assets pledged as collateral        | 392,594          | 298,530          | 32%           |
| Due from other banks                | 691,244          | 810,494          | (15%)         |
| Derivative assets                   | 56,187           | 44,496           | 26%           |
| Loans and advances                  | 3,355,728        | 2,779,027        | 21%           |
| Investment securities               | 1,303,726        | 996,916          | 31%           |
| Deferred tax assets                 | 1,837            | 5,787            | (68%)         |
| Other assets                        | 168,210          | 169,967          | (1%)          |
| Property and equipment              | 200,008          | 190,170          | 5%            |
| Intangible assets                   | 25,001           | 16,243           | 54%           |
| <b>Total Assets</b>                 | <b>9,447,843</b> | <b>8,481,273</b> | <b>11%</b>    |

# Balance Sheet – Liabilities & Equity

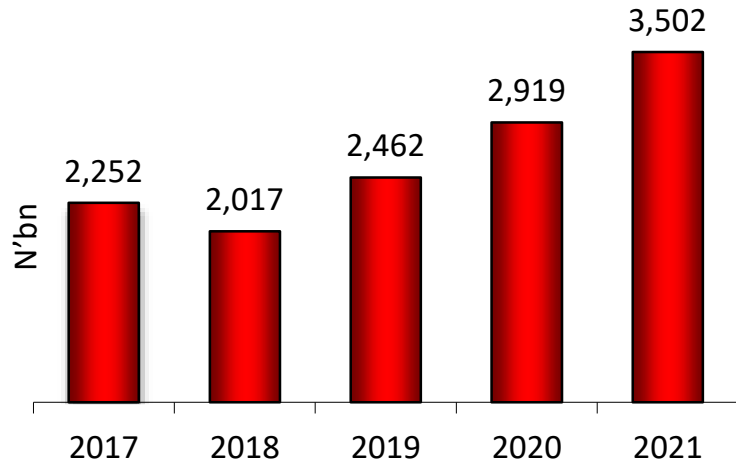
- Assets are largely funded by deposits with a strong capital base providing buffer for further growth.

| (N'million)                       | Group<br>Dec-21  | Group<br>Dec-20  | YoY<br>Change |
|-----------------------------------|------------------|------------------|---------------|
| <b>Liabilities</b>                |                  |                  |               |
| Customers deposits                | 6,472,054        | 5,339,911        | 21%           |
| Derivative liabilities            | 14,674           | 11,076           | 33%           |
| Current income tax payable        | 16,909           | 11,690           | 45%           |
| Deferred income tax liabilities   | 11,603           | 1                | -             |
| Other liabilities                 | 487,432          | 703,292          | (31%)         |
| On-lending facilities             | 369,241          | 384,573          | (4%)          |
| Borrowings                        | 750,469          | 870,080          | (14%)         |
| Debt securities issued            | 45,799           | 43,177           | 6%            |
| <b>Total liabilities</b>          | <b>8,168,181</b> | <b>7,363,800</b> | <b>11%</b>    |
| <b>Equities and reserves</b>      |                  |                  |               |
| Share capital                     | 15,698           | 15,698           | 0%            |
| Share premium                     | 255,047          | 255,047          | 0%            |
| Retained earnings                 | 607,203          | 521,293          | 16%           |
| Other reserves                    | 400,570          | 324,461          | 23%           |
| Non-controlling interest          | 1,144            | 974              | 17%           |
| <b>Total Shareholders' equity</b> | <b>1,279,662</b> | <b>1,117,473</b> | <b>15%</b>    |

# Sustained Assets & Liabilities Match

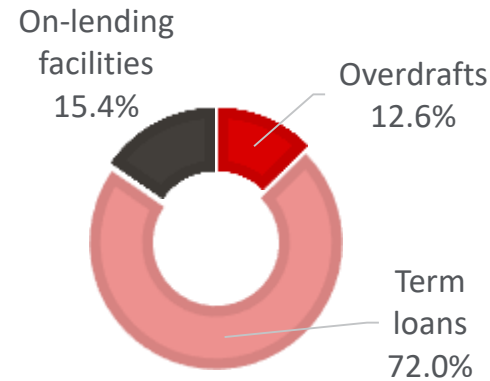
- The 21% growth in customers' deposits in 2021 is a reflection of the increasing confidence in the Zenith brand.
- Gross loans grew 20% YoY propelled by both corporate and retail lending activities.

## Gross Loans

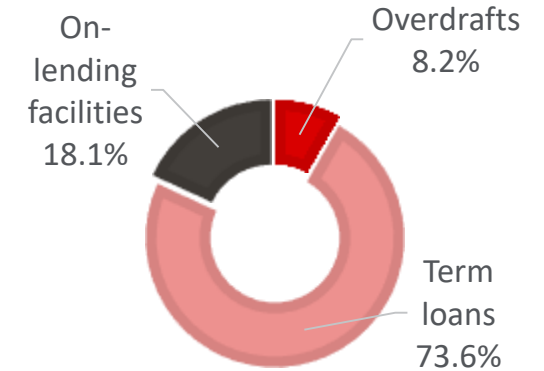


## Loans & Advances

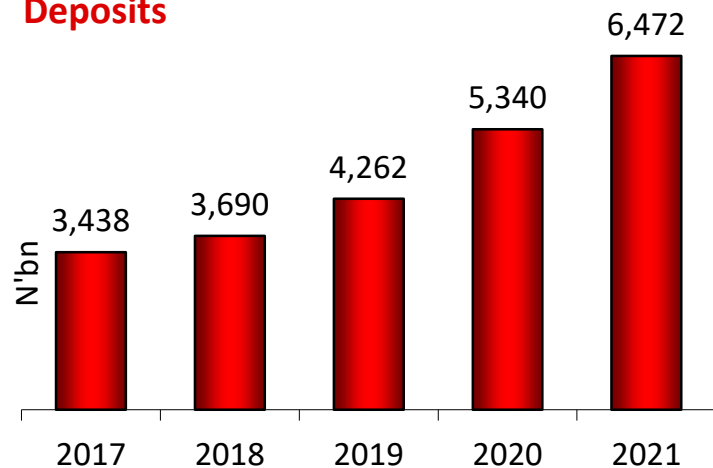
FYE 2021



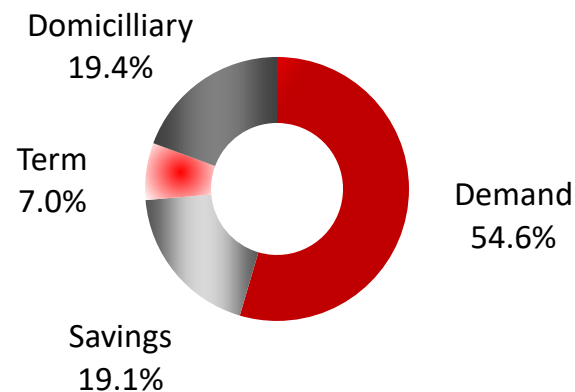
FYE 2020



## Deposits

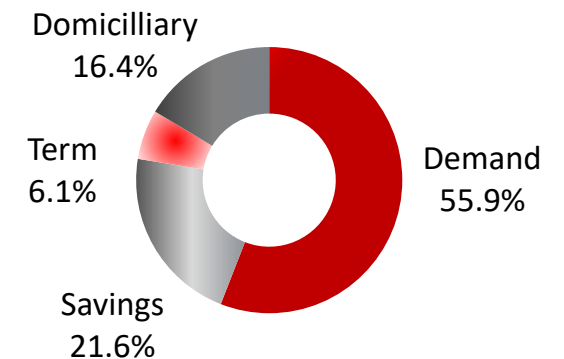


FYE 2021



## Deposit Mix

FYE 2020

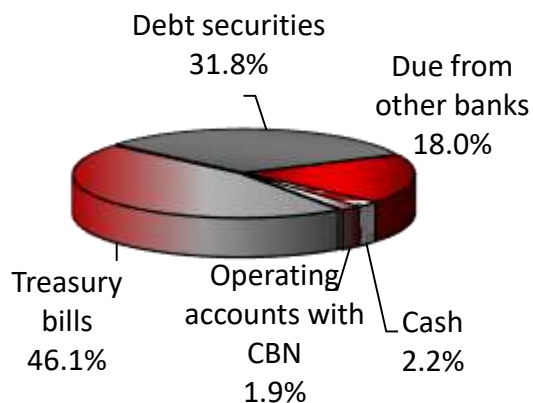




# Continued Market Dominance - Strong Liquid Asset Base & Funding Mix

- High quality balance sheet with diversified funding sources.

FYE 2021

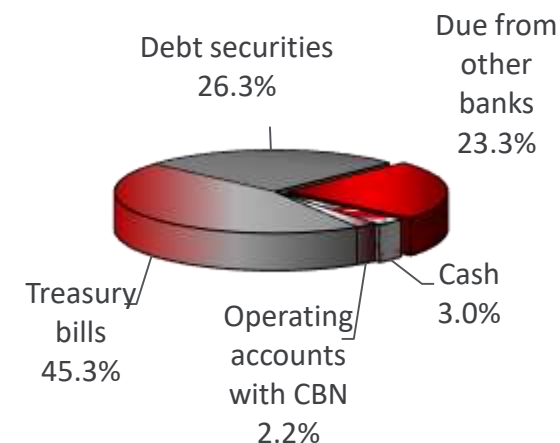


## Liquid Assets

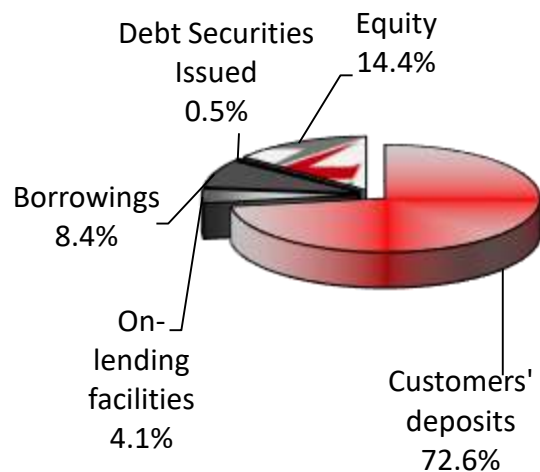
| N'million                   | 2021             | 2020             | YoY        |
|-----------------------------|------------------|------------------|------------|
| Cash                        | 84,077           | 104,544          | -20%       |
| Operating accounts with CBN | 73,389           | 75,802           | -3%        |
| Treasury bills              | 1,764,945        | 1,577,875        | 12%        |
| Debt securities             | 1,218,152        | 916,941          | 33%        |
| Due from other banks        | 691,244          | 810,494          | -15%       |
| <b>Total</b>                | <b>3,831,807</b> | <b>3,485,656</b> | <b>10%</b> |

Total CRR balance: N1.33 Trillion (2020: N1.41 trillion)

FYE 2020



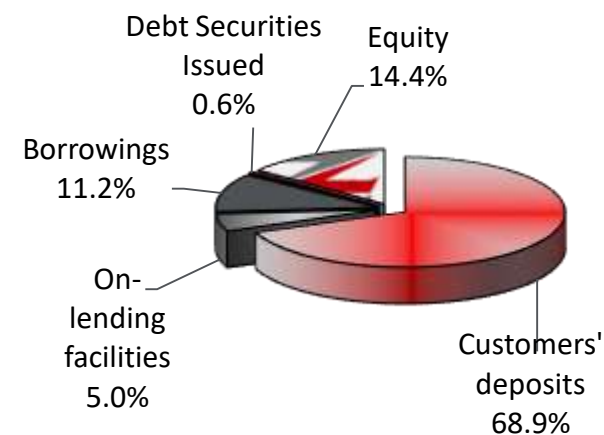
FYE 2021



## Funding Mix

| N'million              | 2021             | 2020             | YoY        |
|------------------------|------------------|------------------|------------|
| Customers' deposits    | 6,472,054        | 5,339,911        | 21%        |
| On-lending facilities  | 369,241          | 384,573          | -4%        |
| Borrowings             | 750,469          | 870,080          | -14%       |
| Debt securities issued | 45,799           | 43,177           | 6%         |
| Equity                 | 1,279,662        | 1,117,473        | 15%        |
| <b>Total</b>           | <b>8,917,225</b> | <b>7,755,214</b> | <b>15%</b> |

FYE 2020

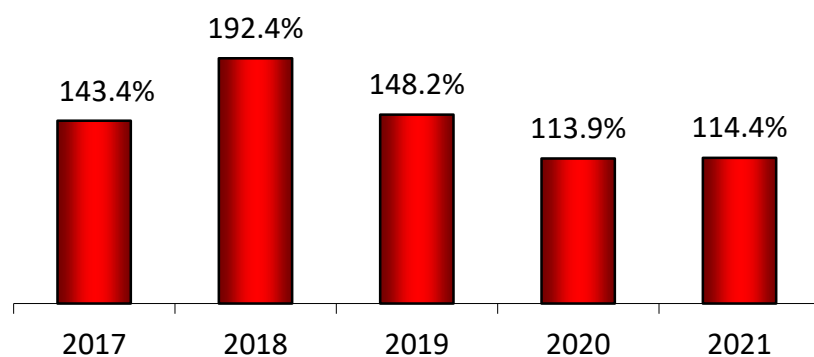


A low-angle photograph of a worker in safety gear, including a helmet and harness, standing on a metal structure. The worker is looking down, and the structure appears to be part of a large industrial or construction site. The background is a bright, clear sky. A red horizontal band is overlaid on the image, containing the text "Risk Management".

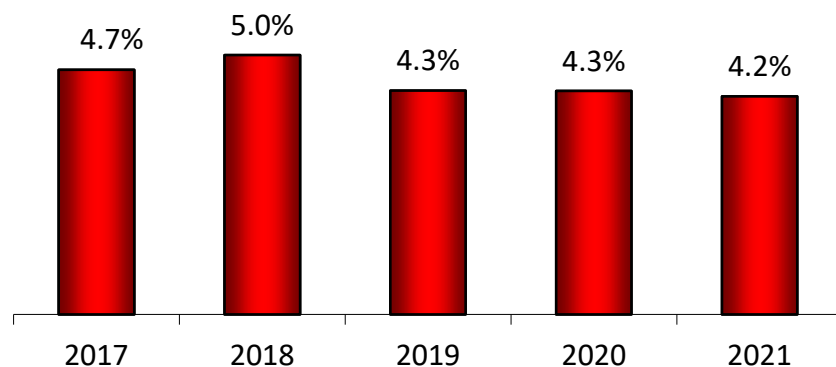
# Risk Management

# Healthy Risk Assets Portfolio

## NPL Coverage Ratio



## NPL Ratio



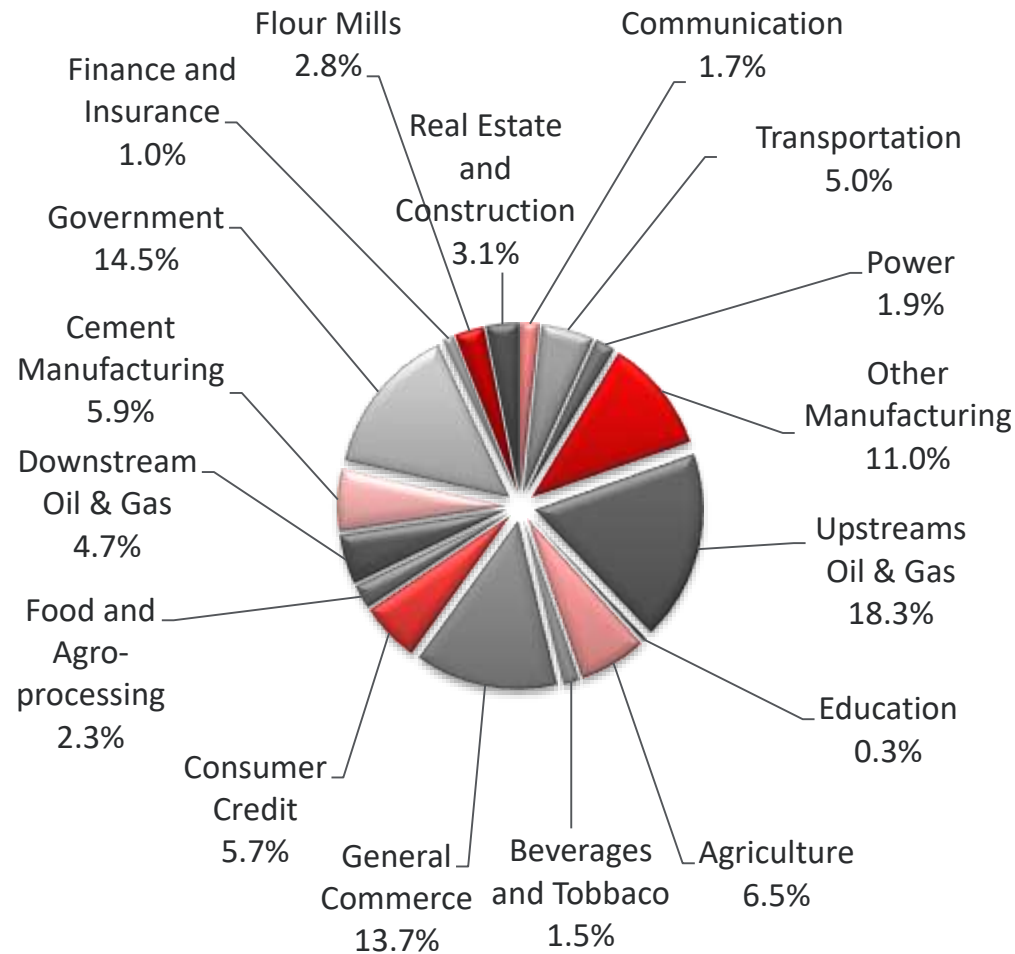
## Our Risk Management Strategy

- The Group adopts a complete and integrated approach to risk management that is driven from the Board level to the operational activities of the bank.
- Risk management is practiced as a collective responsibility coordinated by the risk control units and is properly segregated from the market facing units to assure independence.
- The process is governed by well defined policies and procedures that are subjected to continuous review and are clearly communicated across the group.
- There is a regular scan of the environment for threats and opportunities to improve industry knowledge and information that drives decision making.
- The group maintains a proactive approach to business and ensures an appropriate balance in its risk and reward objectives.
- Risk culture is continuously being entrenched through appropriate training and acculturation.

# Focused Risk Management via Portfolio Diversification

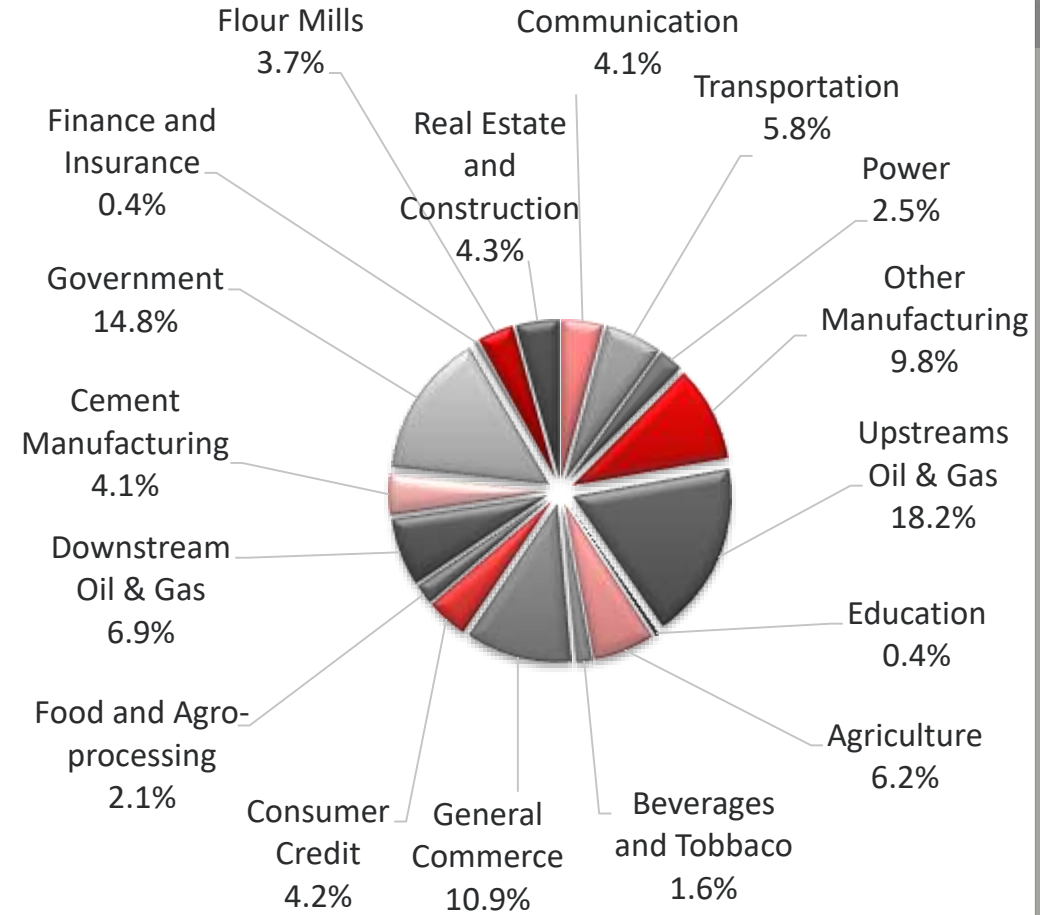
- Well diversified loan portfolio across sectors supports asset quality.

Loans by Sector – FYE 2021



Gross Loans – ₦3.50 Trillion

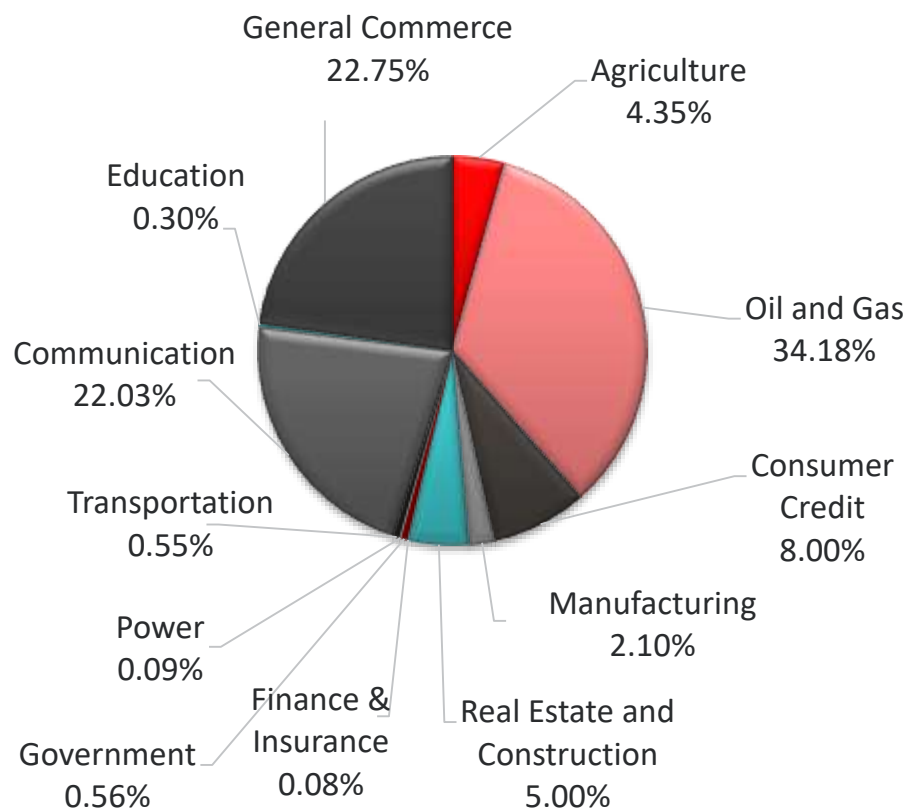
Loans by Sector – FYE 2020



Gross Loans – ₦2.92 Trillion

# NPL by Sectors

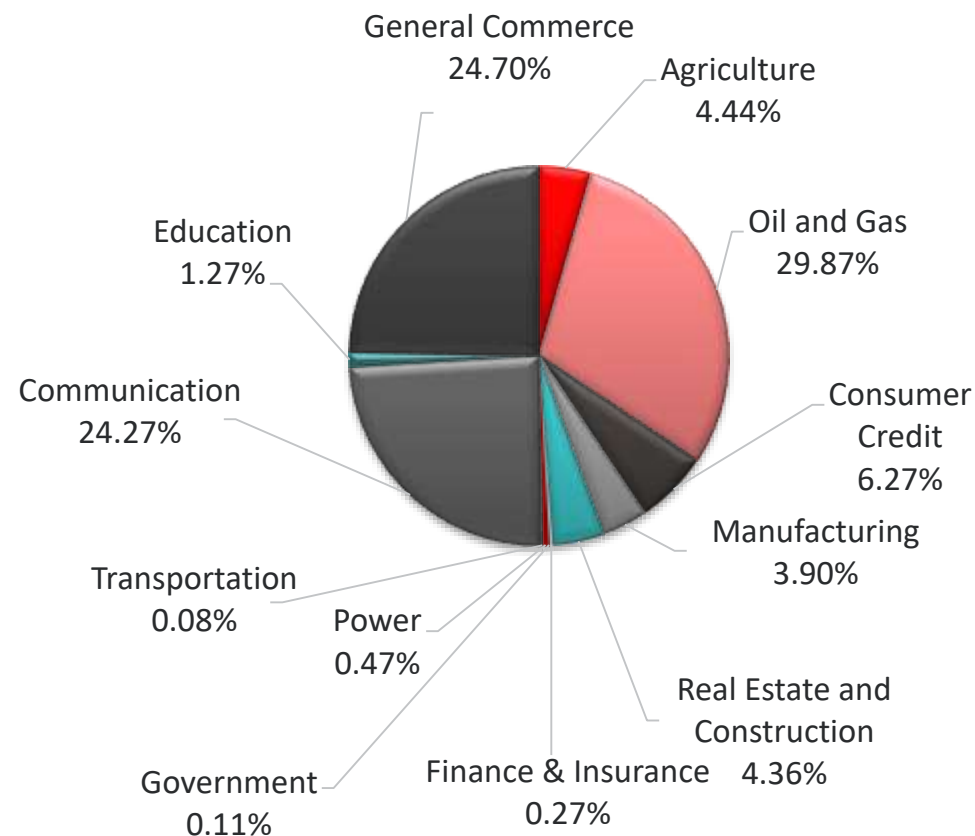
## FYE 2021



**Total NPLs – ₱146.8 Billion**

**NPL Ratio – 4.19%**

## FYE 2020



**Total NPLs – ₱125.2 Billion**

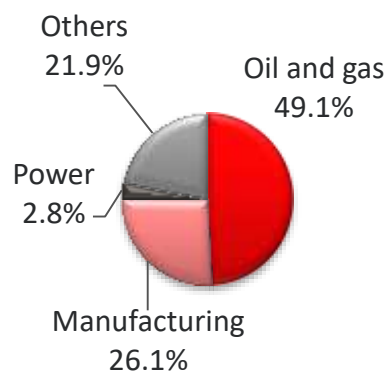
**NPL Ratio – 4.29%**

# Foreign Currency Loans & Restructured Loans

## Foreign Currency Loans

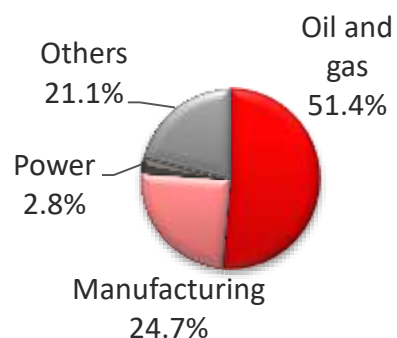
### FYE 2021

| USD loans by sector     | US\$' m      | N'm              | % to US\$ loans | % to Gross loans |
|-------------------------|--------------|------------------|-----------------|------------------|
| Oil and gas             | 1,457        | 617,918          | 49.1%           | 17.6%            |
| Manufctg                | 776          | 328,996          | 26.1%           | 9.4%             |
| Power                   | 84           | 35,589           | 2.8%            | 1.0%             |
| Others                  | 651          | 276,102          | 21.9%           | 7.9%             |
| <b>Total US\$ loans</b> | <b>2,968</b> | <b>1,258,604</b> | <b>100.0%</b>   | <b>35.9%</b>     |



### FYE 2020

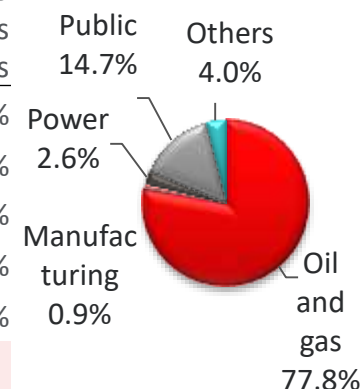
| USD loans by sector     | US\$' m      | N'm              | % to US\$ loans | % to Gross loans |
|-------------------------|--------------|------------------|-----------------|------------------|
| Oil and gas             | 1,606        | 642,996          | 51.4%           | 22.0%            |
| Manufctg                | 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

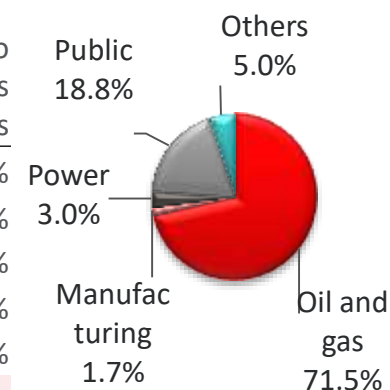
### FYE 2021

| Restructured Loans by sector    | N'm            | % to Restructured loans | % to Gross loans |
|---------------------------------|----------------|-------------------------|------------------|
| Oil and gas                     | 531,221        | 77.8%                   | 15.2%            |
| Manufctg                        | 5,974          | 0.9%                    | 0.2%             |
| Power                           | 17,866         | 2.6%                    | 0.5%             |
| Public                          | 100,508        | 14.7%                   | 2.9%             |
| Others                          | 27,099         | 4.0%                    | 0.8%             |
| <b>Total restructured loans</b> | <b>682,669</b> | <b>100.0%</b>           | <b>19.5%</b>     |



### FYE 2020

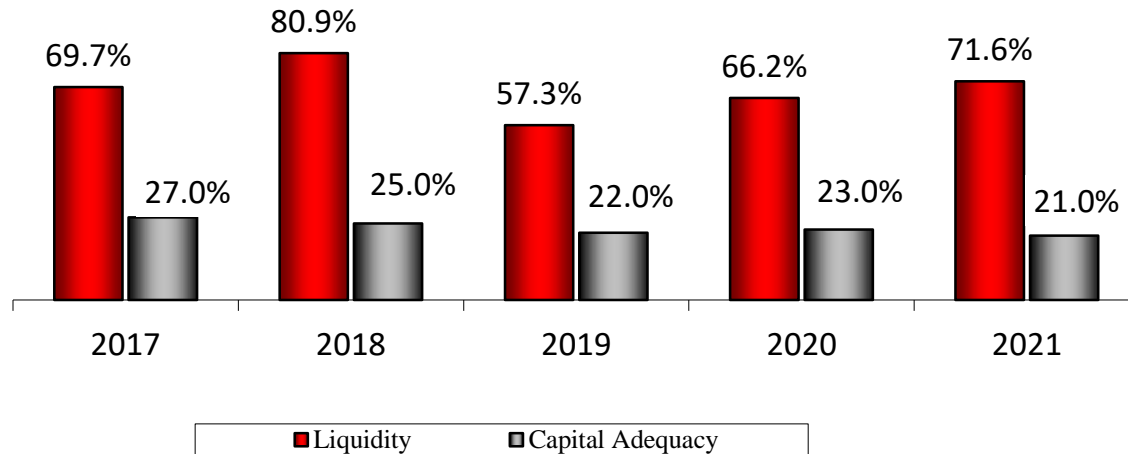
| Restructured Loans by sector    | N'm            | % to Restructured loans | % to Gross loans |
|---------------------------------|----------------|-------------------------|------------------|
| Oil and gas                     | 465,403        | 71.5%                   | 15.9%            |
| Manufctg                        | 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

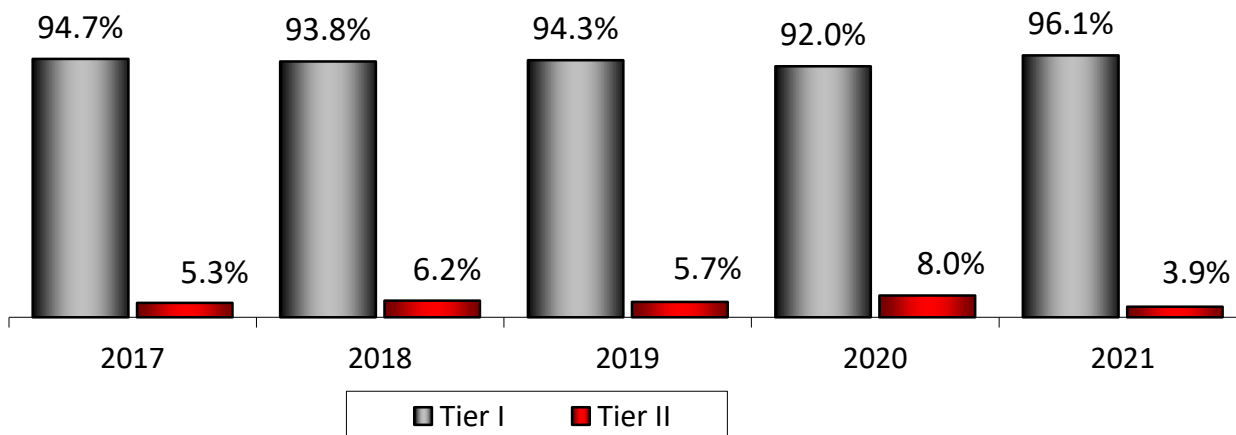
- Solid and high-quality capital position provides room for further growth.

## 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

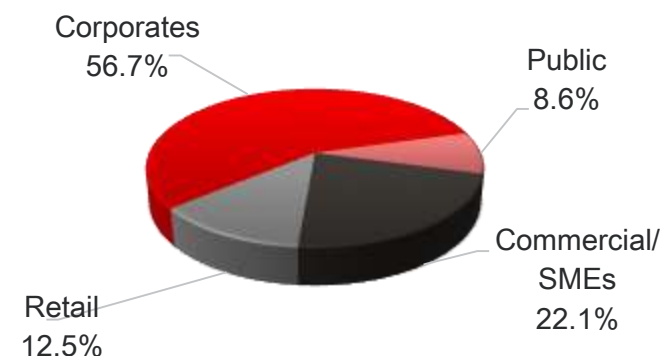
- Continuous diversification and improved profitability across core business segments.

## FY 2021 (₹million)

|                   | Corporates | Public   | Commercial/<br>SMEs | Retail   | Consolidated |
|-------------------|------------|----------|---------------------|----------|--------------|
| Gross revenue     | 434,251    | 65,838   | 169,432             | 96,037   | 765,558      |
| Total expenses    | (290,259)  | (43,424) | (108,406)           | (43,095) | (485,184)    |
| Profit before tax | 143,992    | 22,414   | 61,026              | 52,941   | 280,374      |

## Gross Revenue

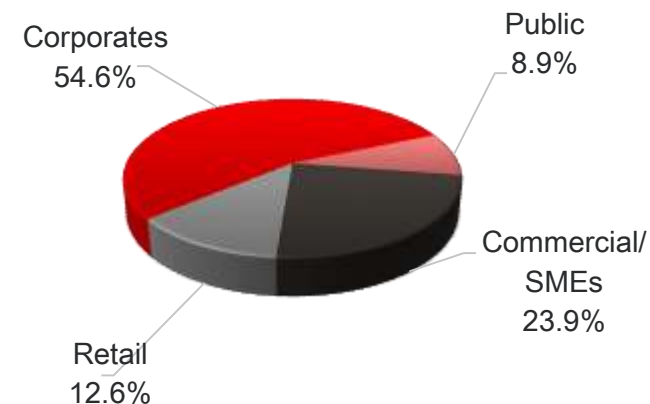
2021



## FY 2020 (₹million)

|                   | Corporates | Public   | Commercial/<br>SMEs | Retail   | Consolidated |
|-------------------|------------|----------|---------------------|----------|--------------|
| Gross revenue     | 380,575    | 61,705   | 166,387             | 87,783   | 696,450      |
| Total expenses    | (255,542)  | (43,839) | (100,631)           | (40,578) | (440,589)    |
| Profit before tax | 125,033    | 17,867   | 65,756              | 47,205   | 255,861      |

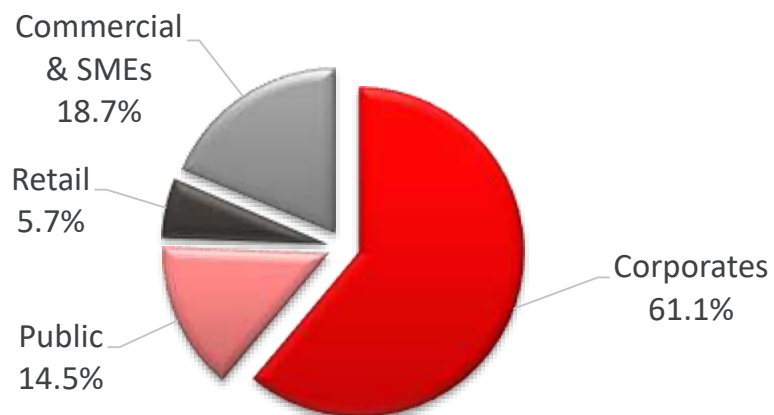
2020



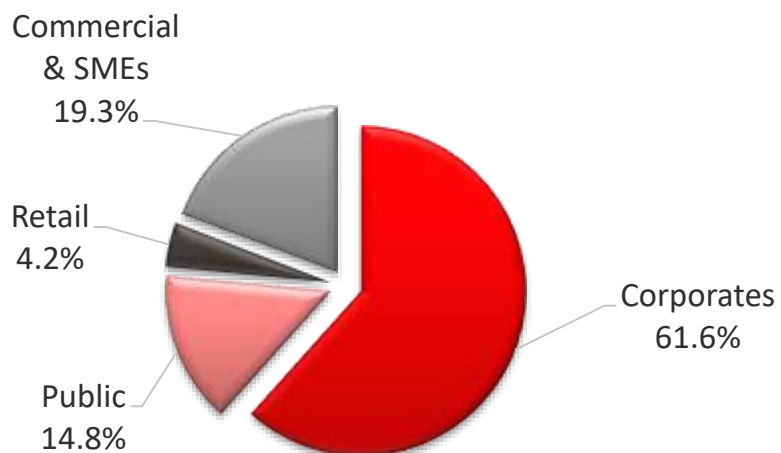
# Loans & Deposits – By Business Segments

## Gross Loans

### FYE 2021 Gross Loans – ₦3.50 Trillion

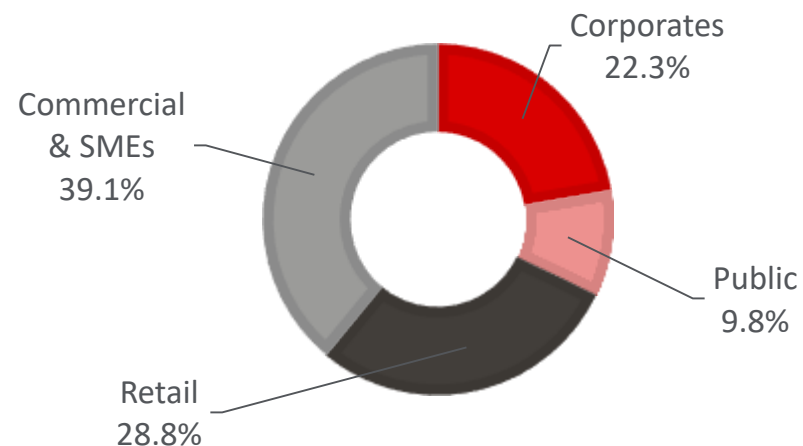


### FYE 2020 Gross Loans – ₦2.92 Trillion

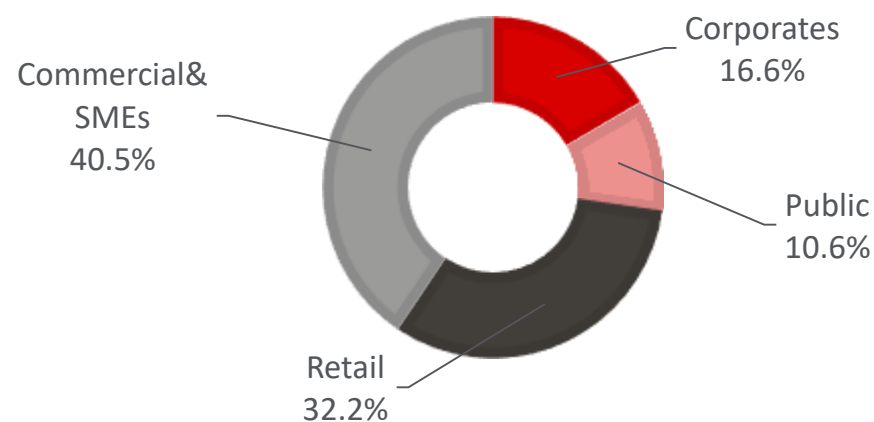


## Total Deposit

### FYE 2021 Total Deposits – ₦6.47 Trillion



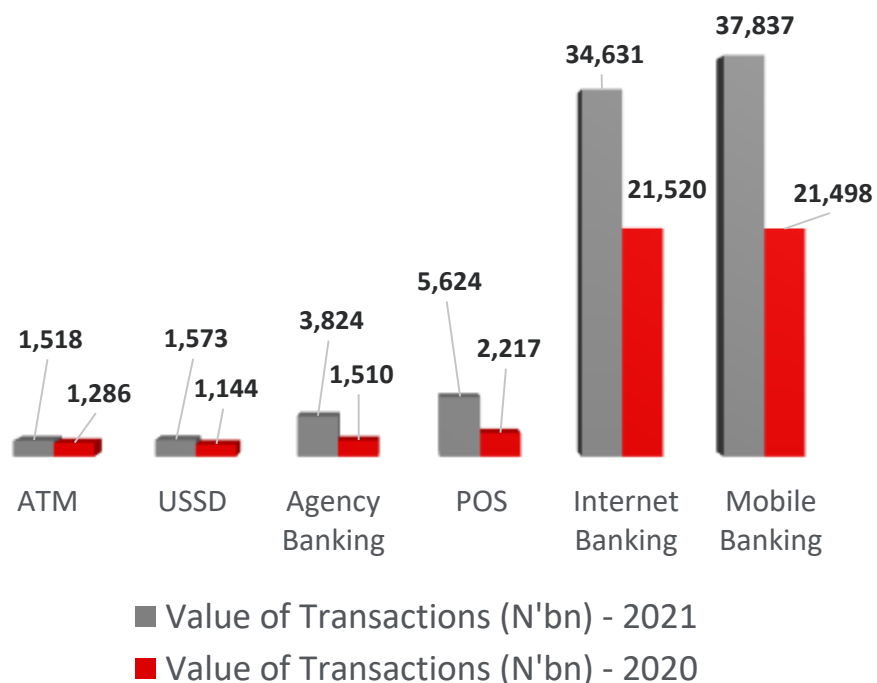
### FYE 2020 Total Deposits – ₦5.34 Trillion



# Electronic Banking Products Performance by Channels.

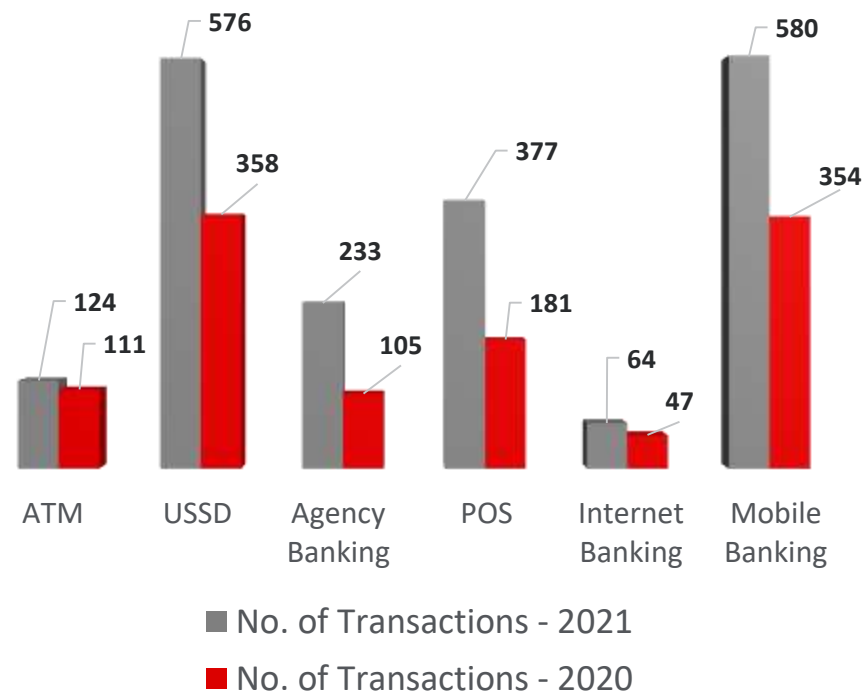
## Value of Electronic Product Transactions

|                                | FYE 2021 | FYE 2020 | YoY |
|--------------------------------|----------|----------|-----|
| Total Transaction Value (N'bn) | 85,008   | 49,175   | 73% |



## Number of Electronic Product Transactions

|  | FYE 2021 | FYE 2020 | YoY |
|--|----------|----------|-----|
| Total Number of Transactions (million) | 1,953    | 1,156    | 69% |



- The bank recorded a remarkable growth in both value and volume of electronic product transactions, resulting in a 38% (ref.: slide 19) growth in income on electronic products.

## The Bank and its Subsidiaries

### Zenith Bank Plc. (Parent)

Established: 1990  
 Branches: 393  
 2021 FYE PBT: ₦257.2Bn  
 Total deposits: ₦5,169Bn  
 Total assets: ₦7,872Bn  
 ROE: 24%  
 Staff strength: 6,298

### Zenith Pension

Established: 2005  
 Branches: 2  
 Zenith ownership: 99%  
 2021 FYE PBT: ₦8.6Bn  
 Custody assets: ₦5,568Bn  
 Total assets: ₦27Bn  
 ROE: 27%  
 Staff strength: 107

### Zenith Nominee

Established: 2018  
 Branches: 1  
 Zenith ownership: 99%  
 2021 FYE PBT: ₦176M  
 Custody assets: ₦618Bn  
 Total assets: ₦2.1Bn  
 ROE: 7%  
 Staff strength: 7

### Gambia

Established: 2009  
 Zenith ownership: 99.96%  
 Branches: 7  
 2021 FYE PBT: ₦1.3Bn  
 Total deposits: ₦24Bn  
 Total assets: ₦32Bn  
 ROE: 16%  
 Staff strength: 136

### Ghana

Established: 2005  
 Zenith ownership: 99.42%  
 Branches: 30  
 2021 FYE PBT: ₦23.4Bn  
 Total deposits: ₦448Bn  
 Total assets: ₦622Bn  
 ROE: 15%  
 Staff strength: 704

### Sierra Leone

Established: 2008  
 Zenith ownership: 99.99%  
 Branches: 7  
 2021 FYE PBT: ₦2.6Bn  
 Total deposits: ₦26Bn  
 Total assets: ₦34Bn  
 ROE: 31%  
 Staff strength: 149

### United Kingdom

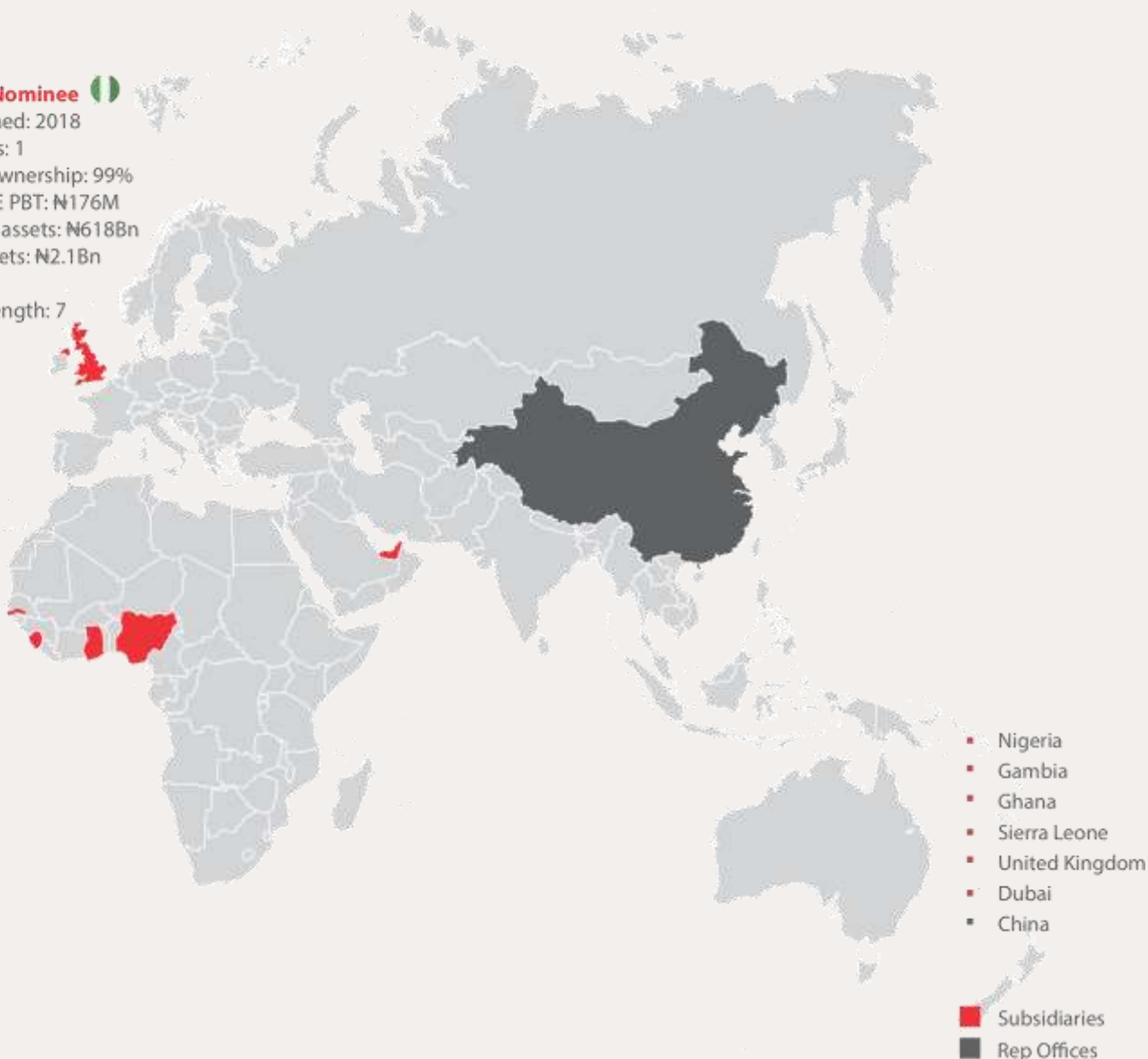
Established 2007  
 Zenith ownership: 100%  
 Branches: 2  
 2021 FYE PBT: ₦4.9Bn  
 Total deposits: ₦1,097Bn  
 Total assets: ₦1,219Bn  
 ROE: 4%  
 Staff strength: 117

### UAE

Branch of Zenith UK  
 Established 2016  
 1 branch

### China

Representative Office  
 Established 2011



# Performance by Geography

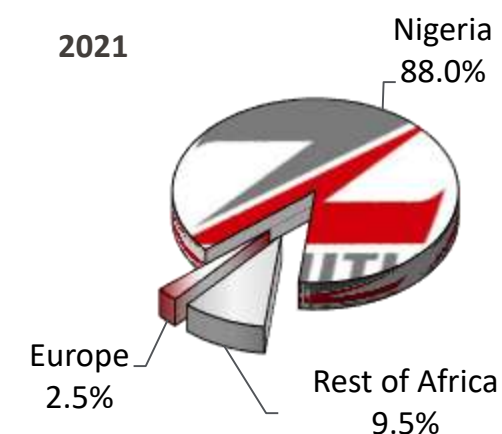
- Foreign subsidiaries contributed 12% of total revenue.

## 12 Months Ended December 2021

(₦'million)

|                      | Nigeria        | Rest of Africa | Europe        | Eliminations    | Consolidated   |
|----------------------|----------------|----------------|---------------|-----------------|----------------|
| <b>Total Revenue</b> | <b>688,162</b> | <b>74,697</b>  | <b>19,315</b> | <b>(16,616)</b> | <b>765,558</b> |
| Total expense        | (422,253)      | (47,451)       | (14,390)      | (1,090)         | (485,184)      |
| Profit before tax    | 265,909        | 27,246         | 4,925         | (17,706)        | 280,374        |
| Tax                  | (26,033)       | (8,937)        | (846)         | -               | (35,816)       |
| Profit after tax     | 239,876        | 18,309         | 4,079         | (17,706)        | 244,558        |

## Total Revenue

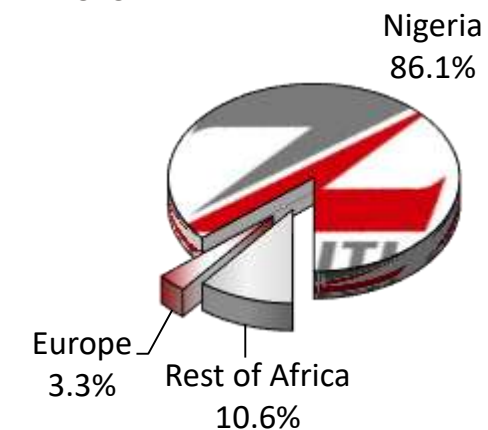


## 12 Months Ended December 2020

(₦'million)

|                      | Nigeria        | Rest of Africa | Europe        | Eliminations   | Consolidated   |
|----------------------|----------------|----------------|---------------|----------------|----------------|
| <b>Total Revenue</b> | <b>605,940</b> | <b>74,675</b>  | <b>23,034</b> | <b>(7,199)</b> | <b>696,450</b> |
| Total expense        | (387,642)      | (40,719)       | (15,427)      | 3,199          | (440,589)      |
| Profit before tax    | 218,298        | 33,956         | 7,607         | (4,000)        | 255,861        |
| Tax                  | (14,404)       | (9,379)        | (1,513)       | -              | (25,296)       |
| Profit after tax     | 203,894        | 24,577         | 6,094         | (4,000)        | 230,565        |

## 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 2022

|                         | FYE 2021 Guidance | FYE 2021 Achieved | FYE 2022 Guidance |
|-------------------------|-------------------|-------------------|-------------------|
| PBT                     | ₦270Bn            | ₦280Bn            | <b>₦294Bn</b>     |
| Effective Tax Rate      | 13.0%             | 12.7%             | <b>15%</b>        |
| PAT                     | ₦235Bn            | ₦245Bn            | <b>₦250Bn</b>     |
| ROAE                    | 23.0%             | 20.4%             | <b>20%</b>        |
| ROAA                    | 3.2%              | 2.7 %             | <b>2.5%</b>       |
| NIM                     | 8.0%              | 6.7%              | <b>7.2%</b>       |
| Cost of Funds           | 2.0%              | 1.5%              | <b>2.0%</b>       |
| Cost of Risk            | 2.0%              | 1.9%              | <b>2.0%</b>       |
| Cost to Income          | 48.0%             | 50.8%             | <b>48.0%</b>      |
| Deposit Growth          | 10.0%             | 21.1%             | <b>12.0%</b>      |
| Loan Growth             | 10.0%             | 20.0%             | <b>10.0%</b>      |
| Loan to Deposit (Group) | 60.0%             | 54.1%             | <b>60.0%</b>      |
| Loan to Deposit (Bank)  | 65.0%             | 62.6%             | <b>65.0%</b>      |
| Capital Adequacy        | 21.0%             | 22.0%             | <b>20.0%</b>      |
| Liquidity Ratio         | 60.0%             | 71.6%             | <b>60.0%</b>      |
| NPL                     | 4.5%              | 4.2%              | <b>4.5%</b>       |
| NPL Coverage            | 130.0%            | 114.4%            | <b>120.0%</b>     |

# Thank You

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