H1 2017 Group Results

Presentation to Investors & Analysts

June 2017

ZENITH BANK PLC

▪ PEOPLE ▪ TECHNOLOGY ▪ SERVICE

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 — Slides 4 – 7

Group Results — Slides 8 – 21

Risk Management — Slides 22 – 28

Strategy & Outlook — Slides 29 – 31

Q&A

1. Overview & Operating Environment

Nigerian Economy and Key Developments in the Banking Sector

Despite a challenging macroeconomic environment and short-to-medium term complications, Nigeria remains Africa's largest economy with strong sectors and significant opportunities.

Real GDP Growth (Rebase):

- GDP growth rate declined to (0.52%) y/y in Q1 2017, up by 121bps from (1.73%) recorded in Q4 2016. Despite the negative growth in GDP, the non-oil sector grew by 0.72% in Q1 2017, driven largely by activities in the Agriculture Sector, Information & Communication, Manufacturing, Transportation and Other Services. and Telecommunications fair

Headline Inflation:

- Headline Inflation declined to 16.1% y/y in Jun'17 from 16.3% y/y recorded in May'17. Accordingly, this represents the fifth consecutive decline in the rate of inflation since Jan'17
- The Food Index which increased by 19.91% y/y contributed significantly to the inflation rate.

Oil Production & Price:

- OPEC Average Monthly Basket Price declined 10.1%, from $50.3/bbl recorded at the end of Q1 2017 to $45.2/bbl recorded at the end of Q2 2017.

Foreign Reserves:

- Nigerian foreign reserves remained relatively flat at $30.3bn during the 2nd quarter of 2017, but improved by 17.4% over $25.8bn recorded as at the end of Dec'16.

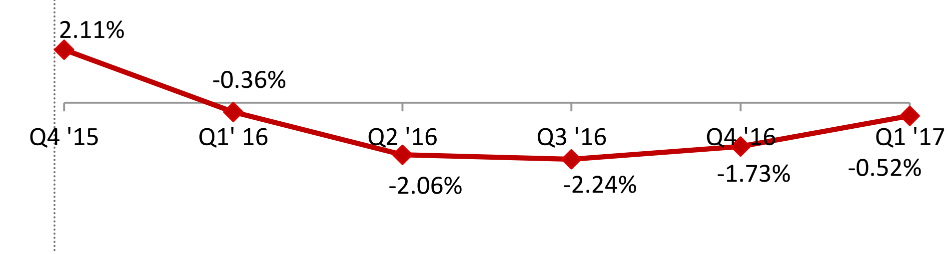
Exchange Rate:

- In Q2 2017, Naira remained stable at 305.8NGN/USD in the CBN official window while it exchanged at between 315-325NGN/USD at the interbank market.
- The Importers & Exporters (I & E) Window was introduced by the CBN in April 2017 and traded at 366.4NGN/USD as at end of June 2017. As at 10th of August 2017, a turnover of $4.35bn had been achieved via this window

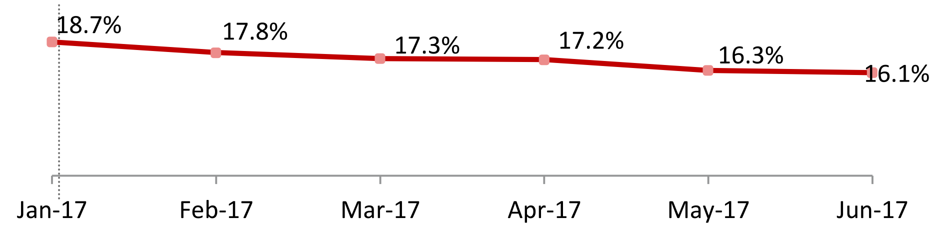
Cash Reserve Ratio (CRR) & Monetary Policy Rate (MPR):

- At the Monetary Policy Committee (MPC) meeting held on July 24th and 25th, 2017, the committee decided to retain all monetary policy instruments at their current levels; MPR at 14.0%, CRR at 22.5% and Liquidity Ratio at 30.0%.

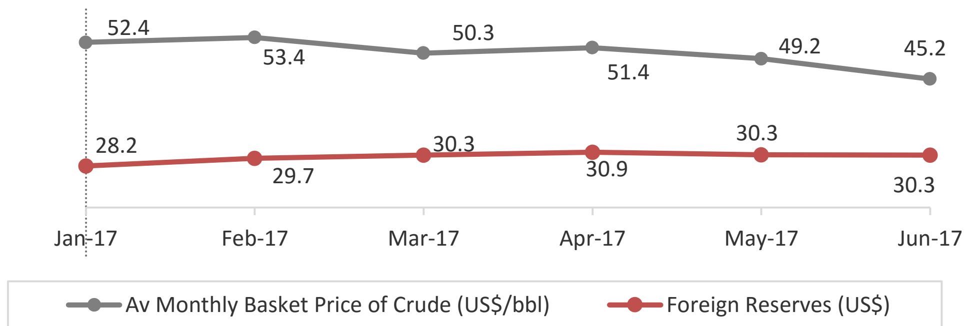
GDP Growth Rate



Inflation Rate



Foreign Reserves / Oil Price



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

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Our Investment Proposition

Strong earnings capacity and growth, solid and liquid capital base, strengthened ERM practices, good returns on investment and excellent customer service

- A dominant player in the Nigerian Banking Industry:
  - ✓ Controls a significant share of the high end corporate clients in strategic sectors of the Nigerian economy.
  - ✓ The bank uses its strong balance sheet and liquidity as well as efficient trade finance processes and services, to continuously grow and support businesses.

- Strong Focus on Risk Management:
  - ✓ Despite the tough operating environment, NPL ratio came in at 4.3% with a coverage ratio of about 117%.

- Good Dividend Payout:
  - ✓ Good and consistent dividend payout to its investors.
  - ✓ The Bank paid a dividend of 160 kobo per share for FY2012, 175 kobo per share for both FY2013 and FY2014, and 180 kobo per share for FY2015
  - ✓ A total dividend amount of 202 kobo per share (25 kobo interim and 177 kobo final) was paid for FY2016 and 25 kobo per share interim dividend proposed for H1 2017.

- Credit Rating/Certifications:
  - ✓ **Standard and Poor's** ratings for Zenith Bank Zenith Bank are: B/Stable/B (Issuer Credit Rating) and ngBBB/ngA-2 (National Scale Rating), being the highest rating awarded to any Nigerian bank and in line with the country's risk rating.
  - ✓ **Fitch** ratings are: 1) Long-term foreign currency IDR: 'B+' - Negative Outlook; 2)Short-term foreign currency IDR: 'B'; 3)National Long-term rating: 'AA-(nga)'; 4)National Short-term rating: 'F1+(nga)'

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2. Group Results

Financial Highlights – H1 2017

Key Themes

Creativity for Market Dominance and Risk Management for Superior Performance
Building A Shock-Proof Balance Sheet

P or L

Gross Earnings: N380.44bn	+77.1%YoY
Net Interest Income: N138.96bn	+9.4%YoY
Non-Interest Income: N118.18bn	+253.8% YoY
Profit Before Tax: N92.18bn	+71.0% YoY
Profit After Tax: N75.32bn	+112.4% YoY

Balance Sheet

Gross Loans & Advances: N2.30tn	-2.6% YTD
Total Assets: N4.93tn	+4.0% YTD
Customer Deposits: N2.97tn	-0.3% YTD
Total Shareholders' Funds: N719.33bn	+2.1% YTD

Key Ratios

Loans to Deposits Ratio: 66.2%	Cost of Funds: 6.4%
Liquidity Ratio: 61.1%	Net Interest Margin: 7.6%
NPL Ratio: 4.3%	Cost to Income Ratio: 57.1%
Coverage Ratio: 117.0%	Cost of Risk: 3.6%
Capital Adequacy Ratio: 21.0%	RoAE: 21.2%
	EPS: 240k

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Profit or Loss Statement

- Strong bottom-line profitability, driven by robust core earnings generation and continued cost control to deliver improved operating leverage and sustainable stakeholder value.

(N'million)	Group 6M 17	Group 6M 16	YOY Change
Gross earnings	380,440	214,812	77.10%
Interest income	262,257	181,408	44.57%
Interest expense	(123,295)	(54,385)	126.71%
Net interest income	138,962	127,023	9.40%
Impairment charge	(42,398)	(14,232)	197.91%
Net interest income after impairment charge	96,564	112,791	(14.39%)
Fees and commission income	37,753	30,701	22.97%
Trading income	65,318	(864)	7659.95%
Other income	15,112	3,567	323.66%
Amortisation of intangible assets	(5,530)	(4,524)	22.24%
Depreciation of property and equipment	(756)	(696)	8.62%
Personnel expenses	(36,210)	(34,593)	4.67%
Operating expenses	(80,068)	(52,477)	52.58%
Profit before income tax	92,183	53,905	71.01%
Income tax expense	(16,866)	(18,438)	(8.53%)
Profit after tax	75,317	35,467	112.36%

Consolidating Earnings and Profitability

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

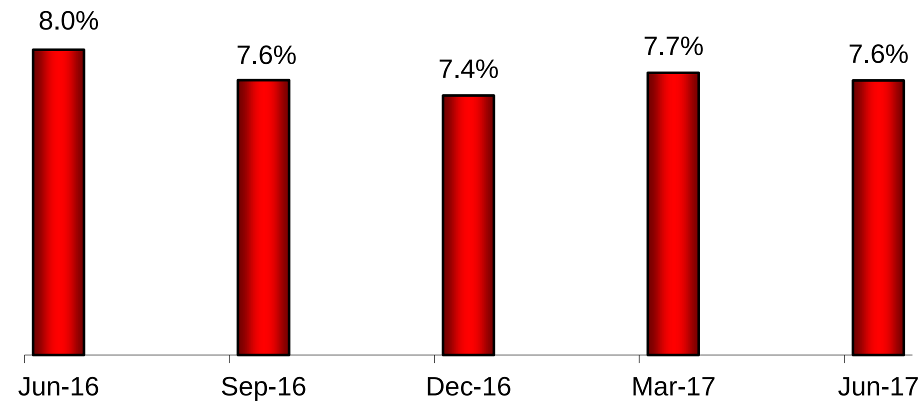
Comments

- **Net Interest Margins (NIMs)** decreased by 5% YoY from 8.0% in H1 2016 to 7.6% in H1 2017. The high interest rate on time deposits contributed significantly to the decline in NIMs

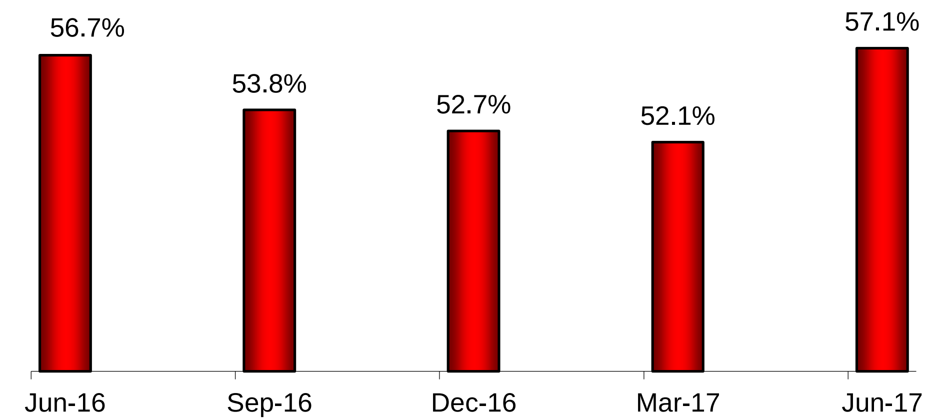
- **Cost-to-Income Ratio** grew marginally by 0.7% YoY from 56.7% in H1 2016 to 57.1% in H1 2017. The one-off charge of AMCON fee to P or L, as against amortization over the full year increased the group's cost in H1 2017. This is expected to ease out in Q3 and FYE.

- **PBT** increased by an impressive 71% YoY from N53.9bn during H1 2016 to N92.2bn in H1 2017.**PAT** figures also increased significantly by 112% from N35.5bn in H1 2016 to N75.3bn in H1 2017.

Net Interest Margin



Cost to Income Ratio



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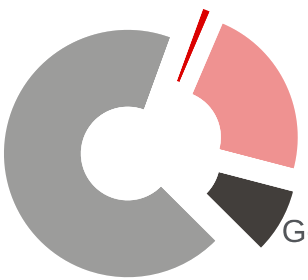
Revenue Base: Interest Income Diversification

- Attractive YoY growth in interest income (+45%) to support the Bank's net interest margin
- Growth in interest income can be attributed to the current high yield environment.
- The Group has maintained a consistent mix of interest income across the various interest-generating assets over the years

Interest Income

H1 2017



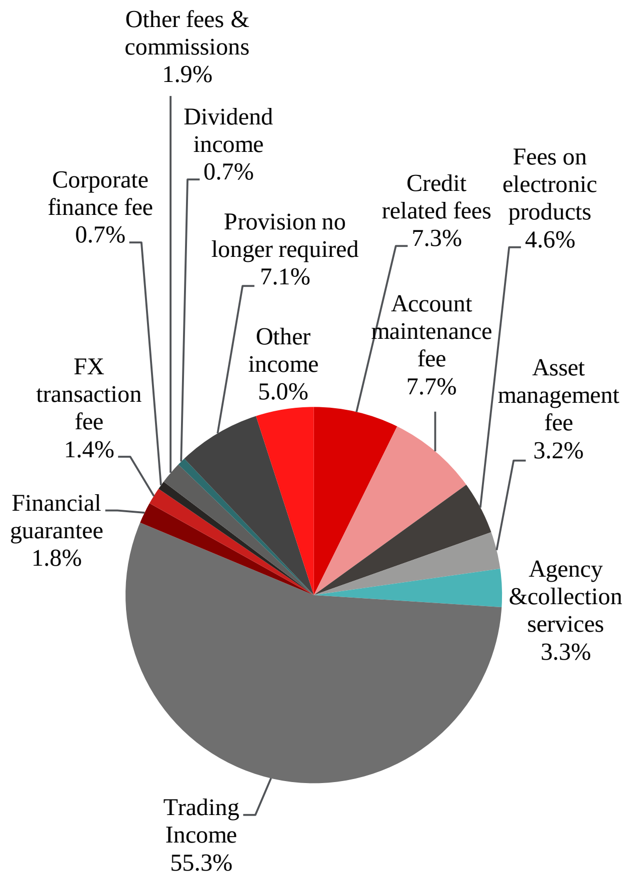
N'million	H1 2017	H1 2016	YoY
Interbank Placements	2,301	779	195%
Treasury Bills	59,328	23,348	154%
Government Bonds	22,042	25,200	-13%
Loans & Advances	178,586	132,081	35%
Total	**262,257**	**181,408**	**45%**

H1 2016

Revenue Base: Non-Interest Income Diversification

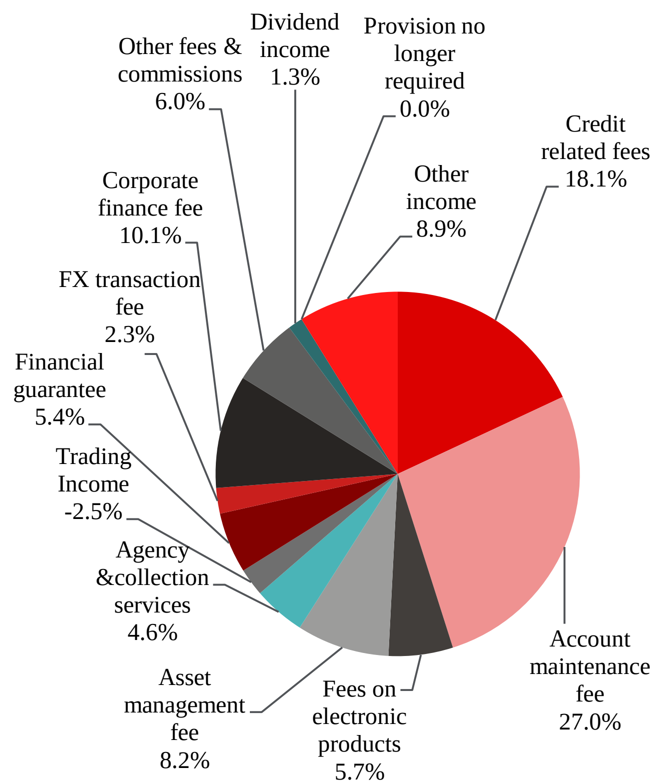
- The increase in most lines of non-interest income resulted in a YoY growth of +254%.
- Trading and derivative activities led to the increase in trading income

H1 2017



N'million	H1 2017	H1 2016	YoY
Credit related fees	8,627	6342	36%
Account maintenance fee	9,127	9,501	-4%
Fees on electronic products	5,380	2,008	168%
Asset management fee	3,764	2,890	30%
Agency &collection services	3,860	1,620	138%
Trading Income	65,318	-864	7660%
Financial guarantee	2,149	1,894	-13%
FX transaction fee	1,709	799	114%
Corporate finance fee	873	3,532	-75%
Other fees & commissions	2,264	2,115	7%
Dividend income	833	457	-82%
Provisions no longer required	8,404	-	100%
Other income	5,875	3,110	89%
Total	**118,183**	**33,404**	**254%**

H1 2016



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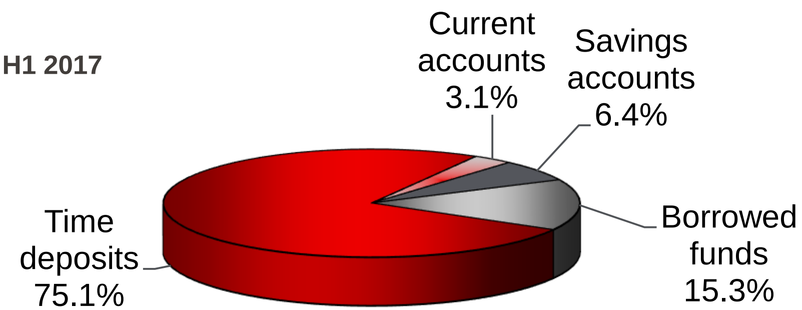
Continuous Efforts in Cost-Reduction Strategies

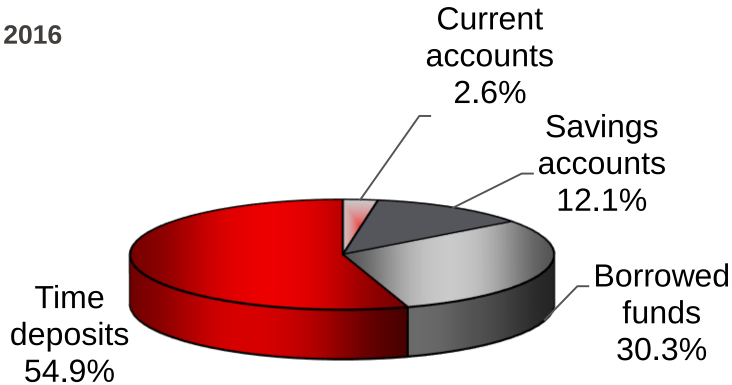
- Interest expense increased by 127% due to the tight monetary environment, resulting in elevated cost of funding.

Interest Expenses

H1 2017



H1 2016



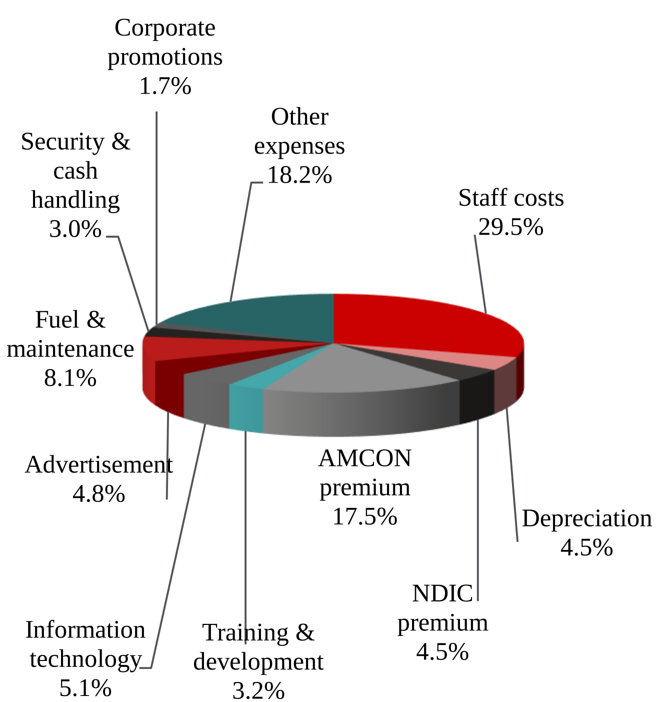
N'million	H1 2017	H1 2016	YoY
Current accounts	3,842	1,438	167%
Savings accounts	7,950	6,592	21%
Borrowed funds	18,883	16,485	15%
Time deposits	92,620	29,870	210%
Total	**123,295**	**54,385**	**127%**

Continuous Efforts in Cost-Reduction Strategies

- High inflation rate, Naira devaluation and Information Technology cost contributed significantly to the 33% increase in total operating expenses.
- The one-off charge of AMCON fee to P or L (as against amortization over the full year) increased the group's cost in H1 2017 but this is expected to ease out in Q3 and FYE. The H1 2016 AMCON Charge was re-stated for comparability.

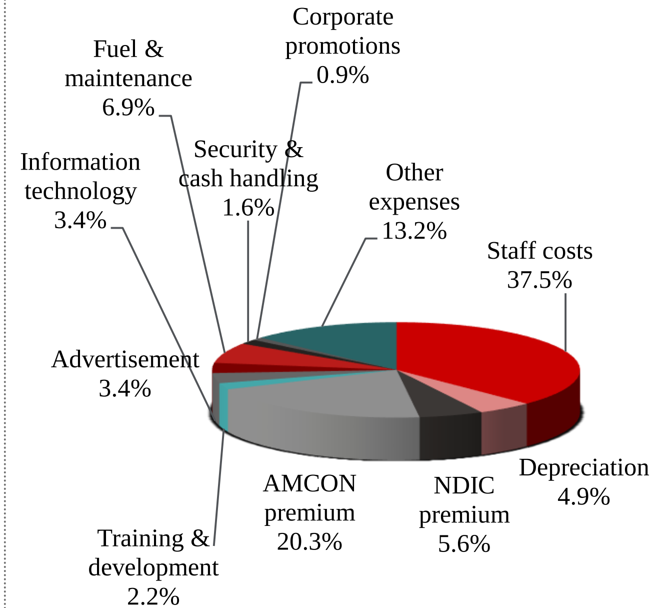
Total Operating Expenses

H1 2017



N'million	H1 2017	H1 2016	YoY
Staff costs	36,210	34593	5%
Depreciation	5,530	4,524	22%
NDIC premium	5,500	5,196	6%
AMCON premium	21,419	18,752	14%
Training & development	3,890	1,993	95%
Information technology	6,281	3,178	98%
Advertisement	5,871	3,161	86%
Fuel & maintenance	9,919	6,362	56%
Security & cash handling	3,664	1,474	149%
Corporate promotions	2,030	857	137%
Other expenses	22,250	12,200	82%
Total	**122,564**	**92,290**	**33%**

H1 2016



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Balance Sheet – Assets

Strong, liquid balance sheet with continued growth led by loans and securities portfolio.

(N'm)	Group Jun-17	Group Dec-16	YTD Change	Group Jun-16
Cash and balances with central banks	679,915	669,058	1.62%	627,156
Treasury bills	691,514	557,359	24.07%	379,990
Assets pledged as collateral	399,596	328,343	21.70%	277,862
Due from other banks	499,936	459,457	8.81%	343,389
Derivative assets	82,133	82,860	-0.88%	34,943
Loans and advances	2,187,352	2,289,365	-4.46%	2,279,655
Investment securities	197,138	199,478	-1.17%	258,497
Investments in associates	-	-	0.00%	530
Deferred tax assets	9,716	6,440	50.87%	7,026
Other assets	58,079	37,536	54.73%	50,107
Property and equipment	110,061	105,284	4.54%	94,090
Intangible assets	11,927	4,645	156.77%	4,051
Total Assets	4,927,367	4,739,825	3.96%	4,357,296

Balance Sheet – Liabilities & Equity

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

(N'm)	Group Jun-17	Group Dec-16	YTD Change	Group Jun-16
Customers' deposits	2,974,938	2,983,621	-0.29%	2,685,477
Derivative liabilities	17,235	66,834	-74.21%	3,562
Current income tax payable	6,007	8,953	-32.91%	4,824
Deferred income tax liabilities	18	45	-60.00%	50
Other liabilities	184,437	208,680	-11.62%	196,881
On-lending facilities	378,337	350,657	7.89%	344,883
Borrowings	339,903	263,106	29.19%	358,789
Debt securities issued	307,159	153,464	100.15%	142,091
Total liabilities	4,208,034	4,035,360	4.28%	3,736,557

(N'm)	Group Jun-17	Group Dec-16	YTD Change	Group Jun-16
Share capital	15,698	15,698	0.00%	15,698
Share premium	255,047	255,047	0.00%	255,047
Retained earnings	274,287	267,549	2.52%	192,047
Other reserves	173,211	165,188	4.86%	157,075
Total Shareholders' funds	719,333	704,465	2.11%	620,739
Non-controlling interest	1,090	983	10.89%	872
Total liabilities & equity	4,927,367	4,739,825	3.96%	4,357,296

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Balance Sheet (Financial Assets & Liabilities)– FX Exposures

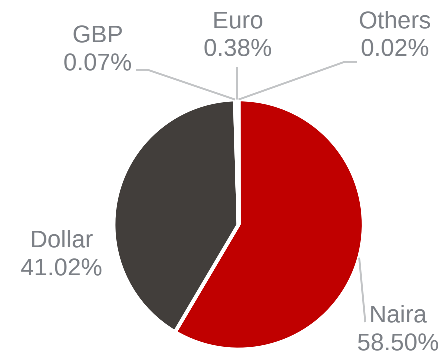
A diverse funding base supports our effort to match our FX exposures.

(N'million)	Naira	Dollar	GBP	Euro	Others	Total
Cash and balances with central banks	627,440	41,012	6,293	2,744	2425	679,914
Treasury bills	587,860	87545	–	–	16,109	691,514
Assets pledged as collateral	399,596	–	–	–	–	399,596
Due from other banks	12,558	458,926	1,269	27,046	137	499,936
Derivative assets	–	82,133	–	–	–	82,133
Loans and advances to customers (gross)	1,345,129	943,344	1,696	8,700	574	2,299,443
Investment securities	101,645	94,418	–	1075	–	197,138
Other financial assets	27,873	355	105	47	8	28,388
Total financial assets	**3,102,101**	**1,707,733**	**9,363**	**39,612**	**19,253**	**4,878,062**

(N'million)	Naira	Dollar	GBP	Euro	Others	Total
Customers' deposits	1,918,605	994,436	27,030	29,971	4,896	2,974,938
Derivative liabilities	–	17,235	–	–	–	17,235
Other financial liabilities	56,031	84,962	1467	15,613	87	158,160
On-lending facilities	378,337	–	–	–	–	378,337
Borrowings	–	339,902	–	–	–	339,902
Debt securities issued	–	307,159	–	–	–	307,159
Total financial liabilities	**2,352,973**	**1,743,694**	**28,497**	**45,584**	**4,983**	**4,175,731**
Net on-balance sheet position	**749,128**	**-35,961**	**-19,134**	**-5,972**	**14,270**	**702,331**

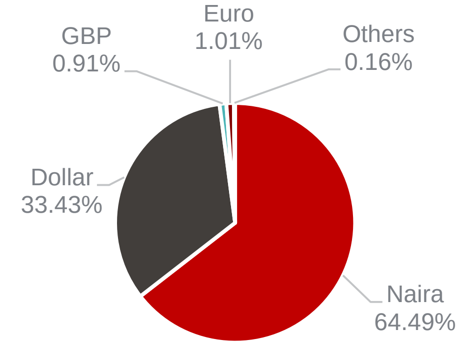
Loans and Advances (Gross)

H1 2017



Deposits

H1 2017



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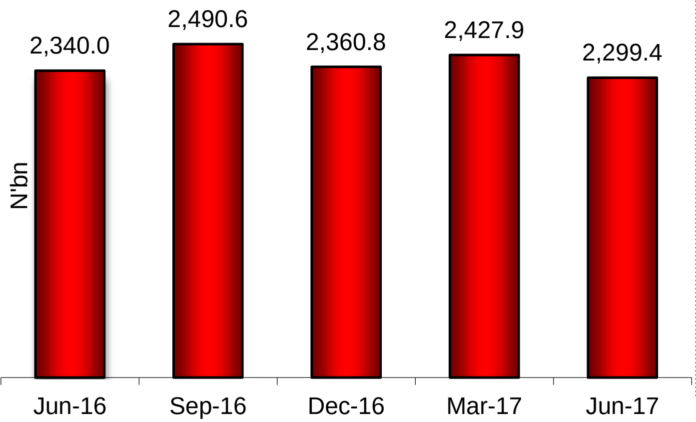
Sustained Assets & Liabilities Match

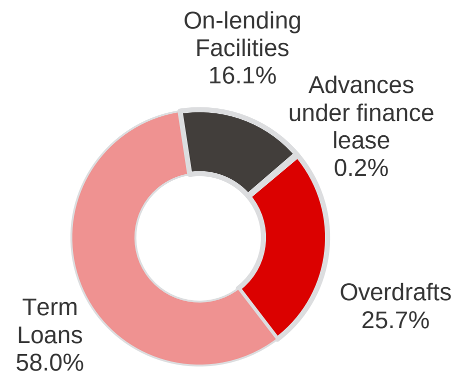
The group's approach to Loans and Advances is largely cautious, reflective of the realities of the operating environment. Our focus remains on advances to large corporates supported predominantly by demand deposit funds.

Loan Growth

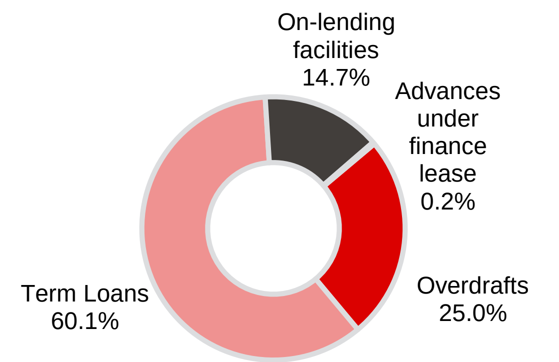


Loans & Advances

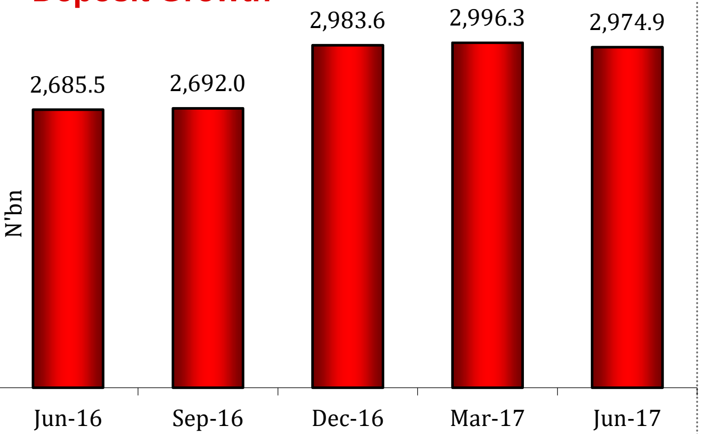
H1 2017



FY 2016

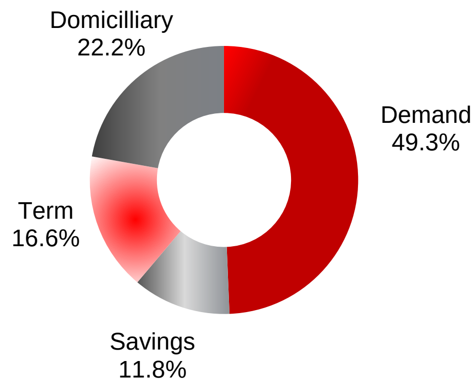


Deposit Growth

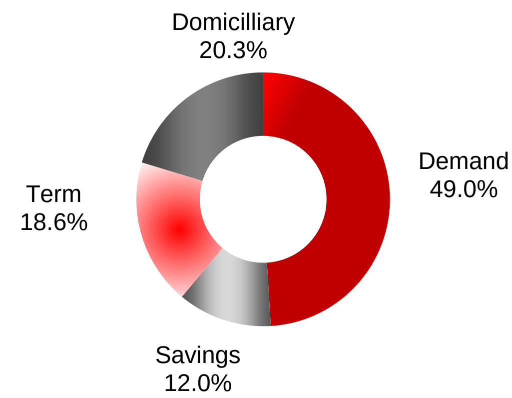


Deposit Mix

H1 2017



FY 2016



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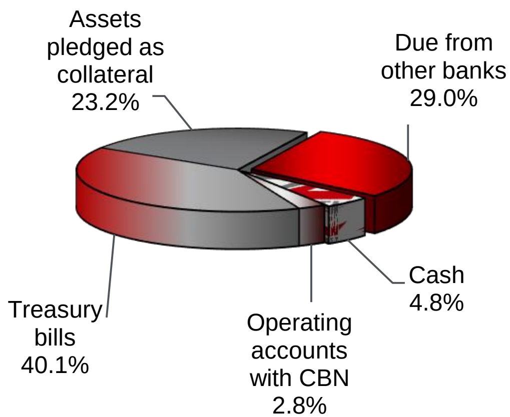
Continued Market Dominance through Strong Liquid Asset Base and Funding Mix

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

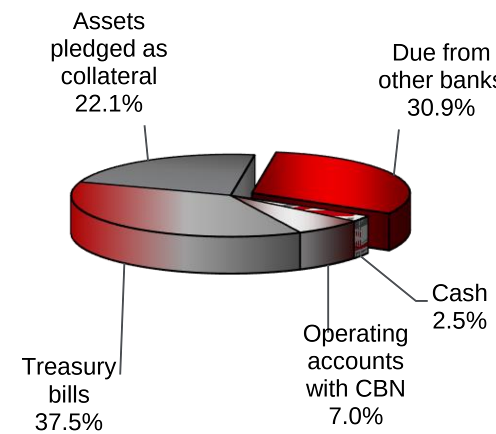
Liquid Assets

H1 2017



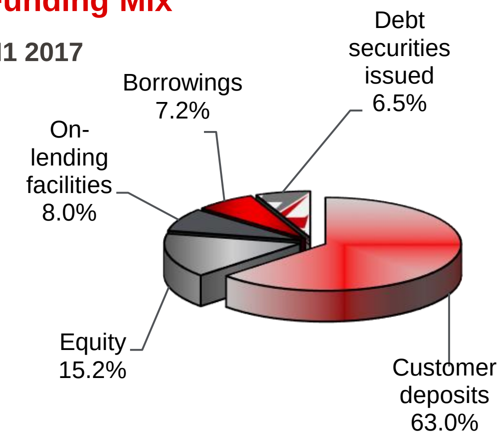
N'million	H1 2017	FY 2016	YTD
Cash	82,888	36,953	124%
Operating accounts with CBN	48,899	103,921	-53%
Treasury bills	691,514	557,359	24%
Assets pledged as collateral	399,596	328,343	22%
Due from other banks	499,936	459,457	9%
Total	**1,722,833**	**1,486,033**	**16%**

FY 2016



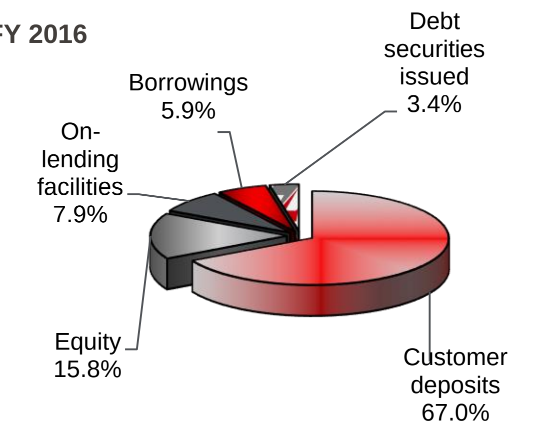
Funding Mix

H1 2017



N'million	H1 2017	FY 2016	YTD
Customers' deposits	2,974,938	2,983,621	0%
Equity	719,333	704,465	2%
On-lending facilities	378,337	350,657	8%
Borrowings	339,903	263,106	29%
Debt securities issued	307,159	153,464	100%
Total	**4,719,670**	**3,959,528**	**19%**

FY 2016



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P or L by Geography

Nigeria continues to be the main driver of profitability, providing about 90% of gross revenue.

H1 2017
(N'million)

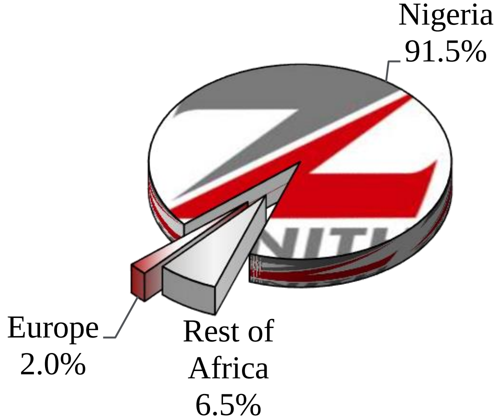
	Nigeria	Rest of Africa	Europe	Eliminations	Consolidated
Total Revenue	349,634	24,720	7,605	(1,519)	380,440
Total expense	(265,477)	(16,896)	(7,001)	1,117	(288,257)
Profit before tax	84,157	7,824	604	-402	92,183
Tax	(14,468)	(2,265)	(133)	-	(16,866)
Profit after tax	69,689	5,559	471	(402)	75,317

H1 2016
(N'million)

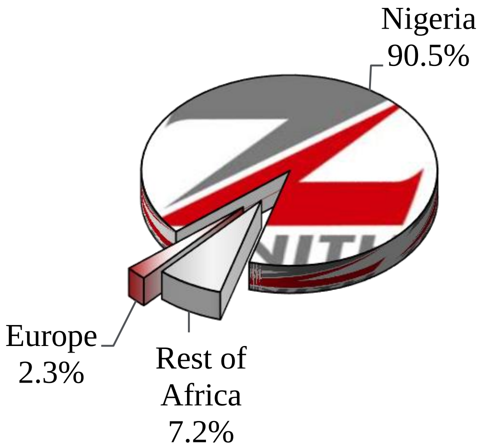
	Nigeria	Rest of Africa	Europe	Eliminations	Consolidated
Total Revenue	195,465	15,507	4,915	(1,075)	214,812
Total expense	(146,309)	(9,377)	(5,616)	395	(160,907)
Profit before tax	49,156	6,130	(701)	(680)	53,905
Tax	(16,673)	(1,758)	(7)	-	(18,438)
Profit after tax	32,483	4,372	(708)	(680)	35,467

Gross Revenue

6M17



6M16



P or L – By Sector

Continuous diversification and improved profitability across core business sectors

H1 2017
(N'million)

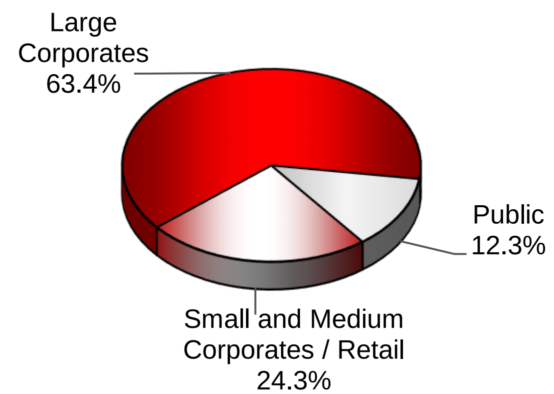
	Large Corporates	Public	Small and Medium Corporates / Retail	Consolidated
Total revenue	241,046	46,848	92,545	380,440
Total expenses	(188,658)	(32,630)	(66,968)	(288,257)
Profit before tax	52,388	14,218	25,577	92,183
Tax	(9,585)	(2,601)	(4,680)	(16,866)
Profit after tax	42,803	11,617	20,897	75,317

H1 2016
(N'million)

	Large Corporates	Public	Small and Medium Corporates / Retail	Consolidated
Total revenue	141,020	15,056	58,736	214,812
Total expenses	(107,017)	(11,356)	(42,533)	(160,907)
Profit before tax	34,003	3,700	16,202	53,905
Tax	(11,631)	(1,266)	(5,542)	(18,438)
Profit after tax	22,372	2,434	10,660	35,467

Gross Revenue

6M17



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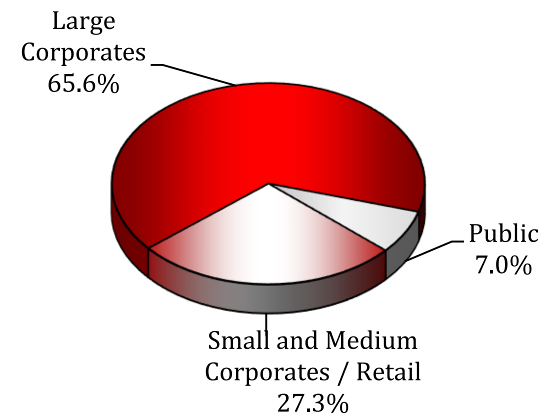


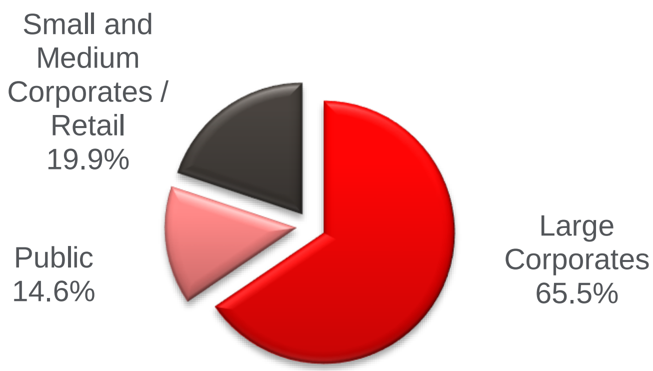
ZENITH BANK®

Loans & Deposits – By Sector

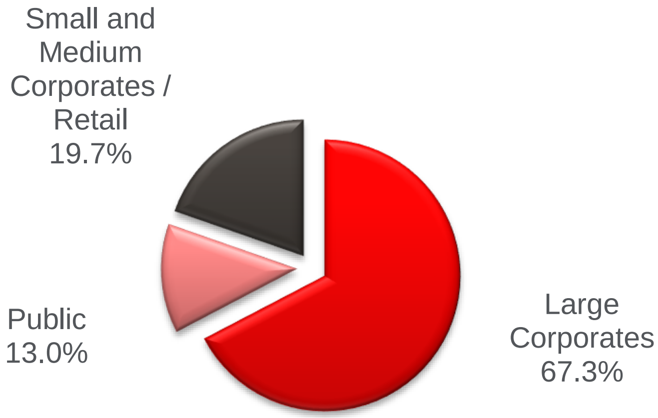
Corporate-oriented franchise, with improving retail component.

Gross Loans	Total Deposits

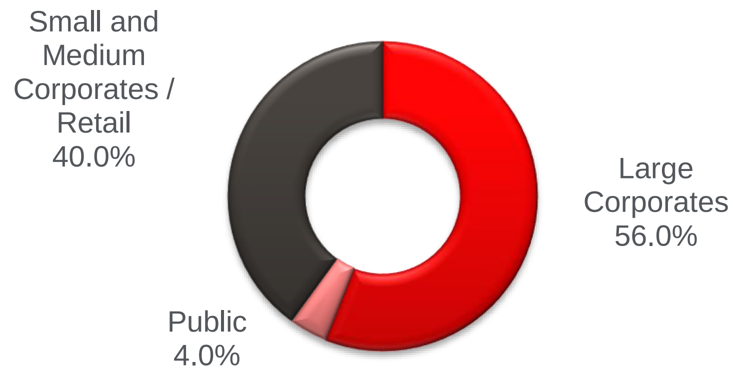
H1 2017 Gross Loans – ₦2.30 Trillion



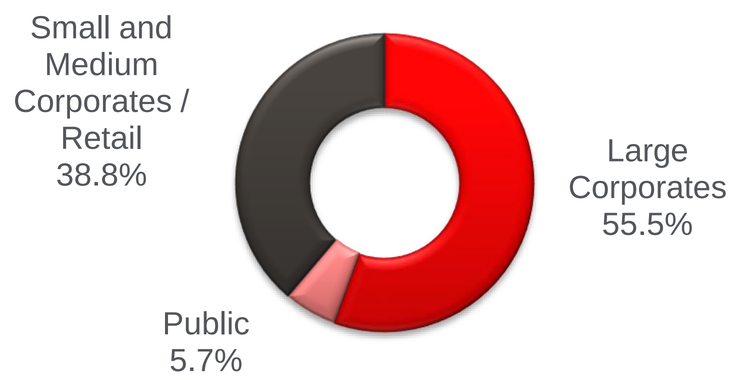
FY 2016 Gross Loans – ₦2.36 Trillion



H1 2017 Total Deposits – ₦2.97 Trillion



FY 2016 Total Deposits – ₦2.98 Trillion



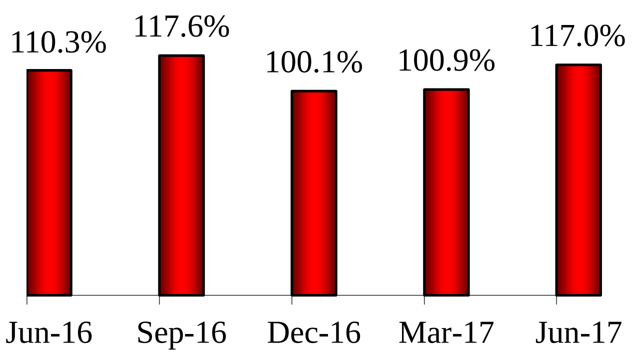
ZENITH BANK®

3. Risk Management

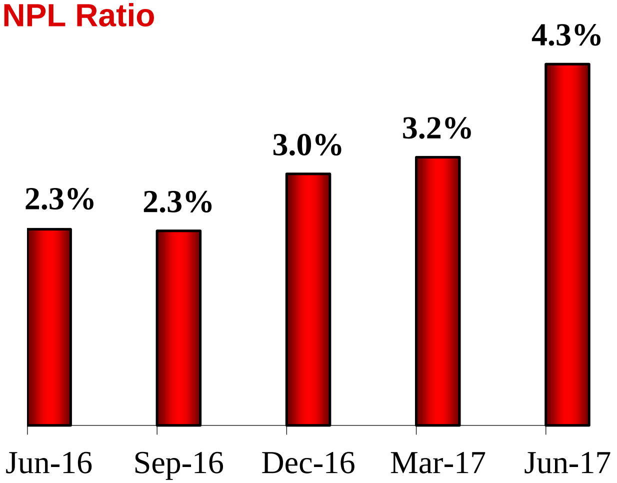
Healthy Risk Assets Portfolio

Historically strong risk controls have resulted in a largely stable NPL ratio, with robust coverage levels that compare favourably with peers and the sector.

NPL Coverage Ratio



NPL Ratio



Our Risk Management Strategy

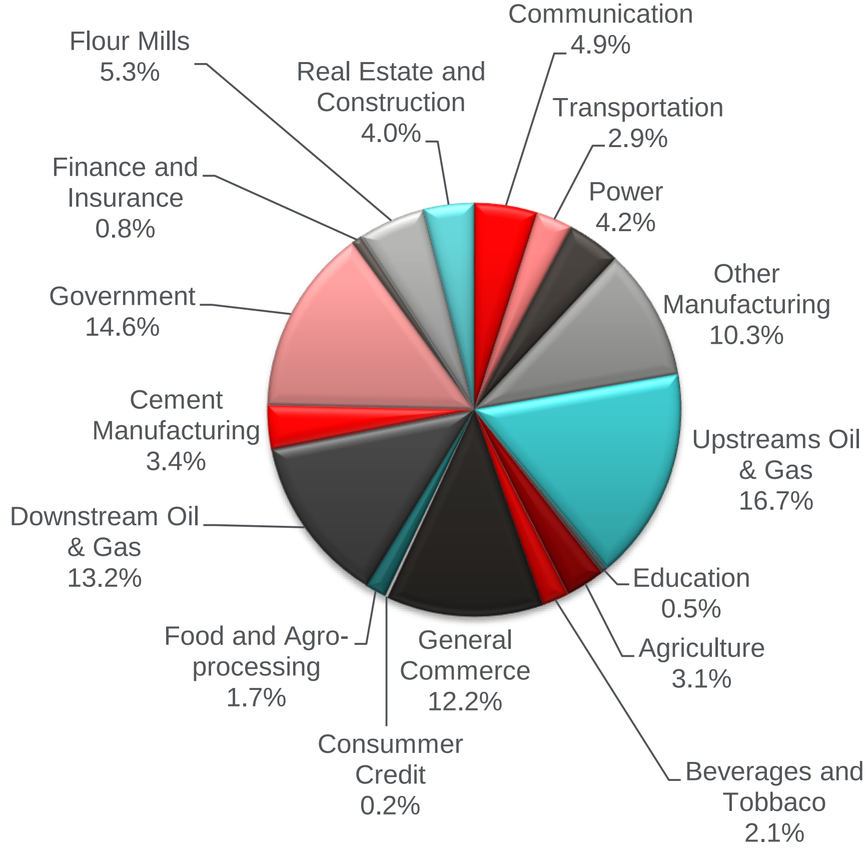
- ✓ The Group adopts a complete and integrated approach to risk management that is driven from the Board level to the operational activities of the bank.
- ✓ Risk management is practiced as a collective responsibility coordinated by the risk control units and is properly segregated from the market facing 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.
- ✓ **Loans to Oil & Gas Sector:** As price of crude oil continues to fall, the bank has put in place the following to guide against delinquent loans:
  - ✓ Hedges against drop in crude oil price for customers with loans
  - ✓ Encourage customers to increase production capacity to generate more cash flows
  - ✓ Customers are advised to diversify into gas production
  - ✓ Restructuring of loans in line with expected cash flow
- ✓ **Loans to Power Sector:**
  - ✓ Zenith Bank advanced loans to DISCOs with high cash generating capacity
  - ✓ The bank supported customers with other thriving businesses

ZENITH BANK®

Focused Risk Management via Portfolio Diversification

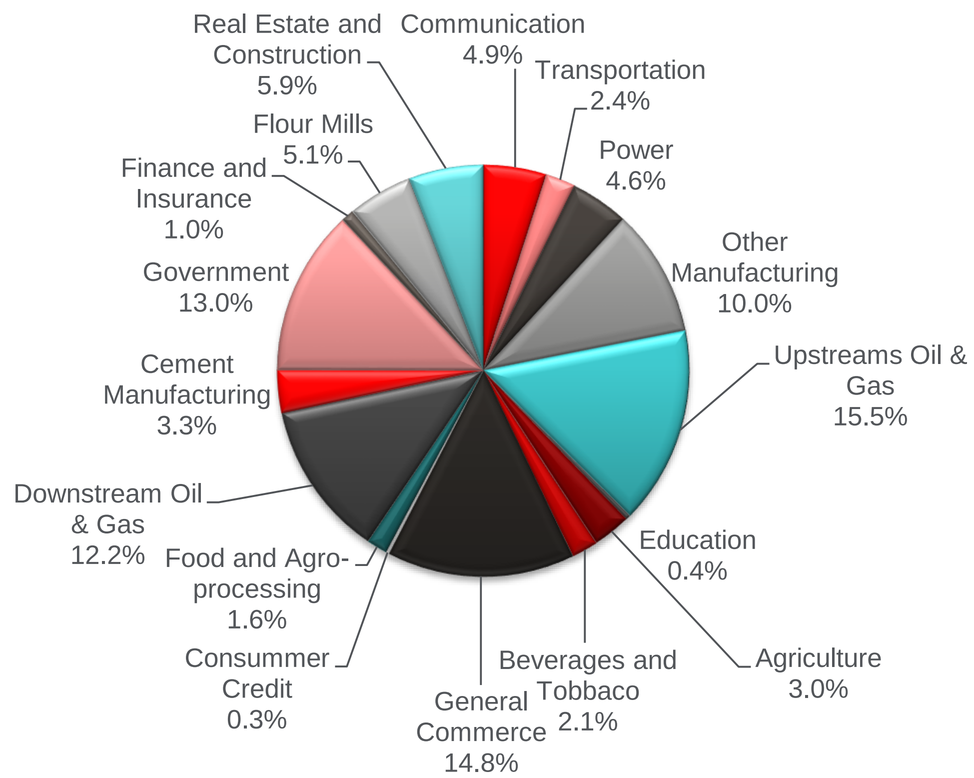
Well diversified loan portfolio across sectors supports asset quality.

Loans by Sector – H1 2017



Gross Loans – N2.43 Trillion

Loans by Sector – FYE 2016



Gross Loans – N2.36Trillion

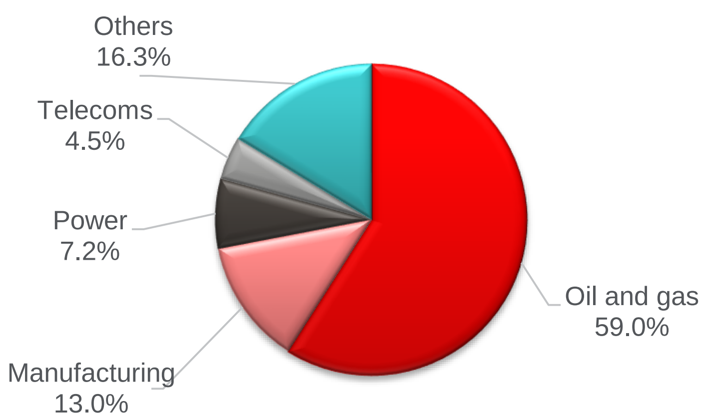
ZENITH BANK®

Foreign Currency Loans & Restructured Loans

Well diversified loan portfolio across sectors support asset quality.

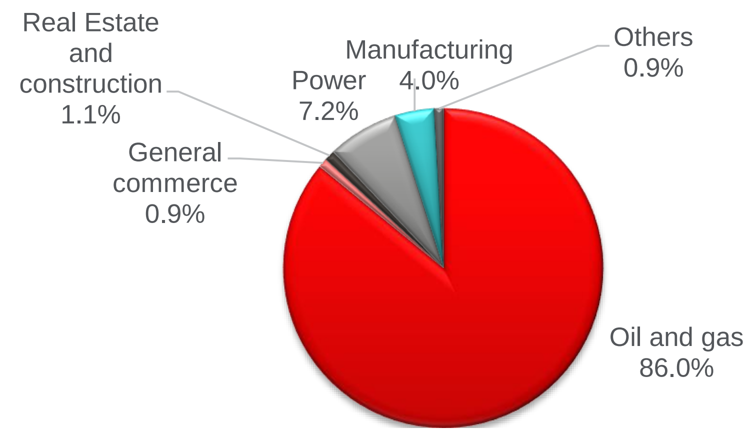
Foreign Currency Loans – H1 2017

USD loans by sector	US$' m	N'm	% to US$ loans	% to Gross loans
Oil and gas	1,824	556,262	59.0%	24.2%
Manufacturing	403	122,946	13.0%	5.3%
Power	224	68,284	7.2%	3.0%
Telecoms	138	42,043	4.5%	1.8%
Others	504	153,809	16.3%	6.7%
Total US$ loans	**3,093**	**943,344**	**100.0%**	**41.0%**



Restructured Loans – H1 2017

Restructured Loans by sector	N'm	% to Restructured loans	% to Gross loans
Oil and gas	232,941	86.0%	10.1%
General commerce	2,515	0.9%	0.1%
Real Estate and construction	2,861	1.1%	0.1%
Power	19,476	7.2%	0.8%
Manufacturing	10,761	4.0%	0.5%
Others	2,430	0.9%	0.1%
Total restructured loans	**270,984**	**100.0%**	**11.8%**

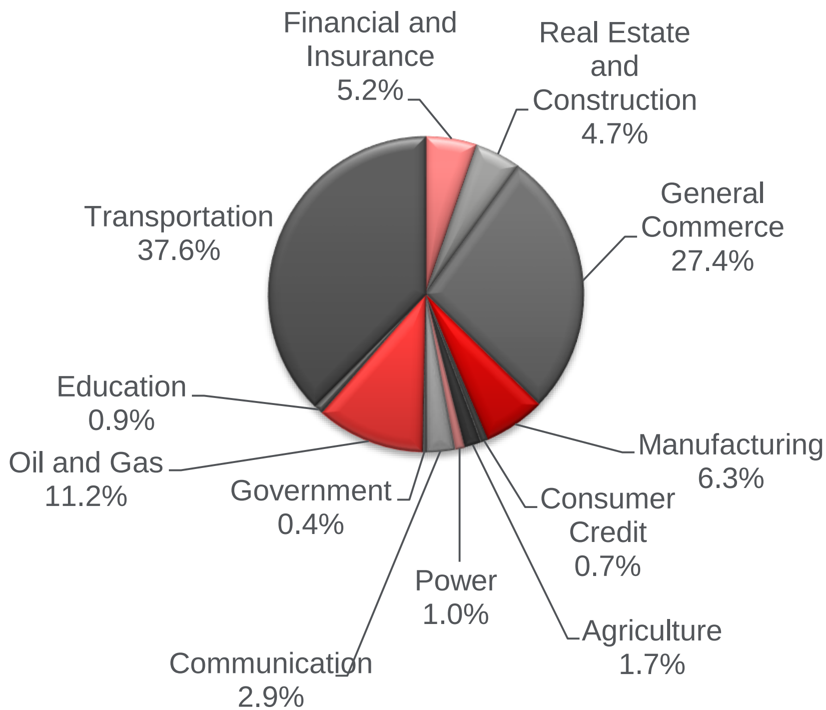


ZENITH BANK®

NPLs by Sectors

Zenith Bank continues to develop its risk management strategy and improve on the quality of its loan portfolio. The NPL ratio of 4.3% is currently one of the lowest in the industry.

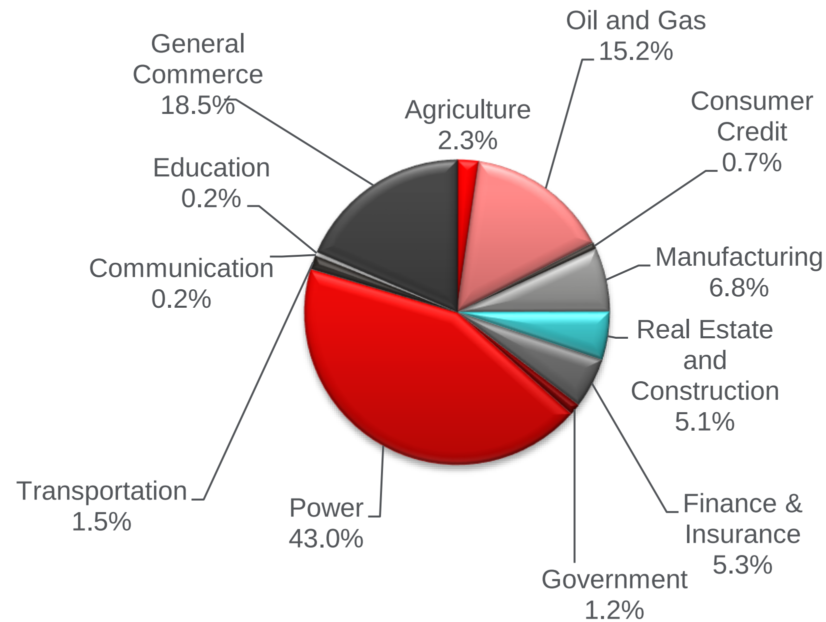
H1 2017



Total NPLs – N99.19 Billion

NPL Ratio – 4.3%

FYE 2016



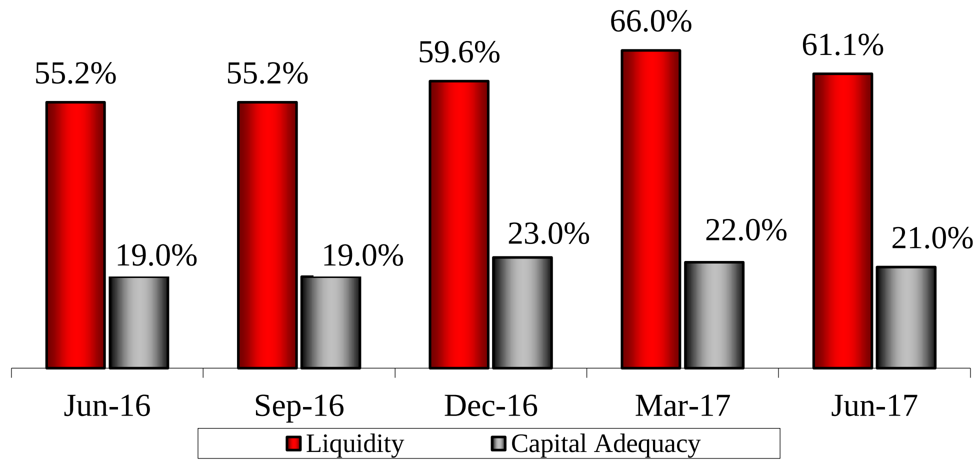
Total NPLs – N71.37Billion

NPL Ratio – 3.0%

Strong Capitalisation and Liquidity

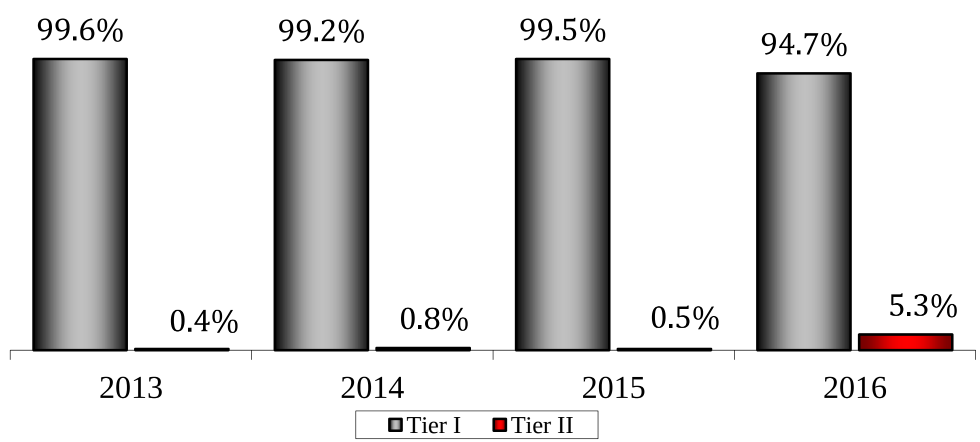
Liquidity buffer well in excess of regulatory requirements. Solid and high-quality capital position provides room for further growth and has supported Zenith Bank's historically strong dividend payout profile.

Liquidity and Capital Adequacy



Capital and liquidity ratios for the Bank – well above industry requirements of 30% for Liquidity and 15% for Capital Adequacy Ratio (Banks with international authorisation which are also systematically significant)

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

ZENITH BANK®

4. Strategy

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

4

Trading Management

- We are taking advantage of our liquidity in Naira and foreign currencies to optimize our yields in the FX and money markets.

ZENITH BANK®

Our Key Growth Target Sectors

Driving profitability with our competitive advantages

Identified Growth Sectors	Competitive Advantage
• Agriculture	• Strong capital and liquidity
• Infrastructure	• Strong brand
• Manufacturing	• Strong international rating
• Petrochemicals	• Extensive branch network
• Real Estate and Construction	• Robust ICT and E-bank channels
• Retail	• Well motivated staff force
• Service Industry	• Excellent customer services
• Telecoms	
• Transportation and General Commerce	

Outlook and Prospects for FY2017

- **Retail Banking:** The bank will continue to grow its retail business especially in liability generation. This will be achieved through the deployment of innovative products in mobile banking, internet banking and cards services. The capturing of bio-data of all bank's customers across the industry into a single data base has also boosted our retail banking business. Each customer now has a unique Biometric Verification Number (BVN) and this has helped to reduce fraud in the banking system.

- **Agriculture:** The Federal government's resolve to boost the agricultural sector in the country would no doubt create quite a number of opportunities in the areas of funding, job creation and indeed food security to Africa's most populous nation. Various Funding Schemes to ensure that the country's economy is diversified have been put in place. These include Commercial Agriculture Credit Scheme (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. Zenith Bank has played a major role in this sector to support the various government's projects aimed at boosting our economy.
- **Deposit Base:** Our drive for low cost and appropriately mixed deposit base to fund our credit and money market transactions would continue in FY2016. We are committed to be a dominant player in the money market space to drive up income and profitability going forward.

- **Customer Services:** At the center of the Group's pursuit of excellent customer service, we would continue to focus on strengthening our relationship management in a bid to surpass stakeholders' expectations.

- **Investments in Technology and Product Innovations:** The Group has over the years become synonymous with the use of ICT in banking and general innovation in the Nigerian banking industry. We have renewed our commitment in ensuring that all our activities are anchored on the e-platform and providing service delivery through the electronic media to all customers irrespective of place, time and distance. Zenith group only recently scored another first, becoming the first Nigerian institution to be awarded a triple ISO certification by the British Standards International (BSI): the ISO 22301, 27001 and 20000 standards

- **Risk Assets:** The Group would continue to seek opportunities to grow its risk assets while maintaining a low NPL ratio and sustaining our improved coverage ratio. We would continue to strive for the optimal protection of our shareholders' wealth through the continuous review and improvement of our risk management culture and processes

- **Manufacturing and Real Sector:** More emphasis will be placed on manufacturing and the real sector by providing support to local production. This is expected to drive the self sustainability policy of the federal government.

Thank you