

FY 2012 Group Results

Presentation to Investors & Analysts

IFRS Compliant Results

December 2012

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ZENITH BANK PLC





Disclaimer

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

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



Agenda

Overview & Operating Environment

- Speaker: Managing Director/Chief Executive Officer Godwin Emefiele Slides 4 - 7

Results - Group

- Speaker: Executive Director/Chief Financial Officer Udom Emmanuel Slides 9- 19

Results – By Segment & Geography

- Speaker: Executive Director/Corporate Banking Peter Amangbo Slides 21 - 24

Company Risk Management

- Speaker: Executive Director – Enterprise Risk Management Andy Ojei Slides 26 - 29

Strategy & Outlook

- Speaker: Managing Director/Chief Executive Officer Godwin Emefiele Slides 31 - 34

Q & A



The Nigerian Economy ...



• GDP Growth:

- The GDP grew at the rate of 6.99% in Q4 2012, down by 77 bps from 7.76% recorded in the corresponding quarter of the previous fiscal year.
- However, the growth in Q4 output outstrips that of Q3 2012 of 6.48%.
- The Q on Q growth observed was on the back of the performance of the non-oil sector, driven by growth in activities recorded in the building & construction, cement, hotel and restaurants, and electricity sectors.
- A stronger GDP growth is expected in 2013 as government continues to revamp the economy through various sectoral policy reforms such as energy reforms, agricultural reforms and oil sector reforms.

• Oil Production & Price:

- The average crude oil production was 2.14 million barrels per day (bpd) in Q4 2012 as against 2.44 million bpd recorded in Q4 2011.
- The Nigerian oil sector had witnessed levels of disruptions due to facility shut downs. For example, the activities of vandals and oil theft affected production in some crude oil producing areas.
- However, the sector benefited immensely from the relative high stability in the price of crude oil in the international market.

• Foreign Reserves:

- Nigeria's foreign reserves rose to record highs in the last quarter of 2012.
- The figure stood at \$44.18 billion as at the end of 2012. This represented a 7.26% increase from the figure recorded at the end of Q3 2012 and 33.65% increase y/y.
- Nigeria's forex reserves had been largely driven by strong oil prices. The price of Bonny Light, the country's sweet crude has remained above \$100 per barrel at the international market, a development which favoured the increase in reserves.

• Exchange Rate:

- The FX market remained stable in Q4 2012 due to increased inflows of forex and CBN's policy which helped to moderate the demand for foreign exchange.
- The exchange rate at the WDAS segment of the market hovered between US\$/N155.5 and US\$/N156 in Q4 2012.

• Headline Inflation:

- Inflation declined to 12% y/y in December 2012 from 12.35% y/y in November 2012. (Note : Feb 2013 rate at 9.5%)
- The decline was partly because of moderation in food prices in December 2012, giving temporary respite from the lagged effects of the floods which occurred from July to mid-October, as well as other demand and supply conditions.

**Source: Nigeria Bureau of Statistics Official Website
Central Bank of Nigeria Official Website**



Pertinent Development in the Banking Industry



Description	Effect on Zenith Bank
<p>1 <u>Tax Exemption on investment in Government Securities</u> Effective 2012 and for the next 10 years, income earned on investment in government securities will be tax exempt</p>	<ul style="list-style-type: none">•Zenith bank is experiencing a significant reduction in tax charge due to huge investments in government securities.
<p>2 <u>Commission on Turnover (COT)</u> Reduction in COT from a maximum of N5 per mille to N3 per mille in 2013, N2 per mille in 2014, N1 per mille in 2015 and zero in 2016</p>	<ul style="list-style-type: none">•Zenith bank deals mostly with the large corporate organizations who currently enjoy COT concessions. We expect minimal impact for 2013.
<p>3 <u>Interest on Savings Deposits</u> A minimum of 30% of MPR per annum (MPR is currently 12%) will be paid on savings deposits accounts.</p>	<ul style="list-style-type: none">• Savings deposits accounts for only 7.9% of total deposits of the bank, hence we expect the increase in interest expense to be minimal.
<p>4 <u>AMCON Charge</u> AMCON resolution charge has been increased from 30 bps to 50 bps of total assets.</p>	<p>This is expected to increase operating cost by about 4% in 2013.</p>



Basis of Tax Charge in 2012 Financial Statements

- ❑ During the 2012 financial year, the Group had a total tax charge of N1.42 billion representing about N17.3 billion reductions from prior period charge of N18.7 billion.
- ❑ The significant reduction in the tax charge was due to the tax credit which the bank enjoyed as a result of tax exemption on certain income and reversal of deferred tax liabilities
- ❑ The bank obtained a negative taxable income of N19 million as a result of huge investments in government securities. This necessitated the computation of the bank tax liability using the minimal tax rule, which amounted to a tax charge of N2.47bn.
- ❑ The reversal of net deferred tax liability resulted in a tax write-back of about N5.2bn for the bank. This was as a result of the net effect of deferred tax assets and liabilities of N5.58bn as at the December 31, 2012 compared to the opening position of N10.7bn as at January 1, 2012.
- ❑ Education and IT tax charges and tax charges from other members of the group resulted in an eventual tax write-back of N1.05bn.
- ❑ The Nigerian tax law requires companies in Nigeria to pay tax based on the amount of dividend paid in cases where dividend paid out is higher than taxable income for the year.
- ❑ The additional tax arising from the excess of dividend over taxable income was not provided for in the financial statements because the obligating event, which is the approval of dividend, had not occurred as at the balance sheet date in line with IAS 12 (52A & 52B)
- ❑ All necessary disclosures were made as required by IAS 12 (81i).



Our Investment Proposition

Strong earnings capacity, Solid capital adequacy, High liquidity, Declining NPLs, Excellent technology and Well-motivated staff

- ❑ **Listing on London Exchange:** Zenith Bank has listed a non-capital raising GDR on the London Stock Exchange on 21st of March, 2013. The listing will broaden investor base by increasing accessibility for international investors, greater ability to use international debt/equity market for future capital raises and “best in class” corporate governance standards.
- ❑ **A dominant player in Corporate Banking.** The Bank controls a significant share of the high end corporate clients in strategic sectors of the Nigerian economy. Through the use of its strong balance sheet and liquidity position as well as efficient trade finance products and services, the Bank is able to continuously grow and support business in this segment.
- ❑ **Credit Rating/Awards.** Standard and Poor’s reaffirmed Zenith Bank’s rating at B+/Stable/B, being the highest rating awarded to any Nigerian bank and is in line with the country’s risk rating. World Finance adjudged Zenith bank as “Best Bank in Corporate Governance (2012)” in Nigeria while FTSE Global Markets named Zenith bank as one of the “20 Global Super Brands (2012)”.
- ❑ **Strong Focus on Risk Management.** Despite the challenging business environment, the Bank is able to improve its NPL ratio to 3.15% with a coverage ratio of over 77%. The management of the Bank will strive to bring NPL ratios to about 3%.
- ❑ **Good Dividend Payout.** Zenith Bank is recognized for consistently returning good dividends to its investors. The Bank paid a dividend of 95 kobo per share to its shareholders for FY11 and has proposed a dividend of 160 kobo per share for FY12.
- ❑ **Return On Equity.** Since the banking sector began recovery in 2009, Zenith Bank has steadily grown its ROAE. ROAE for FY12 is at 23.49%



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Q & A



Financial Highlights



Key Theme

**Increased Efficiency Through Optimal Resource Allocation
Building A Shock-Proof Balance Sheet**

P & L

Gross Earnings: N307.08bn
Net Interest Income: N156.76bn
Net Interest Margin: 8.19%
PBT: N102.10bn
PAT: N100.68bn

+25.88% YoY
+22.19% YoY
+5.68% YoY
+51.39% YoY
+106.72% YoY

Balance Sheet

Customer Deposit: N1.93tn
Total Assets: N2.60tn
Total Shareholders' Funds: N462.96bn
Loans & Advances: N1.014tn

+16.54% (YTD)
+11.94% (YTD)
+17.42% (YTD)
+10.20% (YTD)

Key Ratios

Loan to Deposit Ratio: 52.59%
Cost to Income Ratio: 53.95%
Liquidity: 61.36%
Capital Adequacy: 31%
NPL: 3.15%; Cost of Risk: 0.94%
ROAE: 23.49%
EPS: 319k



Profit & Loss Statement

(N'm)	Group 12 mths to Dec-12	Group 12 mths to Dec-11	YOY Change
Gross Income	307,082	243,948	25.88%
<i>Continuing Operations:</i>			
Interest Income	221,318	163,192	35.62%
Interest Expense	-64,561	-34,906	84.96%
Net Interest Income	156,757	128,286	22.19%
Impairment Charge for Credit Losses	-9,099	-16,514	-44.90%
Net Interest Income after Impairment Charge for Credit Losses	147,658	111,772	32.11%
Fees and Commission Income	50,480	42,197	19.63%
Net gains on Financial Instruments	19,012	18,524	2.63%
Other Income	1,038	6,803	-84.74%
Share of profit of associates	23	45	-48.89%
Operating Expenses	-119,619	-116,228	2.92%
Profit Before Tax from continued operations	98,592	63,113	56.22%
<i>Discontinued Operations:</i>			
Gross income from discontinued operations	15,234	13,232	15.13%
Gross expenses from discontinued operations	-11,726	-8,905	31.68%
Profit Before Tax from discontinued operations	3,508	4,327	-18.93%
<i>Continued & Discontinued Operations:</i>			
Profit Before Tax	102,100	67,440	51.39%
Minimum Tax	-2,469	-	-
Income Tax Credit	1,050	-18,736	-105.60%
Profit After Tax	100,681	48,704	106.72%

Improved top & bottom line earnings driven by efficient allocation of resources

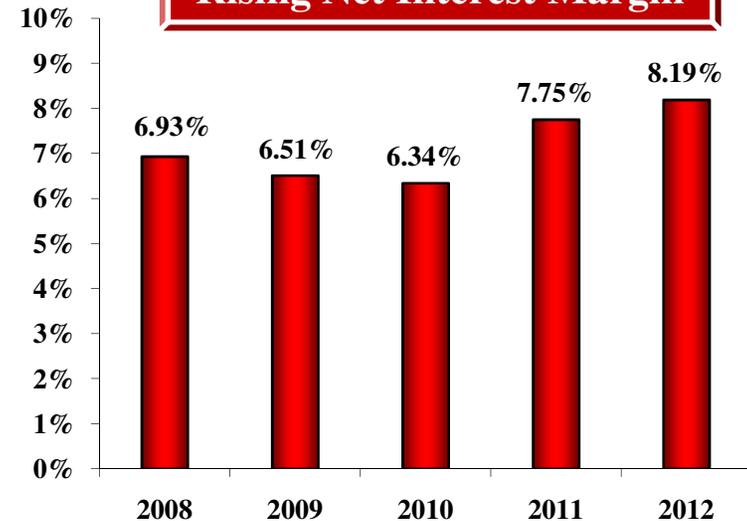


Strengthening earnings and profitability...

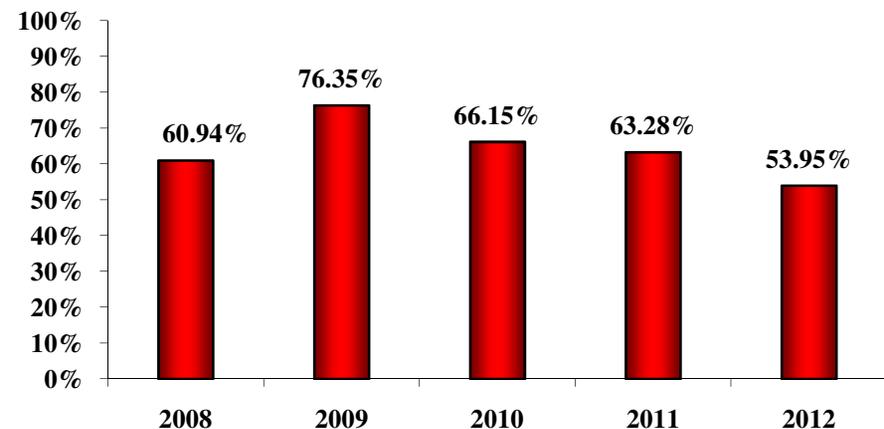
Comments

- ❑ *Net Interest Margin (NIM): NIM has been on an increase over the last three years. The Group maintained a strong NIM through an efficient balance sheet management.*
- ❑ *Operating Cost increased only marginally by 2.92% from N116.23bn in 2011 to N119.62bn in 2012. The Group's cost reduction strategies continued to yield the desired results.*
- ❑ *Cost to Income Ratio further declined by 14.74% YoY, from 63.28% in 2011 to 53.95% in 2012*
- ❑ *Strong ROAE at 23.49% in 2012 compared to 2011's figure of 12.71%.*
- ❑ *PBT of N102.10bn achieved in 2012, up 51.39% from N67.44bn in 2011 while PAT rose to N100.68bn from N48.70bn in 2011 – this represents a year-on year growth of 106.72%.*

Rising Net Interest Margin



Falling Cost to Income Ratio



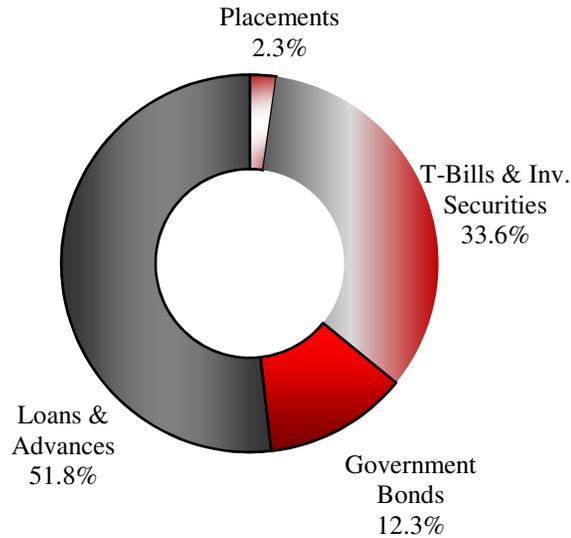


Revenue Base ...Sustained Diversification



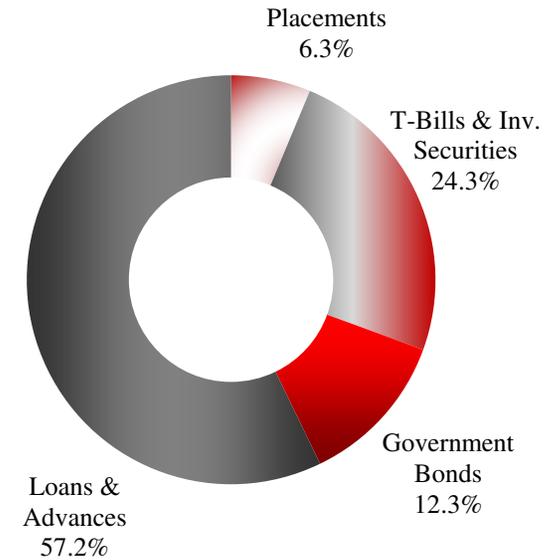
Interest Income

2012

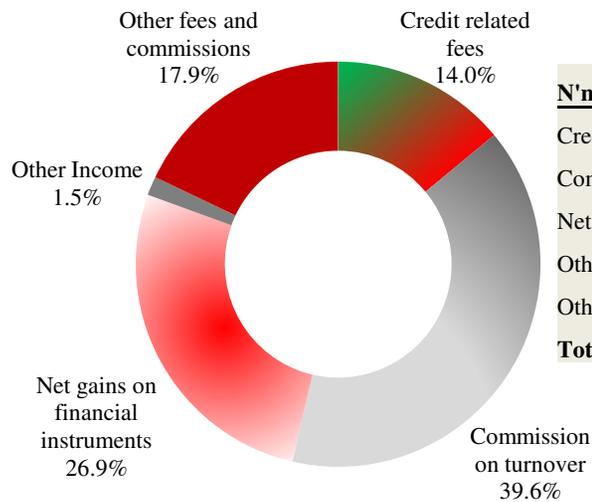


N'million	2012	2011	YoY
Placements	5,031	10,276	-51%
T-Bills & Inv. Securities	74,364	39,590	88%
Government Bonds	27,274	20,040	36%
Loans & Advances	114,649	93,286	23%
Total	221,318	163,192	36%

2011



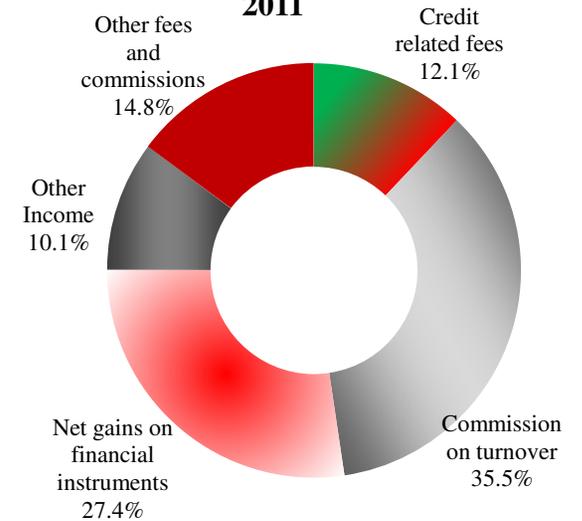
2012



Non-Interest Income

N'million	2012	2011	YoY
Credit related fees	9,892	8,189	21%
Commission on turnover	27,938	24,009	16%
Net gains on financial instruments	19,012	18,524	3%
Other Income	1,061	6,848	-85%
Other fees and commissions	12,650	9,999	27%
Total	70,553	67,569	4%

2011

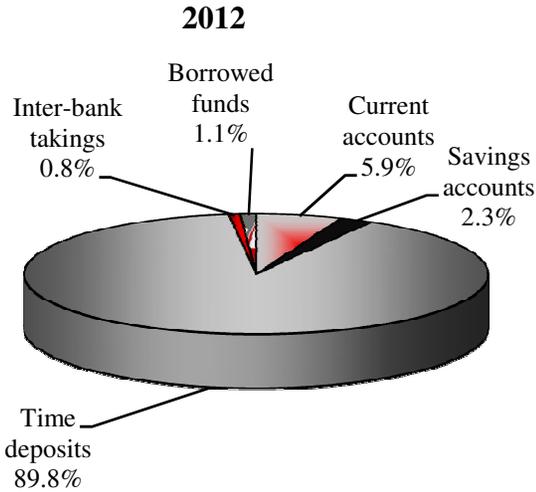




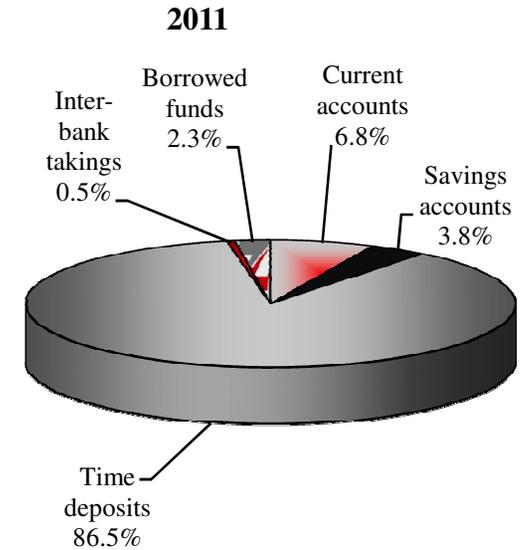
Continuous efforts in cost-reduction strategies



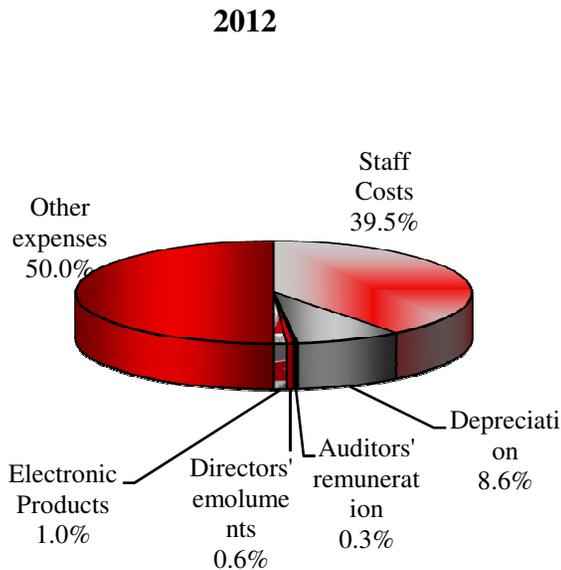
Interest Expenses



N'million	2012	2011	YoY
Current accounts	3,828	2,383	61%
Savings accounts	1,507	1,334	13%
Time deposits	57,998	30,198	92%
Inter-bank takings	504	177	185%
Borrowed funds	724	814	-11%
Total	64,561	34,906	85%

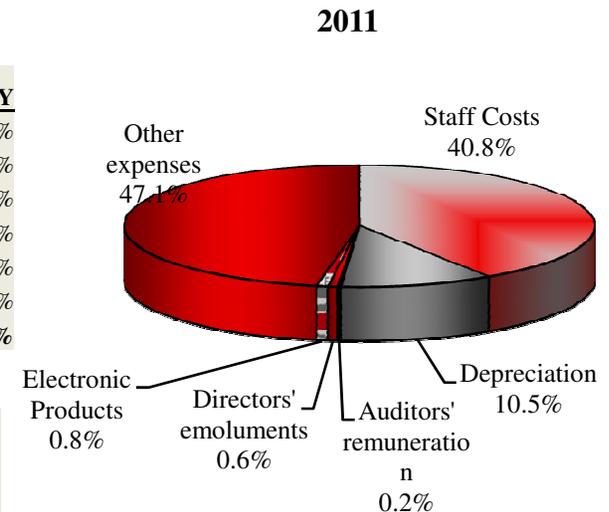


Operating Expenses



N'million	2012	2011	YoY
Staff Costs	47,200	47,387	0%
Depreciation	10,307	12,175	-15%
Auditors' remuneration	320	254	26%
Directors' emoluments	726	742	-2%
Electronic Products	1,242	928	34%
Other expenses	59,824	54,743	9%
Total	119,619	116,229	3%

Staff costs declined marginally while expenses on electronic products increased by 34% as the bank continues to invest in electronic channels of banking





Balance Sheet- Assets

(N'm)	Group	Group	YOY
	Dec-12	Dec-11	Change
Cash and balances with central banks	332,515	223,187	48.98%
Treasury bills	669,164	510,738	31.02%
Due from other banks	182,020	234,521	-22.39%
Loans and advances	989,814	893,834	10.74%
Investment securities	299,343	308,231	-2.88%
Investments in associates	420	1,756	-76.08%
Deferred tax assets	432	186	132.26%
Other assets	28,665	25,510	12.37%
Assets classified as held for sale	31,943	52,482	-39.14%
Investment property	-	7,114	-
Property and equipment	68,782	68,366	0.61%
Intangible assets	1,406	770	82.64%
Total Assets	2,604,504	2,326,695	11.94%

Balance sheet strengthening ... solid liquid assets balance sheet base underscoring the Group's strategy



Balance Sheet- Liabilities & Equity

(N'm)	Group Dec-12	Group Dec-11	YOY Change
Customers deposits	1,929,244	1,655,458	16.54%
Current income tax	6,577	13,348	-50.73%
Deferred income tax liabilities	5,584	10,742	-48.02%
Other liabilities	117,355	152,836	-23.22%
On-lending facilities	56,066	49,370	13.56%
Borrowings	15,138	21,070	-28.15%
Liabilities classified as held for sale	11,584	29,603	-60.87%
Total liabilities	2,141,548	1,932,427	10.82%

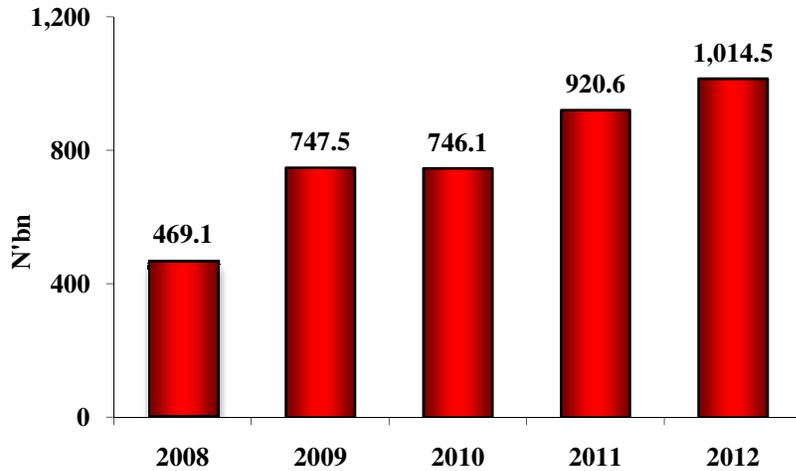
(N'm)	Group Dec-12	Group Dec-11	YOY Change
Share capital	15,698	15,698	0.00%
Share premium	255,047	255,047	0.00%
Reserves	188,939	120,837	56.36%
Total Shareholder's funds	462,956	394,268	17.42%
Non-controlling interest	3,272	2,686	21.82%
Total liabilities & equity	2,604,504	2,326,695	11.94%

Strong Capital base.... Remains a solid buffer against any adverse event

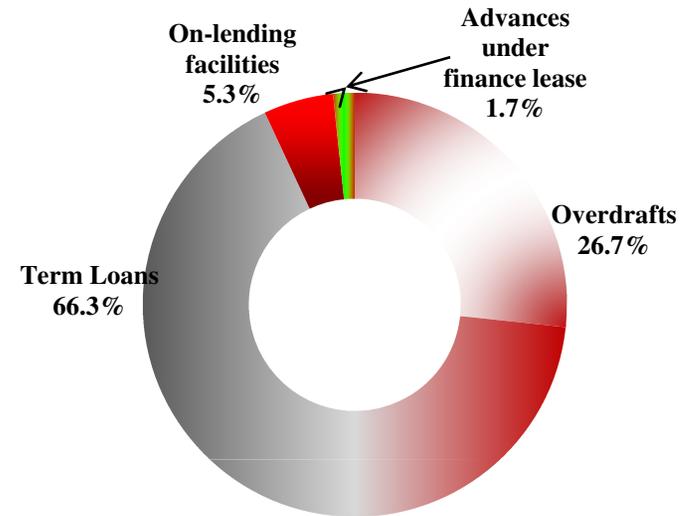


Sustained assets & liabilities match..

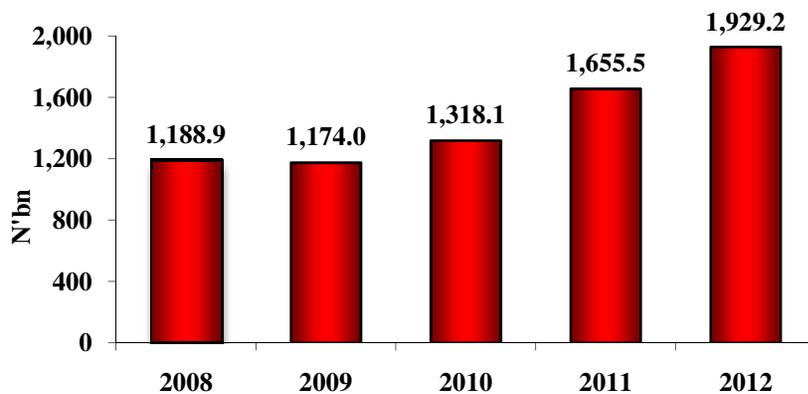
Loans Growth



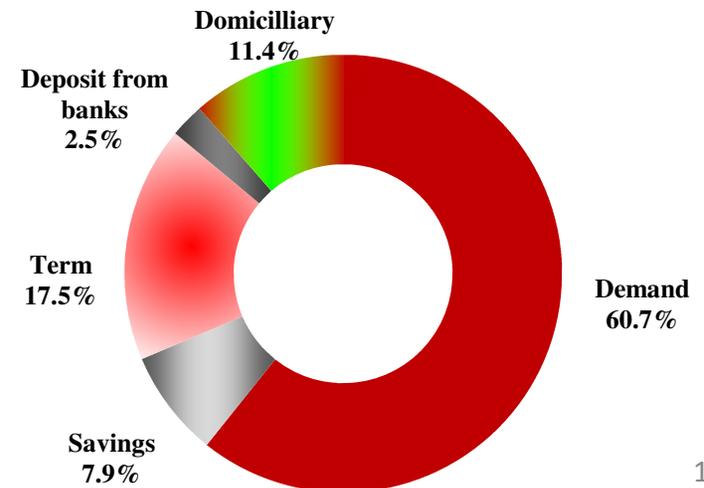
Loans & Advances 2012



Customer Deposits



Deposits Mix 2012





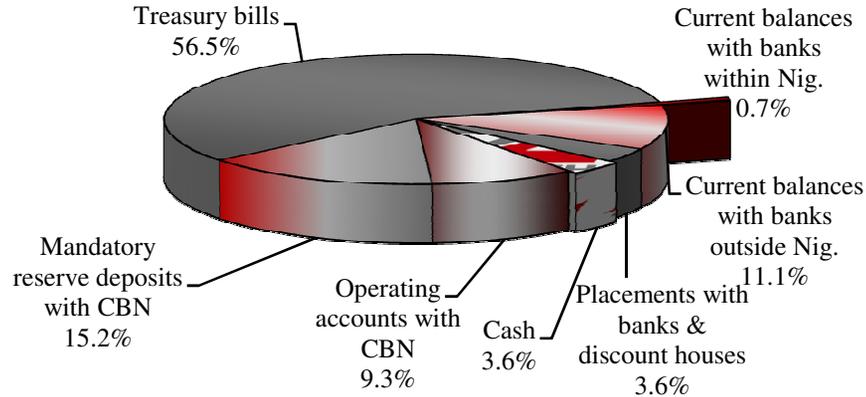
Continued market dominance through strong liquid asset base and funding mix...



Liquid Assets

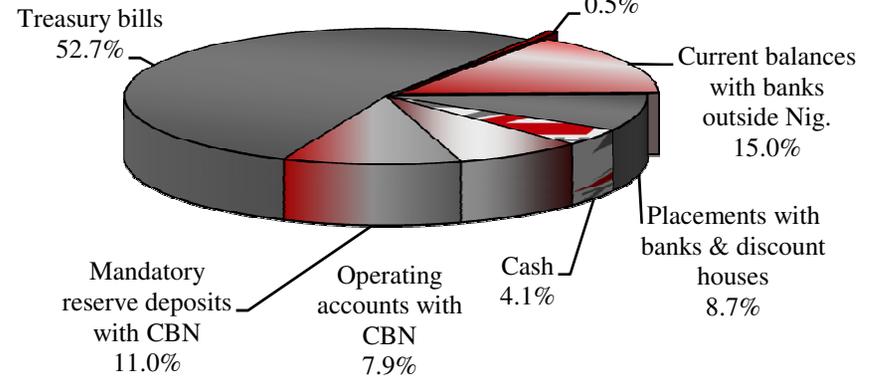
2012

Total – ₦1.18tr



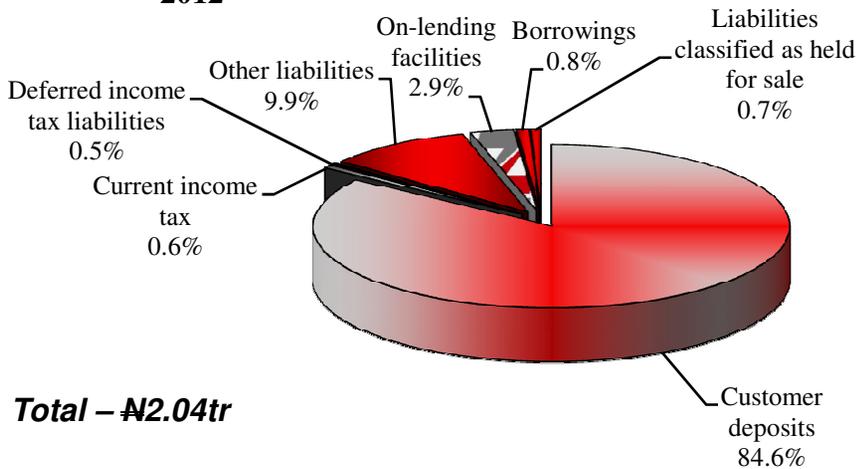
2011

Total – ₦0.97tr



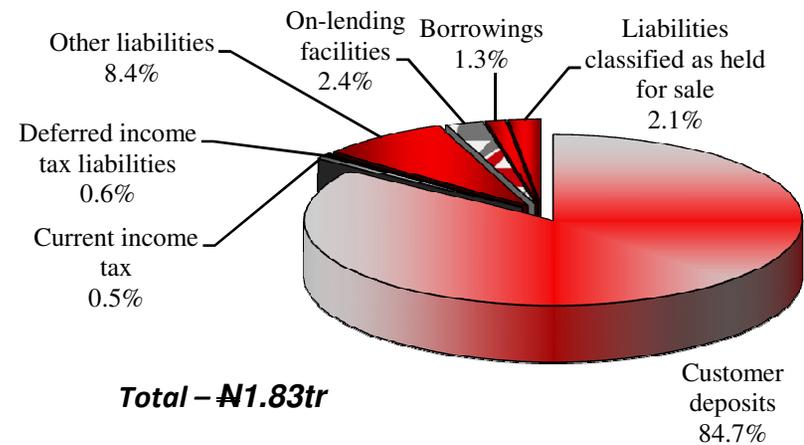
Funding Mix

2012



Total – ₦2.04tr

2011

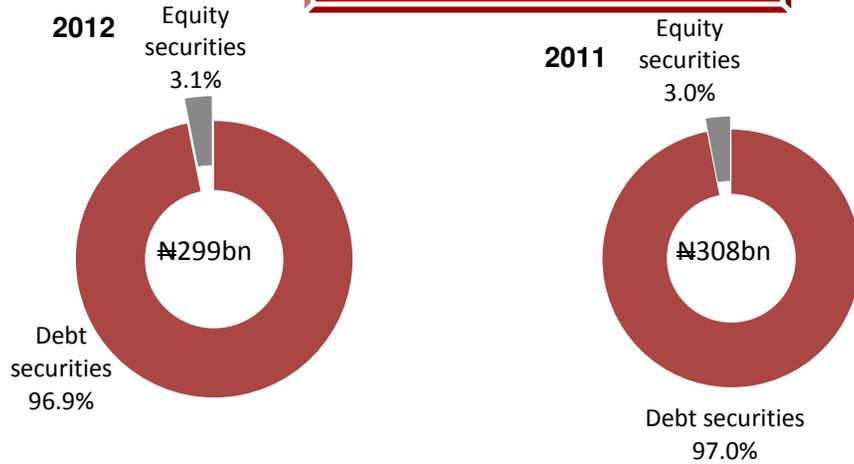


Total – ₦1.83tr

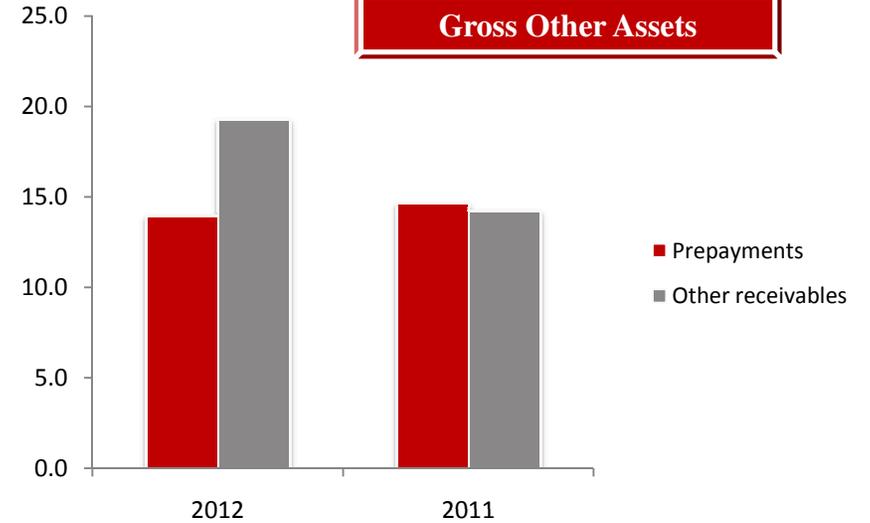


Other Assets

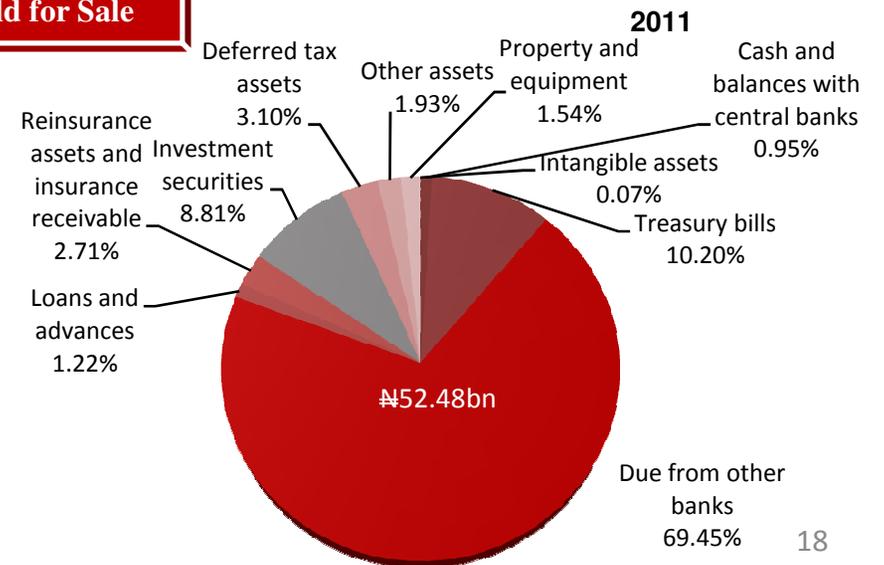
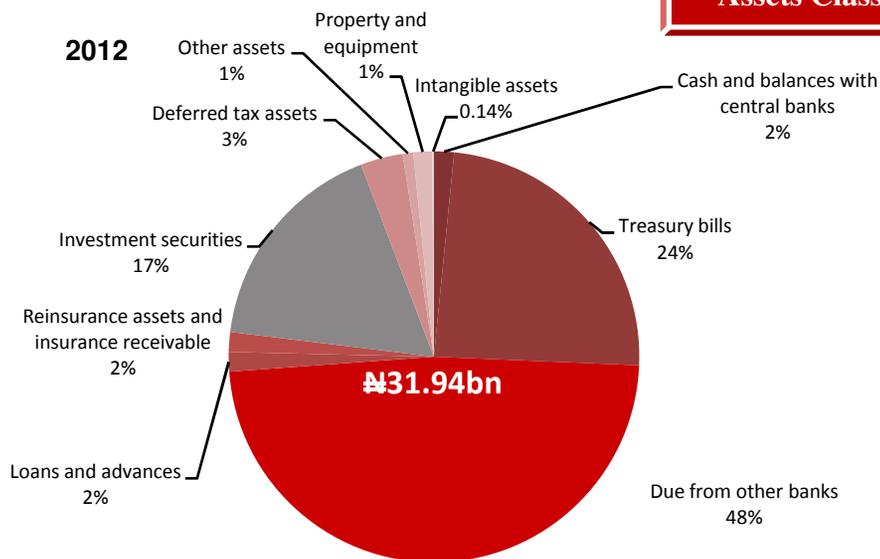
Investment Securities



Gross Other Assets



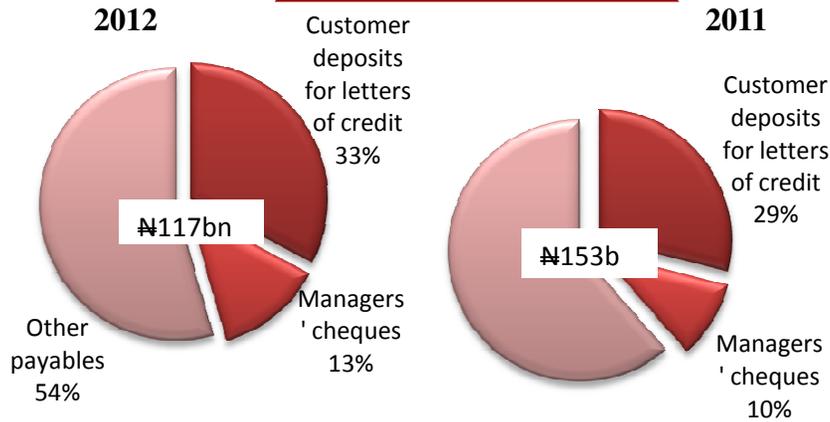
Assets Classified as Held for Sale



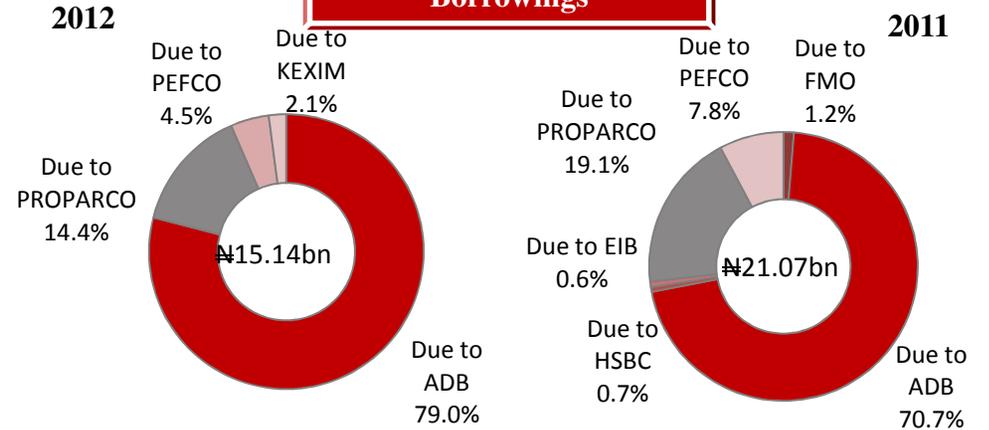


Other Liabilities

Other Liabilities

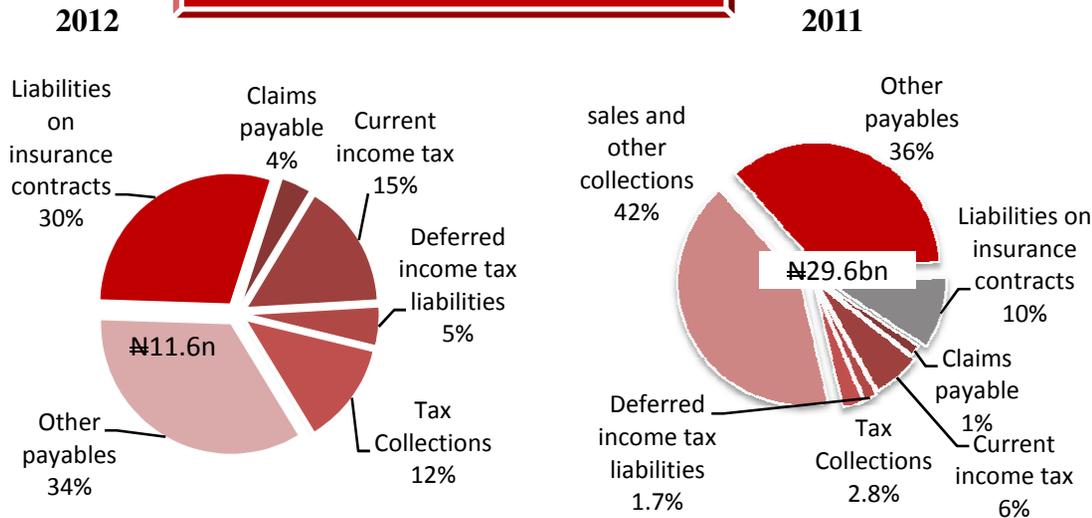


Borrowings

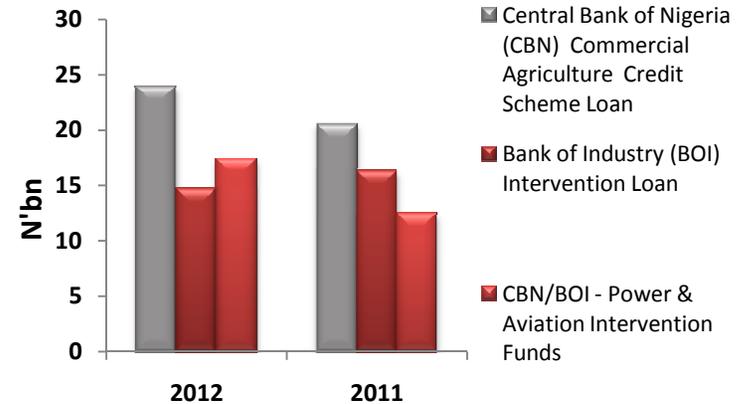


ADB – African Development Bank; EIB – European Investment Bank
 FMO – Netherlands Development Finance Coy.; KEXIM – The Export/Import Bank of Korea.
 PEFCO – Private Export Funding Corporation, USA.

Liabilities Classified as Held for Sale



On-lending Facilities





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P&L – By Segment

12 Months Ended Dec 2012 (N'm)

	Corporate	Institutional	Public	Retail	Discontinued Operations	Consolidated
Total Revenue	168,745	56,350	57,523	13,591	10,873	307,082
Total Expenses	-111,840	-37,902	-38,690	-9,005	-7,544	-204,981
Profit Before Tax	56,905	18,449	18,833	4,586	3,329	102,101
Tax	414	-1	-1	-874	-957	-1,419
Profit After Tax	57,318	18,448	18,832	3,712	2,372	100,682

12 Months Ended Dec 2011 (N'm)

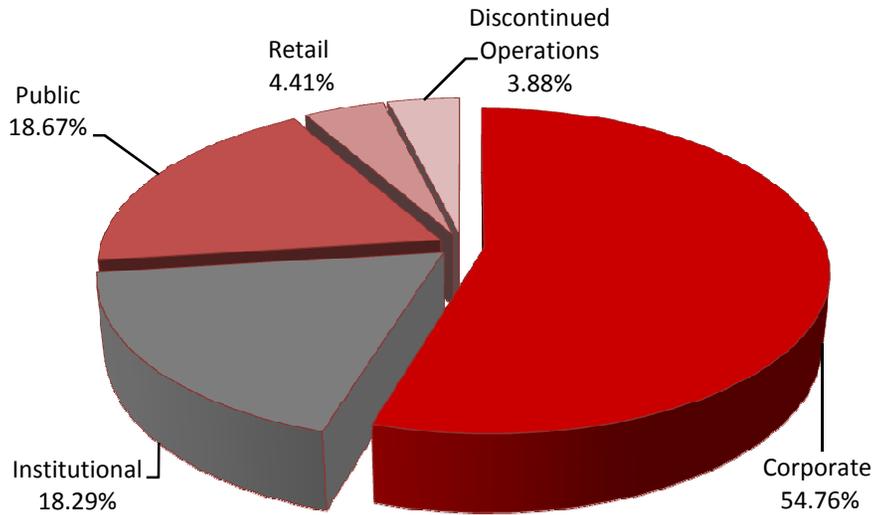
	Corporate	Institutional	Public	Retail	Discontinued Operations	Consolidated
Total Revenue	129,905	43,288	44,188	13,306	13,261	243,948
Total Expenses	-93,922	-31,617	-32,275	-9,802	-8,937	-176,553
Profit Before Tax	35,983	11,671	11,913	3,504	4,324	67,395
Tax	-10,049	-3,259	-3,327	-626	-1,475	-18,736
Profit After Tax	25,934	8,411	8,586	2,878	2,849	48,659

Improved profitability YoY on core business segments

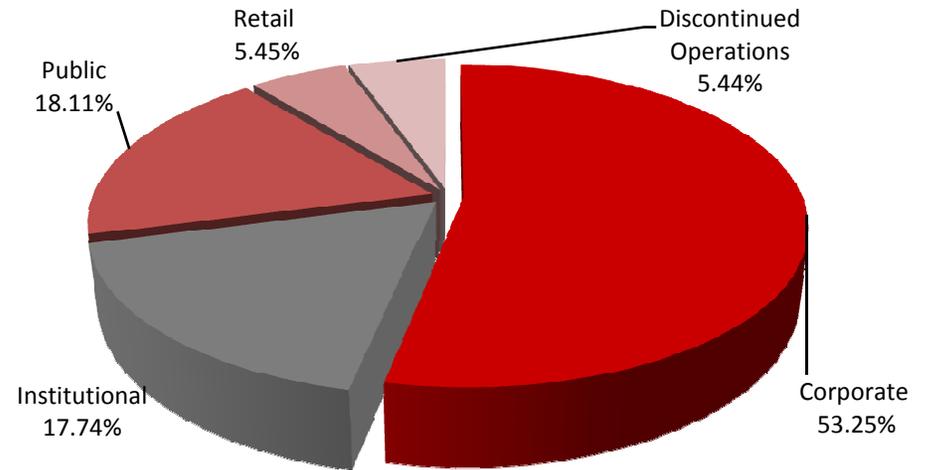


P&L – By Segment

Gross Revenue by Segment – 2012



Gross Revenue by Segment - 2011



Definition

- Corporate: Multinationals, Conglomerates & commercials ,
- Retail: SMEs, Churches, Mosques, Schools , Individuals etc
- Institutional : Pension, Treasury Activities, Financial Institutions and Investment, Securities and Capital Companies
- Public: MDAs, State and Local Governments

Corporate continue to be the hub of our business ...



P&L – By Geography

12 Months Ended Dec 2012 (N'm)

	Nigeria	Rest of Africa	Europe	Eliminations	Consolidated
Total Revenue	293,205	13,591	5,281	-4,995	307,082
Share of profit of Associates	-	-	-	23	23
Total Expense	-197,253	-9,005	-3,741	4,995	-205,004
Profit Before Tax	95,975	4,586	1,540	23	102,101
Tax	-129	-874	-416	-	-1,419
Profit After Tax	95,823	3,712	1,124	23	100,682

12 Months Ended Dec 2011 (N'm)

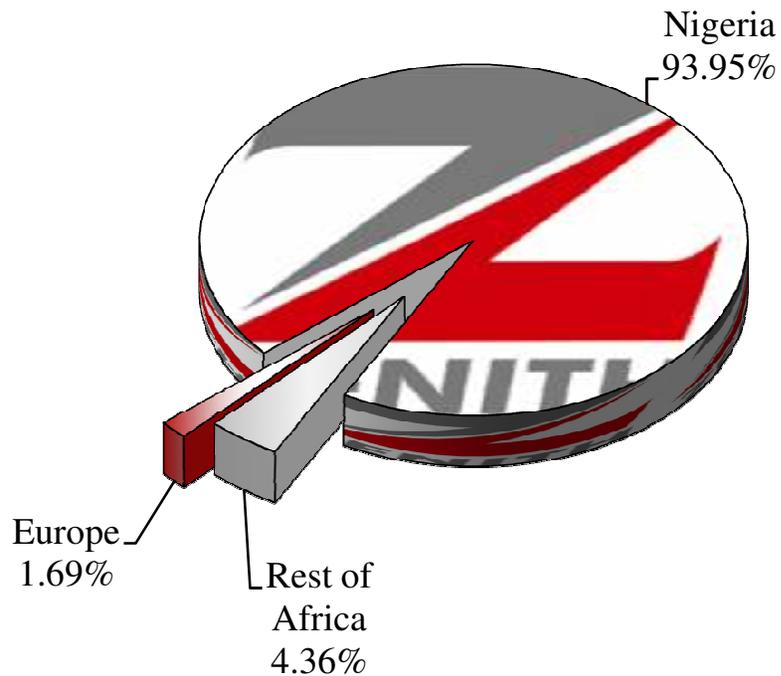
	Nigeria	Rest of Africa	Europe	Eliminations	Consolidated
Total Revenue	230,277	13,306	3,926	-3,561	243,948
Share of profit of Associates	-	-	-	45	45
Total Expense	-166,384	-10,629	-3,101	3,561	-176,553
Profit Before Tax	63,938	2,677	825	45	67,440
Tax	-17,886	-626	-224	-	-18,736
Profit After Tax	46,007	2,051	601	45	48,704

Improved earnings across geographies.....

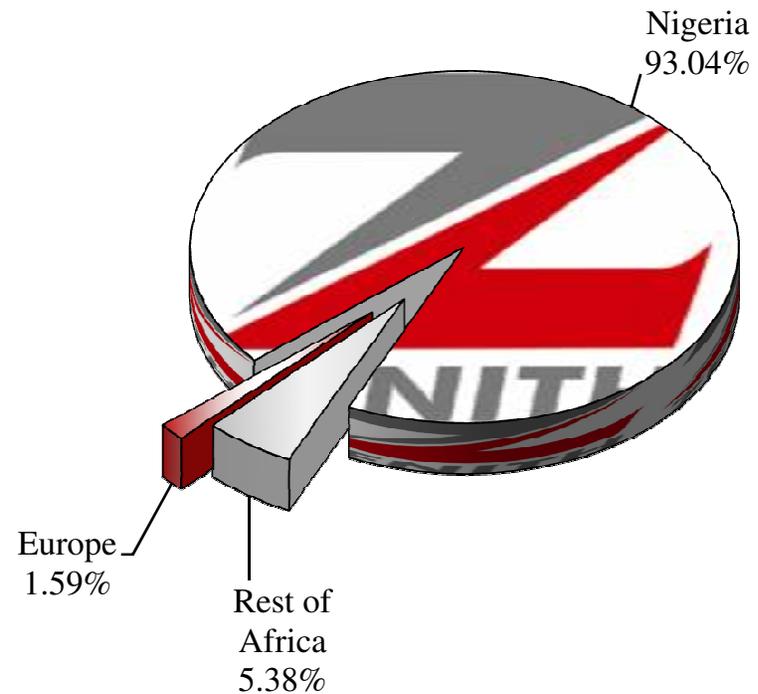


P&L – By Geography

Gross Revenue by Geography –2012



Gross Revenue by Geography – 2011



Our Nigerian business continues to be the main driver of profitability ... providing over 94% of gross revenue



Agenda

Overview & Operating Environment

- Speaker: Managing Director/Chief Executive Officer Godwin Emefiele Slides 4 - 7

Results - Group

- Speaker: Executive Director/Chief Financial Officer Udom Emmanuel Slides 9 - 19

Results – By Segment & Geography

- Speaker: Executive Director/Corporate Banking Peter Amangbo Slides 21 - 24

Company Risk Management

- Speaker: Executive Director – Enterprise Risk Management Andy Ojei Slides 26 - 29

Strategy & Outlook

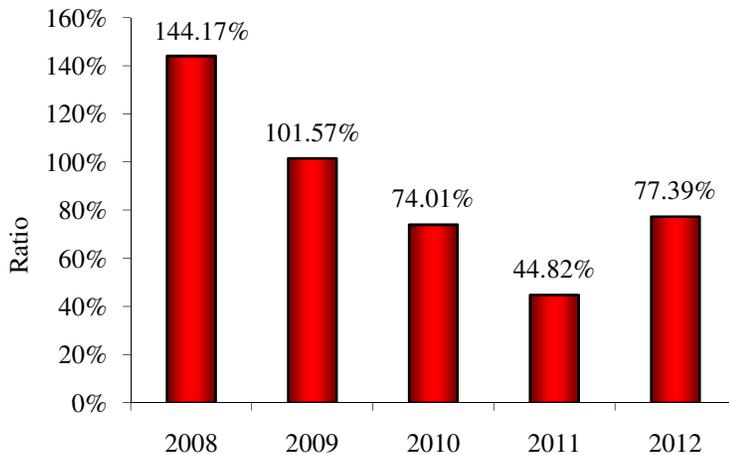
- Speaker: Managing Director/Chief Executive Officer Godwin Emefiele Slides 31 - 34

Q & A

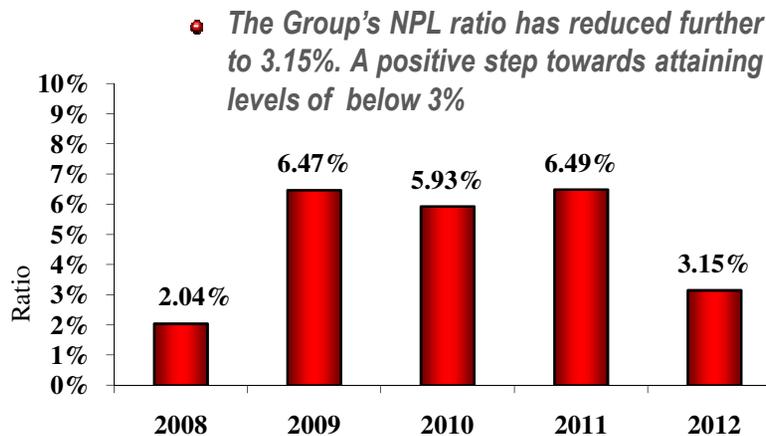


Healthy Risk Assets Portfolio...

NPL Coverage Ratio



NPL Ratio



Our Risk Management Strategy

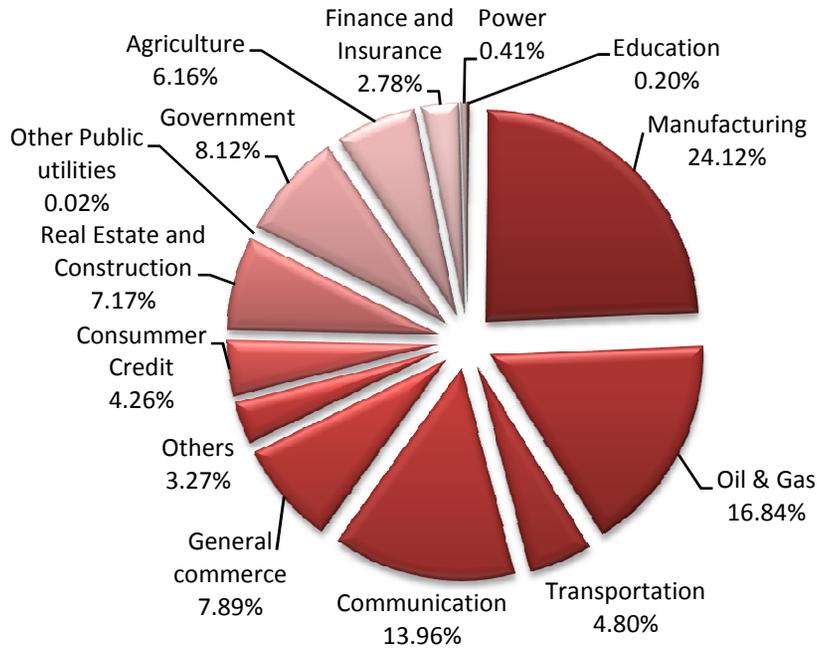
- The group adopts a complete and integrated approach to risk management that is driven from the Board level to the operational activities of the bank.
- Risk management is practiced as a collective responsibility coordinated by the risk control units and is properly segregated from the market facing 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 conservative 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

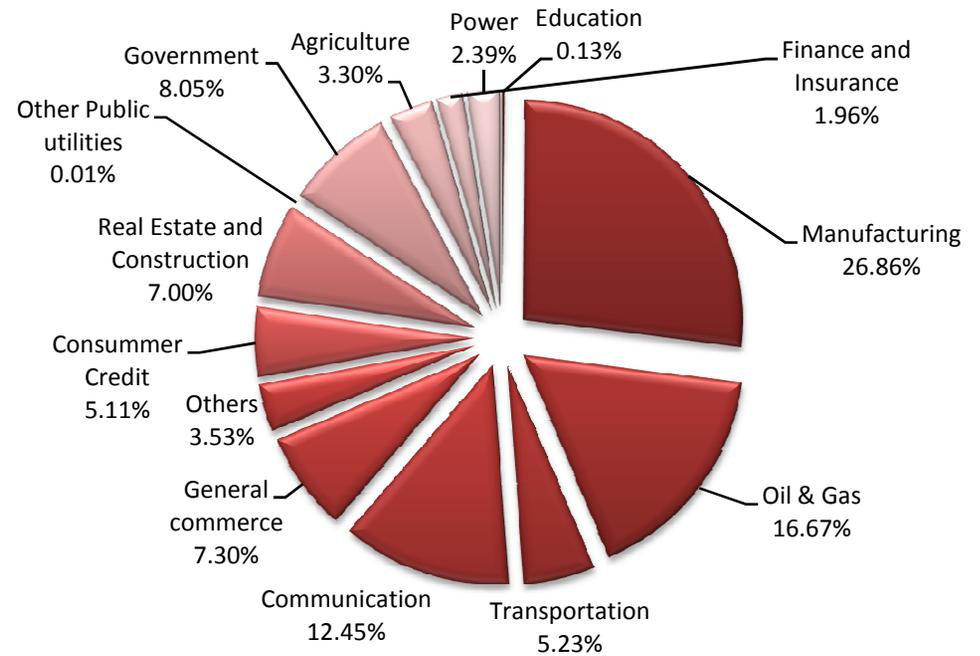


Loans by Sector – 2012



Manufacturing	2012	2011
Flour mills	4.52%	4.90%
Cement	2.08%	3.16%
Food & Agro-processing	3.39%	3.57%
Beverages & Tobacco	1.56%	2.72%
Other Manufacturing	12.56%	12.51%
Total	24.12%	26.86%

Loans by Sector – 2011



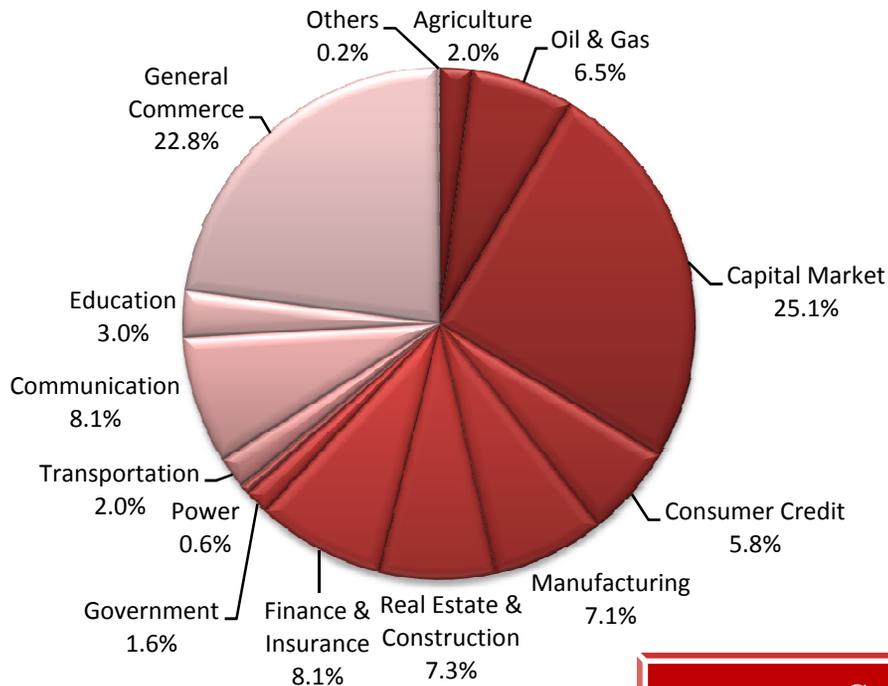
Oil and gas	2012	2011
Upstream	5.11%	3.83%
Downstream	11.73%	12.84%
Total	16.84%	16.67%

No concentration risk

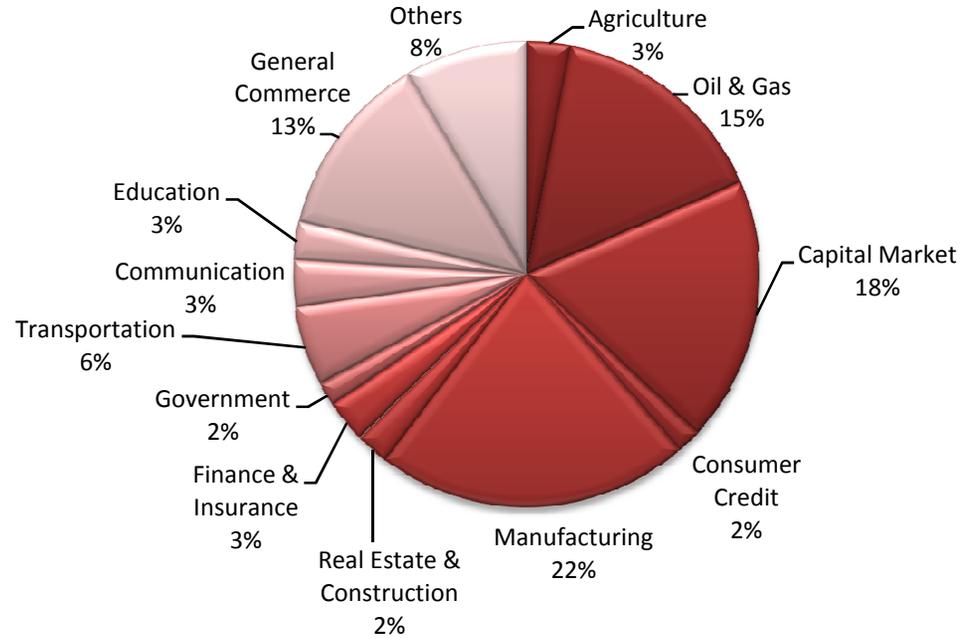


NPL by Segment

NPL by Industry – 2012



NPL by Segment – 2011



Comments

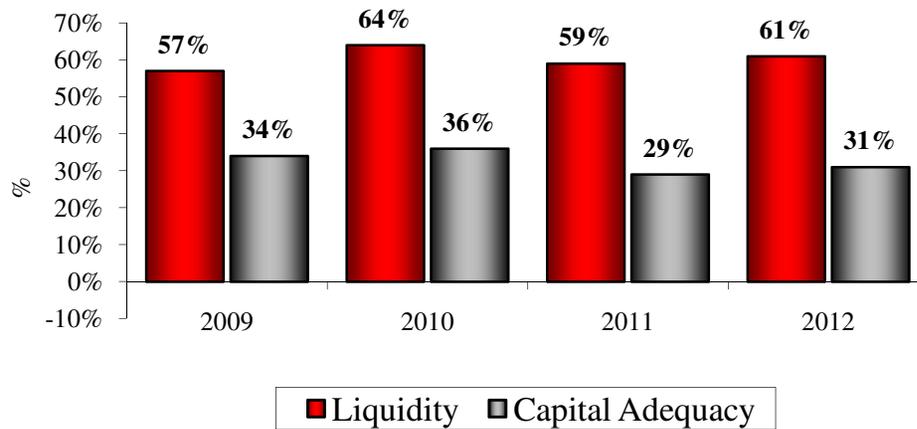
- We continue to develop our Risk Management Strategy and improve on the quality of our loan portfolio.
- Overall NPL ratio of 3.15% is currently one of the lowest in the industry



Strong Capitalization and Liquidity

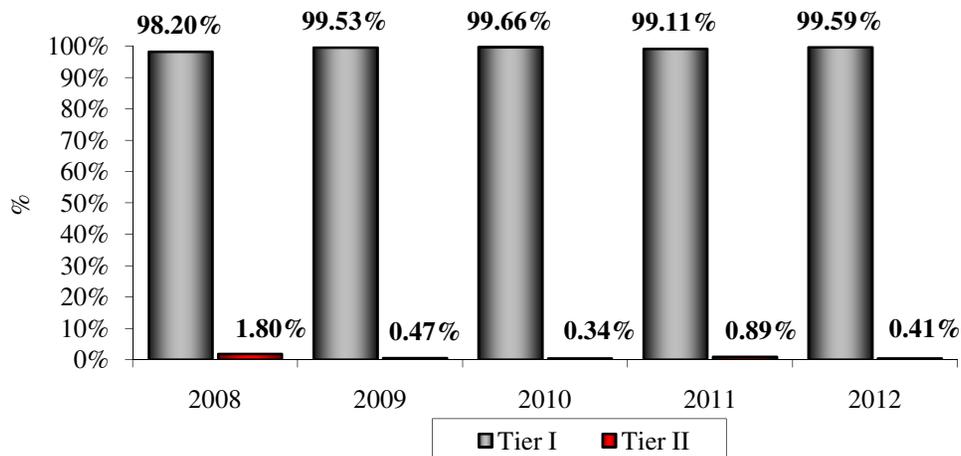


Liquidity and Capital Adequacy



Capital and liquidity ratios for the Bank – well above industry requirements.

Capital Mix



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



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Q & A



Strategies for driving our vision

1

Compete aggressively for market share, but focus on high quality assets and top-end relationships while adopting cost reduction strategies

- The Bank focuses on cost effective deposits from the retail end of the market to lend to the corporate end with emphasis on emerging business opportunities
- Encourages strong risk management and corporate governance practices

2

Delivering superior service experience to all clients and customers

- The Bank accomplishes this strategy by:
- Consistent focus and investment in attracting and keeping quality people
- Employing cutting edge technology
- Deploying excellent customer service

3

Develop specific solutions for each segment of our customers' base

- Leveraging our capabilities and brand strength to consistently meet our clients' needs
- Developing a strong Zenith Bank platform to serve as an integrated financial solutions provider to our diverse customers base



Our Key Growth Target Sectors

Driving profitability with our competitive advantages

Identified Growth Sectors

Infrastructure
Manufacturing
Oil and Gas (Upstream & Downstream)
Power and Energy
Real Estate and Construction
Telecoms
Transportation and General Commerce

Competitive Advantage

- Strong capital and liquidity
- Strong brand
- Strong international rating
- Extensive branch network
- Robust ICT and E-bank channels
- Well motivated staff force
- Excellent customer services



Outlook and Prospects for FY2013



- ❑ **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 (CACs) that has 159 projects and Nigeria Incentive-Based Risk Sharing for Agricultural Lending (NIRSAL). Others are Seed and Fertilizer Scheme launched for banks to lend at a subsidized rate to local farmers and the value chain for the production of fertilizer. The Group would continue to play a major role in this sector to support the various government's projects aimed at boosting our economy.
- ❑ **Power and Infrastructure:** The Nigerian government has sold major power assets in the country via auction. The preferred bidders have been identified and are expected to pay 25% of the purchase cost by end of March, 2013. As we begin to see the inflow of a large volume of private sector investments through the creation of new power generation and distribution entities and the subsequent development of a competitive electricity market, Zenith Bank is strategically positioned to take advantage of any emerging business opportunities in the country's power sector.
- ❑ **Mobile Banking:** In a bid to encourage and promote person-to-person payments and leverage on mobile phone channels as a means of payments, the CBN has given out licences to operators in the country. Zenith Bank Plc has already taken advantage of this initiative as we have received our mobile banking licence and has since launched our mobile banking services.
- ❑ **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.
- ❑ **Cash-lite Project of CBN:** The cash-lite project has been fully implemented in Lagos while this is expected to be extended to other states in the country. Zenith Bank Plc has efficiently deployed a wide range of banking products that provides resourceful and robust financial services to its customers. It has launched mainly e-Banking products (Point of Sales Terminals, ATMs etc) geared towards meeting the changing needs of its customers in the light of the recently introduced and evolving cashless society policies being championed by the Central Bank of Nigeria (CBN) and fully supported by the banking community in the country.



Outlook and Prospects for FY2013

- ❑ **Representative Office:** We have officially opened a representative office in Beijing, the capital city of the Peoples Republic of China. The group is certain that reasonable contributions would be realized from this Office considering the various emerging business opportunities in China.
- ❑ **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.
- ❑ **Best Practices:** With the listing on the London Stock Exchange, the Group would continue to uphold "best in class" corporate governance and practices in all segments of our business.
- ❑ **Deposit Base:** Our drive for low cost and appropriately mixed deposit base to fund our credit and money market transactions would continue in FY2013. We are committed to be a dominant player in the money market space to drive up income and profitability going forward.
- ❑ **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.

Thank you

