



2020

FULL YEAR

# REPORT

Presentation to Investors  
and Analysts



ZENITH BANK

PEOPLE  
TECHNOLOGY  
SERVICE



# Agenda

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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 an industrial facility, likely a port or refinery, with numerous cranes and buildings illuminated by warm yellow lights. In the foreground, a multi-lane bridge with blue lighting on its supports spans across a body of water. The sky is dark, and the overall scene is a mix of industrial activity and urban infrastructure.

# Overview of Operating Environment

# Nigerian Economy and Key Developments in the Banking Sector

## Real GDP Growth:

- Nigeria's economy exited recession in Q4 2020 as real GDP grew by 0.11% y/y, an improvement of 3.73% points over the -3.62% y/y growth rate recorded in Q3 2020.
- The oil sector contracted by -19.8% y/y and contributed 5.87% to total real GDP in Q4 2020 while the non-oil sector expanded by 1.69% and contributed 94.13% in the same period. The expansion in non-oil sector was largely driven by positive growth recorded in the information and communication sector (15.9%) and agriculture (3.42%).

## Headline Inflation:

- Headline inflation increased to 16.47% y/y in Jan'21 from 15.75% y/y recorded in Dec'20.
- Food inflation rose by 101 bps to 20.57% y/y while core inflation increased by 48 bps to 11.85% y/y over the same period.

## Oil Production & Price:

- OPEC average monthly basket price increased by 18.5% in the 4<sup>th</sup> quarter of 2020, from \$41.5/bbl recorded in Sept'20 to \$49.2/bbl recorded in Dec'20. The average monthly basket price rose further to \$54.4/bbl in Jan'21 while the current daily price stands at \$64.0/bbl as at 24<sup>th</sup> Feb. 2021.
- Nigeria recorded an average daily oil production of 1.56 mbpd in Q4 2020, a drop of 0.11 mbpd from 1.67 mbpd recorded in Q3 2020 as a result of compliance with OPEC quotas.

## Foreign Reserves:

- Nigerian foreign reserves declined marginally by 0.8% QoQ from \$35.7bn recorded at the end of Q3 2020 to \$35.4bn recorded at the end of Q4 2020. Current reserve stands at \$35.6bn as at 15<sup>th</sup> Feb. 2021.

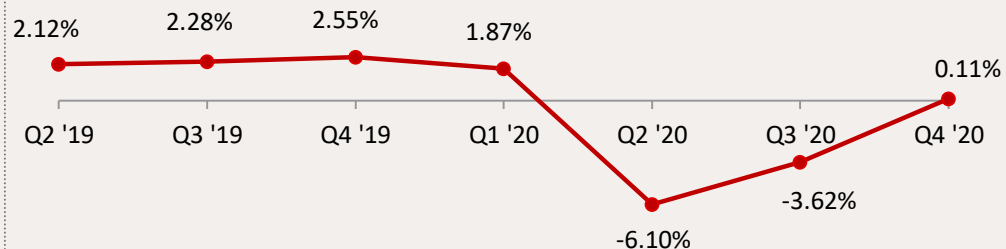
## Exchange Rate:

- The local currency (NGN) depreciated by about 10% against USD in 2020 at the NAFEX window. Exchange rates (NGN/USD) as at end of December 2020: NAFEX (I&E) – 400.30; CBN Retail – 408.10 (2019: NAFEX (I&E) – 364.70; CBN Retail – 359.70).

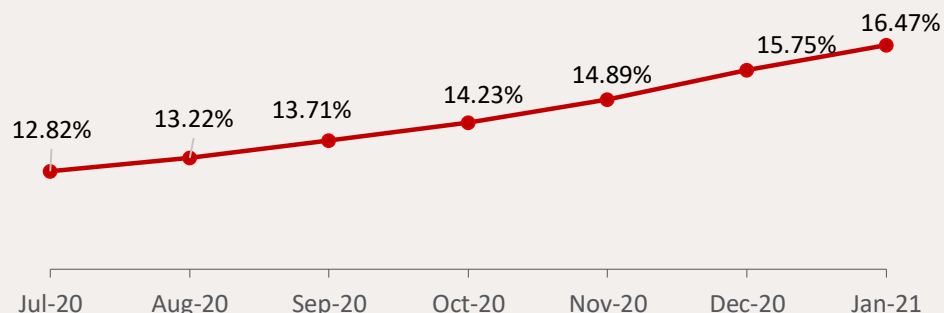
## Cash Reserve Ratio (CRR) & Monetary Policy Rate (MPR):

- The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) maintained the following policy rates in the course of the year 2020:
  - Monetary Policy Rate (MPR) – reduced from 13.5% to 12.5% in May 2020 and further reduced to 11.5% in September 2020.
  - Cash Reserve Ratio (CRR) – Increased from 22.5% to 27.5% in January 2020
  - Liquidity Ratio – remained unchanged at 30%

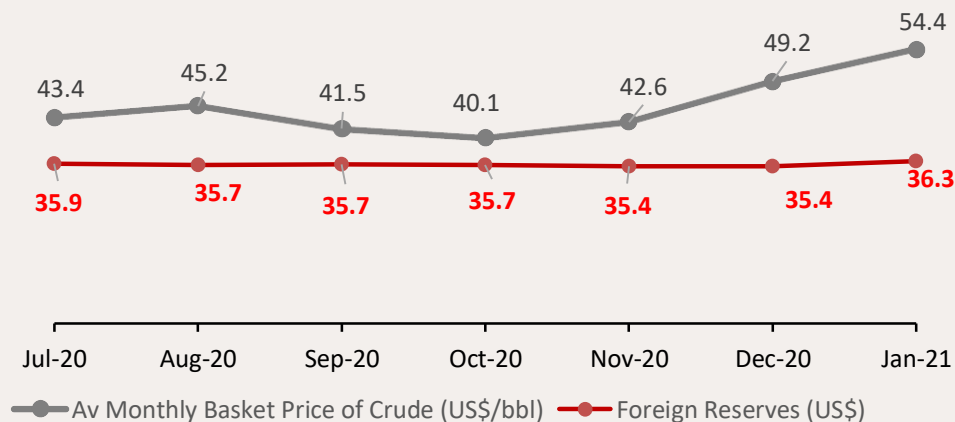
## GDP Growth Rate



## Inflation Rate



## Foreign Reserves / Oil Price



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

# Our Response to Covid-19 Pandemic

As we operate in the new normal amid this pandemic, the health and safety of our employees, customers and other stakeholders are of utmost importance to us while we remain focused on preserving value for our shareholders.

- We have set a clear direction and communicated this effectively to all staff and other stakeholders in accordance with our Business Continuity Plan (BCP). Remote working and electronic self-services for our traditional banking services have been established.
- Our BCPs are constantly being reviewed and strengthened to reflect the current and potential impacts of Covid-19 pandemic.
- We have also developed a strategic crisis-action plan to guide our response across all Covid-19 scenarios - short, medium and long term, while leveraging on emerging opportunities.
- Executive Management has encouraged virtual meetings and discussions of the bank activities across various Teams using secure virtual platforms.
- Several stress tests to assess the possible impacts of Covid-19 on our liquidity, capital adequacy and earning capacity are continuously being conducted. We remain resilient to short and medium term shocks from the adverse impacts of coronavirus pandemic.
- We review our loan books continuously and closely monitor all assets and liabilities classes to ensure sufficient liquidity to meet our financial obligations.
- We are engaging our customers in key sectors of the economy to better understand their current challenges and provide effective and bespoke actions to alleviate their hardships while preserving shareholders' funds.
- We have increased our investment in IT and Cyber Security infrastructure to enable us meet the increasing digital needs of our customers while protecting our organization and customers from all cyber security threats.

# 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 all sectors of the Nigerian economy.
- The bank uses its strong balance sheet and liquidity as well as efficient trade finance processes and services, to continuously grow and support its customers.

## Growing footprint in the retail and digital space:

- Continues to attract and grow its share of retail customers and retail business in the market.

## Strong Focus on Risk Management:

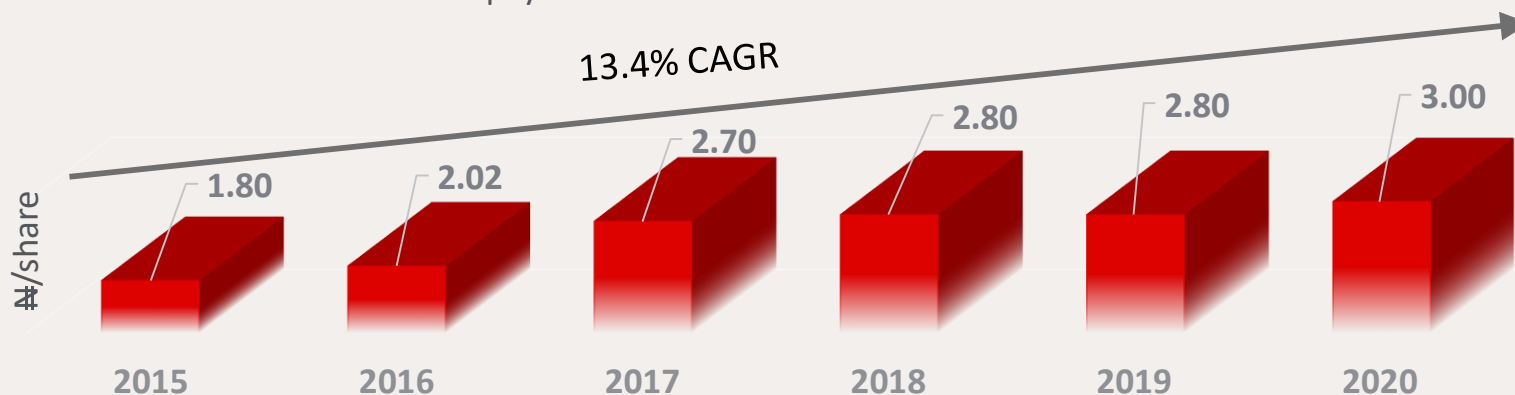
- NPL ratio came in at 4.29% with a coverage ratio of 112.1%. The Group will continue to implement robust risk management practices and maintain the lowest possible NPL ratio.

## Credit Rating: Constrained by Sovereign Ratings

- Standard and Poor's ratings for Zenith Bank are: B-/Stable/B (Issuer Credit Rating) and ngBBB/ngA-2 (National Scale Rating).
- Fitch ratings are: 1) Long-term foreign currency IDR: 'B' – stable outlook; 2) Short-term foreign currency IDR: 'B'; 3) National Long-term rating: 'AA-(nga)'; 4) National Short-term rating: 'F1(nga)'.
- Moody's ratings: 1) Long Term Debt - B2 with Negative Outlook; 2) Long Term Deposit – B3 with Negative Outlook

## Consistent and Growing Dividend Payout:

- Good and consistent dividend payout to its investors.



# Non-financial Highlights

## SOCIAL IMPACT/CSR

- Member of the Nigeria Coalition against Covid-19
- Official Bank of the Nigerian National Football Teams
- Private Sector Health Alliance Project
- Zenith Bank National Women Basketball League
- The Muson Centre Project
- Construction of Radiology and Orthopedic Center
- Abule Ado Emergency Relief Fund
- States' Governments Security Trust Fund and infrastructure

## CUSTOMERS/CHANNELS

		FYE 2020	FYE 2019
Number of Customers		13,125,135	9,575,733
Number of active POS Terminals		89,636	41,536
Number of ATM Terminals		2,044	2,009
Number of Branches		440	430
Number of Cash Centres		177	178
Number of Male Employees		3,897	3,776
Number of Female Employees		3,658	3,441

## AWARDS

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

## SHARE HOLDINGS



Number of Shareholders

**644,109**

## ONBOARDING CHANNELS

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

## PRODUCT INNOVATIONS

- Emergency USSD Code \*966\*911#
- Virtual Debit Card
- Timeless Account
- USSD on POS
- Biometric ATM operations

## SOCIAL MEDIA FOLLOWING

	6,225,161
	1,339,312
	496,216
	27,862,856 (views)
	157,696



# Group Results

## Key Themes

- ✓ Efficiency and risk management for superior performance.
- ✓ Building a shock-proof balance sheet.
- ✓ Growing our footprint in the retail and digital space.

## Income Statement

Gross earnings: <b>₺696.5Bn</b>	<b>+5.2% YoY</b>
Net-interest income: <b>₺299.7Bn</b>	<b>+12.2% YoY</b>
Non-interest income: <b>₺251.7Bn</b>	<b>+8.5% YoY</b>
Profit before tax: <b>₺255.9Bn</b>	<b>+5.2% YoY</b>
Profit after tax: <b>₺230.6Bn</b>	<b>+10.4% YoY</b>

## Balance Sheet

Customers' deposits: <b>₺5.34Tn</b>	<b>+25.3% YoY</b>
Gross loans: <b>₺2.92Tn</b>	<b>+18.6% YoY</b>
Total assets: <b>₺8.48Tn</b>	<b>+33.6% YoY</b>
Total shareholders' funds: <b>₺1.12Tn</b>	<b>+18.6% YoY</b>

<b>Key Ratios</b>			
	<b>31-Dec-20</b>	<b>31-Dec-19</b>	<b>% change</b>
Earnings per share (EPS)	<b>N7.34</b>	N6.65	10.4%
Return on average equity (RoAE)	<b>22.4%</b>	23.8%	(5.9%)
Return on average assets (RoAA)	<b>3.1%</b>	3.4%	(8.8%)
Net interest margin - NIM	<b>7.9%</b>	8.2%	(3.7%)
Cost of funds	<b>2.1%</b>	3.0%	(30.0%)
Cost of risk	<b>1.5%</b>	1.1%	36.4%
Cost-to-income ratio	<b>50.0%</b>	48.8%	2.5%
Liquidity ratio (Group)	<b>66.2%</b>	57.3%	15.5%
Liquidity ratio (Bank)	<b>62.5%</b>	57.2%	9.3%
Loan-to-deposit ratio (Group)	<b>54.7%</b>	57.8%	(5.4%)
Loan-to-deposit ratio (Bank)	<b>64.5%</b>	68.6%	(6.0%)
Capital adequacy ratio (CAR)	<b>23.0%</b>	22.0%	4.5%
Non-performing loan ratio (NPL)	<b>4.29%</b>	4.30%	(0.2%)
Coverage ratio	<b>112.1%</b>	148.2%	(24.4%)

# Profit or Loss Statement

- Strong top and bottom lines, boosted by growth in net interest income, trading and other income.

(N'million)	Group 2020	Group 2019	YoY Change
Gross earnings	696,450	662,251	5.2%
Interest and similar income	420,813	415,563	1.3%
Interest and similar expense	(121,131)	(148,532)	(18.4%)
Net Interest Income	299,682	267,031	12.2%
Impairment charge	(39,534)	(24,032)	64.5%
Net interest income after impairment charge	260,148	242,999	7.1%
Net fees and commission income	79,332	100,106	(20.8%)
Trading income	121,678	117,798	3.3%
Other income	50,735	14,216	256.9%
Amortisation of intangible assets	(3,537)	(3,078)	14.9%
Depreciation of property and equipment	(25,125)	(21,436)	17.2%
Personnel expenses	(79,258)	(77,858)	1.8%
Operating expenses	(148,112)	(129,453)	14.4%
Profit before tax	255,861	243,294	5.2%
Income tax expense	(25,296)	(34,451)	(26.6%)
Profit after tax	230,565	208,843	10.4%

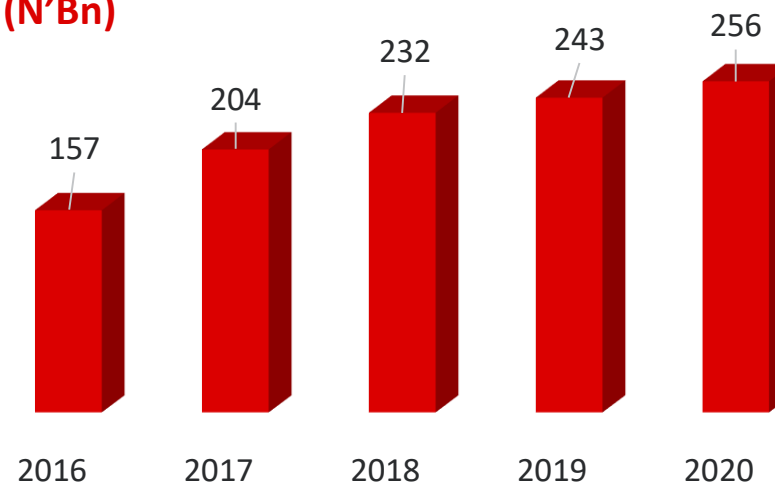
# Consolidating Earnings and Profitability



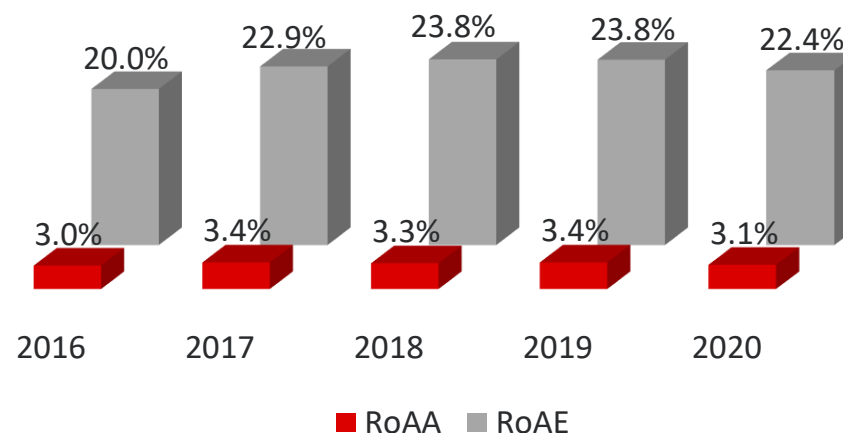
Zenith Group continues to deliver attractive earnings profile, supported by robust revenue base.

- **PBT** increased by 5.2% YoY from N243.3bn in 2019 to N255.9bn in 2020 despite the challenging operating environment.
- **ROAE** declined from 23.8% to 22.4% YoY as a result of the stronger capital base.
- **ROAA** declined from 3.4% to 3.1% YoY due to declining yields on interest bearing assets.

## PBT (N'Bn)



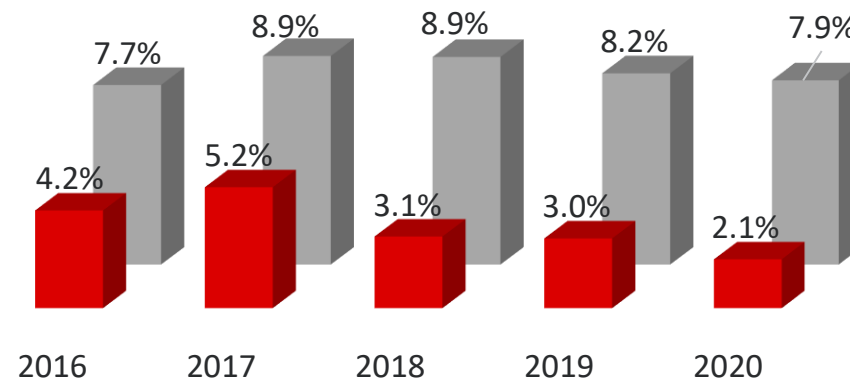
## RoAA & RoAE



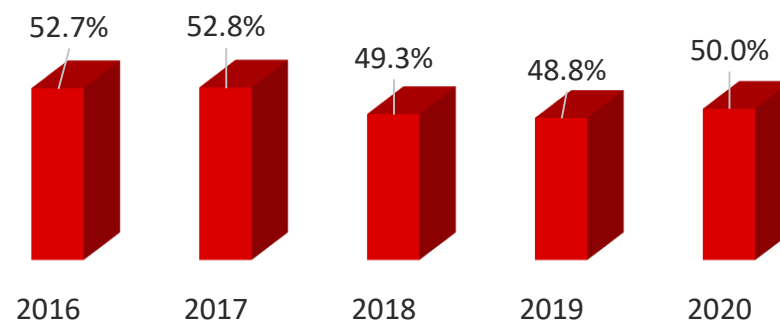
# Consolidating Earnings and Profitability Contd.

- **Net Interest Margin - NIM** contracted from 8.2% in 2019 to 7.9% in 2020 due to the declining yield environment.
- **Cost of Funds** dropped to 2.1% in 2020 from 3.0% recorded in 2019 as a result of rebalancing of our funding mix and low interest rates.
- **Cost-to-Income Ratio** increased from 48.8% recorded in 2019 to 50.0% recorded in 2020 due to inflationary pressures and heightened regulatory costs.

## Cost of Funds & Net Interest Margin



## Cost to Income Ratio

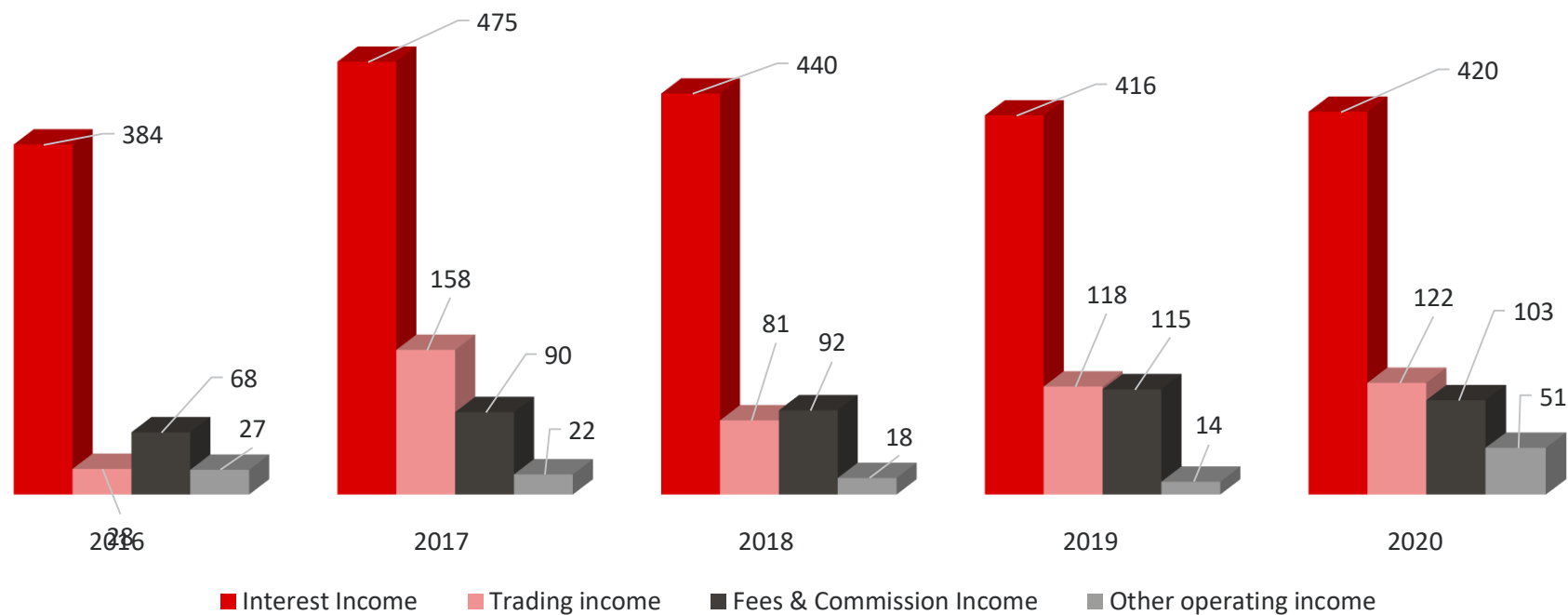


# Evolution of Revenue Base

- Contribution of non-interest income to total revenue continues to grow, increasing from 37.2% in 2019 to 39.6% in 2020.

N'million	2020	% to Total Revenue	2019	% to Total Revenue	YoY
Interest income	420,813	60.4%	415,563	62.8%	1.3%
Trading income	121,678	17.5%	117,798	17.8%	3.3%
Gross fees and commissions income	103,224	14.8%	114,674	17.3%	-10.0%
Other operating Income	50,735	7.3%	14,216	2.1%	256.9%
<b>Non Interest Income</b>	<b>275,637</b>	<b>39.6%</b>	<b>246,688</b>	<b>37.2%</b>	<b>11.7%</b>
<b>Total Revenue</b>	<b>696,450</b>	<b>100.0%</b>	<b>662,251</b>	<b>100.0%</b>	<b>5.2%</b>

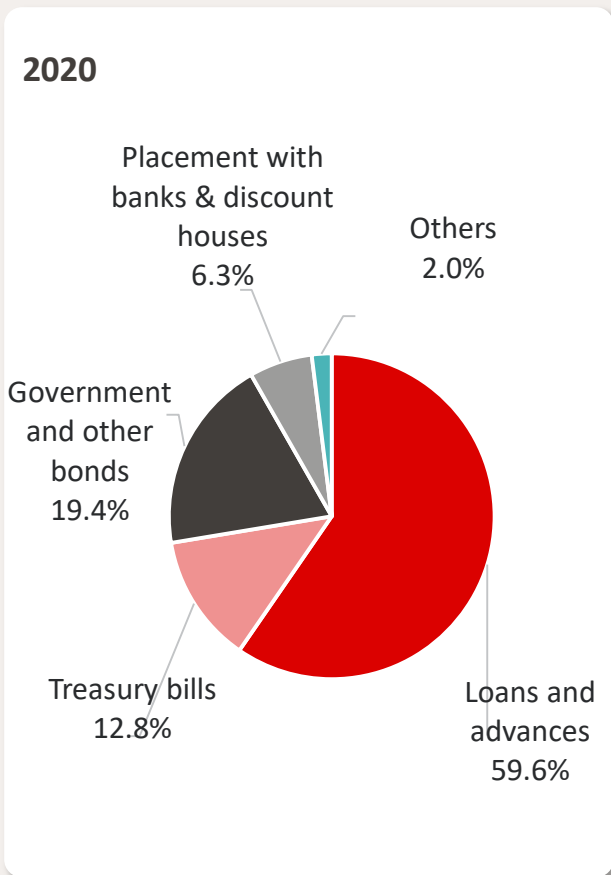
₹'Bn



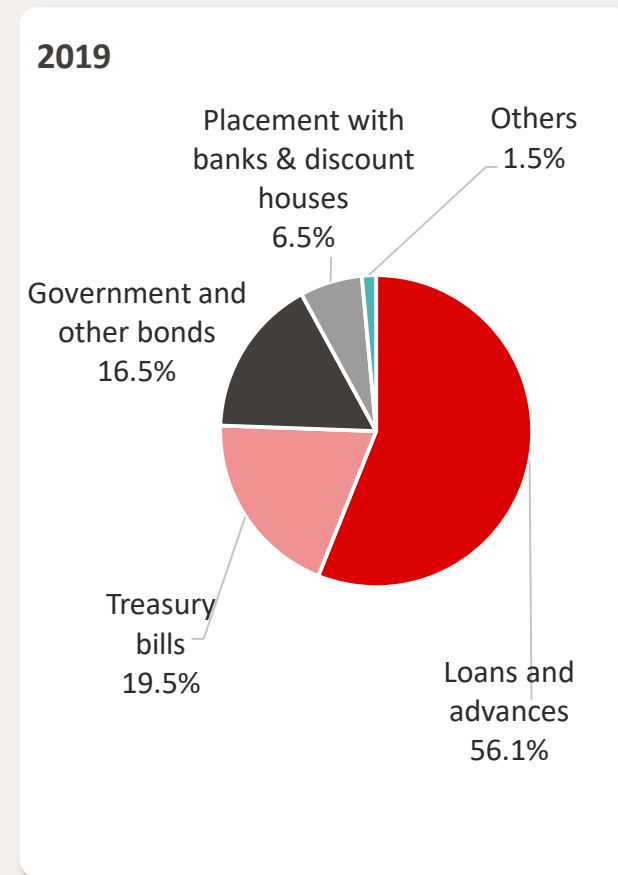
# Revenue Base: Interest Income Lines

- Treasury bills (T-bills) interest income dipped by 34% YoY due to the significant decline in treasury bills rates.

## Interest Income



N'million	2020	2019	YoY
Loans and advances	250,812	232,946	8%
Treasury bills	53,797	81,108	-34%
Government and other bonds	81,511	68,497	19%
Placement with banks & discount houses	26,398	26,897	-2%
Others	8,295	6,115	36%
<b>Total</b>	<b>420,813</b>	<b>415,563</b>	<b>1%</b>

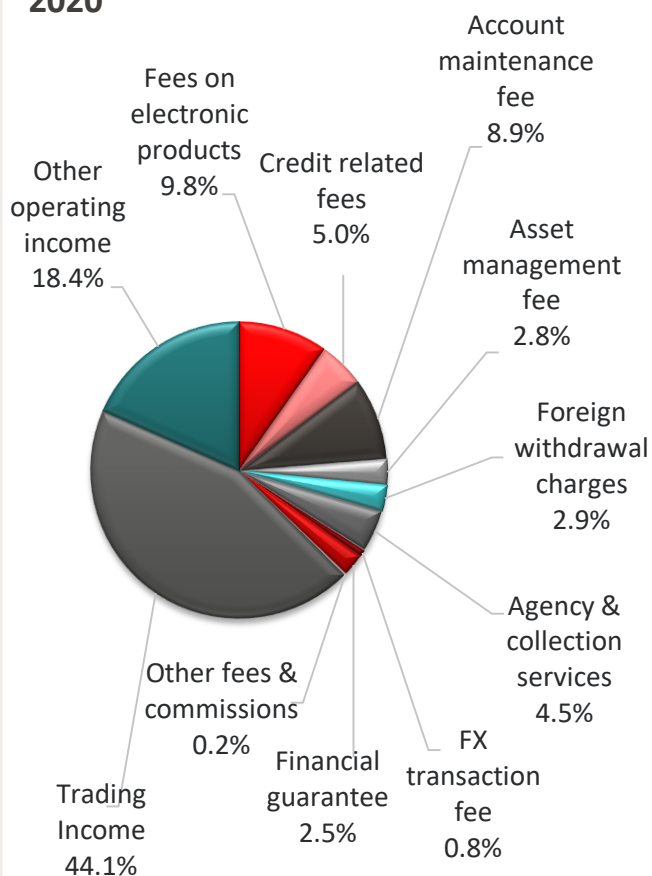




# Revenue Base: Non-Interest Income (NII) Diversification

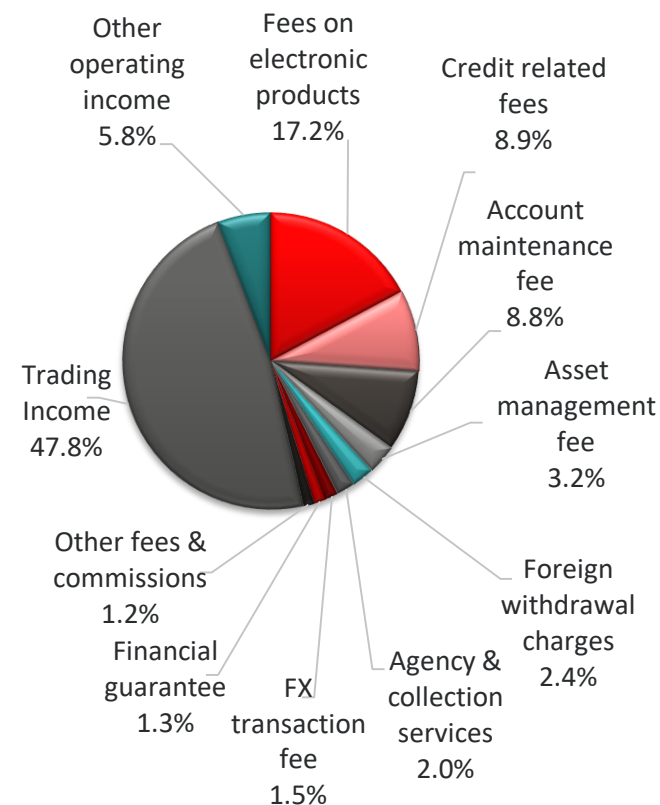
- Sustained growth in net non-interest income which grew by 8% YoY.

2020



N'million	2020	2019	YoY
Fees on electronic products	27,078	42,511	-36%
Credit related fees	13,913	21,879	-36%
Account maintenance fee	24,479	21,674	13%
Asset management fee	7,612	7,849	-3%
Foreign withdrawal charges	8,061	6,021	34%
Agency & collection services	12,472	4,896	155%
FX transaction fee	2,135	3,725	-43%
Financial guarantee	6,802	3,202	112%
Other fees & commissions	672	2,917	-77%
<b>Total fee &amp; commission income</b>	<b>103,224</b>	<b>114,674</b>	<b>-10%</b>
Fees and commission expense	-23,892	-14,568	64%
<b>Net fee &amp; commission income</b>	<b>79,332</b>	<b>100,106</b>	<b>-21%</b>
Trading Income	121,678	117,798	3%
Other operating income	50,735	14,216	257%
<b>Net non- interest income</b>	<b>251,745</b>	<b>232,120</b>	<b>8%</b>

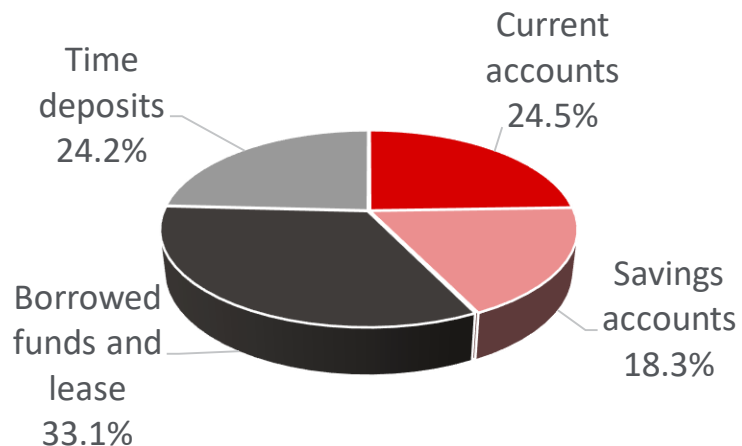
2019



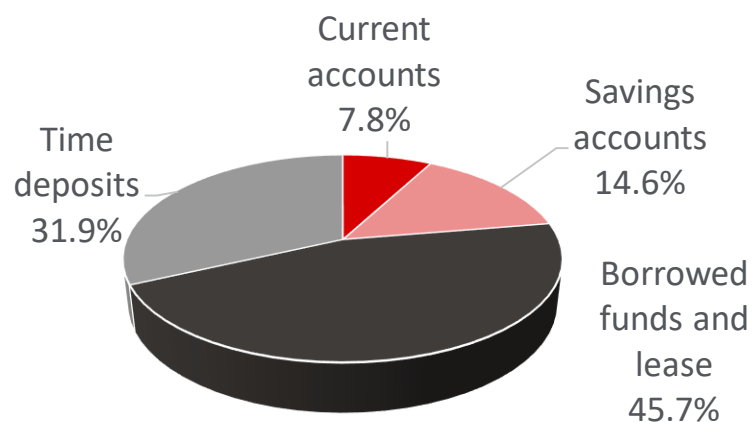
# Interest Expense: Funding Cost Optimization

## Interest Expenses

2020



2019



- Interest expense declined by 18% YoY as a result of rebalancing of deposit mix and the declining yield environment.

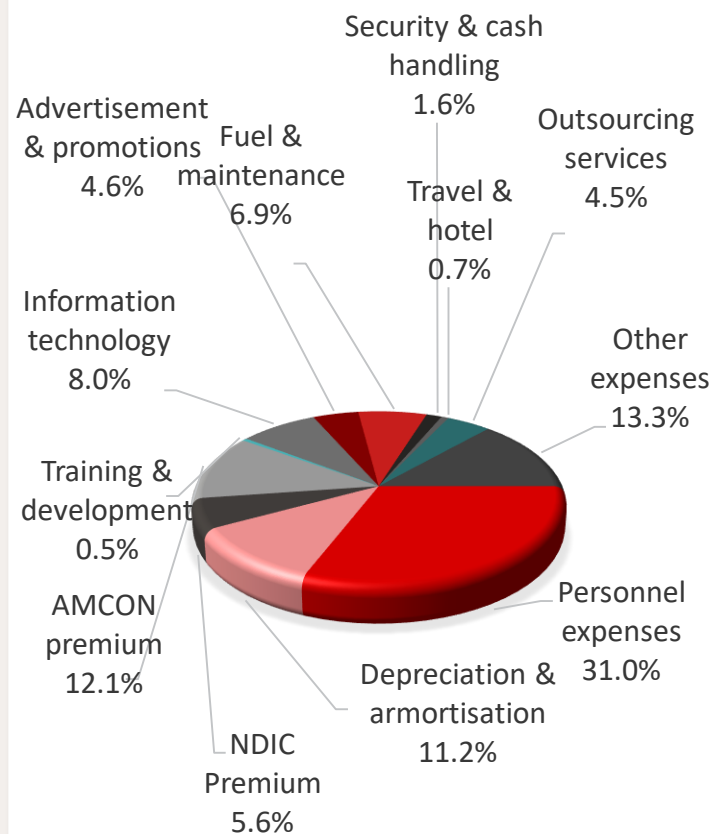
N'million	2020	2019	YoY
Current accounts	29,657	11,624	155%
Savings accounts	22,130	21,625	2%
Borrowed funds and lease	40,070	67,949	-41%
Time deposits	29,274	47,334	-38%
<b>Total</b>	<b>121,131</b>	<b>148,532</b>	<b>-18%</b>

# Continuous Efforts Towards Cost Optimisation.

- Total operating expense grew by 10% YoY due to exchange rate and inflationary pressures.

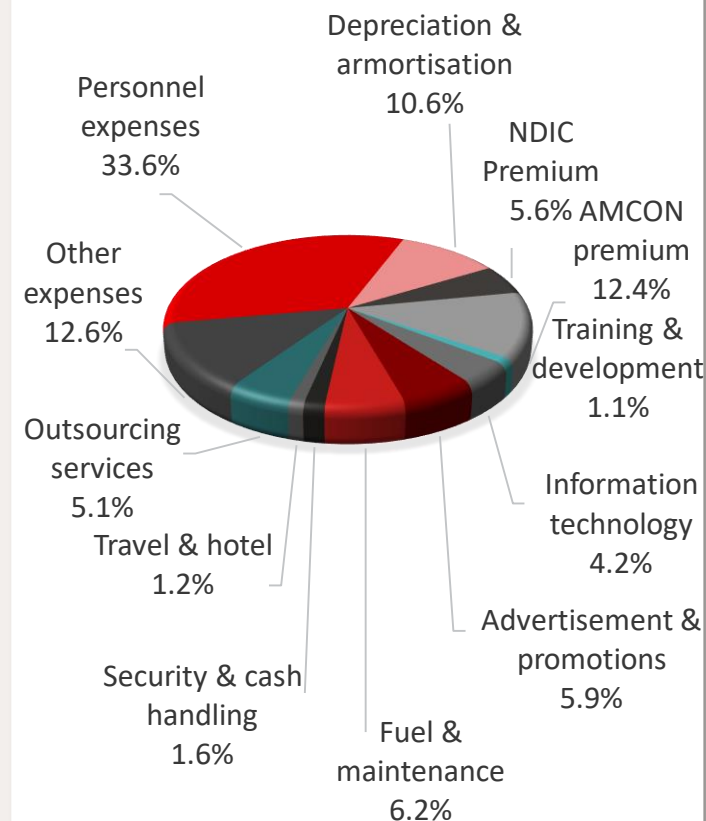
## Total Operating Expenses

2020



N'million	2020	2019	YoY
Personnel expenses	79,258	77,858	2%
Depreciation & amortisation	28,662	24,514	17%
NDIC Premium	14,405	12,898	12%
AMCON premium	30,948	28,654	8%
Training & development	1,191	2,439	-51%
Information technology	20,440	9,846	108%
Advertisement & promotions	11,835	13,755	-14%
Fuel & maintenance	17,778	14,429	23%
Security & cash handling	3,980	3,824	4%
Travel & hotel	1,883	2,751	-32%
Outsourcing services	11,500	11,762	-2%
Other expenses	34,152	29,095	17%
<b>Total</b>	<b>256,032</b>	<b>231,825</b>	<b>10%</b>

2019



# Balance Sheet – Assets

- Robust balance sheet - well positioned to take on growth opportunities as the economy begins to recover.

(N'million)	Group Dec 20	Group Dec 19	YoY Change
Cash and balances with central banks	1,591,768	936,278	70.0%
Treasury bills	1,577,875	991,393	59.2%
Assets pledged as collateral	298,530	431,728	-30.9%
Due from other banks	810,494	707,103	14.6%
Derivative assets	44,496	92,722	-52.0%
Loans and advances	2,779,027	2,305,565	20.5%
Investment securities	996,916	591,097	68.7%
Deferred tax assets	5,786	11,885	-51.3%
Other assets	169,967	77,395	119.6%
Property and equipment	190,170	185,216	2.7%
Intangible assets	16,243	16,497	-1.5%
<b>Total assets</b>	<b>8,481,272</b>	<b>6,346,879</b>	<b>33.6%</b>

# Balance Sheet – Liabilities & Equity

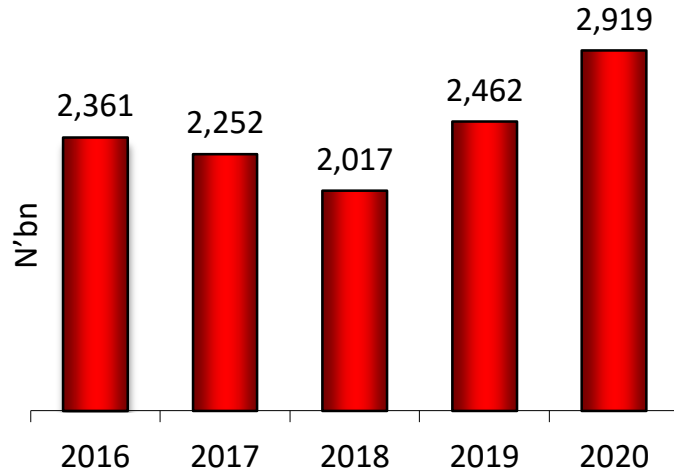
- Assets are largely funded by deposits with a strong capital base providing buffer for further growth.

(N'million)	Group	Group	YTD
	Dec-20	Dec-19	Change
<b>Liabilities</b>			
Customers deposits	5,339,911	4,262,289	25.3%
Derivative liabilities	11,076	14,762	-25.0%
Current income tax payable	11,690	9,711	20.4%
Deferred tax liabilities	-	25	-
Other liabilities	703,292	363,784	93.3%
On-lending facilities	384,573	392,871	-2.1%
Borrowings	870,080	322,479	169.8%
Debt securities Issued	43,177	39,092	10.4%
<b>Total liabilities</b>	<b>7,363,799</b>	<b>5,405,013</b>	<b>36.2%</b>
<b>Equities and reserves</b>			
Share capital	15,698	15,698	0.0%
Share premium	255,047	255,047	0.0%
Retained earnings	521,293	412,948	26.2%
Other reserves	324,461	257,439	26.0%
Non-controlling interest	974	754	29.2%
<b>Total Shareholders' equity</b>	<b>1,117,473</b>	<b>941,886</b>	<b>18.6%</b>

# Sustained Assets & Liabilities Match

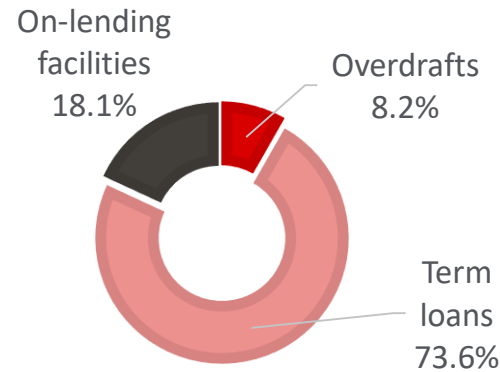
- The 25% growth in customers' deposits in 2020 is a reflection of the increasing confidence in the Zenith brand.
- Gross loans grew 19% YoY propelled by both corporate and retail lending activities.

## Gross Loans

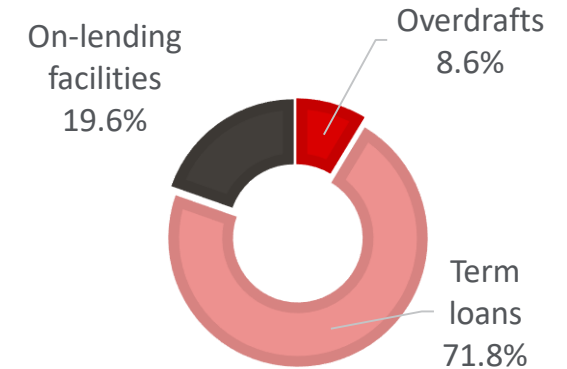


## Loans & Advances

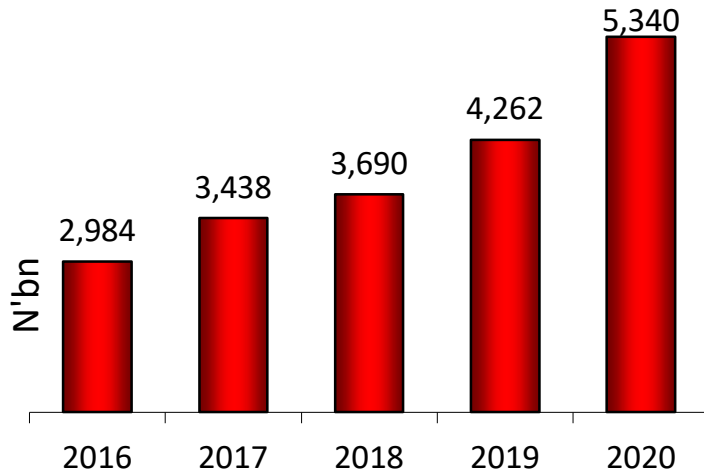
### FYE 2020



### FYE 2019

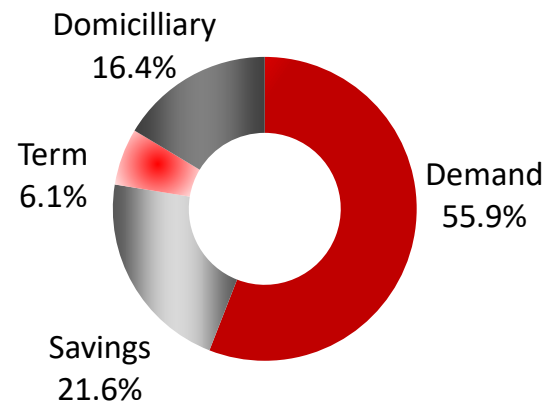


## Deposits

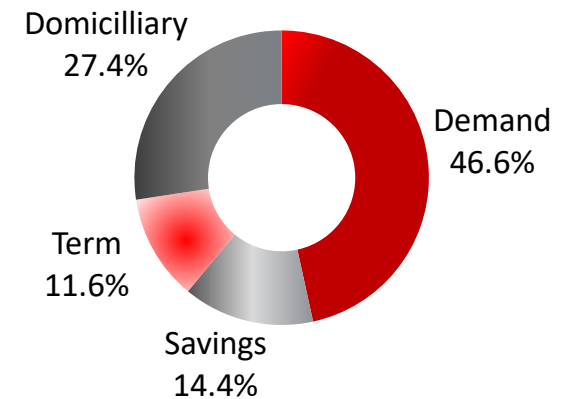


## Deposit Mix

### FYE 2020



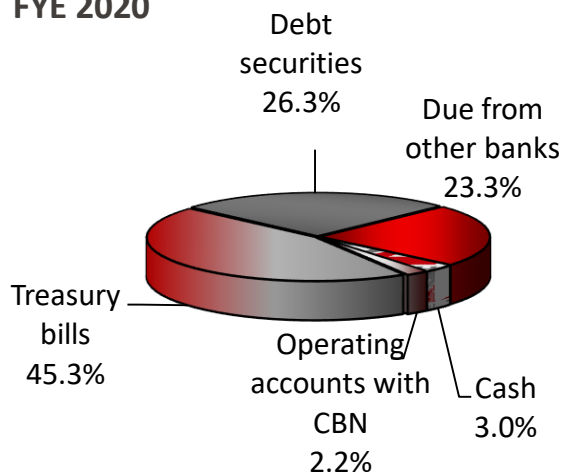
### FYE 2019



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

- High quality balance sheet with diversified funding sources.

FYE 2020

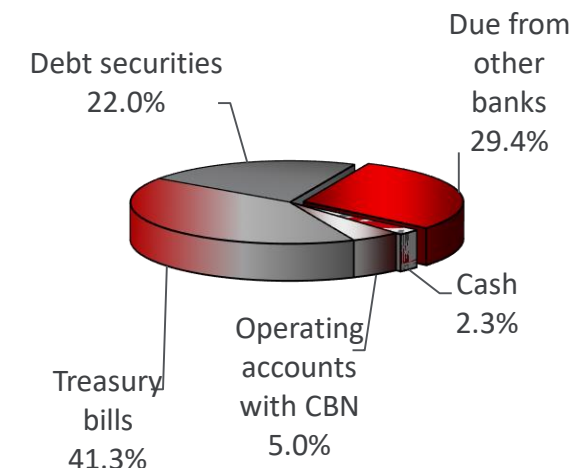


## Liquid Assets

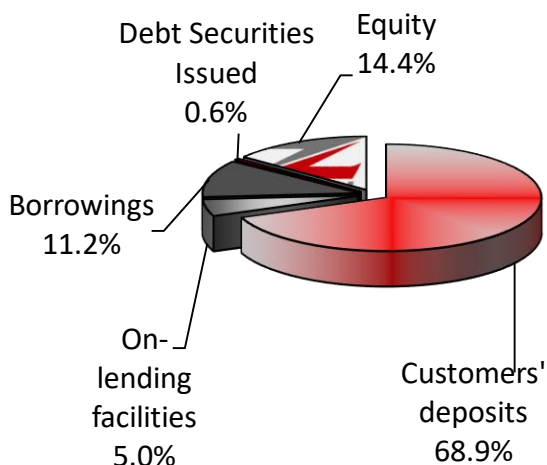
N'million	2020	2019	YoY
Cash	104,544	55,255	89%
Operating accounts with CBN	75,802	120,073	-37%
Treasury bills	1,577,875	991,393	59%
Debt securities	916,941	527,417	74%
Due from other banks	810,494	707,103	15%
<b>Total</b>	<b>3,485,656</b>	<b>2,401,241</b>	<b>45%</b>

Total CRR balance: N1.41 Trillion (2019: N761 billion)

FYE 2019



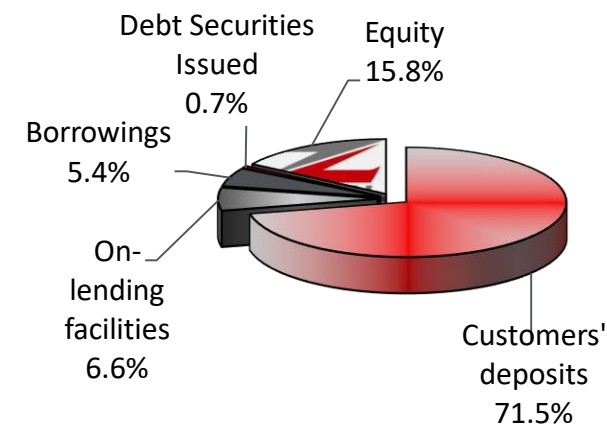
FYE 2020



## Funding Mix

N'million	2020	2019	YoY
Customers' deposits	5,339,911	4,262,289	25%
On-lending facilities	384,573	392,871	-2%
Borrowings	870,080	322,479	170%
Debt securities issued	43,177	39,092	10%
Equity	1,117,473	941,132	19%
<b>Total</b>	<b>7,755,214</b>	<b>5,957,863</b>	<b>30%</b>

FYE 2019



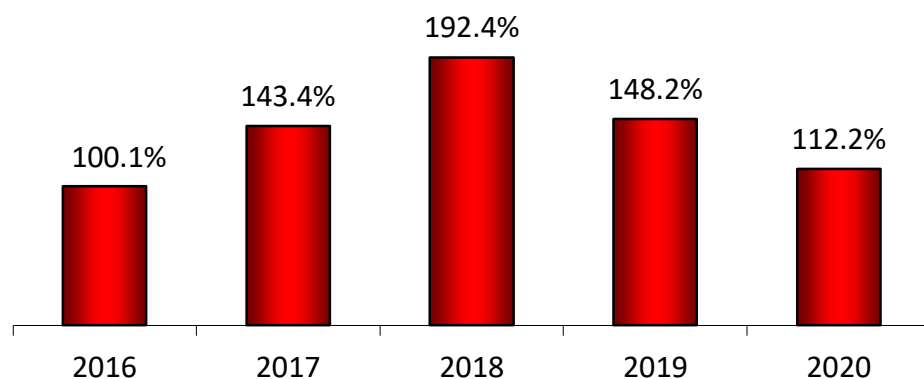
A photograph of an offshore oil rig at sunset. The rig is a complex structure with multiple levels, cranes, and pipes, situated on a platform over the ocean. A large, dark pipe is in the foreground, extending from the right side towards the center. The sun is low on the horizon, creating a warm, golden glow. A red horizontal bar is overlaid on the left side of the image, containing the text "Risk Management".

# Risk Management

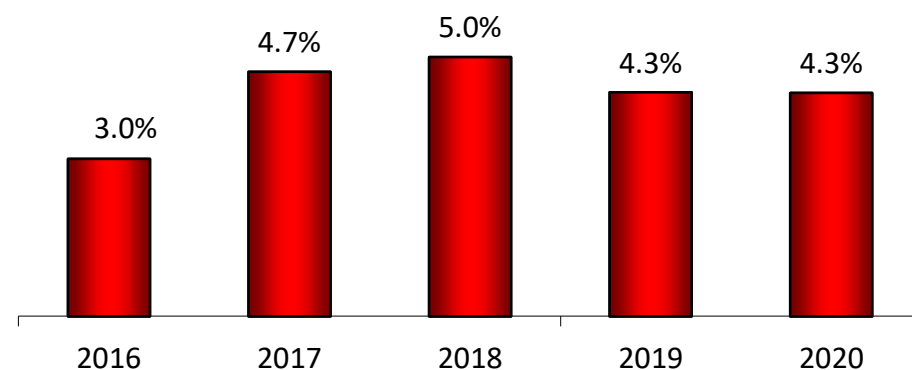


# Healthy Risk Assets Portfolio

## NPL Coverage Ratio



## NPL Ratio



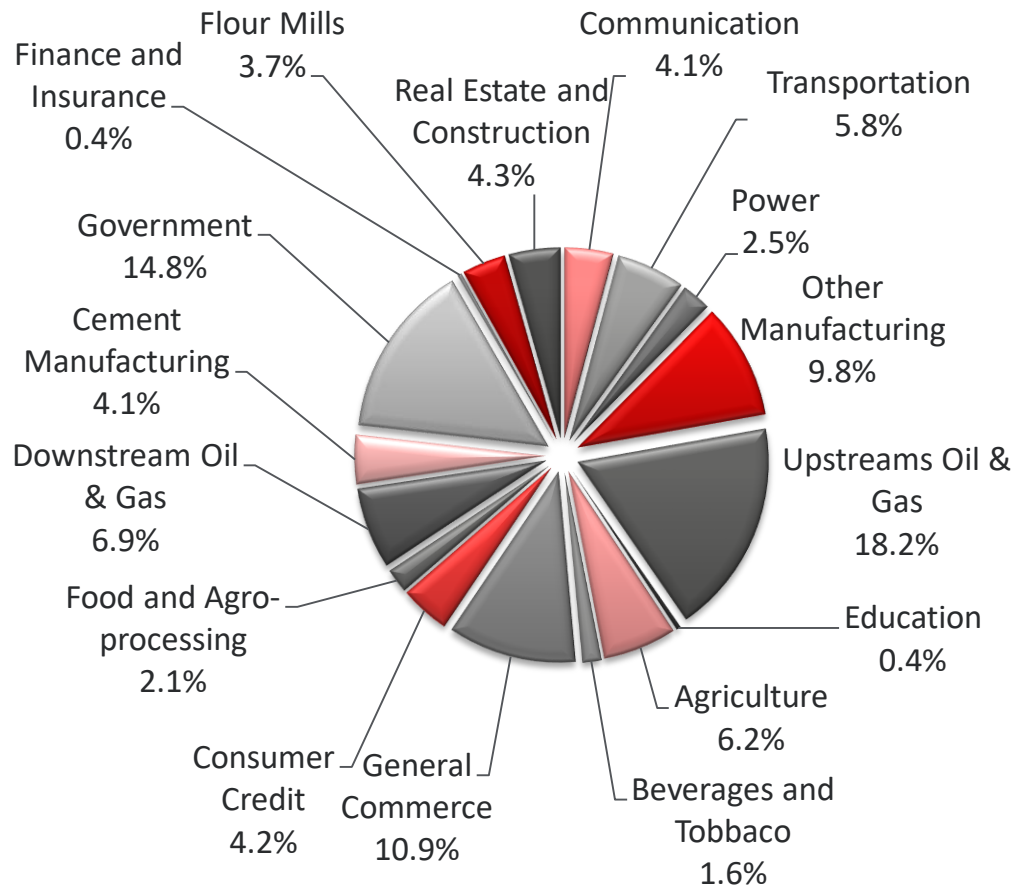
## Credit Risk Management Amidst Covid-19

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

# Focused Risk Management via Portfolio Diversification

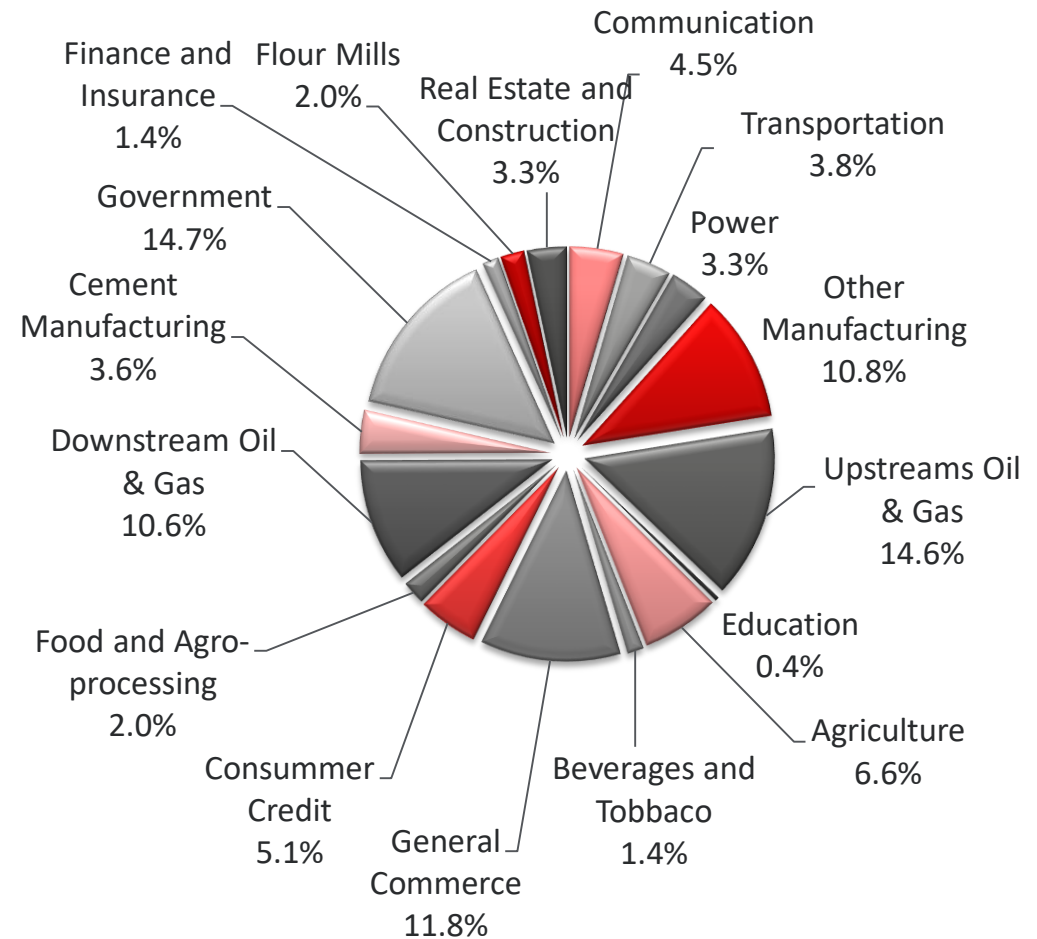
- Well diversified loan portfolio across sectors supports asset quality.

Loans by Sector – FYE 2020



Gross Loans – ₦2.92 Trillion

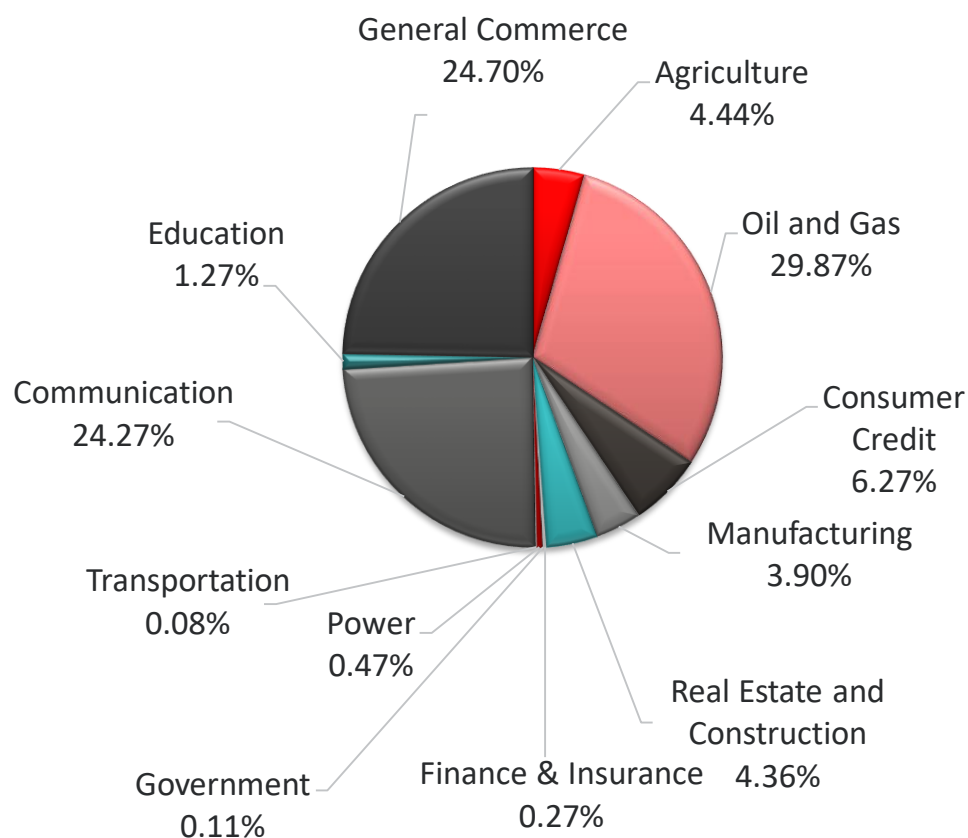
Loans by Sector – FYE 2019



Gross Loans – ₦2.46 Trillion

# NPL by Sectors

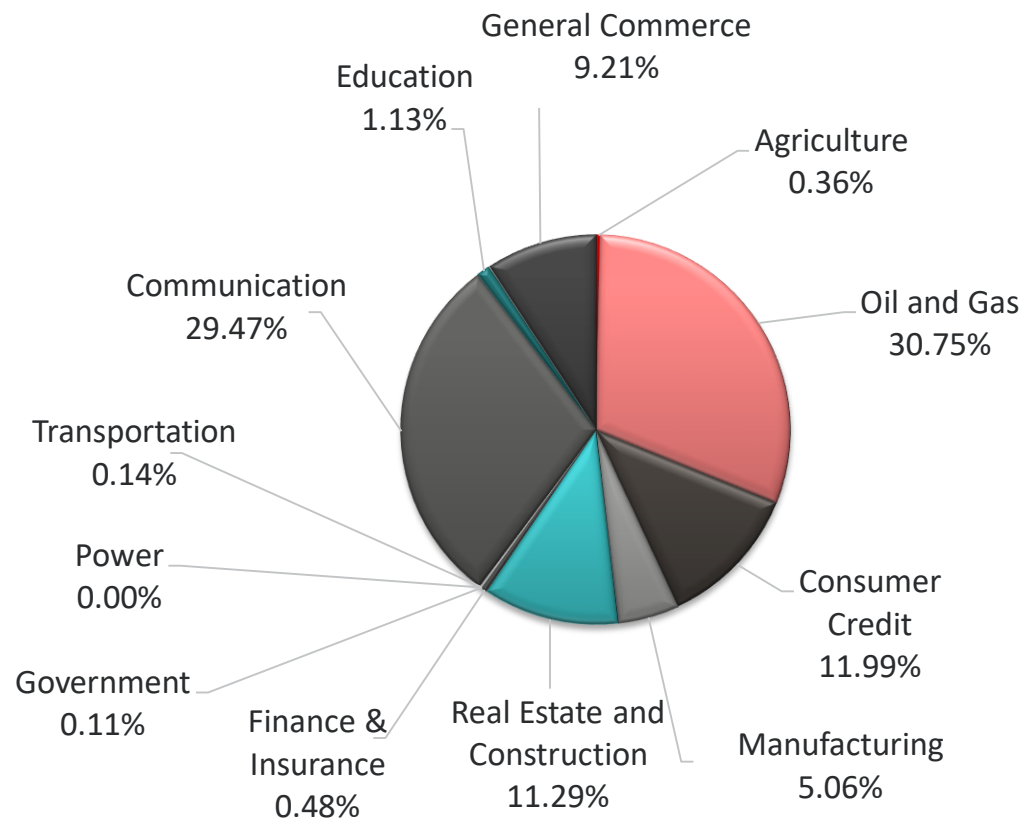
FYE 2020



Total NPLs – ~~₹~~125.2 Billion

NPL Ratio – 4.29%

FYE 2019



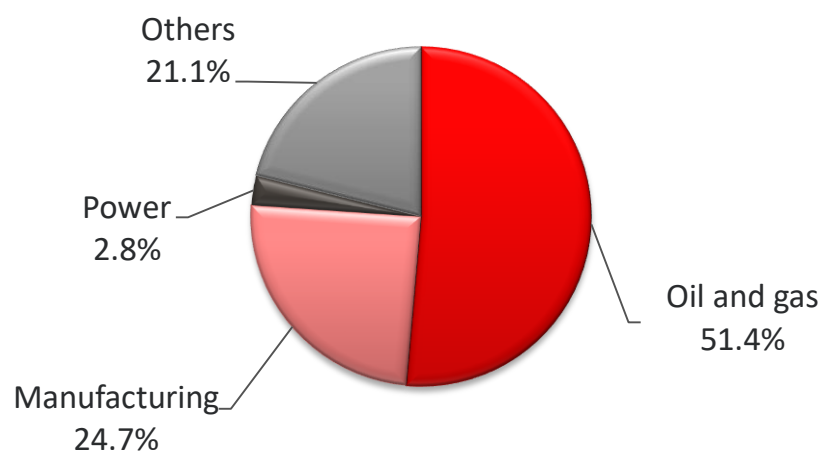
Total NPLs – ~~₹~~105.8 Billion

NPL Ratio – 4.30%

# Foreign Currency Loans & Restructured Loans

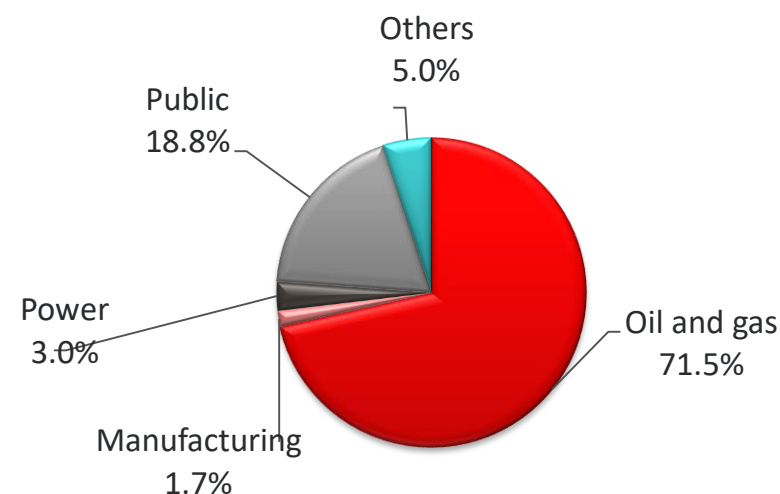
## Foreign Currency Loans – FYE 2020

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%
Manufacturing	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 2020

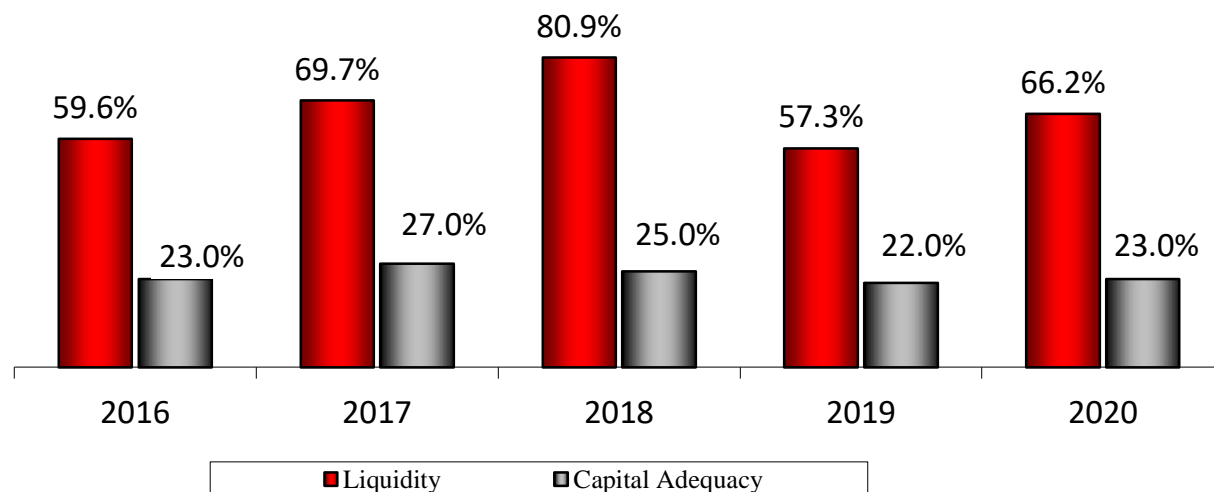
Restructured Loans by sector	N'm	% to Restructured loans	% to Gross loans
Oil and gas	465,403	71.5%	15.9%
Manufacturing	10,847	1.7%	0.4%
Power	19,627	3.0%	0.7%
Public	122,595	18.8%	4.2%
Others	32,746	5.0%	1.1%
<b>Total restructured loans</b>	<b>651,216</b>	<b>100.0%</b>	<b>22.3%</b>



# Strong Capitalisation

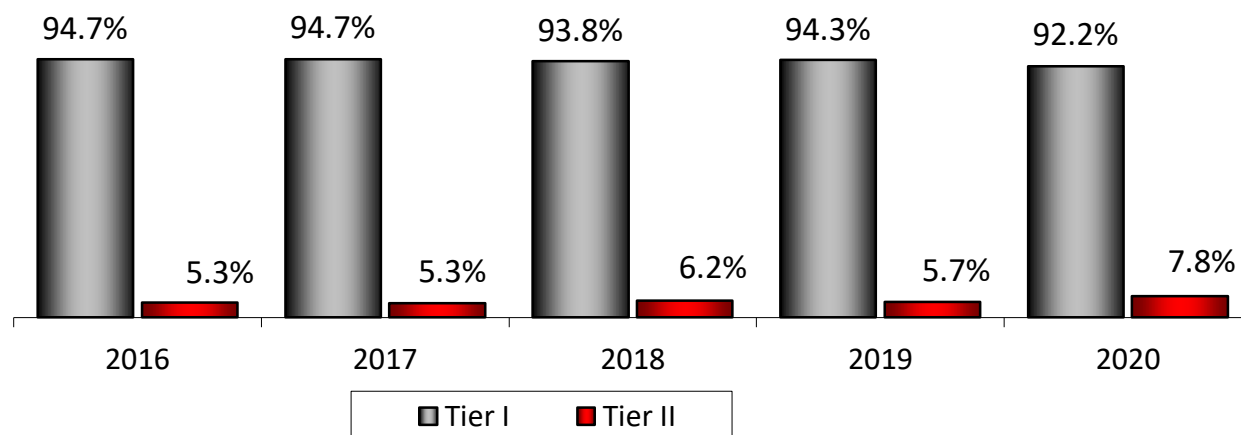
- Solid and high-quality capital position provides room for further growth.

## Liquidity & Capital Adequacy

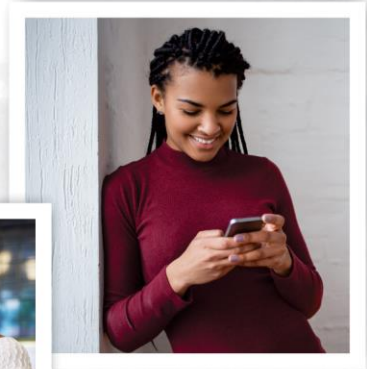
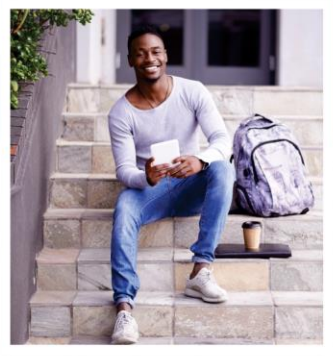
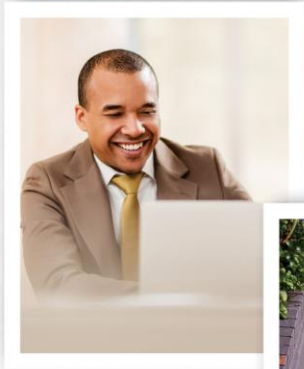


Capital and liquidity ratios – well above regulatory requirements of 30% for Liquidity and 15% for Capital Adequacy Ratio.

## Capital Mix



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



# Business Segments Performance & Subsidiary Review

# Performance – By Business Segments

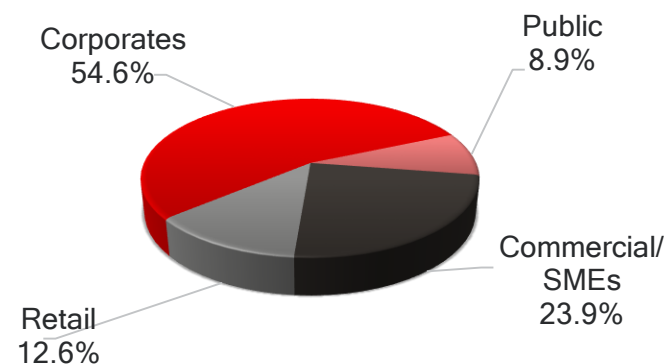
- Continuous diversification and improved profitability across core business segments.
- Contribution of retail segment to the group's gross revenue increased from 12.5% to 12.6% while PBT increased from 16.8% to 18.4%.

## FY 2020 (₹million)

	Corporates	Public	Commercial/ 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

## Gross Revenue

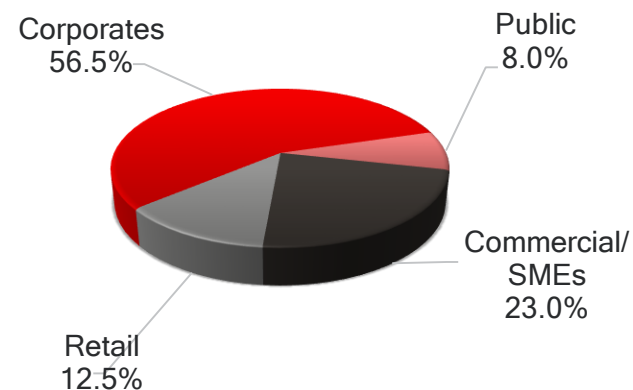
2020



## FY 2019 (₹million)

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

2019

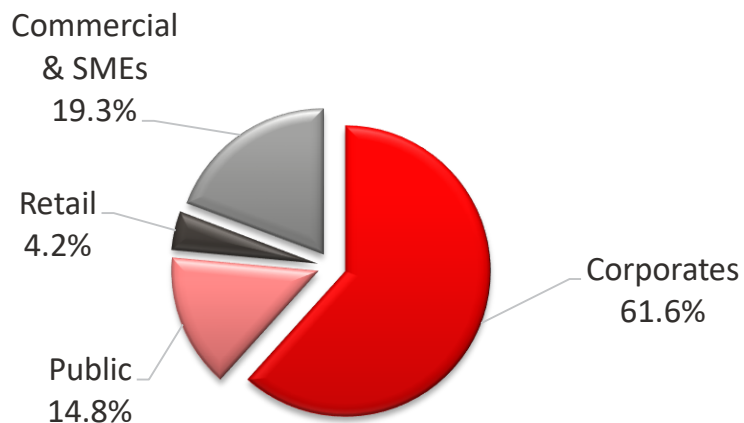


# Loans & Deposits – By Business Segments

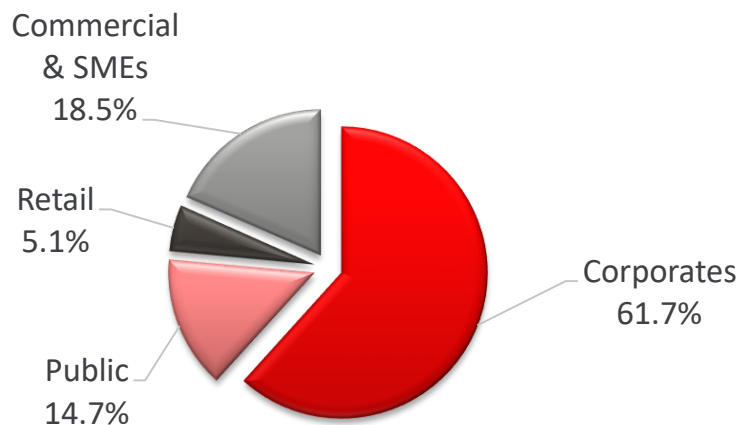
- Our intense retail drive continues to impact positively on our deposit growth and mix as the contribution of retail deposits to total deposits grew from 26.0% to 32.2% YOY while total deposits grew by 25.3% over the same period.

## Gross Loans

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

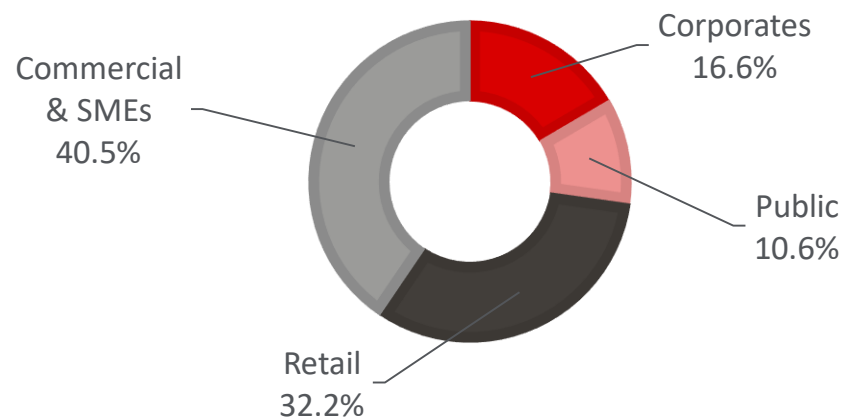


### FYE 2019 Gross Loans – ~~₹~~2.46 Trillion

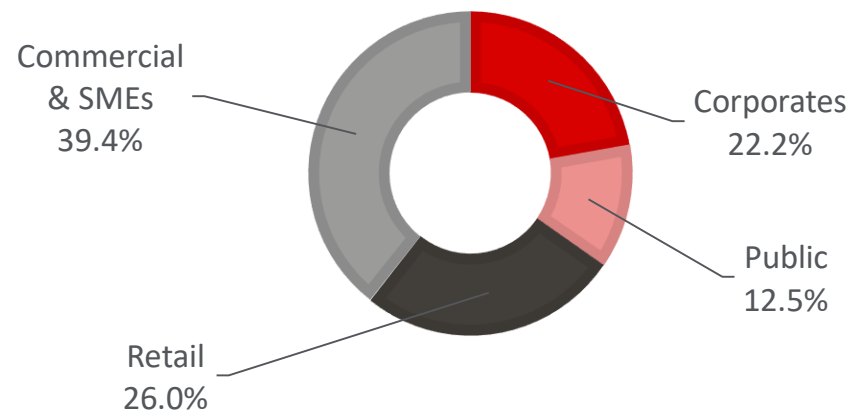


## Total Deposit

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



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





# Geographical Presence

## The Bank and its Subsidiaries

### Zenith Bank Plc. (Parent)

Established: 1990  
Branches: 393  
2020 FYE PBT: ₦210.0Bn  
Total deposits: ₦4,298Bn  
Total assets: ₦7,125Bn  
ROE: 23%  
Staff strength: 6,337

### Zenith Pension

Established: 2005  
Branches: 2  
Zenith ownership: 99%  
2020 FYE PBT: ₦8.0Bn  
Custody assets: ₦5,038Bn  
Total assets: ₦27Bn  
ROE: 25%  
Staff strength: 106

### Zenith Nominee

Established: 2018  
Branches: 1  
Zenith ownership: 99%  
2020 FYE PBT: ₦293M  
Custody assets: ₦603Bn  
Total assets: ₦1.9Bn  
ROE: 13%  
Staff strength: 7

### Gambia

Established: 2009  
Zenith ownership: 99.96%  
Branches: 6  
2020 FYE PBT: ₦839M  
Total deposits: ₦16Bn  
Total assets: ₦23Bn  
ROE: 11%  
Staff strength: 133

### Ghana

Established: 2005  
Zenith ownership: 98.07%  
Branches: 28  
2020 FYE PBT: ₦31.6Bn  
Total deposits: ₦359Bn  
Total assets: ₦555Bn  
ROE: 27%  
Staff strength: 695

### Sierra Leone

Established: 2008  
Zenith ownership: 99.99%  
Branches: 7  
2020 FYE PBT: ₦1.5Bn  
Total deposits: ₦22Bn  
Total assets: ₦28Bn  
ROE: 23%  
Staff strength: 148

### United Kingdom

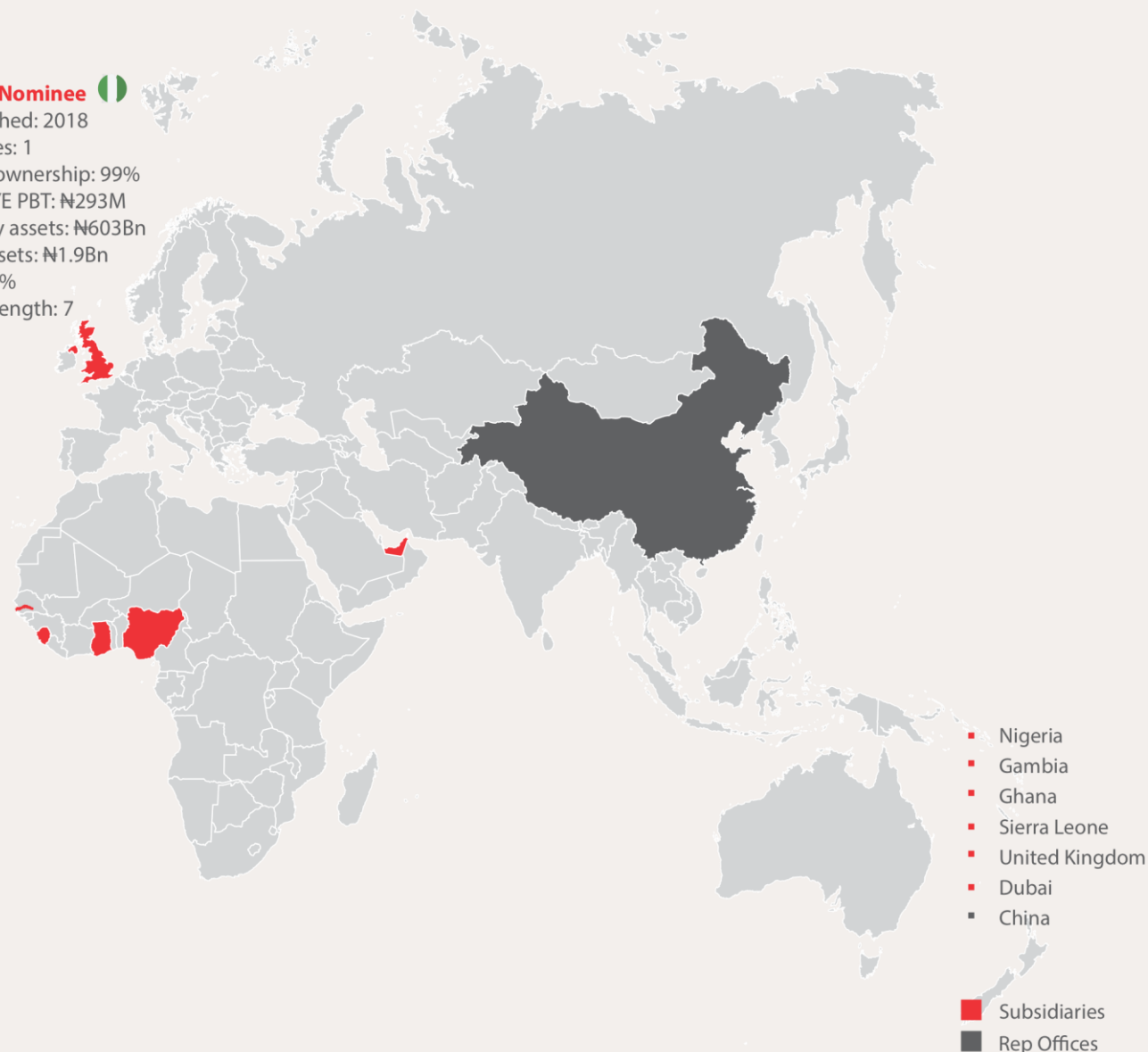
Established 2007  
Zenith ownership: 100%  
Branches: 2  
2020 FYE PBT: ₦7.6Bn  
Total deposits: ₦645Bn  
Total assets: ₦920Bn  
ROE: 6%  
Staff strength: 129

### UAE

Branch of Zenith UK  
Established 2016  
1 branch

### China

Representative Office  
Established 2011



# Performance by Geography

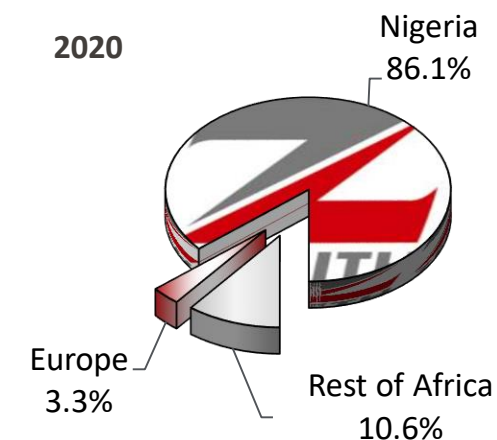
- Nigeria and the rest of Africa reported growth in profitability YoY.
- Europe recorded a drop in profitability as it was the most impacted by Covid 19 (due to the prolonged lockdown).

## 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

## Total Revenue

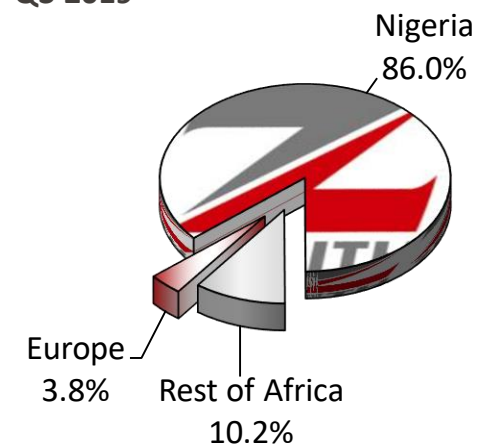


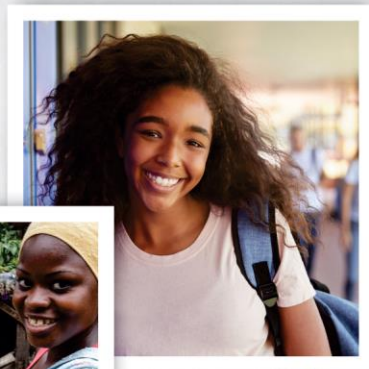
## 12 Months Ended December 2019

(₦'million)

	Nigeria	Rest of Africa	Europe	Eliminations	Consolidated
<b>Total Revenue</b>	<b>575,078</b>	<b>68,232</b>	<b>25,127</b>	<b>(6,186)</b>	<b>662,251</b>
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

## Q3 2019





# 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

- Deepening retail market penetration using our digital platforms.
- Creating innovative solutions to grow market share.
- Increasing the volume of transactions processed on our digital platforms.

# Our Key Growth Target Sectors

## Driving Profitability with our Competitive Advantages

### Identified Growth Sectors

- Retail/SMEs
- Agriculture
- Healthcare/Pharmaceuticals
- Infrastructure
- Manufacturing
- Petrochemicals
- Real Estate and Construction
- Service Industry
- Telecoms
- Transportation and General Commerce

### Competitive Advantage

- Strong capital and liquidity
- Strong brand
- Robust risk management framework
- Extensive branch network
- Robust ICT and digital channels
- Well motivated staff force
- Excellent customer services

# Guidance for FYE 2021

	FYE 2020 Guidance	FYE 2020 Achieved	FYE 2021 Guidance
PBT	₦253.0Bn	₦255.9Bn	₦270Bn
Effective Tax Rate	12.0%	9.9%	13%
PAT	₦222.6Bn	₦230.6Bn	₦235Bn
ROAE	22.0%	22.4%	23%
ROAA	3.3%	3.1%	3.2%
NIM	8.5%	7.9%	8.0%
Cost of Funds	3.0%	2.1%	2.0%
Cost of Risk	2.0%	1.5%	2.0%
Cost to Income	48.0%	50.0%	48%
Deposit Growth	10.0%	25.3%	10%
Loan Growth	10.0%	18.6%	10%
Loan to Deposit (Group)	58.0%	54.7%	60%
Loan to Deposit (Bank)	69.0%	64.5%	65%
Capital Adequacy	20.0%	23.0%	20%
Liquidity Ratio	55.0%	66.2%	60%
NPL	4.80%	4.29%	4.50%
NPL Coverage	150.0%	112.1%	130.0%

# Thank You

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