



SUSTAINING the **STRONG** **MOMENTUM**

2017 Sustainability Report



A vast field of red poppies stretches towards the horizon under a soft, orange-hued sunset sky. The flowers are in various stages of bloom, with some fully open and others as buds. The background shows a line of trees silhouetted against the bright sky.

For every social and environmental initiative that we invested in during the year under review, the pertinent question for us was, "how does this impact the actualization of the Sustainable Development Goals and Nigeria's sustainable growth objectives?"

- Jim Ovia

A vast field of red poppies stretches to the horizon under a warm, golden sunset sky. The sun is low on the horizon, creating a soft glow over the field. The poppies are in various stages of bloom, with some fully open and others as buds. The overall mood is peaceful and hopeful.

Sustaining the
STRONG MOMENTUM



**SUSTAINABLE
DEVELOPMENT**

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ABOUT *This* REPORT

Zenith Bank's Sustainability Report 2017 ('Sustaining the Strong Momentum') covers the period January 1, 2017 to December 31, 2017. It is an annual report that discloses our economic, environmental and social performance in the financial year 2017 and our plans and targets for the next five years.

It is our third standalone Sustainability report, coming after the first report that was published in August 2016 covering the period January 1, 2015 to December 31, 2015; and the second report which was published in August 2017, covering the period January 1, 2016 to December 31, 2016.

The 2017 report is prepared in accordance with the new GRI Standards unveiled in October 2016 by the Global Sustainability Standards Board (GSSB); using the Core option (GRI 102-54); and the GRI content index (GRI 102-55).

The General Disclosure and Management Approach guidelines for the different indicators, as well as the Financial Services Sector specific disclosure guidelines are followed in the reporting. It includes a Sustainability Materiality Matrix covering all issues and indicators that were material to us during the review period. The boundaries for the different identified impacts are clearly indicated.

The report underscores our progress and challenges in sustainable banking during the period under review. It discloses our positive and negative footprints on the economy, natural environment and the society in 2017.

It also highlights the different stakeholders' engagement platforms that we deployed, the material issues that emerged from these engagements and how they were managed and or addressed during the year.

Criteria that defined our material topics and boundaries for the 2017 report are:

- Zenith Bank's strategic business objectives and the impact these have on the economy, society and the physical environment
- Stakeholders' expectations and concerns

- Financial sector specific regulatory and market obligations

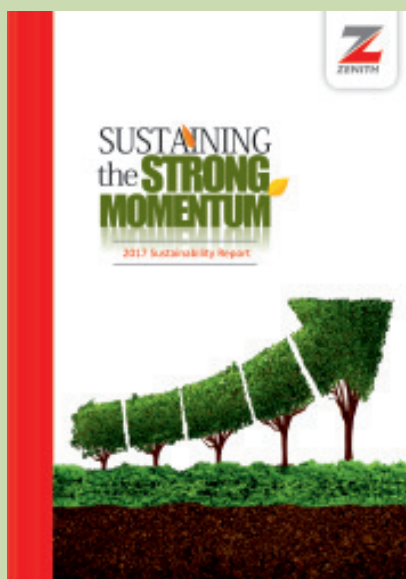
Topics that meet the three criteria are considered to be material and are defined based on the significance of their impact in our value chain.

Disclosures made in this report cover only the Nigerian operations of Zenith Bank Plc, unless otherwise stated.

The report integrates the reporting requirements of other sustainability standards that we are committed to by regulation or in pursuit of our overall business strategy, including principles and standards of the United Nations Global Compact (UNGC); United Nations Environment Program Finance Initiative (UNEP-FI); United Nations Universal Declaration of Human Rights; International Labor Organization (ILO); International Finance Corporation (IFC) Performance Standards; ISO26000; ISO45001; the Organization for Economic Cooperation and Development (OECD); the United Nations Sustainable Development Goals (SDGs); the Central Bank of Nigeria's Sustainable Banking Principles (NSBPs), among others.

This year's report provides us a platform to gauge our progress so far in the sustainability journey, following our first report published in 2015 which constituted our reporting baseline.

PricewaterhouseCoopers conducted a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' and, in respect of the greenhouse gas emissions, in accordance with International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements', issued by the International Auditing and Assurance Standards Board. The external assurance procedure included on-site visits, interviews with relevant KPI managers and verification of related documents and data.



EXECUTIVE SUMMARY

O

ur operating macroeconomic environment in 2017 was an improvement on the preceding year. Having emerged from its worst recession in a quarter of a century, the Nigerian economy measured by Gross Domestic Product (GDP) grew by 0.82 percent, year-on-year in 2017, compared with -1.58 percent recorded in the corresponding period of 2016. Growth was driven mainly by rising and stable prices of crude oil, consistency in local production of the commodity and relative macroeconomic and monetary stability.

Zenith Bank Group's gross earnings hit a high of N745 billion in 2017, up from N507 billion in 2016, representing a 46.9 percent rise. Similarly, Profit after tax rose by 37.2 percent, from N129 billion in 2016 to N177.9 billion. Total assets also reached a record N5.59 trillion, an 18 percent increase over the N4.73 trillion recorded in 2016. Our impressive financial performance in 2017 positioned us to achieve our objective of sustaining strong economic value creation for our stakeholders and the larger Nigerian economy.

For the second consecutive year, our corporate social responsibility (CSR) investments topped the N2 billion mark at N2.61 billion, representing 1.5 percent of Profit After Tax for the year. Our social investment decisions and initiatives were hinged on the outcome of our engagements with host communities. This way, we are sure that the projects that are executed are impactful and sustainable.

On the environment, we remain committed to mitigating our negative footprints. In the year under review, we improved on our carbon footprint management by engaging the services of an external auditor (V4 Advisors) to measure and give an independent report on our greenhouse gas emissions in our head office complex, its annexes and the new car park.

According to the audit report, our diesel consumption dropped from 1,856,392 litres in 2016 to 1,584,676 litres in 2017, representing a reduction by 14.6 percent. Consequently, there was a 12.7 percent decrease in the total litres of diesel used per employee, from 1,717 litres in the preceding year to 1,499 litres in 2017.

In 2017, we integrated the 17 Sustainable Development Goals (SDGs) into our environmental and social risk management system. The aim is to measure our environmental and social footprints to determine the extent to which they contribute towards the attainment of the SDGs. With this initiative, our SDG footprints are now better documented, measured, monitored and reported.

Zenith Bank's Sustainability Materiality Matrix 2017



| | | |
|---|--|--|
|  SOCIAL STANDARDS |  ENVIRONMENTAL STANDARDS |  ECONOMIC STANDARDS |
| Child/Forced Labor 1 | Environmental Compliance 4 | Anti-corruption 13 |
| Human rights and Non-discrimination 2 | Effluents and waste 6 | Procurement Practices 15 |
| Diversity and equal opportunity 3 | Emissions 8 | Market Presence 16 |
| Product and service labeling 5 | Energy 9 | Indirect Economic Impacts 17 |
| Customer privacy 7 | | Economic Value Created 18 |
| Training and education 10 | | |
| Local Communities & Social Investments 11 | | |
| Occupational health and safety 12 | | |
| Employment / Labour Relations 14 | | |

* Value range 1-18, with 18 representing the highest impact and 1 the lowest

But the total electricity purchased from the national grid rose from 3,305,540.83kWh at the end of 2016, to 4,547,028.74kWh, indicating a 37.6 percent increase. This was due mainly to the expansion in the measurement scope to cover the entire head office annexes and our new ultramodern car park. Consequently, the total occupied space measured for carbon emission increased from 2,505.74m² in 2016 to 6,730.2m² in 2017.

From 232 trips recorded in 2016, total number of business travels (by air) rose to 380 in 2017. However, because of the shorter travel distance covered, emission from air travels actually fell from 299.4 tCO₂e in 2016 to 262.8 tCO₂e in 2017, a 12.2 percent decrease, year-on-year. Overall, the Bank's carbon footprint reduced by 5.3 percent compared with 2016. We remain focused on tackling the different emission points in our operations to significantly reduce our footprints in line with our corporate goals and objectives.

In 2017, we integrated the 17 Sustainable Development Goals (SDGs) into our environmental and social risk management system. The aim is to measure our environmental and social footprints to determine the extent to which they contribute towards the at-

tainment of the SDGs. With this initiative, our SDG footprints are now better documented, measured, monitored and reported.

Our status as one of Africa's top lenders means that we have business and investment relationships across all sectors of the economy. Third party relationships constitute our biggest indirect footprint. In 2017, we made significant progress in integrating environmental and social risk considerations into our credit transactions. Investees' compliance with our environmental and social risk policies and standards is now condition precedent to loan approvals and disbursements.

We understand that there are still huge gaps to fill in our sustainability journey, especially in the capture, documentation, measurement and monitoring of our different environmental footprints. But we are committed to achieving significant improvements in the coming years. We have set for ourselves a target of continuous improvement in enhancing our positive footprints and reducing our negative ones. We will continue to build on the current thrust.



Chairman's Statement

Our strong financial performance in 2017 enabled us to deliver yet another superior economic value to our esteemed stakeholders.



Jim Ovia, CON
Chairman, Zenith Bank Plc

SUSTAINING the STRONG MOMENTUM

The Zenith Bank Group recorded another sterling performance in the financial year 2017. The Bank leveraged product and service innovation and improving macroeconomic conditions in its key market, Nigeria, to deliver strong growth in all key performance parameters. Year-on-year, gross revenue grew by 46.9 percent to reach N745 billion; at N177.9 billion, profit after tax was up 37.2 percent; total assets recorded an 18 percent growth to hit a record N5.59 trillion; while shareholders' fund edged higher by 16.8

percent to close the year at N822 billion.

Our strong financial performance in 2017 enabled us to deliver yet another superior economic value to our esteemed stakeholders. In 2017, our Earnings per Share (EPS) rose 37.4 percent, from N4.12k per share in 2016 to N5.66k. Total dividend payout to our valued shareholders grew 33.7 percent, from N63.8 billion the preceding year to N84.7 billion. The net wealth we created rose 19 percent year-on-year to reach N281.9 billion.



(SDGs). We understand that, as a major Nigerian brand, we have a critical role to play in the realization of these laudable national and global objectives. For every social and environmental initiative that we invested in during the year under review, the pertinent question for us was, “how does this impact the actualization of the Sustainable Development Goals and Nigeria’s sustainable growth objectives?” In 2017, we invested N2.61 billion in various impactful CSR projects.

We remain mindful of the potential negative environmental footprints in our value chain and have adopted the precautionary approach to environmental and social (E&S) risk management, to minimize and mitigate the risks that our business operations may pose to the physical environment and the larger society. We have adopted a policy of continuous improvement of our business processes, leveraging technology and innovation to achieve resource efficiency and mitigate any potential negative environmental impact. Adopting the precautionary approach to E&S risk management has helped us to be more proactive and forward looking in managing our overall footprints.

Our carbon footprint was measured and reported by independent external auditors in the year under review. While we are still far from meeting our long term carbon neutrality goal, we are pleased with the over 5 percent reduction we recorded in our footprint, year-on-year. We plan to build on this achievement and ensure faster reduction in our footprints in the years ahead.

At Zenith Bank, we are committed to our vision of building an enduring brand; creating sustainable wealth for our valued stakeholders; and championing environmental and

We have adopted a policy of continuous improvement of our business processes, leveraging technology and innovation to achieve resource efficiency and mitigate any potential negative environmental impact.

Importantly, we also grew in our environmental and social performance index, extending the integration of sustainability into all that we do and building an enterprise-wide sustainable banking culture.

In the year under review, we remained focused on our social and community investments, delivering impactful social projects and initiatives that contribute, not just to the achievement of Nigeria’s Economic Recovery & Growth Plan (ERGP), but also towards the realization of the Sustainable Development Goals

social sustainability. In the last five years, we have made tremendous progress in this journey. We will continue to build on this strong momentum.


Jim Ovia, CON
Chairman



GMD/CEO's Statement

Beyond ensuring energy efficiency in our internal operations, we are also committed to influencing energy efficient behavior in our entire value chain.



Peter Amangbo
GMD/CEO, Zenith Bank Plc

TACKLING our CLIMATE FOOTPRINT

The growing menace of climate change and global warming has become a major cause for concern for every responsible corporate citizen. At Zenith Bank, we are putting policies and structures in place to significantly reduce our climate footprint and support the global climate action. We are innovating to ensure that our processes and technologies are

topnotch and environmental friendly.

We are currently upgrading our gas-powered Energy Centre and putting ultra-modern equipment in place to replace older ones. The power plant project is designed to serve about 16 Zenith Bank buildings in Victoria Island, Lagos, distributing electricity to all the buildings from one central point. At completion, the project will serve several purposes. It will en-



sure 24/7 electricity supply to the branches. It will also enable us retrieve about 20 (250kva) generators from the buildings, significantly reducing our diesel consumption. The new Energy Centre is 100 percent soundproof, eliminating noise pollution. The project will be run 70 percent gas and 30 percent diesel, thereby reducing our carbon footprint for the office complexes by at least half. The initiative will help us build on the 5.3 percent year-on-year greenhouse gas emission reduction we achieved in 2017 and take us closer to our goal of achieving carbon neutral banking operations. The multi-billion Naira project is scheduled to go live in about 12 months. The plan is to replicate this initiative in other business locations.

Also as part of our energy efficiency drive, we have increased the number of our branches powered by solar to 404, with 263 new installations achieved in 2017. About 447 ATMs were also migrated to solar power in 2017.

Beyond ensuring energy efficiency in our internal operations, we are also committed to influencing energy efficient behavior in our entire value chain. This is why we have integrated environmental and social risk considerations into our credit administration process, setting compliance with our E&S policies and standards as precondition for loan approvals and disbursements. In the same vein, our Code of Conduct for Suppliers, Vendors and Contractors clearly spells out our environ-

We are excited about the progress we are making in environmental and social sustainability and will continue to build on these positives.


mental and social standards as precondition for establishing sustainable business relationship across our supply chain.

In the year under review, about 4,532 employees, representing 73.9 percent of the total workforce were trained on Environmental and Social sustainability courses. Our training and capacity building programs are designed to build a workforce that understands its roles and responsibilities in driving our sustainability vision and agenda.

We still face several implementation challenges, especially in documentation, measurement and monitoring of all sustainability indicators that are material to us. But these are not insurmountable. We understand that the commitment and active involvement of the board, management and indeed all members of the workforce will ensure that we achieve our environmental and social management objectives.

We are excited about the progress we are making in environmental and social sustainability and will continue to build on these positives.


Peter Amangbo
 Group MD/CEO



Zenith Bank places high premium on its core business strategy which is anchored on **People, Technology and Service**. Exceptional service delivery that exceeds clients' expectations has been the bank's cardinal success factor.



ABOUT **ZENITH BANK**

Corporate Profile



Our objective is to ensure that every member of our team recognizes and understands these values and are bound by them.

Zenith Bank Group is one of Africa's foremost financial institutions, serving individual customers and corporate businesses with a range of innovative financial products and services. The Bank has assets base of over N5.59 trillion, gross earnings of N745 billion and profit before tax of N203.5 billion, as at December 31, 2017. Its stocks are traded on the Nigerian Stock Exchange (NSE) and the London Stock Exchange (LSE).

With head office in Lagos, Nigeria, Zenith Bank offers best-in-class banking services from 392 branches; 64 Cash Offices; 78 ATM Buildings (Offsite); 10 Archive Buildings; 2 training schools; and 4 Guest Houses, across all States in Nigeria and the Federal Capital Territory (FCT), Abuja. The Zenith Bank Group also has presence in the United Kingdom (UK), Ghana, Sierra Leone, The Gambia, South Africa, China and the United Arab Emirates (UAE).

The Bank places high premium on its core business strategy which is anchored on **People, Technology and Service**. Exceptional service delivery that exceeds clients' expectations has been the bank's cardinal success factor.

With strict adherence to global best practices, Zenith Bank combines vision, professionalism, expertise and technology to create products and provide services that anticipate and surpass customers' expectations.

As at December 31, 2017, Zenith Bank Plc had a total of 6,130 active permanent employees; 3,177 males and 2,953 females, representing 52 percent and 48 percent of total employees, respectively. These numbers form the basis of all analysis in this report, unless otherwise stated. A total of 111 permanent staff were inactive during the period under review, while 21 were seconded to the Bank's subsidiaries. The Bank's contract staff was a total of 1,896, representing 1,879 active contract staff and 17 inactive contract staff. All analyses in this report focus mainly on the active permanent staff of Zenith Bank Plc totaling 6,130, unless otherwise stated.

Our strengths

- Innovation
- Good financial performance
- Stable and dedicated management team
- Highly skilled and motivated workforce
- Leadership in the use of Information and Communication Technology
- Strategic service delivery points
- Good asset quality

Our vision

"To build the Zenith brand into a reputable international financial institution recognized for innovation, supe-

With strict adherence to global best practices, Zenith Bank combines vision, professionalism, expertise and technology to create products and provide services that anticipate and surpass customers' expectations.

rior customer service and performance while creating premium value for all stakeholders".

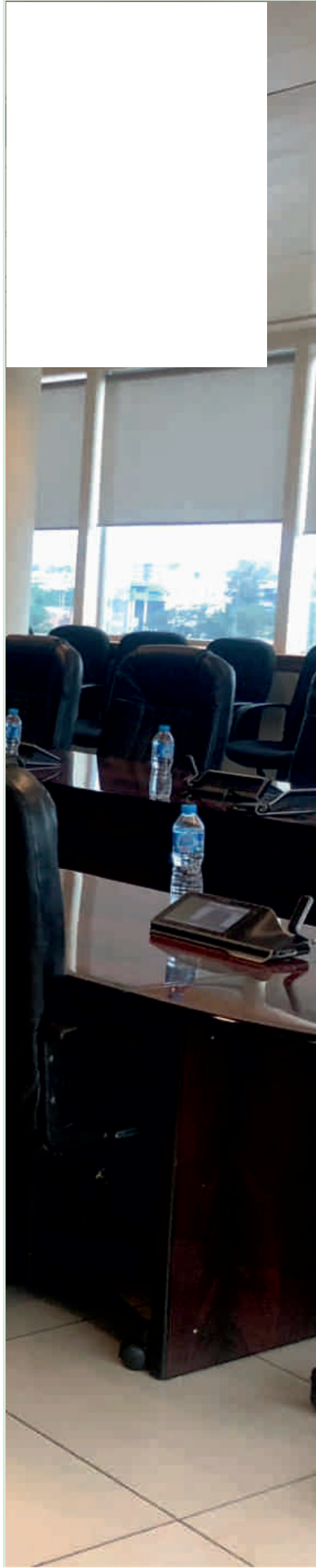
Our mission

"To establish a presence in all major economic and financial centers in Nigeria, Africa and indeed all over the world, creating premium value for all stakeholders"

Our core values

- Integrity
- Professionalism
- Excellence
- Ethics
- Commitment
- Transparency
- Service
- Equity

Our core values are derived from our collective vision as an institution and are propagated to all employees of the bank using diverse platforms, including trainings, mentoring, internal correspondences, and employees' manuals and handbooks. Our values, principles, standards, and norms of behavior define our corporate identity, culture, who we are and all we aspire to be.





Our objective is to ensure that every member of our team recognizes and understands these values and are bound by them. This is why they constitute an important aspect of our orientation program for new entrants, and the reason why supervisors, line managers, executive management and board monitor compliance at all levels.

We ensure that our business partners, vendors, contractors and suppliers understand these values and imbibe them in their dealings with us. Similarity in values is taken into consideration in our decisions to engage business partners. Our 'Code of Conduct for Suppliers, Vendors and Contractors' as well as our Service Level Agreements (SLAs) clearly define and enforce these values in our supply chain relationships.

Strategic Objectives

The strategic objective of Zenith Bank remains the continuous improvement of its capacity to meet stakeholders' changing needs, sustained excellent service delivery and consistent growth in a volatile business environment. This we plan to achieve through:

- Continuous investment in branch network and business expansion, thus bringing

quality banking services closer to our existing and potential customers

- Continuous investment in and deployment of state-of-the-art technology and ICT platform
- Employing and retaining the best personnel available
- Continuous investment in training and re-training of our personnel
- Maintaining and reinforcing our core customer service delivery charter
- Sustaining strong profitability and superior Return on Equity (ROE)
- Remaining conservative but innovative
- Sustaining a strong balance sheet size with adequate liquidity and capital base
- Sustaining our brand and premium customer services
- Cautious and synergistic global expansion
- Remaining customer service focused
- Continuous emphasis on use of technology as a competitive tool
- Continuous reassessment and mitigation of the social and environmental impacts of our business decisions and actions on local communities and the larger society
- Maintaining strong risk management and corporate governance practices
- Maintaining open channels of engagement with

key stakeholders and continuously striving to surpass their expectations

- Continuous enhancement of our processes and systems platforms to deliver new capabilities and improve operational efficiencies and economies of scale
- Maintaining strong risk management and corporate governance culture
- Ensuring proper pricing for our products and services and ensuring over-all products responsibility
- Continuous delivery of superior and tailor-made service experience to all our customers at all times, and in all regions where we operate

External collaborations & institutional membership

Zenith Bank is committed to several Sustainability principles, standards and initiatives that support our goals and objectives. We became a member of the United Nations Environment Program’s Finance Initiative, (UNEP-FI) in May 2008; United Nations Global Compact (UNGC) in August 2014; signatory to the regulatory Central Bank of Nigeria’s Nigerian Sustainable Bank-



Zenith Bank is committed to several Sustainability principles, standards and initiatives that support our goals and objectives.

ing Principles (NSBP) in July 2012; member of the Global Reporting Initiative (GRI) Gold Community in July 2016.

We also endorse the provisions of the International Labor Organization’s (ILO) Sustainability Standards; International Finance Corporation (IFC) Performance Standards; ISO26000; ISO45001; the Organization for Economic Cooperation and Development’s (OECD) Responsible Business Conduct for Institutional Investors Guidelines. We are an active member of the NSBP Steering Committee and the industry’s Sustainability Champions’ Group. We also actively support the actualization of the United Nations Sustainable Development Goals.

We are a member of the World Economic Forum; the Nigerian Economic Summit Group; Nigeria-South Africa Chamber of commerce; Nigerian-British Chamber of Commerce; Nigerian-America Chamber of Commerce; US-Nigeria Council on Food Security, Trade and Investment; Chartered Institute of Bankers of Nigeria; NEPAD Business Group (Nigeria); Financial Institutions Training Centre (FITC); Equipment Leasing Association of Nigeria, among others.

These collaborations have boosted our overall preparedness for the sustainability journey, giving us access to a global network of experts, ideas, implementation guidelines and world-class training and capacity building.



• United Nations Headquarters in New York



BEST BANK

in

CORPORATE
GOVERNANCE



Ethics & Integrity

We ensure that high ethical standards are maintained in every aspect of our business.

Zenith Bank is a brand built on ethics and integrity. We understand that our customers cannot entrust their business to us if we do not display a high level of integrity and ethical behavior. We therefore treat business ethics with utmost priority.

In all the locations where we operate, we carry out our business activities in compliance with laid down laws and regulations. Our employees are expected to exhibit the highest level of ethical and legal conduct as stipulated by statutory regulations, industry guidelines and the Bank's policies.

Our employees at all levels are continuously trained and educated on behaviors that are acceptable in the workplace and those that are not. We ensure that high ethical standards are maintained in every aspect of our business. The penalties for violations are also clearly defined. Appropriate structures are in place to deter violations, punish offenders and reward compliance.

We are also guided by the Central Bank of Nigeria's (CBN) Code of Corporate Governance for Banks in Nigeria (2014) and the Securities and Exchange Commission (SEC) Code of Corporate Governance. During the year under review, we complied with the provisions of both codes.

The Bank's code of ethics and business conduct is enforced and monitored by the Board Governance, Nominations and Remuneration Committee. Our Disciplinary Committee is also on hand to hear cases of employees' ethical issues and offer the executive management advice on disciplinary measures to be taken against erring employees, where applicable.

| Analysis of Fraud and Forgeries Returns | | | | | | |
|---|-----|--------|-----------------------------|-------------------|--------|-----------------------------|
| 31 December, 2017 | | | | 31 December, 2016 | | |
| Nature of Fraud | No. | % Loss | Actual Loss to the Bank (N) | No. | % Loss | Actual Loss to the Bank (N) |
| | | | Jan-Dec 2017 | | | Jan - Dec 2016 |
| ATM/Electronic fraud | 39 | - | - | 18 | - | - |
| Staff Perpetrate | 19 | 34 | 11,689,602 | 4 | 86 | 7,740,002 |
| Impersonation | 166 | 37 | 12,789,868 | 1 | - | - |
| Stolen/Forged Instrument | 34 | 25 | 8,644,515 | 27 | - | - |
| Internet Banking | 1 | - | - | 151 | 14 | 1,300,000 |
| Others | 20 | 4 | 1,624,830 | 29 | - | - |
| Total | 279 | 100 | 34,748,815 | 230 | 100 | 9,040,002 |

We understand that the behavior and professional conduct of each employee directly and indirectly rubs off on our corporate image. All employees are expected to maintain high standard of professional conduct and personal behavior, both in and outside the office. They are also required to maintain good judgment, self-discipline and courteous approach to customers and colleagues at all times. We are committed to safeguarding our reputation and ensuring that all our employees are aware of and comply with requisite ethical and professional behavior.

Our robust Employees' Code of Conduct and Handbook clearly define acceptable code of behavior; and all employees at all levels are bound by them. In cases of breaches of our ethical standards, policies and procedures, and depending on the gravity of the breach, the Bank can invoke any of the following disciplinary measures against erring employees:

- Query
- Formal written warning
- With-holding of annual salary increment
- Suspension
- Termination
- Dismissal

Our employees and other stakeholders are encouraged to use our different engagement channels to report any breach of ethical standards that could jeopardize the reputation of the Zenith brand or the

wellbeing of stakeholders and the larger society. Reports can be made anonymously, via the Bank's whistle blowing portal on our intranet, or directly to a supervisor, line manager, human resources department, and so on, as appropriate. No matter the form of report, investigations will be conducted discreetly and the source kept confidential, subject to any legal constraints.

It is the responsibility of all employees to promptly communicate suspicious conducts, or possible violation of laws, regulations and ethical standards to any or all of the following,

until the issue is appropriately addressed:

1. A supervisor
2. Chief Compliance Officer
3. Human Resources department

We ensure that the disciplinary measures we have put in place for noncompliance are fair, impartial, objective and known to all our employees.

We are committed to dealing fairly and professionally with our customers, suppliers, competitors and employees. This is why we have consistently elicited positive rankings in corporate governance and professional ethics in environments where we operate. The Bank's listing on the London Stock Exchange and on the Premium Board of the Nigerian Stock Exchange (NSE) attest to our good corporate governance record.

We are also dedicated to a continuous appraisal of our processes to ensure that our business practices

We are also dedicated to a continuous appraisal of our processes to ensure that our business practices conform to the highest global standards, at all times.

conform to the highest global standards, at all times.

About 35.8 percent (100) of the 279 reported cases of fraud and forgeries resulted in an actual loss of N34.75 million to the Bank in 2017, compared to a loss of N9.04 million recorded during the 2016 financial year. Year-on-year, there was 284.4 percent increase in loss to the Bank.

Grievance, dispute & feedback mechanisms

Employees: Open communication helps create a work environment where everyone has a say and a stake. Using diverse formal and informal two-way communication channels, we ensure that our employees are well informed about matters that concern them. We also have effective mechanisms for reporting and resolving disputes when they occur.

We recognize that there is no real substitute for a mutually respectful line man-



Open communication helps create a work environment where everyone has a say and a stake. Using diverse formal and informal two-way communication channels, we ensure that our employees are well informed about matters that concern them.

ager/employee relationship for the resolution of individual, work-related conflicts. Nevertheless, if this relationship fails to resolve an issue, the Bank has a formal process for addressing all work-related issues and concerns, quickly and at an appropriate level of management.

The bank's grievance procedure is summarized as follows:

- Step 1: The aggrieved employee shall first discuss the issue with the colleague who is presumed to have caused the grievance.
- Step 2: If the matter is not resolved in step 1, the aggrieved employee shall discuss it with his or her branch or departmental head. Branch or departmental heads are expected to mediate and resolve the issue within two working days.
- Step 3: If the problem is not resolved under step 2, the employee may write to the Group/Zonal Head, requesting for a meeting, which should be



granted within two working days.

Following the meeting, a note will be made on the discussion and agreement between the employee and the Group/Zonal head. The issue will be investigated, a recommendation made and communicated to the employee within two working days from the meeting date.

Step 4: If the employee is not satisfied with the decision and recommendations reached in Step 3, he or she may write to the Group Head, Human Resources. Requests for such reviews are in writing, with a copy to the employee's Group/Zonal Head. The Group Head, Human Resources (or an appointed officer) will consider all the available information and may either make a decision without further meetings or arrange a further meeting with the aggrieved employee.

The decisions and recommendations made at step 4 shall be final. The Group Head, Human Resources shall document all requests and recommendations in the grievance resolution process.

Employees must ensure that grievances are genuine. If a grievance is found to be spurious and or unjustified, the complainant will be sanctioned appropriately.

The Bank overtime has maintained a conciliatory approach to dispute resolution particularly as it relates to alleged claims of Human Rights violations in suits involving the Bank and its customers, third parties and more particularly its ex-staff.

A review of the bank's litigation profile for the year under review, 2017, as it relates to claims involving former staff of the Bank are set out below:

- 1. Claims initiated by the Bank against ex-staff: NIL
- 2. Claims initiated by ex-staff against the Bank: 5
- 3. Claims resolved out of court: 1
- 4. Claims pending in court: 4

The Bank will await the decisions of the various courts before which these suits are pending and will comply with whatever decision the court reaches.

Twenty-three employees utilized our grievance mechanisms and procedures in the financial year 2017, with fair, objective and satisfactory outcomes.

Our grievance management procedures are clearly indicated in our Employees Handbook and Code of Conduct.

Customers and other stakeholders: With over 600,000 shareholders, millions of account holders and hundreds of host communities, Zenith Bank has an extensive stakeholder base. We are continually in touch with

the local and international public on issues pertaining to our products, services, personnel, business offices, social investments and related concerns. Having a convenient and efficient platform through which our millions of stakeholders could send feedback to us on how we could serve them better, is of utmost importance to us.

We encourage feedbacks, complaints and requests through supervisors and line managers in our different departments, business offices and branches. We also have a 24/7 dedicated hotline portal, *ZenithDirect*, which answers questions, manages requests and complaints from customers, investors, shareholders and the general public on issues pertaining to our products, services and business engagements.

ZenithDirect provides support to customers regarding all products and services of the Bank including, internet banking, mobile banking, account reactivation, card activation, debit and credit card usage, hardware token PIN reset, card and internet banking whitelisting requests, among others.

ZenithDirect attends to stakeholders using telephone calls, e-mails and the social media. When received, requests are logged on the Customer Relationship Management Tool (CRM) and feedback is given to customers immediately or at a later date, depending on the nature of request. Self-help services on the Interactive Voice Response (IVR) are



also available to callers. For callers that may not be fluent in English, there are standby interpreters that understand and speak all major Nigerian languages. Our communications unit in charge of our grievance mechanism portals are continually trained to be able to carry out their functions efficiently and effectively.

Feedback and complaints received from customers during the year under review include dispense errors arising from failed ATM, Web and POS transactions; instant transfer disputes; issues with bank rates and charges; access to lending and financing; airtime purchase disputes; and incidences of employees' misconducts.

We remain committed to continually improving on our dispute resolution mechanisms, to ensure speedy and satisfactory responses to our stakeholders' complaints. And we are excited about the progress we have made in this regard. Disputed transactions on our own ATMs are resolved instantly or within 24 hours. Dis-

putes arising from transactions on other Banks' ATMs are resolved within 5-7 working days. Customers are advised along these lines and an estimated timeframe for resolution is always clearly communicated to them. Feedback is also provided when the issues are resolved.

The Bank has support teams for its different transaction types, with a responsibility to ensure speedy and satisfactory resolution of disputes that may arise, and to give feedback to the customers.

In the year under review, a total of 374 complaints were recorded. These complaints include incidences of fraud and forgeries as well as other transactional issues (ATM dispense errors and network hitches, instant transfer disputes, local and International ATM / POS disputes, etc.) that may or may not have resulted in financial losses. Out of the total number of complaints, 220 were received in 2017 while 154 were carried over from 2016. About 77 percent (288) of the claims were resolved and N346.67 million was refunded, compared to N1.39 billion refunded for the 2016 financial year, and representing 75 percent reduction in claims refunded, year-on-year. However, 86 unresolved complaints constituting 23 percent of the total complaints received were yet to be resolved as at the time of this report. These will be carried forward to the new financial year.



| Disclosure of customer complaints in financial statements for the period ended 31 December, 2017 | | | | | | |
|--|-----------|-----------|----------------|----------------|-----------------|----------------|
| Description | Number | | Amount claimed | | Amount refunded | |
| | 31-Dec-17 | 31-Dec-16 | 31-Dec-17 ₦ | 31-Dec-16 ₦ | 31-Dec-17 ₦ | 31-Dec-16 ₦ |
| Pending complaints brought forward | 154 | 64 | 1,571,817,766 | 14,569,036,425 | 11,578,247 | 774,033,876 |
| Received Complaints | 220 | 343 | 10,045,190,151 | 2,465,265,125 | 37,941,563 | 624,257,449 |
| Resolved Complaints | 288 | 253 | 1,833,595,716 | 15,462,483,784 | 346,672,659 | 1,386,713,078 |
| Unresolved Complaints carried forward | 86 | 154 | 9,783,412,201 | 1,571,817,766 | | |

In the year under review, 77 percent (288) of claims were resolved and N346.67 million was refunded to customers, compared to 1.39 billion refunded for the 2016 financial year. There was 75 percent reduction in claims refunded, year-on-year.

Total number of complaints received and how they were resolved during the review period are tabulated (see table).

We did not carry out any formal customer satisfaction survey during the period under review. However, report of the annual customers' satisfaction survey conducted by KPMG has consistently rated Zenith Bank as the most customer-focused bank - in 2013, 2014 and 2016. In the same survey, Zenith Bank was rated as the most customer-focused bank in the retail banking space in 2017.

We have several formal and informal channels through which we elicit customers' feedback on their satisfaction with the products and services that are provided by the Bank. These include one-on-one interaction with our Relationship Managers and Service Ambassadors, as well as our 24/7 feedback platform, ZenithDirect. Complaints from customers are attended to with utmost dispatch and professionalism.

Whistle blowing and non-retaliation policy

At Zenith Bank, we encourage employees, contractors, vendors, customers and members of the public who have concerns about our operations, management's actions, or decisions to come forward and report them. Such concerns are addressed as practicable, and subject to any legal constraints, are managed with utmost confidentiality and anonymity.

Zenith Bank has a robust whistle blowing policy that

protects whistle blowers from victimization and harassment. We also have a whistle blowing portal where employees and external stakeholders can report cases of ethical failures within the workplace. Our whistle blowing policy ensures strict confidentiality and supports anonymity of the whistle blower as permitted by all necessary legal and regulatory provisions. All reported cases are viewed fairly and objectively. No level of employee is exempt from being reported. All reports are handled quickly and discreetly, with the information made available only to those that need to know, for investigative and resolution purposes.

We are committed to a policy that encourages open communication on, and timely disclosure of concerns that could jeopardize the wellbeing of the Bank and its stakeholders. Our non-retaliation policy prohibits retri-



bution or retaliation against any member of staff, contractor, vendor and other stakeholders that may choose to report legitimate concerns in good faith. Zenith Bank policy prohibits taking any retaliatory action for reporting or inquiring about alleged improper or wrongful activity by any member of staff, including senior management, executive management and Board of Directors of the Bank. No member of our staff may be victimized or harassed for refusal to carry out a directive that is fraudulent, criminal or a violation of local, state, federal or other applicable laws and regulations.

Ratings, endorsements and certifications

We have continued to maintain an excellent customer service and corporate governance track record. And this has won us accolades and recognitions during the year under review. Some of our recent awards and recognitions in the financial services space include:

- Bank of the Year 2017 BusinessDay Awards
- Best Customer Service Bank 2017 BusinessDay Awards
- Best Corporate Governance 2015 - International Finance Magazine
- Best Commercial Bank 2015 International Finance Magazine
- Biggest bank in Nigeria by tier-1 capital 2013, 2014, and 2015 - The Banker Magazine
- Best Customer Service Bank Nigeria 2015 Global Banking and Finance
- Best Corporate Governance Bank Nigeria 2015 Global Banking and Finance
- Best Bank in Nigeria 2012 - Global Banking and Finance
- Best Bank in Corporate Governance 2012, 2014, 2015 and 2016 - World Finance
- Best Commercial Bank in Nigeria 2013, 2014 and 2016 - World Finance
- Most Customer-Focused Bank in Nigeria 2014, 2015 and 2016- KPMG
- Third biggest company in West Africa - Forbes & CNBC Africa
- Best Commercial Bank in Africa 2013 - Capital Finance International (CFI)
- Best Local Trade Finance Bank in Nigeria 2013 - GTR Africa Leaders in Trade
- Top 100 Businesses in Nigeria 2014 Federal Government of Nigeria
- Member, Premium Board, Nigeria Stock Exchange
- Most Valuable Brand (Financial Services) in Africa 2015 Brand Africa
- Most Admired Brand (Financial Services) in Africa 2015 Brand Africa
- Best African company in Sustainability Reporting SERAs Awards 2017
- Biggest bank in Nigeria by tier-1 capital 2013, 2015, 2017 The Banker Magazine.
- Fitch 2017 Ratings: Credit Rating B+
- Moody's 2017 Ratings: Long Term Debt B2; Outlook Stable

Also during the period under review, the Bank was recertified on three key International Standards Organization (ISO) standards namely, ISO22301 (Business Continuity Management), ISO20000 (IT Service Management) and ISO27001 (Information Security Management).

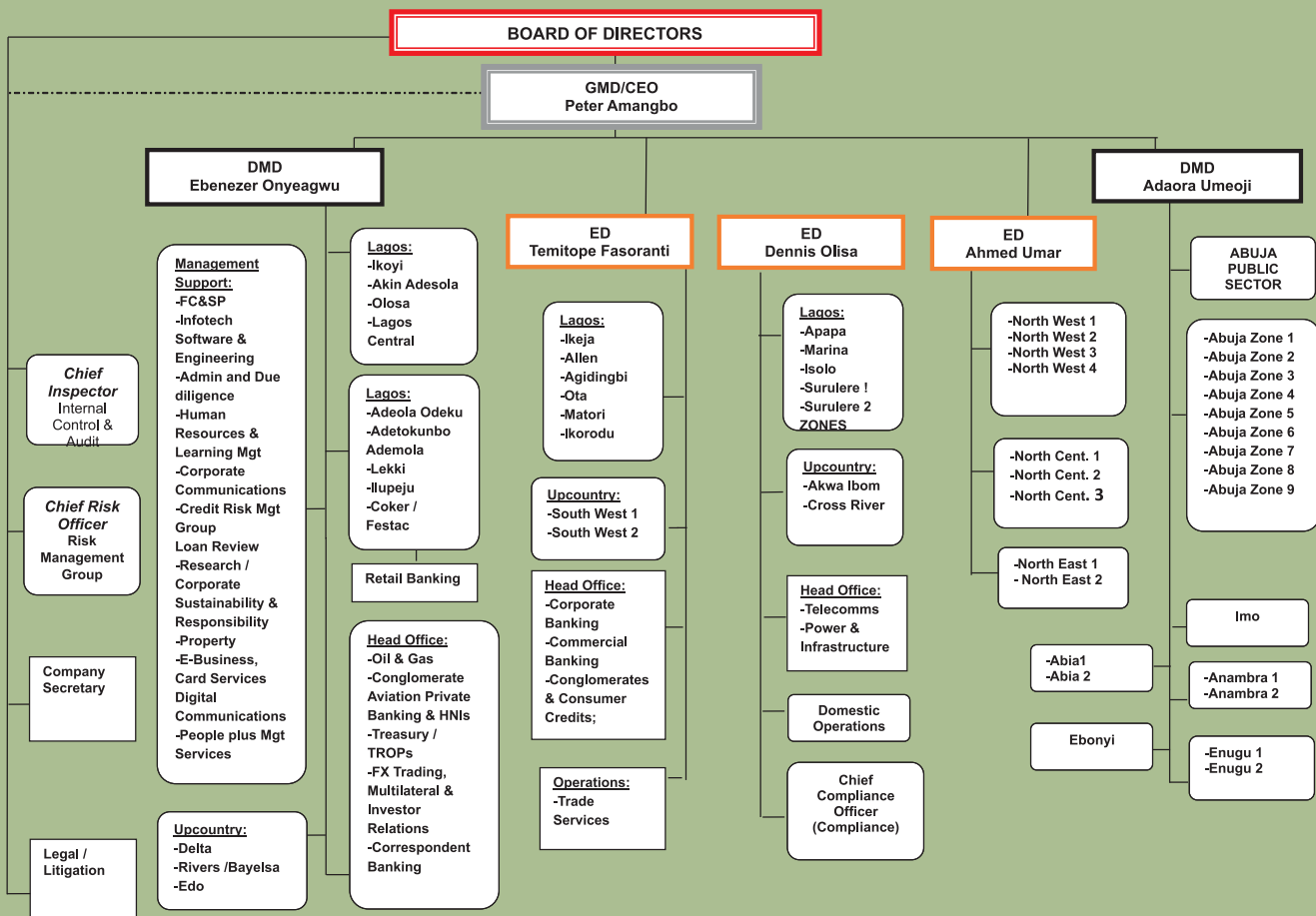






Governance & Ownership Structure

ORGANISATIONAL STRUCTURE



| Shareholding analysis | | | | |
|--|---------------------|----------------------------|--------------------|-------------------------|
| The shareholding pattern of the Bank as at 31 December, 2017 is as stated below: | | | | |
| Share range | No. of Shareholders | Percentage of Shareholders | Number of holdings | Percentage Holdings (%) |
| 1-9,999 | 539,481 | 83.9718 % | 1,621,763,173 | 5.17 % |
| 10,000 - 50,000 | 81,858 | 12.7414 % | 1,698,673,987 | 5.41 % |
| 50,001 - 1,000,000 | 20,122 | 3.1320 % | 3,211,097,112 | 10.23 % |
| 1,000,001 - 5,000,000 | 736 | 0.1146 % | 1,649,481,195 | 5.25 % |
| 5,000,001 - 10,000,000 | 118 | 0.0184 % | 879,516,903 | 2.80 % |
| 10,000,001 - 50,000,000 | 89 | 0.0139 % | 2,210,108,463 | 7.04 % |
| 50,000,001 - 100,000,000 | 21 | 0.0033 % | 1,435,220,409 | 4.57 % |
| 100,000,001 - 500,000,000 | 22 | 0.0034 % | 4,880,206,479 | 15.54 % |
| 500,000,001 - 1,000,000,000 | 2 | 0.0003 % | 2,421,682,932 | 7.71 % |
| Above 1,000,000,000 | 6 | 0.0009 % | 11,388,743,134 | 36.27 % |
| | 642,455 | 100 % | 31,396,493,787 | 100 % |

| Substantial interest in shares | | |
|---|-----------------------|---------------------------|
| According to the register of members as at December 31, 2017, the following shareholders held more than 5.0% of the issued share capital of the Bank. | | |
| | Number of Shares Held | Number of Shares Held (%) |
| Jim Ovia, CON | 2,946,199,395 | 9.38 % |
| Stanbic Nominees Nigeria Limited/CO11 - MAIN | 3,242,344,702 | 10.33 % |
| Stanbic Nominees Nigeria Limited/CO02 - MAIN | 2,438,670,039 | 7.77 % |
| Stanbic Nominees Nigeria Limited/CO01 - TRAD | 1,809,897,790 | 5.76 % |

| Interests in shares | | | | | |
|---------------------------|--------------------------------------|------------------------|---------------|-------------------|---------------|
| Director | Designation | Number of Shareholding | | | |
| | | 31 December, 2017 | | 31 December, 2016 | |
| | | Direct | Indirect | Direct | Indirect |
| Mr. Jim Ovia, CON. *** | Chairman / Non-Executive Director | 2,946,199,395 | 1,593,494,151 | 2,946,199,395 | 1,593,494,151 |
| Mr. Peter Amangbo *** | Group Managing Director/CEO | 5,000,000 | 2,300,000 | 5,000,000 | 11,000,000 |
| Alhaji Baba Tela | Non Executive Director / Independent | 250,880 | - | 250,880 | - |
| Mr. Gabriel Ukpeh | Non-Executive Director /Independent | 32,660 | - | - | - |
| Prof. Chukuka Enwemeka | Non-Executive Director | 127,137 | - | 127,137 | - |
| Mr. Jeffrey Efeyini | Non Executive Director | 541,690 | - | 541,690 | - |
| Prof. Oyewusi Ibidapo-Obe | Non Executive Director / Independent | 321,426 | - | 267,856 | - |
| Engr. Mustafa Bello * | Non Executive Director / Independent | - | - | - | - |
| Ms. Adaora Umeoji *** | Deputy Managing Director | 31,620,141 | 1,710,123 | 31,620,141 | 1,710,123 |
| Mr. Ebenezer Onyeagwu | Deputy Managing Director | 7,000,000 | - | 3,106,918 | - |
| Mr. Oladipo Olusola ** | Executive Director | 2,000,000 | - | 2,000,000 | - |
| Mr. Umar Ahmed | Executive Director | 1,077,343 | - | 1,133,927 | - |
| Dr. Temitope Fasoranti * | Executive Director | 1,875,000 | - | - | - |
| Mr. Dennis Olisa * | Executive Director | 4,122,316 | - | - | - |

* Appointed to the Board effective December 29, 2017.
** Retired from the board effective August 30, 2017.
*** The indirect holdings relate to the holdings of the Directors in the under listed companies: .

Ownership and Legal Form

With over 600,000 shareholders, the Bank has a diverse shareholding structure with no single individual shareholder holding more than 9.5 percent of the Bank's total shares.

Shareholding analysis

The shareholding pattern of the Bank as at 31 December, 2017 is as stated below:

Substantial interest in shares

According to the register of members as at December 31, 2017, the following shareholders held more than 5.0 percent of the issued share capital of the Bank:

Directors' shareholding

The direct interests of directors in the issued share capital of Zenith Bank Plc as recorded in the register of directors' shareholding and/or as notified by the directors for the purposes of sections 275 and 276 of the Companies and Allied Matters Act (CAMA) and the listing requirements of the Nigerian Stock Exchange is as follows:

Board of directors & board structure

The highest governance body of the Bank is the Board of Directors set up by the shareholders at the General Meeting. The Board has the overall responsibility for setting the strategic direction of the Bank and ensuring Senior Management oversight. It also ensures that good Corporate Governance processes and practices are implemented across the Zenith Bank Group. The Board sets the Bank's purpose, values and strategy.

The Board consists of persons of mixed personages, diverse discipline and skills, chosen on the basis of professional expertise, business experience and integrity as well as knowledge of the Bank's business.

Directors are fully abreast of their responsibilities and are therefore able to exercise good judgment on issues relating to the Bank's business. They have on the basis of this acted in good faith with due diligence and skills and in the overall interest of the company and relevant stakeholders.

The Board is made up of a Non-Executive Chairman; six (6) Non-Executive Directors and Six (6) Executive Directors including the GMD/CEO; Four (4) of the Non-Executive Directors are independent directors, appointed in compliance with the Central Bank of Nigeria's (CBN) circular on Appointment of Independent Directors by Banks.

The Group Managing Director/Chief Executive is responsible for the day to day running of the Bank and oversees the group structure, assisted by the Executive Committee (EXCO). The EXCO comprises the Executive Directors, the Deputy Managing Directors and the Group Managing Director/Chief Executive, who chairs it.

One Executive Director retired on August 30, 2017. Two executive directors were appointed and approved by the Central Bank of Nigeria in December 2017. This restructure is part of our strategy to remain a dominant player in Africa's financial services industry.

The Board meets at least every quarter but may hold extra-ordinary sessions to address urgent matters requiring the attention of the Board.

As at year-end December 31, 2017, we had twelve males and one female in our board of directors, representing 92.3 percent male and 7.7 percent female. Also, in the year under review, one board member was in the age group 30-50 years; twelve were over 50 years. There were no

| BOARD OF DIRECTORS | | |
|--------------------|---------------------------|--------------------------------------|
| | NAME | POSITION |
| 1. | Mr. Jim Ovia, CON | Chairman |
| 2. | Alhaji Baba Tela | Independent/Non-Executive Director |
| 3. | Mr. Jeffrey Efeyini | Non-Executive Director |
| 4. | Prof. Chukuka S. Enwemeka | Non-Executive Director |
| 5. | Prof. Oyewusi Ibidapo-Obe | Independent/Non-Executive Director |
| 6. | Mr. Gabriel Ukpeh | Independent/Non-Executive Director |
| 7. | Engr. Mustafa Bello | Independent/Non-Executive Director * |
| 8. | Ms. Adaora Umeoji | Deputy Managing Director |
| 9. | Mr. Ebenezer Onyeagwu | Deputy Managing Director |
| 10. | Mr. Umar Shuaib Ahmed | Executive Director |
| 11. | Dr. Temitope Fasoranti | Executive Director * |
| 12. | Mr. Dennis Olisa | Executive Director * |
| 13. | Mr. Olusola Oladipo | Executive Director ** |
| 14. | Mr. Peter Amangbo | Group Managing Director/CEO |

* Appointed to the Board effective December 29, 2017.

** Retired from the Board with effect from August 30, 2017.

COMPOSITION OF BANK'S GOVERNANCE BODIES BY GENDER

AS AT YEAR END 2017

| GENDER | Total | % |
|--------------|-----------|------------|
| FEMALE | 1 | 7.7 |
| MALE | 12 | 92.3 |
| Total | 13 | 100 |

COMPOSITION OF BANK'S GOVERNANCE BODIES BY AGE

AS AT YEAR END 2017

| AGE GROUP | Total | % |
|--------------|-----------|------------|
| Under 30 | - | - |
| 30 - 50 | 1 | 7.7 |
| Over 50 | 12 | 92.3 |
| Total | 13 | 100 |

persons under the age of 30 in the Bank's governance bodies in 2017.

Biographical details of the Directors can be found in the Bank's website, www.zenithbank.com.

Board committees

The Board carries out its oversight functions using its various Board Committees. These Committees have clearly defined terms of reference, scope of responsibilities and Charters to avoid overlap or duplication of functions. This makes for efficiency and allows for deeper attention to matters that concern the institution. The Charters are forwarded to the Central Bank of Nigeria (CBN) for approval in line with extant CBN circulars.

The Committees of the Board meet quarterly, but may hold extraordinary sessions as business of the Bank demands.

Some of these standing committees include the Board Credit Committee; Board Audit & Compliance Committee; Board Governance, Nominations and Remuneration Committee; Finance & General Purpose Committee; and the Board Risk Management Committee. The Board Risk Management Committee for example has oversight responsibility for the overall risk assessment of various areas of the Bank's operations and compliance. The Chief Risk Officer, the Chief Inspector and the Chief Compliance Officer have access to this Committee and make quarterly presentations for the consideration of the Committee. Chaired by Prof. Chukuka Enwemeka (a non-executive Director), the Committee's membership comprises Mr. Jeffrey Efeyini, Mr. Gabriel Ukpeh, Mr. Ebenezer Onyeagwu and Mr. Peter Amangbo.

The primary responsibilities of the Committee are to ensure that sound policies, procedures and practices are in place; that bank-wide risk management framework is in place and enforced; and to report the committee's activities to the Board of Directors.

E&S Governance

The Bank has a Corporate Sustainability and Responsibility Unit with the responsibility of driving the sustainability, environmental and social policies, standards and practices of the bank, as well as advising executive management and relevant board committees on best sustainability practices and regulatory expectations. The Unit reports to the executive management through a line Executive Director. The Bank also has a Sustainability Implementation and Reporting Committee and a Sustainability Champions' Group made up of representatives from all the business units in head office and the 53 zones of the Bank.

The Board Risk Management Committee of the Bank is responsible for overseeing the Bank's overall Sustainability and E&S risk issues, including decision making on the policies and processes that govern environmental and social management within the institution. The Corporate Sustainability & Responsibility Unit of the Bank sends quarterly reports to the Board on status, issues and progress through the Board Risk Management Committee and the Bank's Secretariat/Legal Adviser.





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+234 1 278 7000, +234 1 292 7000, 0700ZENITHBANK
zenithdirect@zenithbank.com





Business Focus

Zenith Bank is a commercial bank with authorization to operate foreign subsidiaries. Our business activities include corporate banking, retail banking, pension and custodian services and international subsidiary businesses.

a. Corporate and retail banking services

Our corporate and retail banking business provides a broad range of banking products and services to a diverse group of corporations, financial institutions, investment funds, governments and individuals.

These business activities are conducted through the following business units:

- Institutional and investment banking
- Corporate banking
- Retail banking
- Public sector banking

The Institutional and Investment Banking Unit (the "IIBU") manages the Group's business relationship with other banks, financial institutions, multilateral agencies, securities houses, insurance companies, asset management companies and other non-bank finance companies, private equity and venture funds.

The Corporate Banking Strategic Business (CBSBU) offers a wide range of services to multinationals, large local conglomerates and corporate clients with the following sub-units:

- Transport and Aviation
- Conglomerates
- Breweries and Beverages
- Oil and Gas



- Power and Infrastructure and
- Construction

The Retail Banking Unit (the “RBU”) focuses on all small and medium enterprises (SMEs), commercial businesses and consumer businesses which comprise of personal current and savings accounts customers and all unincorporated entities (such as societies, clubs, churches, mosques, amongst others). The Group’s deposit liability creation efforts aim to win and retain a collection of retail businesses. Services offered include savings and transactional accounts, mortgages, personal loans, debit cards and credit cards. Loans and advances in the forms of overdrafts, import finance lines, term loans and leases are extended to the RBU customers, especially those involved in the sales and distribution of fast moving consumer goods, and key distributors to major manufacturing companies.

The Group offers a wide range of generic banking services and products to meet the needs of customers in this sub-sector. These include various lending and deposit products such as working capital lines (overdraft, invoice discounting, invoice/



We ensure that we observe the corporate laws and regulations in the different societies where we operate, benchmarking global best practices in our customers, employees, investors and communities’ relations.

contract financing, stock financing, amongst others), lease finance lines, Bonds and Guarantee lines, current account, domiciliary accounts and fixed deposit accounts. Ancillary services rendered to this sub-sector include local drafts issuance, local inter/intra bank funds transfers, payroll services, bill payments, safe custody, duty/tax payments, remittances, and so on. The massive deployment of ATM and POS terminals across the network in recent times is to effectively service this segment of the market.

The personal banking products and services range from standard to specialized savings, current domiciliary and investment accounts modified to meet the needs of individuals in different strata of the society. Examples of such specialized products are the Zenith Children Accounts (ZECA), Zenith Mutual Funds Account, among others.

The sub-group also offers credit products, including personal loans, advances, mortgages, asset finance, small business loans, and credit cards. E-business products offered include internet banking and mobile banking.



and judiciary branches, and at the Federal, State and/or Local Government levels. Some of the products and services offered to the public sector include revenue collections, cash management, deposit and investment, electronic payroll systems, offshore remittances and foreign exchange, and project finance.

b. Pension and custodial services

The Group’s pension custodian services business is conducted through Zenith Pension Custodians Limited (“Zenith Pensions”) which offers pension management and custodian services to pension funds administrators (PFAs). As at 31 December, 2017, total funds under its custody amounted to approximately N3.537 trillion. Zenith Pensions has 91 funds under its custody, shared among six (6) open pension fund administrators, three (3) closed pension funds, two (2) pension annuity fund administrators and non-pension assets (fixed income instruments). The main service offerings provided by Zenith Pensions include collecting pension contributions, paying beneficiaries from their respective retirement savings accounts, safekeeping of assets, managing real estate assets of the funds under its custody and the settlement of transactions in financial investments such as equities, bonds and treasury bills. Zenith Pensions also provides administrative and recordkeeping services to the funds under its custody.

The Public Sector Group (PSG) provides services to meet the banking needs of all tiers of government (federal, state and local governments), ministries, departments and agencies, not-for-profit organizations, embassies and foreign missions. The focus of the PSG business is all institutions operating under the auspices of Government, including within the executive, legislative



In addition to our expanding foreign subsidiaries, we remain committed to consolidating our position as a leading financial services provider in Nigeria. Our Nigerian branch network has expanded exponentially, from about 100 in 2004 to 392 as at December 2017.

In managing our different local and international business units, and our products and services offerings, we have continuously improved on our stakeholders' engagement policies and practices, soliciting feedback and addressing their concerns. We ensure that we observe the corporate laws and regulations in the different societies where we operate, benchmarking global best practices in our customers, employees, investors and communities' relations.

c. International subsidiaries

Zenith Bank Plc is part of the Zenith Bank Group with controlling interest in a number of banking and non-banking subsidiaries in Nigeria, Africa and Europe. The Group's overseas subsidiaries carry out banking operations, providing traditional banking products and services tailored



In addition to our expanding foreign subsidiaries, we remain committed to consolidating our position as a leading financial services provider in Nigeria.

to meet the needs of those customers who are either located in countries where the subsidiaries are based or who have a business presence in such locations. The following chart shows the subsidiaries' structure of the Group as at end 2017.

Each of the Group's overseas subsidiaries acts as intermediary between the financially surplus and deficit units in their locations, offering a wide range of products and services to attract deposits and extend loans and advances. The following are specific services provided by the Group's overseas subsidiaries:

Zenith Bank UK Limited ("Zenith UK") leverages trade and investment flows between Nigeria and Europe to provide intermediary banking services which include post shipment finance, back to back letters of credit, standby letters of credit and contract guarantees. Zenith UK also provides facilities for working capital and capital expenditure directly to Nigerian borrowers through participation in syndicated loans.

The subsidiary acts as the contact point for correspondent banking rela-



tionships with Nigerian and other West African banks by providing facilities for letter of credit confirmation and treasury products. The operational mandate of Zenith UK also enables it to source deposits from institutions such as parastatals, corporate and institutional counterparties to support its funding needs. Through effective treasury management, Zenith UK trades in fixed income instruments which include government and institutional bonds and certificates of deposit. Zenith UK also has a wealth management unit which is dedicated to offering long term investment advisory and wealth management solutions to its customers.

Zenith Bank (Ghana) Limited, Zenith Bank (Sierra Leone) Limited and Zenith Bank (The Gambia) Limited (the “West African Subsidiaries”), are the Group’s banking subsidiaries within the West African sub-region which provide comprehensive trade services to major global corporations and medium sized enterprises operating in the region.

We also have representative offices in South Africa and China. In January 2016, Zenith Bank UK opened a branch in Dubai, United Arab Emirate, in line with our global expansion strategy.

Product & service innovation

In the highly competitive global market where we play and aspire to lead, product and service innovation remains the key to strong competitiveness. We are constantly looking for new ways to serve

OPERATIONAL BRANCHES ,SUBSIDIARIES AND BUSINESS OFFICES IN 2017

| | |
|--|-----|
| FEDERAL REPUBLIC OF NIGERIA BANKING OPERATIONS | 392 |
| FEDERAL REPUBLIC OF NIGERIA OFF-SITE LOCATIONS | 158 |
| FEDERAL REPUBLIC OF NIGERIA NON-BANKING OPERATIONS | 1 |
| REPUBLIC OF GHANA | 27 |
| UNITED KINGDOM | 2 |
| SIERRA LEONE | 5 |
| THE GAMBIA | 6 |
| SOUTH AFRICA REPRESENTATIVE OFFICE | 1 |
| CHINA REPRESENTATIVE OFFICE | 1 |

existing customers better and attract new prospects.

We are expanding our retail market to be able to reach more of Nigeria’s burgeoning youth market and the huge unbanked and semi-banked population. Reaching these segments of the Nigerian market means deploying innovative products and services that they would find attractive and value-adding. The social media and our *ZenithDirect* have been highly effective channels in this regard.

We continue to use our *ZenithDirect* platform to drive retail marketing, especially in the effort to reach the huge unbanked and semi-banked population in Nigeria. Account opening services are offered using our Unstructured Supplementary Service Data (USSD) and online platforms. This allows customers the opportunity to open accounts ‘on the go’.





Our Digital Marketing Department anchors the expansion of our social media reach, providing more e-channels for product and service information, customer engagement and resolution of queries.

Our diverse social media platforms (including twitter, Facebook, Instagram, linkedIn, Google+, YouTube, among others) are also used to sell our zero-account opening balance products (individual accounts); create mass awareness on the ease and benefits of USSD bank-

ing; advertise our online account opening offers; and drive financial literacy among the unbanked population.

Our e-channels continue to grow in their functionalities, offering our customers self-service advantages which make their banking experience more convenient, timely and cost-effective. The self-services our e-channels offer include card deactivation and reactivation, internet banking, password reset, account information update, account opening services, among others.

We have automated the process through which customers could change their mailing address for pre-existing card orders. On April 29, 2017, we deployed a responsive version of our website, that is compatible with all devices, including laptops, iPad, mobile phones, e-kiosks, among others.

Supply Chain

Our supply chain management system prioritizes support for local businesses. We source our products and services from local vendors spread across the country, to meet increasing resource needs for our business operations. Some of the major items sourced from vendors, suppliers and contractors during the year under review include office stationeries, computers and accessories, software, office furniture and equipment, office electronics, building and construction materials, electronic banking equipment, training and capacity building services, and so on.



We are committed to sourcing our materials locally. Up to 90 percent of our annual procurement budget is targeted at local suppliers. This is in the effort to empower local businesses while also significantly cutting down on travel time in products sourcing and delivery. This has helped to reduce our greenhouse gas emission.

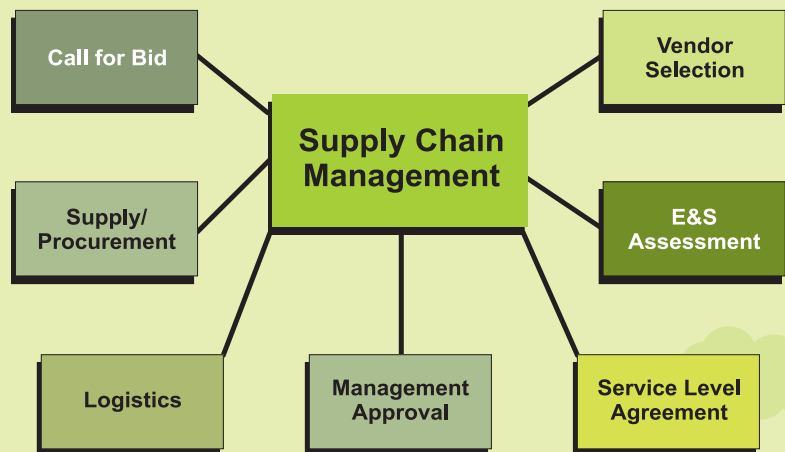
In 2017, Zenith Bank maintained commercial ties with over 400 suppliers and vendors, creating increasing economic value in the process. From N91.77 billion in 2016, our vendors, suppliers, and local service providers received economic value of N145.75 billion from our transactions with them in 2017, an increase of 62.9 percent.

As part of our strategy to optimize our supply chain, we continue to strengthen our criteria for selecting, evaluating, approving and managing our suppliers to guarantee the quality of products and services as well as the reliability and sustainability of the entire supply chain.

To improve environmental and social responsibility in our value chain, we have integrated the UNGC's basic pillars (human rights, labor, environment, and anti-corruption) into our supply chain management practices. We hope to further strengthen sustainable practices in our supply chain by setting clearly defined expectations and putting structures in place to enforce and monitor them. Our strategy is to develop a 'green supply chain' policy anchored on well communicated performance targets. This will provide us a common framework for evaluating and monitoring progress over time.

Our Code of Conduct for Suppliers, Vendors and Contractors explicitly defines our environmental and social responsibilities and elicits the compliance of players in our supply chain with our E&S standards. Our Code defines acceptable environmental, human rights, labor and diversity management practices. It obligates our suppliers to adhere to set standards, obtain their products from renewable and responsible sources and through environmentally friendly processes. As at end 2017, we had administered the Code to barely 10 percent of our major suppliers, vendors and contractors. We are

SUPPLY CHAIN



As part of our strategy to optimize our supply chain, we continue to strengthen our criteria for selecting, evaluating, approving and managing our suppliers to guarantee the quality of products and services as well as the reliability and sustainability of the entire supply chain.

however committed to expanding the scope of administration in the coming years. We will also ensure effective monitoring of compliance with this code and set compliance as precondition for (future) partnership renewals. We will train our suppliers, vendors and contractors on our E&S policies and how these would affect the terms and conditions of our partnership going forward.

We will continue to ensure that our suppliers and other service providers take all necessary steps to adopt environmentally friendly policies within their area of influence, in performing their obligations to us. We are committed to averting actions in our supply chain that may negatively image our reputation.

In addition to our commitment to deploying the requisite tools to capture, measure and monitor our footprint and that of our suppliers, we will ensure that all contracts and SLAs carry E&S conditions.

There were no significant changes in our supply chain resulting from the structure and membership of our Board and Executive Management in the year under review.





As a responsible corporate citizen, our stakeholders occupy a central place in our business strategy. The overall goal is to create premium socio-economic value for all key stakeholders.



OUR **STAKEHOLDERS**



Engagement With Stakeholders

Our stakeholders consist of individuals, groups and institutions that have weighty impacts on the fulfilment of our business goals and objectives. Stakeholders that impact or are impacted by our operational activities and business decisions include our employees, customers, shareholders and investors, government and regulators, host communities, suppliers, vendors and contractors, and the media. As a responsible corporate citizen, our stakeholders occupy a central place in our business strategy. The overall goal is to create premium socio-economic value for all key stakeholders.

Stakeholders' Mapping

The process of identifying our primary stakeholders is determined by the level of influence they have on our business goals and objectives. We believe that our business is strengthened by the

quality of our engagement with the various stakeholders within the industry and communities where we operate. We identify and prioritize our stakeholders to ensure meaningful engagement with those individuals and entities that have utmost influence on the realization of our goals and objectives.

Regular and continuous engagement with our stakeholders gives us valuable feedback that helps shape our decisions, policies and actions. This proactive approach helps us identify, understand and respond to their genuine concerns and viewpoints, with positive impact not just on the way and manner we create value for them, but also on our overall bottom-line.

In view of the diversity of its stakeholders, Zenith Bank has a number of channels through which it elicits and receives feedback. The channels and frequency of engagement are presented below:

Stakeholders' Materiality Matrix



Channels & Frequency of Stakeholders' Engagements

| Stakeholders | Methods/Channels of Engagement | Frequency of Engagement |
|---|---|---|
| Employees | <ul style="list-style-type: none"> • GMD/CEO's Address Yearend • Management Meetings Briefings • Heads of Operations Seminar • Monthly Performance Reviews • Trainings • Intranet • Customer Service Operations Seminar • Zenith Summit • Zenith Forum • Exit Interview Report • Performance Appraisal Interview • Retail Operations Committee Meeting (OCM) • Induction/Onboarding/Orientation training for new hires • Bi-annual Bank-wide E-Business Seminar/forum | <ul style="list-style-type: none"> • Annually • Weekly • Bi-Annually • Monthly • Continuously • Continuously • Annually • Quarterly • Annually • As the need arises • Bi-annually • Weekly • As the need arises • Bi-Annually |
| Customers | <ul style="list-style-type: none"> • Communication by e-mails/ SMS • Branch network • Promo, Adverts on Media • Relationship Managers' Visits • Customers' Satisfaction Review • Zenith Direct, a dedicated 24/7 Customer Service Centre • Social media channels such as Facebook, Twitter, Instagram, amongst others • Direct marketing via Branch RSMs • Structured emails to specific customer segment • Periodic Merchant/Customer forums | <ul style="list-style-type: none"> • Continuously • Daily • As the need arises • Continuously • Continuously • 24-hourly • Continuously • As the need arises • As the need arises • As the need arises |
| Investors/ Shareholders | <ul style="list-style-type: none"> • Communications on Corporate Actions • Investors' Conference calls • Investors Bulletin/presentations • Annual General Meetings • Extraordinary General Meetings • Dedicated Investors' Relations Desk | <ul style="list-style-type: none"> • Quarterly • Bi-Annually • Quarterly • Annually • Annually • Continuously |
| Regulators & Government | <ul style="list-style-type: none"> • Pre-examination meetings • One-on-one consultations • Email exchanges and Letters • Periodic meetings to address issues that arise during the course of engagement • Phone Calls • Compliance Reporting • Performance reports (audited & unaudited) | <ul style="list-style-type: none"> • As the need arises • As the need arises • Continuously • As the need arises • Continuously • As the need arises • Annually & quarterly |
| Host Communities | <ul style="list-style-type: none"> • Corporate Social Responsibility fora • Strategic Collaborations • Town hall meetings • Community development Committees | <ul style="list-style-type: none"> • As the need arises • Continuously • As the need arises • As the need arises |
| Contractors, Vendors & Suppliers | <ul style="list-style-type: none"> • Letters and phone calls • Vendor management processes • Administering the Code of Conduct for Suppliers, Vendors and Contractors • Meetings/Negotiations • A dedicated Desk • On-site visits and inspections | <ul style="list-style-type: none"> • Continuously • Continuously • Continuously • As the need arises • Continuously • As the need arises |
| Media | <ul style="list-style-type: none"> • Media briefings • Press releases • Results announcements • Senior Management Interviews • Electronic portals and official website | <ul style="list-style-type: none"> • As the need arises • As the need arises • As the need arises • As the need arises • As the need arises |

Stakeholders' key issues and concerns

We engage our stakeholders proactively with a view to continually improving on our product and service delivery, meeting their expectations, and achieving our sustainability objectives. We are committed to ensuring continuous stakeholder engagement and have integrated this as a core component of our business strategy.

In the table below, we identified who our key stakeholders are, the medium through which we engage them, the key concerns they raised during the financial year 2017, and our responses to these issues.

| Stakeholders' Concerns and Responses | | |
|--------------------------------------|--|---|
| Stakeholders | Key Concerns | Management responses to concerns |
| Employees | <ul style="list-style-type: none"> ▪ Remuneration ▪ Promotions ▪ Training and development ▪ Work/life balance | <ul style="list-style-type: none"> ▪ Despite, the challenging economic headwinds in 2017, we maintained a remuneration package that is competitive in the industry. ▪ Deserving staff were rewarded based on productivity. ▪ In 2017, in addition to our in-house online training, Zenith Learning Centre trained a total of 5,338 out of 6,151 employees (6,130 active and 21 seconded employees), over a period of 200,088 cumulative hours. This represents about 86.8 percent of our total workforce. A total sum of N1,029,814,339.90 was expended on employee training in 2017. ▪ During the period under review, Zenith Bank maintained a mandatory shutdown policy of 5p.m. to enhance the work-life balance of our employees. |
| Customers | <ul style="list-style-type: none"> ▪ ATM dispense error and network hitches ▪ Local and International ATM / POS disputes. ▪ BVN registration hitches/discrepancies ▪ Airtime purchase and Instant transfer failures ▪ USSD Banking failure ▪ Funds on hold after settlement of card transactions ▪ Instant transfer disputes ▪ Transfer charges on savings accounts ▪ Fraud and forgeries | <ul style="list-style-type: none"> ▪ ZenithDirect provides support to customers regarding all products and services of the Bank. It also helps to resolve issues regarding USSD, transfer charges on savings account, Internet Banking, Mobile Banking, all cards including debit, credit and prepaid, Trade and FX related services, Corporate Internet Banking, among others. ▪ Zenith Bank has put in place a mechanism that allows instant reversal of failed transactions on Zenith ATMs and POSs. On-us transactions that are not auto-reversed are resolved within 24hours. Dispense errors involving other bank ATMs are settled within 5-7 working days. Customers are advised along these lines and a time frame for resolution is communicated. ▪ International disputes take between 45 to 60 days to resolve based on MasterCard or Visa Card international standards. Feedback is also provided accordingly as soon as the issues are resolved. ▪ BVN update forms are sent out monthly to enable customers who may have registered with other banks update their accounts with their BVN information. Self-service channels for BVN update have been deployed to ease the process. ▪ Similarly, instant transfer disputes are resolved by liaising with our designated support teams, who then contact the third party banks, where applicable, to ascertain the status of transfer. Feedback is provided to the customer at every stage of the resolution. ▪ Zenith Bank reassesses the pricing on all accounts and services in compliance with the Central Bank of Nigeria's amended Guide to Bank Charges. ▪ In our efforts to plug the vulnerabilities observed in our anti-corruption drive and in line with our mandate to provide exceptional customers service, we have set up an e-fraud desk that provides 24/7 verifications and checks on the bank's electronic receipts and payments. Cases of observed negligence or suspicious transactions that may result in losses are addressed swiftly. |

Stakeholders' Concerns and Responses (contd)

| | | |
|----------------------------------|--|--|
| Investors | <ul style="list-style-type: none"> ▪ Financial performance ▪ Return on investments ▪ Corporate actions | <ul style="list-style-type: none"> ▪ Zenith Bank maintains effective communication with its esteemed shareholders and investors. Our goal is to ensure transparency and elicit feedback for improved performance and return on investment ▪ The Bank has an Investors' Relations Unit which holds regular forum to brief stakeholders on its operations and how it affects them. ▪ Our key strategies remain to deliver superior customer service experience, operational efficiency and strategic business focus that translates to exceptional performance and returns for our esteemed investors. ▪ We communicate quarterly financial performance to Investors & Analysts. ▪ We also, from time to time, hold sessions with market operators (stockbrokers, dealers, institutional investors, issuing houses, and stock analysts - mainly through investors' conferences) to update them on the state of our business. |
| Regulators and government | <ul style="list-style-type: none"> ▪ Banking reforms, effective risk management and systemic risk prevention ▪ lending to the real sector, especially SMEs ▪ Anti-corruption and Money Laundering ▪ Financial Inclusion ▪ Compliance with the Nigerian Sustainable Banking Principles (NSBPs) | <ul style="list-style-type: none"> • The Bank remains fully committed to ensuring strict compliance with industry regulations and guidelines. • In 2017, the bank sustained its support for government's efforts at improving the socio-economic condition of the citizenry; with a promise of increased lending to, and support for small and medium scale businesses. ▪ We actively support the government's fight against corruption and regulators' efforts at curbing money laundering. In 2017, a total of 3,851 employees – representing 62.8 percent of the 6,151 workforce – were sent on various classroom trainings on anti-corruption. We will continue to cooperate with authorities at local and national levels to end the vice. ▪ We remain committed to ensuring the financial inclusion of the economically disadvantaged groups; with emphasis on the sustained use of agency banking, USSD (*966#) banking and other service channels to drive the financial inclusion of the unbanked. ▪ We are committed to the implementation of the CBN's NSBPs and report twice yearly to the apex bank on our progress. |
| Host Communities | <ul style="list-style-type: none"> ▪ Environmental and social footprints ▪ Youth (un)employment and capacity building ▪ Patronage of local vendors and contractors | <ul style="list-style-type: none"> ▪ We continue to take into consideration, the environmental and social impact of our activities; with the aim of reducing our negative footprints and enhancing our positive impacts. An audit of the bank's carbon emission in 2017, for example, showed a 5.3 percent reduction in our footprint, year-on-year. We will continue to innovate and improve our processes to cut back our emissions by about 8 percent yearly. ▪ We will also continue to support our host communities by creating employment opportunities and providing facilities that improve their overall well-being. ▪ We will continue to prioritize the patronage of local contractors and vendors |

| | | |
|-----------|--|---|
| Suppliers | <ul style="list-style-type: none"> ▪ Price reviews/ negotiations ▪ Payment cycle ▪ Adherence to signed SLAs ▪ E&S risks considerations | <ul style="list-style-type: none"> • We recognize the challenging economic environment that our suppliers operate in. As such, we will continue to approach price reviews and negotiations in a mutually beneficial manner. • To improve our service delivery, a new code of conduct for our suppliers, vendors and contractors was approved by Executive Management in 2017. • We remain committed to further shortening our already competitive payment cycle to smoothen the operations of our suppliers, vendors and contractors. ▪ Our resolve to enforce all service level agreements reached with our vendors to ensure E&S compliance remains unwavering. We will provide specific guidelines for suppliers to check the quality of products supplied, the sources of their raw materials as well as conduct supplier risk assessments, when necessary. |
| Media | <ul style="list-style-type: none"> ▪ Effective feedback ▪ Social Media presence | <ul style="list-style-type: none"> ▪ To ensure that Zenith Bank is represented accurately and objectively on both conventional and social media, we remain committed to sustaining existing cordial relationship with the press. We also recognize that a strong social media presence will support our retail banking strategy, as well as our overall marketing and brand recognition goals. |





ECONOMY

**FINANCIAL
SCORECARD**

SOCIAL

EMPLOYMENT

ENVIRONMENT

**GREEN BUSINESS
STRATEGY**



OUR **FOOTPRINTS**





ECONOMY





Economic Performance

Zenith Bank remains one of the most profitable business institutions in Nigeria. We are also among the largest banks in Tier 1 capital and total assets. This has come with the responsibility to increasingly improve on the economic value we create for our stakeholders, including employees, customers, shareholders, investors, government, local communities and the larger society. For the Nigerian economy to grow sustainably, government requires the active support of responsible corporate citizens. As a leading Nigerian brand, we understand and take this responsibility seriously.

Financial scorecard

Despite the challenging business environment in the financial year 2017, Zenith Bank Group achieved an impressive financial performance as gross earnings hit N745 billion (\$2,250million) in 2017, up from N508 billion (\$1,664million) recorded in 2016, representing a 47 percent rise. Correspondingly, Profit after tax rose by 36.9 percent, from N130 billion (\$426million) in 2016 to a record N178 billion (\$537million) in 2017. Total assets also exceeded initial projections (N4.7 trillion) to reach a whopping N5.6 trillion (\$16.9billion) in 2017, from N4.7 trillion (\$15.4billion) in 2016. (Please note: Exchange rate is estimated at N305.25 for 2017 and 331.16 /US\$1 for 2016).

Highlights of the Group's Operating Results for the Financial Year 2017

ZENITH BANK PLC

Zenith Heights, Plot 87 Ajose Adeogun Street, Victoria Island, Lagos



SUMMARY FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present the summary financial information of Zenith Bank Plc ("the Bank") and its subsidiary companies (together "the Group") for the year ended 31 December 2017. These summary financial information are derived from the full financial statements for the year ended 31 December 2017 and are not the full financial statements of the Group and the Bank. The full financial statements, from which these summary financial information were derived, will be delivered to the Corporate Affairs Commission within the required deadline. The Bank's Independent Auditors issued an unmodified audit opinion on the full financial statements for the year ended 31 December 2017 from which these summary financial information were derived.

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| FOR THE YEAR ENDED 31 DECEMBER 2017 | Group 2017 | Group 2016 | Bank 2017 | Bank 2016 |
|---|----------------|----------------|----------------|----------------|
| <i>In millions of Naira</i> | | | | |
| Gross earnings | 745,189 | 507,997 | 673,636 | 454,808 |
| Interest and similar income | 474,628 | 384,557 | 420,210 | 343,556 |
| Interest and similar expense | (216,637) | (144,378) | (200,672) | (131,910) |
| Net interest income | 257,991 | 240,179 | 219,538 | 211,646 |
| Impairment loss on financial assets | (98,227) | (32,350) | (95,244) | (26,295) |
| Net interest income after impairment loss on financial assets | 159,764 | 207,829 | 124,294 | 185,351 |
| Fee and commission income | 90,143 | 68,444 | 72,846 | 55,619 |
| Trading gains | 157,974 | 28,398 | 157,974 | 28,398 |
| Other operating income | 22,444 | 26,598 | 22,606 | 27,235 |
| Depreciation of property and equipment | (12,428) | (9,679) | (11,059) | (8,864) |
| Amortisation of intangible assets | (1,631) | (1,435) | (1,431) | (1,375) |
| Personnel expenses | (64,459) | (59,326) | (55,672) | (52,519) |
| Operating expenses | (148,346) | (104,081) | (135,995) | (94,118) |
| Profit before tax | 203,461 | 156,748 | 173,563 | 139,927 |
| Minimum tax | (4,350) | - | (4,350) | - |
| Income tax expense | (21,178) | (27,096) | (12,068) | (20,642) |
| Profit for the year after tax | 177,933 | 129,652 | 157,145 | 119,285 |
| Other comprehensive income: | | | | |
| Items that will never be reclassified to profit or loss: | | | | |
| Fair value movements on equity instruments | (2,551) | 6,636 | (2,551) | 6,636 |
| Items that are or may be reclassified to profit or loss: | | | | |
| Foreign currency translation differences for foreign operations | 5,233 | 30,338 | - | - |
| Other comprehensive income/(loss) for the year | 2,682 | 36,974 | (2,551) | 6,636 |
| Total comprehensive income for the year | 180,615 | 166,626 | 154,594 | 125,921 |
| Profit attributable to: | | | | |
| Equity holders of the parent | 177,614 | 129,434 | 157,145 | 119,285 |
| Non controlling interest | 319 | 218 | - | - |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the parent | 180,281 | 166,236 | 154,594 | 125,921 |
| Non-controlling interest | 334 | 390 | - | - |
| Key financial information: | | | | |
| Earnings per share (Basic and diluted) | N5.66 | N4.12 | N5.01 | N3.80 |
| Dividend per share (proposed) | N2.70 | N2.02 | N2.70 | N2.02 |
| Total non-performing credit facilities (N'millions) | 105,865 | 71,374 | 91,738 | 57,577 |
| Total non-performing credit facilities to total credit facilities (%) | 4.70 | 3.00 | 4.33 | 2.60 |

Customer complaints in financial statements for the year ended 31 December 2017

| Description | Number | Amount claimed | Amount refunded |
|---|-----------|----------------|-----------------|
| <i>In millions of Naira</i> | | | |
| Pending complaint brought forward | 154 | 1,572 | 12 |
| Resolved complaints | 220 | 10,045 | 38 |
| Resolved complaints | 288 | 1,834 | 347 |
| Unresolved complaints escalated to CBN for intervention | - | - | - |
| Unresolved complaints pending with the bank carried forward | - | - | - |
| Unresolved complaints carried forward | 86 | 9,783 | - |

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

| AS AT 31 DECEMBER 2017 | Group 2017 | Group 2016 | Bank 2017 | Bank 2016 |
|--|------------------|------------------|------------------|------------------|
| <i>In millions of Naira</i> | | | | |
| Assets | | | | |
| Cash and balances with central banks | 957,663 | 669,058 | 907,265 | 627,385 |
| Treasury bills | 936,817 | 557,359 | 799,992 | 463,787 |
| Assets pledged as collateral | 468,010 | 328,343 | 468,010 | 325,575 |
| Due from other banks | 495,803 | 459,457 | 273,331 | 354,405 |
| Derivative assets | 57,219 | 82,860 | 57,219 | 82,860 |
| Loans and advances | 2,100,362 | 2,289,366 | 1,980,464 | 2,138,132 |
| Investment securities | 330,951 | 199,478 | 117,814 | 118,622 |
| Investment in subsidiaries | - | - | 34,003 | 33,003 |
| Deferred tax assets | 9,561 | 6,440 | 9,197 | 6,041 |
| Other assets | 92,494 | 37,536 | 56,052 | 35,410 |
| Property and equipment | 133,384 | 105,284 | 118,223 | 94,613 |
| Intangible assets | 12,989 | 4,645 | 12,088 | 3,903 |
| Total assets | 5,595,253 | 4,739,824 | 4,833,658 | 4,283,736 |
| Liabilities | | | | |
| Customers' deposits | 3,437,915 | 2,983,623 | 2,744,525 | 2,552,963 |
| Derivative liabilities | 20,805 | 66,834 | 20,805 | 66,834 |
| Current income tax payable | 8,915 | 8,953 | 6,069 | 6,927 |
| Deferred income tax liabilities | 18 | 45 | - | - |
| Other liabilities | 233,481 | 208,680 | 219,790 | 243,736 |
| On-lending facilities | 383,034 | 350,657 | 383,034 | 350,657 |
| Borrowings | 356,496 | 263,106 | 418,979 | 292,802 |
| Debt securities issued | 332,931 | 153,464 | 332,931 | 153,464 |
| Total liabilities | 4,773,595 | 4,035,364 | 4,126,133 | 3,667,383 |
| Capital and reserves | | | | |
| Equity attributable to Equity Holders of Parent | | | | |
| Share capital | 15,698 | 15,698 | 15,698 | 15,698 |
| Share premium | 255,047 | 255,047 | 255,047 | 255,047 |
| Retained earnings | 365,757 | 267,008 | 296,787 | 218,507 |
| Other reserves | 183,839 | 165,729 | 139,993 | 127,101 |
| Attributable to equity holders of the parent | 820,341 | 703,482 | 707,525 | 616,353 |
| Non-controlling interest | 1,317 | 983 | - | - |
| Total shareholders' equity | 821,658 | 704,465 | 707,525 | 616,353 |
| Total liabilities and equity | 5,595,253 | 4,739,824 | 4,833,658 | 4,283,736 |

The financial statements were approved by the Board of Directors for issue on 22 January, 2018 and signed on its behalf by:

Jim Ovia, CON (Chairman)
FRIC/2013/CIBN/00000002406

Peter Amangbo (Group Managing Director and Chief Executive)
FRIC/2013/CAN/00000001310

Ebenezer Onyeagwu (Deputy Managing Director)
FRIC/2013/CAN/00000003788

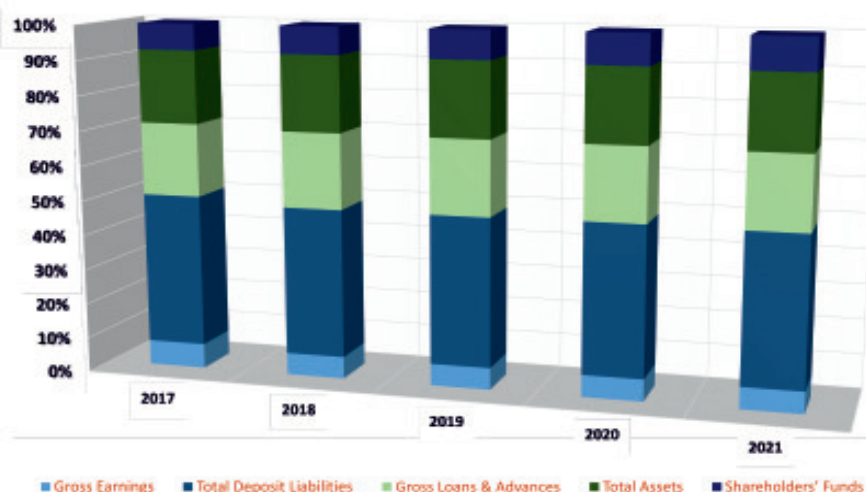
Stanley Amuchie (Chief Financial Officer)
FRIC/2013/MULTI/00000001063

ZENITH BANK'S FINANCIAL FORECAST (2017 TO 2021)

| ZENITH BANK'S FINANCIAL FORECAST (2017 TO 2021) | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|
| Group statements of comprehensive income | | | | | |
| In millions of Naira | | | | | |
| Gross earnings | 673,636 | 634,579 | 673,758 | 710,341 | 746,502 |
| Interest and similar income | 420,210 | 405,393 | 434,611 | 462,345 | 489,969 |
| Interest and similar expense | (200,672) | (163,994) | (177,122) | (188,988) | (196,370) |
| Net interest income | 219,538 | 241,399 | 257,489 | 273,357 | 293,599 |
| Impairment charge for credit losses | (95,244) | (69,706) | (74,013) | (75,924) | (79,969) |
| Fees and commission | 72,846 | 73,828 | 77,216 | 80,787 | 84,905 |
| Trading income | 157,974 | 145,723 | 151,075 | 155,999 | 160,048 |
| Others income | 22,606 | 9,636 | 10,856 | 11,210 | 11,580 |
| Depreciation and amortisation | (12,490) | (14,205) | (14,045) | (14,453) | (14,874) |
| Personnel expenses | (55,672) | (59,291) | (60,476) | (61,686) | (62,920) |
| Operating expenses | (135,995) | (144,386) | (148,298) | (153,348) | (158,260) |
| Profit before tax | 173,563 | 182,999 | 199,805 | 215,941 | 234,109 |
| Income tax expense | (16,418) | (21,045) | (25,975) | (28,072) | (30,434) |
| Profit after tax | 157,145 | 161,954 | 173,830 | 187,869 | 203,675 |
| Bank statements of financial position | | | | | |
| In millions of Naira | | | | | |
| Assets | | 28% | 28% | 28% | 27% |
| Cash and balances with central banks | 907,265 | 803,350 | 840,680 | 891,009 | 935,123 |
| Treasury bills | 1,067,020 | 1,173,722 | 1,349,780 | 1,552,247 | 1,707,472 |
| Due from other banks | 273,331 | 290,927 | 307,439 | 315,911 | 323,158 |
| Derivative assets | 57,219 | 54,358 | 56,532 | 58,794 | 61,145 |
| Loans and advances | 1,980,464 | 2,178,327 | 2,312,904 | 2,372,633 | 2,499,017 |
| Investment securities | 318,796 | 334,877 | 367,468 | 385,841 | 408,828 |
| Investment in subsidiaries | 34,003 | 34,003 | 34,003 | 34,003 | 34,003 |
| Investments in associates | 0 | 0 | 0 | 0 | 0 |
| Deferred tax assets | 9,197 | 2,525 | 3,117 | 3,369 | 3,652 |
| Other assets | 56,052 | 53,249 | 54,314 | 55,401 | 56,509 |
| Property and equipment | 118,223 | 122,952 | 127,870 | 131,706 | 135,657 |
| Intangible assets | 12,088 | 12,330 | 12,576 | 12,828 | 13,084 |
| Total assets | 4,833,658 | 5,060,621 | 5,466,684 | 5,813,741 | 6,177,650 |
| Liabilities | | | | | |
| Customers' deposits | 2,744,525 | 2,874,001 | 3,043,474 | 3,235,607 | 3,410,308 |
| Derivative liabilities | 20,805 | 21,013 | 21,223 | 21,435 | 21,650 |
| Current income tax | 6,069 | 6,313 | 7,792 | 8,422 | 9,130 |
| Other liabilities | 219,790 | 147,745 | 153,644 | 120,561 | 155,245 |
| On-lending facilities | 383,034 | 402,186 | 432,350 | 453,967 | 476,665 |
| Borrowings | 418,979 | 467,461 | 716,182 | 778,311 | 795,850 |
| Debt securities issued | 332,931 | 356,348 | 210,260 | 211,574 | 212,100 |
| Total liabilities | 4,126,133 | 4,275,067 | 4,584,926 | 4,829,878 | 5,080,949 |
| Capital and reserves | | | | | |
| Share capital | 15,698 | 15,698 | 15,698 | 15,698 | 15,698 |
| Share premium | 255,047 | 255,047 | 255,047 | 255,047 | 255,047 |
| Retained earnings | 296,787 | 349,677 | 419,209 | 494,356 | 575,826 |
| Other reserves | 139,993 | 165,132 | 191,804 | 218,762 | 250,129 |
| | 707,525 | 785,554 | 881,758 | 983,863 | 1,096,701 |

Source: 2017 Group Annual report & Financial Statements

ZENITH BANK'S FINANCIAL PROJECTION : 2017- 2021



Source: 2017 Group Annual report & Financial Statements

Direct economic value created and distributed

Zenith Bank also sustained superior growth in aggregate shareholders' funds, which edged higher by 16.8 percent to close the year 2017 at N822 billion (\$2,482 million), up from N704 billion (\$2,306 million) in 2016. This has strategically positioned the Bank as the largest financial services provider in the country by tier-1 capital and one of the biggest financial institutions in Africa.

The Group's operating costs increased from N104 billion (\$340 million) in 2016 to N148 billion (\$447 million) in 2017, representing a 42 percent growth. In addition, profit before tax rose considerably by 29.8 percent to N203 billion (\$613 million) in 2017, up from N157 billion (\$514 million) recorded in the 2016 financial year. Earnings per Share (EPS) sustained a positive growth trajectory, from N4.12k per share reported in 2016 to N5.66k per share as at 2017, a 37.4 percent increase. Consequently, we have continued to maintain strong and consistent dividend payout to our esteemed shareholders, from N2.45 per share in 2016 to N2.70 per share in 2017, a 10.2 percent increase. The Bank's strong financial performance has positioned it to continue to create sustainable wealth for its valued stakeholders.

| ZENITH BANK PLC Value Added Statement | | | | |
|--|----------------|------------|----------------|------------|
| | 31-Dec-17 | 31-Dec-17 | 31-Dec-16 | 31-Dec-16 |
| Group | | % | | % |
| Gross income | 745,189 | | 507,997 | |
| Interest expense | | | | |
| - Local | (194,873) | | (127,237) | |
| - Foreign | (21,764) | | (17,141) | |
| | 528,552 | | 363,619 | |
| Impairment loss on financial assets | (98,227) | | (32,350) | |
| | 430,325 | | 331,269 | |
| Bought-in materials and services | | | | |
| - Local | (145,752) | | (91,771) | |
| - Foreign | (2,594) | | (2,594) | |
| Value added | 281,979 | 100 | 236,904 | 100 |
| Distribution | | | | |
| Employees Salaries and benefits | 64,459 | 23 | 69,042 | 29 |
| Government Income Tax | 25,528 | 9 | 27,096 | 11 |
| Retained in the Group | | | | |
| Replacement of property and equipment/Intangible assets | 14,059 | 5 | 11,114 | 5 |
| To pay proposed dividend | 84,771 | 30 | 63,421 | 27 |
| Profit for the year (including statutory, small scale industry, and noncontrolling interest) | 93,162 | 33 | 66,231 | 28 |
| Total Value Added | 281,979 | 100 | 236,904 | 100 |

Value added represents the additional wealth which the group has been able to create by its own and employees efforts.



Sustainable Wealth Creation

Sustainable wealth creation remains one of our cardinal goals. We are committed to the sustainable growth and development of all the economies and societies where we operate. We understand that a key reason we are in business is to impact our stakeholders and the larger society positively. The wealth we create is increasingly our biggest competitive edge. We must continue to remain strategic and proactive in this regard. We understand that, to sustain this feat, we must continue to grow the Zenith brand and build on our competitiveness.

In 2017, the cumulative net wealth we created nudged higher by 19 percent to N281.9 billion (\$851 million), up from N236.9 billion (\$776million) reported in 2016. Shareholders received direct benefits valued at N84.7billion in dividend payments, a 33.7 percent rise from the N63.8 billion paid out in 2016. Similarly, the economic value gained by providers of capital edged higher by N72.26 billion, to N216.63 in 2017, up from N144.37 billion interest paid on funds in the preceding year. Also, vendors, suppliers, and lo-

Sustainable wealth creation remains one of our cardinal goals.

cal service providers received an economic value of N145.75 billion, from N91.7billion the previous year, representing a 59 percent rise. Our employees received salaries and benefits of about N64.46 billion in 2017, down from N69.04billion in 2016, representing a 6.6 percent drop.

We understand that we can only be as prosperous as our customers, investors and the larger economy. We must, therefore, continue to invest responsibly in the best interest and per capita wealth of our stakeholders. To achieve this, we will remain focused on product innovation, fair pricing, value addition and responsible competition and marketing.

The economic benefits we generated and distributed to our stakeholders in 2017 are outlined in the table above.

A five-year comparison of our economic value creation reveals a 67 percent rise in tax payments to government, from N15.28 billion as at 2013 to N25.5 billion in 2017. In the 2017 financial year, our employees received salaries and benefits worth N64.5billion, up from N59.95 billion reported in 2013, representing a 7.6 percent rise. The group's gross earnings rose by 112 percent, from N351.47 bil-



| VALUE-ADDED FORECAST- 2017 - 2021 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|----------------|----------------|----------------|----------------|----------------|
| Direct Economic Value Generated (EVG) | =N= (millions) | =N= (millions) | =N= (millions) | =N= (millions) | =N= (millions) |
| Revenue | 673,636 | 634,579 | 673,758 | 710,341 | 746,502 |
| Economic Value Distributed (EVD) | | | | | |
| Operating costs: | | | | | |
| Depreciation & Amortization | 12,490 | 14,205 | 14,045 | 14,453 | 14,874 |
| Operating Expenses | 133,384 | 141,926 | 145,686 | 150,594 | 155,366 |
| Interest Expense | 121,659 | 94,785 | 98,167 | 103,662 | 109,122 |
| Impairment charge for credit losses | 95,244 | 69,706 | 74,013 | 75,924 | 79,969 |
| | | | | | |
| Employee Wages & Benefits: | 55,672 | 59,291 | 60,476 | 61,686 | 62,920 |
| | | | | | |
| Payment to providers of capital (a): | | | | | |
| Interest on Borrowed Funds | 79,013 | 69,208 | 78,955 | 85,326 | 87,248 |
| Community Investments (Donations) | 2,611 | 2,460 | 2,611 | 2,753 | 2,893 |
| | | | | | |
| PROFIT BEFORE TAX | 173,500 | 182,999 | 199,805 | 215,941 | 234,109 |
| | | | | | |
| Payment to Government (Tax): | 16,418 | 21,045 | 25,975 | 28,072 | 30,434 |
| | | | | | |
| PROFIT AFTER TAX | 654,607 | 161,954 | 173,830 | 187,869 | 203,675 |
| | | | | | |
| Payment to providers of capital (b): | | | | | |
| Proposed Dividend | 84,771 | 72,879 | 78,223 | 84,541 | 91,654 |
| | | | | | |
| Economic Value Retained | 569,836 | 89,075 | 95,606 | 103,328 | 112,021 |

Source: Financial Control & Strategic Planning Group, Zenith Bank Plc

lion in 2013 to N745.19 billion recorded in 2017. In addition, our social and community investments increased by an impressive 205 percent to N2.61billion (about \$9 million), from N856 million recorded in 2013. We are committed to pushing our social investment budget to about N3 billion by 2020.

In the year under review, the Bank added 1,117 new staff (448 permanent and 669 contract hires) to its total workforce, reducing unemployment among the Nigerian youth population.

According to the Central Bank of Nigeria's 'Economic Report Fourth Quarter 2017' (page 17), total banks' credit to the domestic economy as at year end 2017 stood at N20,414.45 billion. At N2,252.17 billion, Zenith Bank's credit to the domestic economy as at year end 2017 was 11.03 percent of industry total. Our impressive investments and loans supported sustainable economic growth and development in the larger Nigerian economy in the year under review and created thousands of new jobs, while also creating sustainable wealth for our valued stakeholders.

As one of the biggest, most profitable and fastest growing financial services institutions in Nigeria, Zenith Bank envisages a remarkable rise in the economic value created for its stakeholders within the next five years. For Zenith Bank Plc, we expect a steady growth in our gross earnings, from N673.6 billion in 2017 to about N746.5 billion by 2021, a 10.8 percent rise. In addition, total deposit liabilities and assets in 2021 are forecast to reach N3.4 trillion and N6.2 trillion, respectively, up from N2.7 trillion and N4.8 trillion in 2017. Also, our Profit before tax is projected to rise by 40 percent, from N173.5 billion in 2017 to about N234.1 billion by the end of the financial year 2021.

In spite of the slow economic upturn as reflected in Nigeria's GDP growth of 0.8 percent in 2017 (year-on-year), the Zenith Bank Group remained resilient as total loans and advances reached N2,100,362,000,000, accounting for 11.03 percent of the N20,414,450,000,000 total banks' credit to the domes-

| Zenith Bank's 5-Year Growth in Economic Value Created (2013 - 2017) | | | | | |
|---|-----------------|-------------------------------|-----------------|-------------------------------|-------------------|
| | 2013 | | 2017 | | |
| | Naira (Billion) | *US dollars (Million) @159.94 | Naira (Billion) | *US dollars (Million) @331.16 | 5-year % increase |
| Payroll expenses | 59.95 | | 64.5 | | 7.6 |
| Taxes | 15.28 | | 25.5 | | 67 |
| Dividend | 54.9 | | 84.7 | | 54 |
| Gross earnings | 351.47 | | 745.19 | | 112 |
| Profit after tax | 95.32 | | 177.93 | | 87 |
| Tier 1 Capital | 509.25 | | 821.66 | | 61 |
| Total asset | 3,143.13 | | 5,595.25 | | 78 |
| Social Investments | 0.856 | | 2.611 | | 205 |

Source: 2017 Group Annual report & Financial Statements



Our competitive edge is derived from our ability to attract, employ and retain the best talents in the financial services industry



tic economy as at year end 2017, as reported by the CBN. These investments created thousands of new jobs in the Nigerian economy in the year under review.

Market Presence & Minimum Wage

Zenith Bank is a leading brand with a people-centric business approach and a strong commitment to supporting employees' overall wellbeing and aspirations. We are mindful of how our market presence influences the socio-economic wellbeing of the people, and will continue to sustain a brand that projects respect for the wellbeing of our stakeholders, and indeed, the general public.

In line with Sustainable Development Goal 5 of the United Nations (Gender Equality), Zenith Bank is increasingly committed to ensuring strong professional ethics in our dealings with all employees. There is no gender disparity in our remuneration and minimum wage.

At Zenith Bank, our wages and benefits are the same for all employees at the same level, irrespective of region and gender. Our competitive edge is derived from our ability to attract, em-



Zenith Bank's Active Permanent Employees by Gender (Percentage)

| Female | Male | Total | Female | Male |
|--------|-------|-------|--------|-------|
| 2,953 | 3,177 | 6,130 | 48.2% | 51.8% |

2017 Permanent Employees by Region/Gender

| REGION/GENDER | Female | Male | Total |
|---------------|--------|-------|-------|
| North | 665 | 863 | 1,528 |
| East | 219 | 296 | 515 |
| South | 441 | 445 | 886 |
| West | 1,628 | 1,573 | 3,201 |
| Total | 2,953 | 3,177 | 6,130 |

Zenith Bank's Contract Employees by Gender (Percentage)

| Female | Male | Total | Female | Male |
|--------|------|-------|--------|--------|
| 988 | 891 | 1,879 | 52.58% | 47.42% |

2017 Contract Employees by Region/Gender

| REGION/GENDER | Female | Male | Total |
|---------------|--------|------|-------|
| North | 197 | 244 | 441 |
| East | 79 | 72 | 151 |
| South | 147 | 130 | 277 |
| West | 565 | 445 | 1,010 |
| Total | 988 | 891 | 1,879 |



The Bank's strategy is to support government's efforts at diversifying the economy through active funding and investments in the real sector of the economy.

ploy and retain the best talents in the financial services industry. As at December 31, 2017, we had in our employment 2,953 females and 3,177 males, representing 48.21 percent and 51.8 percent of our total active permanent employees, respectively.

Also, our other workers comprising 1,879 contract employees include 988 females and 891 males, representing 52.58 percent and 47.42 percent, respectively.

Our wages and remuneration are highly competitive in all the countries where we operate. Our net entry-level wage as at end 2017 was N1,868,998/annum, significantly higher than the Federal Government's minimum wage of N216,000 per annum (or N18,000/month), according to the provisions of the National Minimum Wage (Amendment) Act, 2011. The ratio of our entry-level wage to government's minimum wage is 8.6 to 1.

Similarly, our average entry-level wage for other workers (excluding Zenith Bank employees) was N553,336.20/annum or N46,111.35 per month, which is markedly higher than the federal government's minimum wage of 216,000 per year (N18,000/month). We do periodic monitoring of contractors that manage outsourced labour to ensure compliance with above-minimum wage salaries and remuneration for their employees.

Indirect Economic Impacts

In our business investments and lending activities, we are conscious of the need to fast-track economic growth and development through wealth creation and employment generation for the nearly 10.96 million Nigerian youths that are actively seeking employment.

The Bank's strategy is to support government's efforts at diversifying the economy through active funding and investments in the real sector of the economy, such as agriculture, power, manufacturing, solid minerals, industries and construction. The bank also prioritizes economic sectors with the greatest potential to improve the condition and wellbeing of the larger economy and bring development closer to the people.

Zenith Bank's corporate philanthropy and social investments in 2017 were targeted mostly at health care delivery and education in local communities. We expended over N588 million on educational support across the country and invested more than N129 million towards the establishment of the North East Children's Trust Fund, an initiative designed to empower, educate and build skills and capacity for children that were displaced by the crisis in North-East Nigeria.

We also bankrolled various government's initiatives aimed at delivering sustainable development. The bank's total spending on corporate social responsibility reached a whopping N2.61 billion or US\$7.9 million in 2017. Our community investments and donations are projected to hit N3 billion (an estimated US\$9 million) by 2020.

Infrastructure Development

We continue to make significant indirect economic impacts on the larger society, using our products such as loans and investments, as well as through our diverse CSR initiatives. Our gap analysis reveals the pressing need to continue to support government's infrastructure development drive. In line with Sustainable Development Goal 9 (Industry, Innovation and Infrastructure), we remain committed to using our value-adding banking products and services to improve the condition of Nigeria's social infrastructure. Despite the recent economic downturn, Zenith Bank



we remain committed to using our value-adding banking products and services to improve the condition of Nigeria's social infrastructure

sustained its lending to the real sector of the economy which reached N2.25 trillion in the period under review, slightly down from the N2.4 trillion recorded in 2016. The Bank has also engaged actively in the disbursement of various intervention funds launched by the Central Bank of Nigeria towards developing targeted sectors of the economy.

Our sectoral lending and investments during the review period included N53 billion for the transport sector; N633.7 billion for manufacturing; N113 billion for real estate and construction; and N83 billion for the power sector.

Our investment in the manufacturing sector was up by nearly 21 percent to N633.7 billion in 2017, from about N523.2 billion in 2016. In addition, we spent N10 billion on educational projects, N63 billion to develop the agricultural sector and N11.7 billion on consumer credit. We invested N660.2 billion towards the oil and gas sector and N208.6 billion for general commerce, amongst others. These sectoral



| Zenith Bank's Lending to the Economic Sectors in 2017 | | | | | |
|---|------------------------------|------------------|-------------|------------------|---------------------|
| S/N | SECTOR | 2016 | | 2017 | |
| | | 31-Dec | | 31-Dec | |
| | | | | (N'm) | As % OF TOTAL LOANS |
| 1 | Agriculture | 70,029 | 3 | 63,223 | 2.8 |
| 2 | Oil and gas | 654,962 | 28 | 660,243 | 29.3 |
| 3 | Consumer Credit | 6,081 | 0.3 | 11,728 | 0.5 |
| 4 | Manufacturing | 523,170 | 22 | 633,739 | 28 |
| 5 | Real estate and construction | 138,216 | 6 | 113,137 | 5 |
| 6 | Finance and Insurance | 23,486 | 1 | 8,045 | 0.4 |
| 7 | Government | 307,049 | 13 | 311,904 | 14 |
| 8 | Power | 108,272 | 5 | 83,470 | 3.7 |
| 10 | Transportation | 55,859 | 2.3 | 53,037 | 2.4 |
| 11 | Communications | 116,082 | 4 | 95,093 | 4.2 |
| 12 | Education | 9,347 | 0.4 | 9,953 | 0.4 |
| 13 | General Commerce | 348,256 | 15 | 208,600 | 9.3 |
| | | | | | |
| | Gross Loans | 2,360,809 | 100% | 2,252,172 | 100% |



financings have generated employment opportunities and per capita wealth for several households in the different communities where we operate, and also created economies of scale and value for governments, shareholders and investors, customers and the larger society.

According to the Central Bank of Nigeria's 'Economic Report Fourth Quarter 2017' (page 17), total banks' credit to the domestic economy as at year end 2017 stood at N20,414.45 billion. At N2,252.17 billion, Zenith Bank's credit to the domestic economy as at year end 2017 was 11.03 percent of industry total credit. Our investments and loans created thousands of new jobs, improved the socioeconomic wellbeing of our valued stakeholders and supported sustainable development in the larger Nigerian economy in the year under review.

Our investments in key sectors of the economy in 2017 are detailed in the table.



Our impressive investments and loans supported sustainable economic growth and development in the larger Nigerian economy in the year under review and created thousands of new jobs

Stimulating real sector for sustainable development

2017 was indeed a remarkable year for the Nigerian economy. The country exited its first recession in 25 years in the second quarter of the year following a rebound in commodity prices which positively impacted foreign exchange earnings. The implementation of the country's Economic Recovery and Growth Plan (ERGP) and stability in the production of crude oil also supported moderate recovery. Despite the prevailing macroeconomic headwinds, Zenith Bank supported the real sector of the economy with over N2.252 trillion in credit lines and investments.

We are committed to supporting government's economic diversification and infrastructure improvement. This is why our total loan advances towards infrastructure development was in ex-



million) credit to refinance the acquisition of property, plant and equipment for the development of a Greenfield fertilizer plant with a capacity of 2.6 million metric tons of urea per annum.

Zenith Bank also invested N2 billion in the production of sugar for export and local consumption purposes. In addition, we committed considerable funds towards the production of oil palm, rice, poultry, among others. Indeed, the Bank's credit to the agricultural sector has positively impacted local communities by providing employment opportunities; developing local markets (farm gate) and enhancing export of agro-commodities.

To promote export and international trade towards economic diversification, we financed the purchase, processing and exports of agro commodities rice, oil palm, poultry (animal feeds) and soybeans with over N20.3 billion (\$61 million). Our investments are targeted at improving the income of farmers, creating new agribusiness entrepreneurs across the value chains and ensuring food sufficiency.

We are committed to furthering infrastructural development across the country and closing the yawning gaps in public facilities. In 2017, we partnered with the United States Agency for International Development (USAID) to provide mortgage loans for low to middle income earners in Nigeria. Our investments in real estate and construction sector reached N113 billion (\$341 million) in the year under review. We devoted more than N4.9 billion for the engineering, procurement and construction (EPC) of buildings and other infrastructure. We also invested N1.5 billion for the construction of Oshodi Transport Interchange project in Lagos State; and another N1.5 billion for the development of Multipurpose Shops at Tejuosho Market.

In the Telecommunications and power sectors, we invested over N95 billion (\$287 million) and N83.5 billion (\$252 million), respectively, to boost the emerg-

cess of N633.7 billion (\$1.91billion) in 2017, representing 28 percent of our total loans for the year under review. For instance, we invested nearly N4.6 billion for the acquisition of plant and machinery towards the construction of a hi-tech steel plant. We also committed N3.5 billion towards the development of an ultra-modern Greenfield factory for the manufacturing of food-grade resins at Igbesa town, Ogun State.

Also, in an audacious move to encourage import substitution, Zenith Bank in 2017 invested about N5.2 billion to drive ceramics production lines across the country. We provided over N3.3 billion to finance the development of an integrated rice processing plant expected to process nearly 16 metric tons of paddy rice per hour.

We also aided government's economic diversification efforts by providing about N63 billion to revamp the Agricultural sector. This included N12 billion (\$36



Our investments are targeted at improving the income of farmers, creating new agribusiness entrepreneurs across the value chains and ensuring food sufficiency.



In the Telecommunications and power sectors, we invested over N95 billion (\$287 million) and N83.5 billion (\$252 million), respectively, to boost the emerging digital economy, especially e-commerce.

ing digital economy, especially e-commerce. These investments have improved the socio-economic well-being of millions of Nigerians and created thousands of new jobs, in line with the Sustainable Development Goals 1, 2, 7 and 8 of the United Nations (Zero Poverty, Zero hunger, Affordable and Clean Energy & Decent Work and Economic Growth). Indeed, our investments in these sectors of the economy have markedly helped to facilitate the following:

- Sustained economic recovery from the country's worst recession in 25 years
- Improved foreign investors' confidence in the economy
- New employment opportunities, enhancing

per capita wealth in households

- Improved broadband infrastructure
- Enhanced electricity generation and transmission capacity across the country

Procurement Practices

Zenith Bank is a leading brand in Nigeria with huge procurement and purchasing capacity. As part of our procurement policies, we patronize local suppliers in all the locations where we operate. This is another way we give back to our host communities while complying with the country's local content regulations.

For us, 'local' means all resources, both human and material that can be sourced within the Federal Republic of Nigeria; while 'significant location of operation' means all the operational activities covered within the 36 States of Nigeria and the Federal Capital Territory (FCT), unless otherwise defined.

Our procurement policies prioritize excellent product quality, service delivery and after-sales support. As part of efforts to comply with the principles of responsible consumption and production as enshrined in SDG 12, we prioritize products and services that are offered by vendors, suppliers and contractors with good environmental and social records.

We have integrated environmental and social conditions into our Code of Conduct for Suppliers, Vendors and Contractors, as part of efforts to promote socio-environmental friendly business practices, and also to ensure high-quality products and services, value for money and responsible sourcing of raw materials in our supply chain.

Zenith Bank's procurement practices have positively impacted the economy, creating jobs, income and economic empowerment for households. Our focus on patronizing local suppliers and service providers also helps to tackle extreme poverty and hunger and boost entrepreneurship in line with Goals 1, 2 and 8 of the SDGs.

In 2017, our vendors, suppliers, contractors and local service providers received an economic value of N145.8 billion, up from N91.8 billion in 2016, representing an impressive 58.8 percent gain year-on-year. As a leading financial services provider, our supply chain is critical to our business operations as the quality of the products and services procured could have direct and indirect impact on the quality of our operational infrastructure and deliverables to stakeholders. We constantly engage our vendors to ensure that we accurately spot emerging risks and put appropriate con-

trols in place to avert them.

Total procurement expenses on locally sourced materials (IT equipment and other materials) edged higher by 8.5 percent to 95 percent of our total procurement spending in 2017, up from about 87.5 percent recorded in 2016. Materials purchased include cement, steel, woods, paints, among others.

ICT facilities and equipment constituted a substantial part of our procurements. Specifically, more than 85 percent of our ICT equipment were purchased locally in an effort to boost decent work and economic growth and alleviate poverty and hunger in line with SDGs 1, 2 and 8 of the United Nations. Our procurement policy deliberately promotes the patronage of local ICT vendors. The Bank only solicits for foreign vendors when viable local alternatives are not readily available. Our relations with IT vendors are guided by laid down service level agreements and compliance with our Code of Conduct, while the process of selection of vendors is overseen by our Tender Committee.

We ensure cost effectiveness by applying our procurement and expense policies, which set spending limits in all our branches and business locations. We also conduct price intelligence and assist our branches in getting value for money.



As part of efforts to comply with the principles of responsible consumption and production as enshrined in SDG 12, we prioritize products and services that are offered by vendors, suppliers and contractors with good environmental and social records.



Anti-corruption

Zenith Bank is a major African financial services provider with socio-economic, environmental and governance responsibilities. We understand the critical role that the banking industry could play in enforcing or undermining government anticorruption drive. We are committed to ensuring compliance with all applicable laws and regulations on anticorruption. In 2017, we intensified the upgrade of our financial technologies, banking processes and procedures with a view to ensuring internal control and systems' security. These have significantly improved our corporate governance and boosted our anti-corruption drive and awareness creation within the workforce.

As part of our strategies to achieve SDG 16 (Peace, Justice and Strong Institutions), we en-

In 2017, we intensified the upgrade of our financial technologies, banking processes and procedures with a view to ensuring internal control and systems' security.

Central Bank of Nigeria's mandate, we have set up an e-fraud desk that provides 24/7 verifications and checks on the genuineness of the bank's electronic receipts and payments.

Zenith Bank offers anti-corruption training for all categories of employees on a quarterly basis, with emphasis on sharing case studies on trending social engineering attacks and other kinds of cyber-crimes. Our employees are also trained and closely supervised to be vigilant and able to identify fraudulent cash related transactions, such as counterfeit notes. Our anti-corruption training curriculum and internal communications focus on relevant national laws and regulations on anticorruption and the Bank's policies and procedures for deterring offenders.

In 2017, a total of 3,851 employees representing 62.8 percent of the 6,130 active permanent employees were sent on various anti-corruption classroom trainings. This is a marginal 1.8 percent reduction from the total of 3,923 employees, representing 65.7 percent of total staff strength that were trained on anti-corruption in 2016.

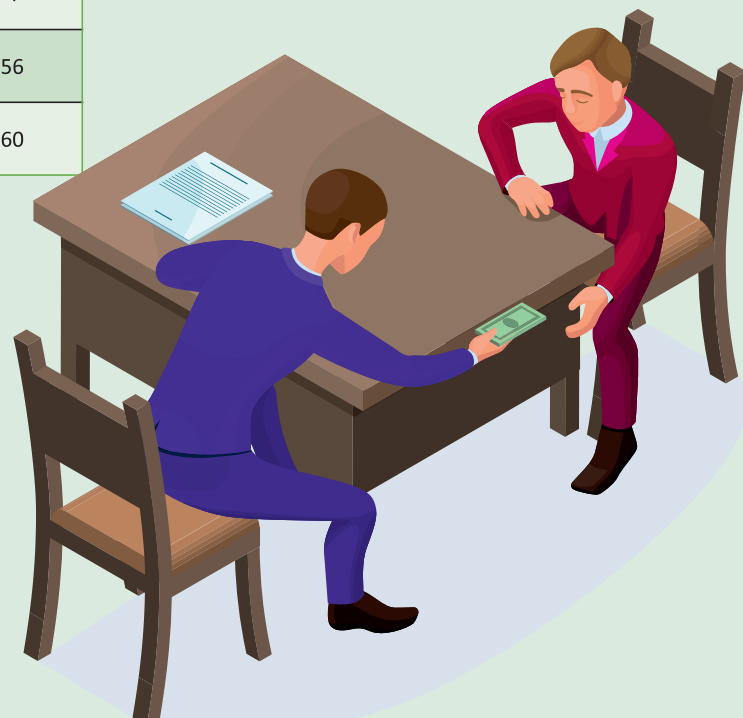
In addition, 60 out of 70 members of the Bank's top management, executive management and board members, were duly trained on the updated anti-corruption policies of the bank through quarterly Anti-Money Laundry (AML) Workshops. This represents 85.7 percent of total staff in these cadres.

| 2017 Anti-Corruption Training, Broken Down by Employee Category/Region | | | | |
|--|--------|-------|-------|-------|
| S/N | LEVEL | LAGOS | ABUJA | SOUTH |
| 1 | BOARD | 3 | 1 | 0 |
| 2 | AGM-GM | 40 | 8 | 8 |
| 3 | DM-SM | 210 | 86 | 110 |
| 4 | BO-SAM | 546 | 265 | 281 |
| 5 | ET-ABO | 1091 | 551 | 651 |
| 6 | TOTAL | 1,890 | 911 | 1050 |
| Grand Total | | 3851 | | |

| Board, Executive Management and Top Management Training on Anti-Corruption by Employee Category/Region | | | | | |
|--|--------|-------|-------|-------|-------|
| S/N | LEVEL | LAGOS | ABUJA | SOUTH | TOTAL |
| 1 | BOARD | 3 | 1 | 0 | 4 |
| 2 | AGM-GM | 40 | 8 | 8 | 56 |
| 3 | TOTAL | 43 | 9 | 8 | 60 |

courage the use of our whistleblowing platform. This also helps to avert fraud and cyber-crimes, particularly phishing emails and other social engineering attacks.

In our effort to plug possible vulnerabilities in our anti-corruption drive and in line with the





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We are conscious of the rising global concerns about environmental sustainability and are committed to carrying out periodic reviews of our policies and processes to identify areas of potential adverse environmental impact and mitigate them as efficiently as possible.



ENVIRONMENT







Green Business. Strategy

Our energy conservation strategy has started yielding positive dividends, lowering our energy consumption, reducing our carbon footprint and helping us achieve the corporate satisfaction that comes with ‘doing the right thing’.

A

s a responsible business, we understand how our operations and activities could negatively impact the condition of the physical environment. This is why we constantly monitor and review our environmental footprint. Our concerted effort to comply with extant environmental laws and regulations demands that

we adopt global best practices in environmental management.

We are conscious of the rising global concerns about environmental sustainability and are committed to carrying out periodic reviews of our policies and processes to identify areas of potential adverse environmental impact and mitigate them as efficiently as possible. We have employed strategies to manage the carbon footprints from our internal business operations while also ensuring that we monitor the activities and environmental compliance of our major business partners.

In 2017, Zenith Bank reassessed its environmental materiality in accordance with the new GRI Standards. Based on the outcome, the Bank redefined its environmental responsibilities, priorities and targets, all in the effort to ensure continuous improvement.

Our material topics and boundaries for the 2017 report was based on three criteria Zenith Bank’s strategic business objectives and the impact these have on the economy, society and the

ZENITH BANK'S ENVIRONMENTAL IMPACT MANAGEMENT STRATEGIES

| | |
|----------------------------|--|
| Energy Consumption | <ul style="list-style-type: none"> • Transit to the use of more renewable and environmental friendly energy sources for our business operations bank wide. To this end, our multi billion Naira Energy Centre project has been commissioned. The project is designed to phase out diesel powered generators in several business offices around the Victoria Island area of Lagos, and connect them to a centrally controlled gas powered electricity plant. The plan is to replicate this initiative bank wide. • Introduce solar energy in all our branches in place of fossil fuel currently used by our power generators • Retrofit all our branches with LED energy saving bulbs • Implement 5pm shut down time for our Head Office and branches • Install eco-friendly, energy efficient air conditioners bank wide • Ensure reduced energy consumption by switching off energy sources that are not in immediate use |
| Emission | <ul style="list-style-type: none"> • Use inverters to power all our ATMs • Invest in banking infrastructure that promote 100 percent, end-to-end transaction processing to reduce customers' commute time • Increase and improve on our staff bus fleet and encourage more employees to use them • Encourage carpooling/sharing among staff living within the same locality • Phase out the use of diesel-powered vehicles • Implement travel control measures for all employees • Make active use of internal, remote communication tools – Lync Exchange, Lync Video conferencing, Interactive Voice Response (IVR) and VOIP calls to reduce commute time • Transit to the use of energy efficient technologies as well as the use of hybrid/electronic cars |
| Effluents and Waste | <ul style="list-style-type: none"> • Implement the reduce, reuse, recycle policy • Adopt effective waste measurement and progress monitoring processes • Auction depreciated items to staff through bidding processes for reuse • Ensure environmentally friendly waste management practices • Implement selective waste collection and differentiation policy • Evaluate and monitor the e-waste management practices of relevant investees, contractors and vendors, including government authorized waste collectors and recyclers • Ensure global best practices in e-waste management |

Besides the high cost, the use of fossil fuel increases our carbon footprint while also exposing the Bank to energy price volatilities, as well as production and supply uncertainties.

physical environment; stakeholders' expectations and concerns; and financial sector specific regulatory and market obligations

Based on the GRI materiality methodology, material topics related to Zenith Bank's environmental footprints in 2017 include energy, emissions, effluents and waste, and compliance.

The scope of our environmental report include the Bank's head office and all the branches, cash offices and other buildings that are owned by the Bank within its Nigerian operations. However, some data for the key indicators cover mostly our head office buildings and its annexes, and are centrally processed by the Corporate Sustainability and Responsibility (CSR) Unit in the head office, unless otherwise stated.

Energy

As a large corporate entity, energy plays a critical role in our business operations. Zenith Bank is a major player in the financial services sector, with numerous branches within and outside the country. The Bank's alternative energy sources are still predominantly powered by fossil fuel. Although our primary source of energy is the national electricity grid, this is highly supplemented by the use of fossil-powered generators owing to unstable power supply. Besides the high cost, the use of fossil fuel increases our carbon footprint while also exposing the Bank to energy

price volatilities, as well as production and supply uncertainties.

Beyond the risk of exposure to regulatory infractions, Zenith Bank is aware of the harm that the use of non-renewable energy constitutes to the physical environment. Zenith Bank is therefore improving its business processes and procedures by increasing the use of renewable energy, ensuring energy efficiency and adopting environmentally responsible practices in its different locations.

Zenith Bank has put in place a green business model backed by policies and frameworks that drive energy-efficient business operations. Measurement and monitoring practices are also being adopted to ensure adherence to global best practices in the use of energy resources.

We are concerned, not just about our own energy efficiency practices as a business but also about the practices of stakeholders in our value chain. This is why our credit administration and procurement processes now carry compliance with global environmental standards as precondition for business relationships with creditors,



Zenith Bank has put in place a green business model backed by policies and frameworks that drive energy-efficient business operations

investees, vendors, contractors and suppliers.

The Bank also contributes towards the global climate action by providing sustainable banking solutions to our millions of customers; supporting environmental solutions and innovations; funding environmental friendly businesses and projects; and investing in green initiatives both in the public and private sectors.

Zenith Bank has fully integrated energy consumption assessment as an integral part of the Environmental and Social (E&S) Risk Assessment conducted on borrowing customers. The aim is to encourage the Bank's investees to obtain power from renewable sources and develop energy efficient processes to drive their business operations.

Our energy conservation strategy has started yielding positive dividends, lowering our energy consumption, reducing our carbon footprint and helping us achieve the corporate satisfaction that comes with 'doing the right thing'.

Zenith Bank is committed to optimiz-





ENERGY CONSUMPTION PATTERN IN 2017

| | FY 2016 | FY 2017 | Percentage Change |
|---|--------------|--------------|-------------------|
| Total Electricity Purchased from the National Grid (kWh) | 3,305,540.83 | 4,547,028.74 | 37.6 |
| Total Electricity used per Employee from the National Grid (kWh) | 3,209 | 4,301 | 34 |
| Total Diesel Consumption (Ltr) | 1,856,392 | 1,584,676 | -14.6 |
| Total Diesel used Per Employee (Ltr) | 1,717 | 1,499 | -12.7 |

head office business units and the entire Nigerian operation. In the coming years, we plan to extend our environmental and social footprint report to our offshore locations.

Energy consumption Pattern

Zenith Bank purchases energy from the national electricity grid and supplements this with self-generated energy from fossil-powered generators. In our efforts to meet the global target of doubling the rate of improvement in energy efficiency

ing its energy usage by reducing consumption and introducing smart energy saving appliances and systems. Our new energy policies emphasize detailed tracking of our energy consumption, to enable us set realistic consumption reduction goals and targets. Using a tracking application called the “Admin Manager”, we are able to measure and monitor the energy consumption pattern in our branches. This data is collated at the head office and the dedicated department is able to evaluate bank wide energy consumption centrally. In addition, the current framework ensures that the Bank continuously builds the required capacity in efficient energy usage, measurement and monitoring. The Bank has also created a central sustainability champions’ group covering the

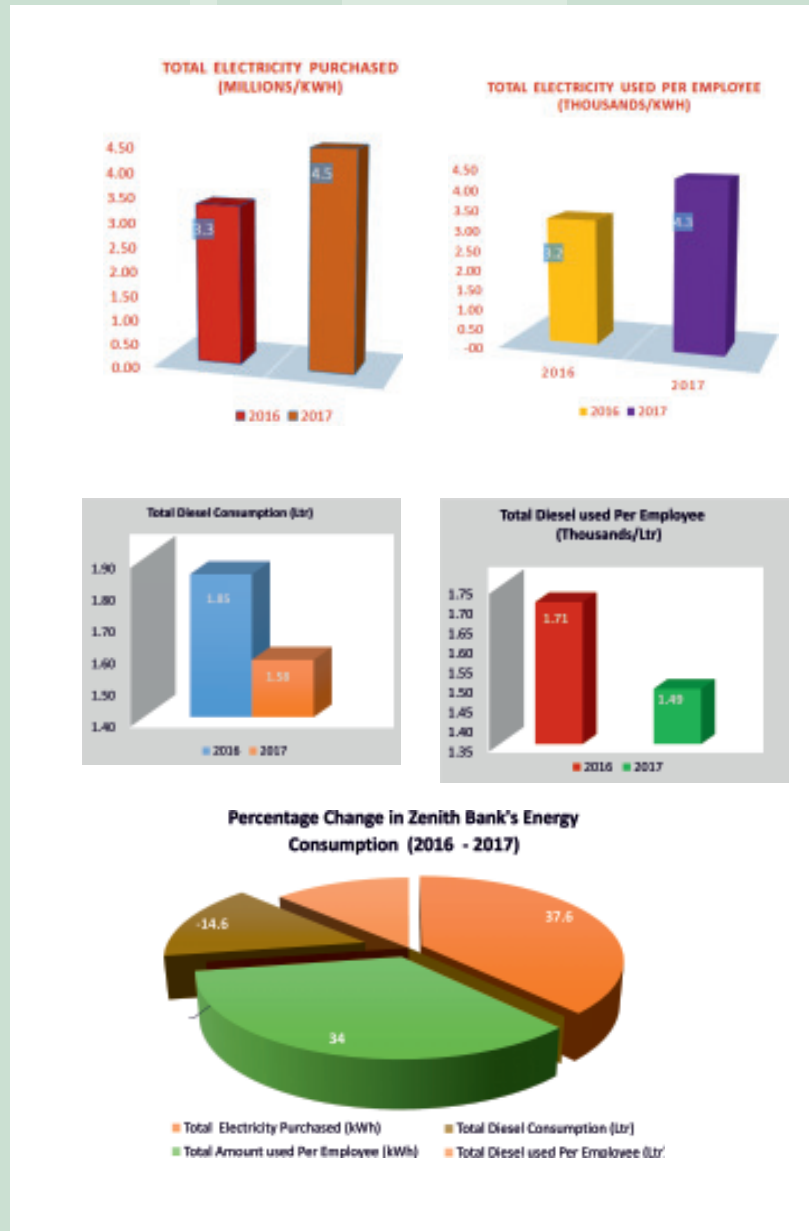
by 2030 as stipulated in Sustainable Development Goal 7 (“Affordable, reliable, sustainable and modern energy for all”), we are transiting to the use of solar technology and gas-powered, centrally controlled energy generation plant. Our energy management plan also includes the replacement of incandescent bulbs with LED light. Furthermore, the Bank has sponsored numerous initiatives on renewable energy and funded several projects for customers that invest in affordable energy.

Our business locations have grown from a total of 521 Buildings (383 Branches, 62 Cash Offices, 60 ATM Buildings (Offsite), 10 Archive Buildings, two training schools, and four Guest Houses) as at 2016, to 550 buildings in 2017, comprising 392 Branches,

64 Cash Offices, 78 ATM Buildings (Offsite), 10 Archive Buildings, two training schools, and four Guest Houses. The new additions are nine branches, 18 ATM buildings and two Cash Offices. Of these buildings, the head office complex with a total occupied space of 6,730.2m² hosts the highest number of employees (1,057 staff) and constitutes the single largest emission point in the Bank's operations. This is why we continue to prioritize the head office complex in our energy reduction drive. Our ultra-modern, gas powered energy plant which is currently under construction will significantly address this footprint when it becomes operational in the next 12 months. The project will eliminate the use of at least 20 (250kva) generators in some of our Victoria Island branches and the head office, and replace them with a centrally powered gas plant.

In 2017, the total amount of electricity purchased from the national grid rose from 3,305,540.83kWh at the end of 2016, to 4,547,028.74kWh, indicating a 37.6 per cent increase. Similarly, there was a 34 per cent rise in the total electricity used per employee from 3,209 kWh/employee in 2016 to 4,301 kWh/employee in 2017. The increase in energy purchased from the national grid was due to the expansion of the scope of this report to include the entire head office complex, including the annexes and new car park. Consequently, the total occupied space for this report increased from 2,505.74m² in 2016 to 6,730.2m² in 2017. Furthermore, there was a corresponding decrease in the total litres of diesel used to run Zenith Bank's generators from 1,856,392 litres in 2016 to 1,584,676 litres in 2017, representing a reduction of 14.6 per cent in diesel consumption. Consequently, there was a 12.7 per cent decrease in the total litres of diesel used per employee, which dropped from 1,717 litres in the preceding year to 1,499 litres in 2017.

Employees of the Bank embarked on 232 business trips in 2016, compared to 380 trips in 2017, resulting in a 12.2 per



cent decrease in emission from 299.4 tCO₂e in 2016 to 262.8 tCO₂e in 2017. The refrigerants used for our chillers, refrigerators and split air conditioners reduced by 90.2Kg, from 1,115.2Kg in 2016 to 1,025Kg, representing a drop by 8.01 per cent. Contrary to expectations, there was an increase in our refrigerants emissions, from 1,570.10 in 2016 to 1,603.50 in 2017. The increase was mostly due to changes in the emission factors of the refrigerants used in the year under review. We will pay closer attention to addressing this emission point in the coming years.

Zenith Bank's target is to reduce its total energy consumption by 20 per cent by 2020 and further down by 40 per cent by 2025. Our performance in 2017 is an indication that we are poised to achieve this goal.

Energy Optimization Initiatives

Zenith Bank in its efforts to plug energy wastage carried out several upgrades in its Information Technology (IT) infrastructure, replacing the energy-intensive servers with newer models that are more energy efficient. The Bank is also reducing its electricity consumption proactively by redesigning and upgrading its banking software and system applications, and adding more advanced sensors and controls. We are addressing energy consumption wastages by maintaining only the necessary square footage of office space required, especially in new constructions. The Bank is actively engaged in implementing this strategy in all its new buildings.

As part of its energy optimization plan, Zenith Bank is also retrofitting its light fittings with energy saving LED bulbs and fluorescents. As at yearend 2017, 73.5 percent of Zenith Bank branches had migrated from modular fittings with high wattage bulbs and fluorescents, up from 49 percent the previous reporting year. Our goal is to ensure that all our branches are retrofitted for energy saving light fittings by 2020.

Our consumption from renewable energy sources as well as reductions achieved from the transition to more efficient facilities are still not fully captured, measured and quantified. But we remain committed to gradually reducing our energy consumption



by using more environmentally friendly sources and replacing our office equipment with more energy efficient ones.

We are taking bold steps in our energy efficiency drive. For example, the number of our branches powered by solar increased to 404, with 263 new installations achieved within the period under review. About 447 ATMs were migrated to solar power in 2017 alone. We are currently migrating to air conditioners that are eco-friendly and energy efficient. We are installing gas powered electricity generating system in our Head office and nearby branches, with plans to replicate this in all our branches.

Data collection, measurement and monitoring of our heating, cooling, and steam consumptions remain a challenge in our sustainability journey. However, we are committed to deploying the requisite tools that would enable us address these challenges in the coming years.

Emission

At Zenith Bank, we understand the relationship between emission and climate change. We also understand the role we are expected to play towards combating the menace of climate change and global warming. With over 550 business locations and nearly 450 vehicles in our official head office fleet in 2017, greenhouse gas emission remains a material topic for us. As part of our strategies to achieve SDG 13 (Climate Action), Zenith Bank manages its GHG emissions by controlling energy consumption and ensuring that we leverage technology to reduce our business trips and third-party emissions. This report covers the Bank's Head Office operations in Nigeria.

Zenith Bank's head office complex occupies a total space of 6,730.2m². The complex and its annexes host the largest number of employees (1,057



staff), representing 17.24 percent of our total workforce as at the year under review. It therefore constitutes the single largest emission point in the bank's operations.

As a global brand, Zenith Bank is obligated to limiting its overall negative environmental footprints. As a demonstration of our commitment towards achieving our goal of 20 percent emission reduction by 2020, we are focusing our efforts on reducing, measuring, monitoring and reporting the GHG emissions associated with our operations.

We are increasing the use of renewable sources in our energy mix, upgrading our business processes for enhanced efficiency, deploying energy efficient technologies, and ensuring that we

effectively capture, measure and monitor emissions from our business offices.

Zenith Bank has put in place state-of-the-art solutions to deliver optimal, customized banking experience and product offering. Our approach is to use technology to significantly combat CO₂ emission, especially by reducing the commute time for millions of our customers. Our target is to enable them meet their banking needs without having to visit our banking halls. However, we also realize that these banking tools generate their own emissions and e-wastes. We will therefore continue to invest in new technologies that deliver on scalability, energy efficiency and low emissions.

Zenith Bank is a trailblazer in innovative and technology banking in

Zenith Bank's Key Emission Points

| Emission Channels | Management Strategy | Target Date |
|-------------------------------|--|-------------|
| Vehicles | <ul style="list-style-type: none"> ● Migration to the use of low carbon, hybrid and energy-efficient vehicles ● Phase out all diesel-powered vehicles from our fleet | 2025 |
| | | 2025 |
| Electricity/Generators | ● Patronize only low emission, energy-efficient and noise proof electricity generators | 2020 |
| | ● Partner with independent power producers (IPP) to generate own renewable energy | 2025 |
| | ● Completely phase out use of generators as soon as Nigeria's electricity generation and distribution improves | 2025 |
| | ● Replace our diesel powered electricity generators with a central gas-powered plant | Ongoing |
| Computer Accessories | ● Implement the use, re-use and recycle policies | Ongoing |
| Air conditioners | ● Use energy efficient air conditioners | Ongoing |
| ATMs | ● Use renewable energy sources to power our ATMs | Ongoing |
| Masts | ● Reduce unnecessary demands | Ongoing |
| | ● Completely migrate to energy efficient, low emission communication towers | Ongoing |
| Electronic Wastes | ● Adopt global best practices in e-waste management | Ongoing |
| | ● Adopt reduce, re- use and recycle approach | Ongoing |
| Inverters/Batteries | ● Migrate to renewable energy powered inverters | Ongoing |
| | ● Adopt use, re-use and recycle policies | Ongoing |



Nigeria. Our Internet banking, mobile banking, ATMs, POSs, among others have been deployed to provide convenient banking experience for our numerous customers, thereby supporting our efforts to reduce our carbon footprint. We have set energy efficiency targets and are working on building in-



We are phasing out the use of diesel-powered official vehicles which tend to emit more CO₂, and replacing them with more energy-efficient brands.

house capacity that would enable us capture, monitor and measure our footprints more efficiently.

We are committed to self-regulating and self-auditing our overall Co2 footprints as we regularly conduct in-house evaluations and independent external audits to assess our progress. Our carbon footprint audit conducted by V4 Advisors showed a 5.3 percent reduction in 2017, year-on-year. Although significant gaps remain, the outcome of this independent audit is an indication that we are on track in measuring and managing our emissions.

Zenith Bank' GHG emissions largely emanate from fossil fuel consumption, predominantly from self-generated electricity, vehicular travels and air travels. The Bank is making concerted

| ZENITH BANK'S EMISSION ANALYSIS | | | | | |
|---------------------------------|--------------|-----------|----------|---------------------|----------|
| | DESCRIPTION | 2016 | 2017 | DIFFERENCE IN VALUE | % CHANGE |
| DIRECT EMISSION | GENERATORS | 5,110.70 | 4,362.60 | 748.10 | 17.15% |
| | CAR FLEET | 1,871.40 | 1,580.90 | 290.50 | 18.38% |
| | REFRIGERANTS | 1,570.10 | 1,603.50 | -33.40 | -2.08% |
| INDIRECT EMISSION | PHCN | 1,333.50 | 1,834.30 | -500.80 | -27.30% |
| | FLIGHT TRIPS | 299.4 | 262.8 | 36.60 | 13.90% |
| | PAPER | 42.7 | 44 | -1.30 | -2.95% |
| TOTAL | | 10,227.80 | 9,688.20 | 539.70 | 17.10% |



all our 13-20kva generators on Night Loads with hybrid solar panels. We have completed 250 out of our 550 locations in Nigeria, representing 45.5 percent coverage. Our target is to achieve 100 percent by 2020. We also intend to gradually migrate all our IT infrastructure, business offices, and branches to renewable energy sources. In 2017, 263 out of our 550 business offices were powered by alternative sources of energy, compared to 141 out of 521 in 2016. The total number of our buildings using renewable energy sources at the end of 2017 was 404, representing 73.5 percent of our buildings, exceeding our set goal of achieving 70 percent by 2025.

Our direct carbon footprint from transportation and business travels comes from our pool cars, official cars for management staff, departmental vehicles and staff buses. The Bank's head office fleet increased by 22 vehicles, from 417 as at 2016 to 439 in 2017. There was also a 3.3 percent rise in the number of employees that use the Bank's official fleet, from 1,023 as at 2016 to 1,057 in 2017. Despite these rising values, the stringent policies put in place by the Bank's management to ensure more efficient utilization of the vehicles resulted in a decrease in gaso-

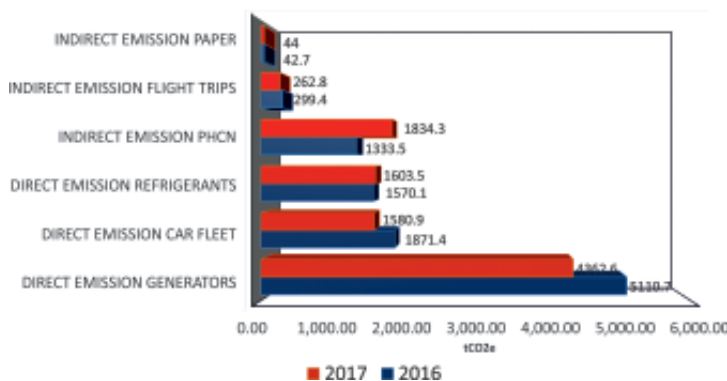
efforts to reduce its carbon footprints and is already making significant progress in this regard.

Zenith Bank continuously invests in energy-efficient technologies, new infrastructure and robust software applications that enable us communicate remotely with our core stakeholders. We are implementing process automation and deploying state-of-the-art technologies bank

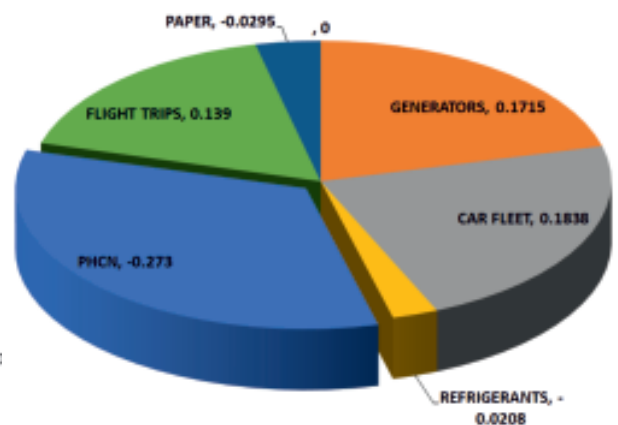
wide. We will continue to leverage the benefits offered by our existing multimedia applications, such as Lync Video Conferencing; Microsoft Office Communicator (OCS); IBM Sametime; among others, to enhance seamless, off-site communications.

We have migrated 490 ATMs out of a total of 1,620 to solar power. In 2016, we started the replacement of

Zenith Bank's GHG Emissions (2016-2017)



PERCENTAGE CHANGE IN ZENITH BANK'S CARBON FOOTPRINTS (2016 VS 2017)



line consumption, from 822,784.37 litres in 2016 to 691,446.75 litres in 2017, a 16 percent reduction.

Our paper consumption constituted 0.5 percent of our total emission in the year under review. In 2017, the volume of paper used grew to 27,150Kg, up from 26,317.50Kg in the preceding year. This resulted in a 2.95 percent increase in emission from 42.7 tCO₂e in 2016 to 44 tCO₂e in 2017.

Data collected from the relevant KPI departments indicated that employees of the Bank embarked on 232 business trips in 2016, compared to 380 trips in 2017, resulting in a 12.2 percent decrease in emission from 299.4 tCO₂e to 262.8 tCO₂e, year-on-year.

The refrigerants used for our chillers, refrigerators and split air conditioners reduced by 90.2Kg, from 1,115.2 in 2016 to 1,025Kg, representing an 8.01 percent de-

crease. Contrary to expectations, this resulted in increased emissions from 1,570.10 in 2016 to 1,603.50 in 2017 owing largely to the emission factor of the types and brands of refrigerants used.

We regulate our vehicular carbon emission by ensuring regular servicing and preventive maintenance of our fleet to avoid emissions resulting from incomplete combustions. We also adhere strictly to compliance with our four-year vehicle depreciation and replacement policy as part of efforts to mitigate high emissions.

The Bank has also flagged off several initiatives as part of its Greenhouse Gas (GHG) control practices. For example, we aim to continuously increase the quality and quantity of staff buses and to encourage more employees to use them. We are phasing out the use of diesel-powered official vehicles which tend to

emit more CO₂, and replacing them with more energy-efficient brands.

Zenith Bank is focused on ensuring that we leverage technology and behavioural changes to reduce our carbon footprint. Although our efforts are still at the nascent stage, positive dividends abound. In 2017, total GHG emissions from Zenith Bank Head Office was down to 9,688.2 tCO₂e, compared to 10,227.6 tCO₂e in 2016. The GHG emissions are equivalent to 9.2 tCO₂e per employee and 1.4 tCO₂e per m² in 2017, compared to 9.9 tCO₂e per employee and 1.5 tCO₂e per m² recorded in the preceding year.

When compared with the results of 2016, a decrease of 5.3 percent year-on-year in the total GHG emissions was recorded and a reduction of 7.7 percent in GHG emissions expressed in tCO₂e per employee.





GREENHOUSE GAS EMISSION AUDIT REPORT

ZENITH BANK HEAD OFFICE – GHG AUDIT AND MANAGEMENT

GHG EMISSION FACT SHEET FOR 2017

DESCRIPTION

May 17, 2018

Zenith Bank Plc appointed V4 Advisors DMCC to conduct a Greenhouse Gas (GHG) audit, measured in tCO_{2eq}, for its Head Office building in VI Lagos based on the Business-as-Usual (BaU) scenario.

This fact sheet summarizes the 2017 GHG emissions results, quantified using V4 Advisors "Built on GHG Protocol" Corporate GHG online Calculator. Additionally, this fact sheet contains a comparison with the 2016 GHG audit.

CONCEPT OF THE GREENHOUSE GAS CALCULATION – GREENHOUSE GAS PROTOCOL

A GHG audit measures the impact of the organization's operation emissions on the environment. The carbon footprint generally begins with the identification of the emission sources from the day-to-day operations. An inventory follows, accounting for the GHG emissions - most often in terms of kilograms or tones of CO₂ equivalent (kgCO_{2e} or tCO_{2e}).

Scope 1: Direct emissions:

- Fleet vehicles
- Backup power generators used to offset electrical outages

Scope 2: Indirect emissions:

- Power purchased from the local utility (PHCN / PHC)

Scope 3: Other indirect emissions:

- Business related flight travels
- Paper Consumption

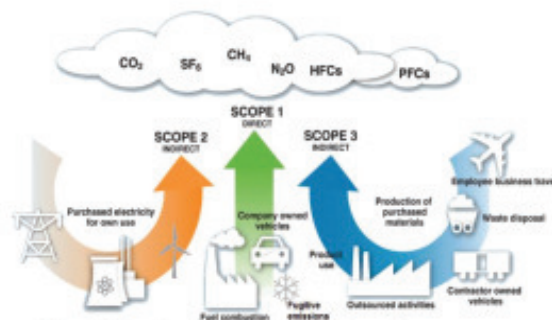


Figure 1: Requirements of the GHG Protocol

The GHG inventory procedures included in this report are based on the recommendations of the Greenhouse Gas Protocol (GHG-P) Corporate Standards; the most widely adopted protocol by organizations taking incremental steps towards understanding the impact of their respective carbon footprint. The GHG-P Corporate Standard is an internationally recognized standard for GHG inventories developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD).

In 2006, this protocol was adopted as a first step for ISO 14064 (ISO 14064-1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals).

Zenith Bank's Head Office GHG inventory was quantified using the V4 Advisors' Corporate Greenhouse Gas Calculator tool, which is certified with the "Built on GHG Protocol" Mark.



Figure 2: Built on GHG Protocol



[Handwritten signature]

ZENITH BANK HEAD OFFICE – GHG AUDIT AND MANAGEMENT

GHG EMISSION FACT SHEET FOR 2017

FIGURES SUMMARIZING THE RESULTS OF ZENITH BANK'S TOTAL GHG EMISSIONS (tCO_{2e}) FOR 2017

In 2017, the total GHG emissions emitted by Zenith Bank Head Office, accommodating 1,057 employees in a total area of 6,730.5 m² were 9,688.2 tCO_{2e}. This is equivalent to 9.2 tCO_{2e} per employee or 1.4 tCO_{2e} per m².

The 2016 GHG audit over-reported the GHG emissions from the corporate vehicles by 4,352.3 tons. The over reporting was primarily due to misinterpretation of the raw data provided. Thus, 2016 total GHG emissions were actually 10,227.6 tCO_{2e} as opposed to the reported emissions of 14,579.9 tCO_{2e}. Therefore, in 2016 the corrected GHG emission numbers are 1.5 tCO_{2e} per m² and 9.9 tCO_{2e} per employee.

Figures 3 and 4 illustrate 2016 and 2017 total GHG and scopes' contributions. Figure 5 and 6 shows the 2017 GHG sources' contributions and their monthly variations.

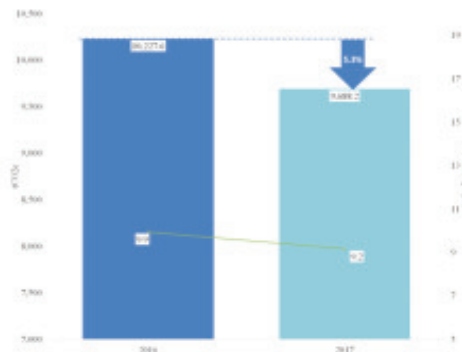


Figure 3: Zenith Bank Head Office total GHG emissions and intensities in 2017 were lower than 2016 by 5.3% and 7.1%, respectively.

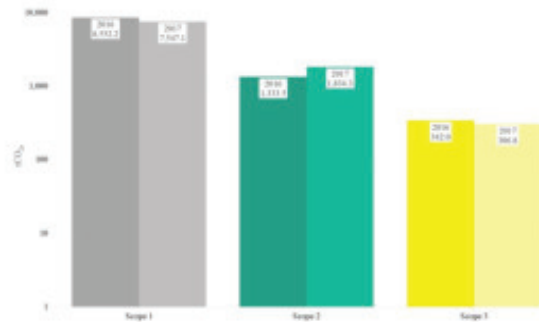


Figure 4: Zenith Bank Head Office GHG Emissions per Scope in 2016 and 2017.

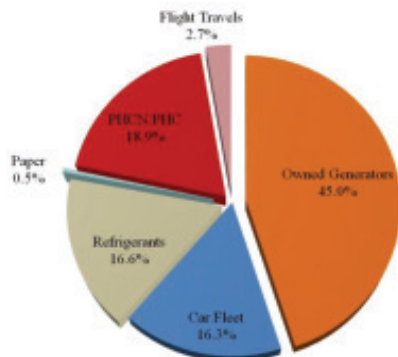


Figure 5: Zenith Bank Head Office sources contribution (%) in 2017

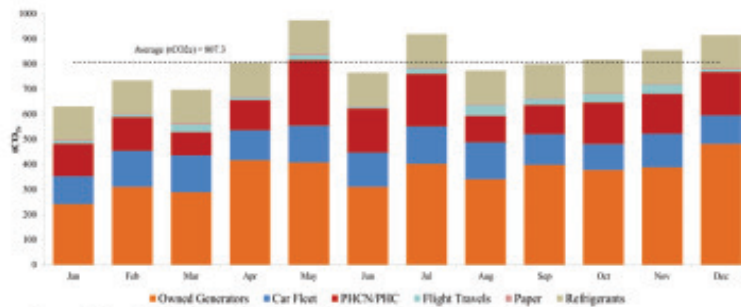


Figure 6: Zenith Bank Head Office total monthly GHG Emission variations.

RESULTS EQUATE TO

The total GHG emission from Zenith Bank Head Office in 2017 is 9,688.2 tCO_{2e}, equates



444,412.8 pine trees of 10 years old are needed to offset the Bank's GHG emissions (or a forest of 755.5 Km²)



Signature of a representative from V4 Advisors DMCC.

ZENITH BANK HEAD OFFICE – GHG AUDIT AND MANAGEMENT
GHG EMISSION FACT SHEET FOR 2017



| Description | Jan | Feb | March | April | May | June | July | August | Sept | Oct | Nov | Dec | Total |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Scope 1. Direct emissions from backup power production and car fleet (tCO _{2e}) | | | | | | | | | | | | | |
| Generators | 241.2 | 311.2 | 288.8 | 416.5 | 407.2 | 310.7 | 401.5 | 340.4 | 397.3 | 377.6 | 388.7 | 481.4 | 4,362.6 |
| Car Fleet | 112.9 | 143.3 | 147.1 | 119.4 | 148.0 | 136.9 | 150.2 | 148.2 | 122.8 | 104.0 | 133.7 | 114.3 | 1,580.9 |
| Refrigerants* | 133.6 | 133.6 | 133.6 | 133.6 | 133.6 | 133.6 | 133.6 | 133.6 | 133.6 | 133.6 | 133.6 | 133.6 | 1,603.5 |
| Total Scope 1 | | | | | | | | | | | | | 7,547.1 |
| Scope 2. Indirect emission from purchased energy (tCO _{2e}) | | | | | | | | | | | | | |
| PHCN/PHC | 127.9 | 133.4 | 91.9 | 120.6 | 260.3 | 174.9 | 208.7 | 104.5 | 116.7 | 165.5 | 157.9 | 172.0 | 1,834.3 |
| Total Scope 2 | 127.9 | 133.4 | 91.9 | 120.6 | 260.3 | 174.9 | 208.7 | 104.5 | 116.7 | 165.5 | 157.9 | 172.0 | 1,834.3 |
| Scope 3. Selected indirect emissions (tCO _{2e}) | | | | | | | | | | | | | |
| Flight Trips | 11.2 | 10.5 | 31.0 | 10.7 | 20.7 | 6.7 | 21.9 | 43.2 | 25.4 | 33.4 | 37.6 | 10.6 | 262.8 |
| Paper Consumption | 2.7 | 4.7 | 2.4 | 4.8 | 3.6 | 4.7 | 2.4 | 3.5 | 3.6 | 3.6 | 3.6 | 3.5 | 44.0 |
| Total Scope 3 | 15.9 | 13.0 | 35.8 | 14.3 | 25.4 | 9.1 | 25.5 | 46.7 | 29.0 | 37.0 | 41.2 | 14.1 | 306.8 |
| Monthly total emissions (tCO _{2e}) | | | | | | | | | | | | | |
| Total* | 631.6 | 734.5 | 697.2 | 804.4 | 974.5 | 765.2 | 919.5 | 773.5 | 799.4 | 817.7 | 855.1 | 915.5 | 9,688.2 |
| Yearly total emissions (tCO_{2e}) | | | | | | | | | | | | | 9,688.2 |

* It was not possible to study the monthly consumption of refrigerants; it was agreed to divide the total consumption per 12.

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Effluents and Wastes

We consider effluents and wastes as material because of our business size and the number of host communities where we operate. We understand that waste generation is an integral part of every business, including ours, and could have negative environmental impacts if not responsibly managed. As a leading financial institution, stakeholders and our host communities are interested in how we manage our waste to avoid environmental contamination and ensuing health and environmental risks.

Efficient reuse and recycling of materials resulting in a reduction in waste generation is one of our top priorities. Waste discharge is strongly regulated by local environmental authorities at the Bank's locations, and Zenith Bank adheres to the permit limits and set standards in each locality. Although this report covers our operations in Nigeria, the effluents and waste disclosures made in this section are based on quantifiable data obtained from head office only, unless otherwise stated.

As an environmentally friendly brand, we understand that efficient waste management is a major corporate responsibility as the world struggles with the twin problem of climate change and global warming. Poor waste management practices degrade the environment and contribute to uncontrolled greenhouse gas emissions.

Zenith Bank is committed to significantly reducing the wastes it generates through more efficient use of assets and resources. We are also committed to implementing sustainable

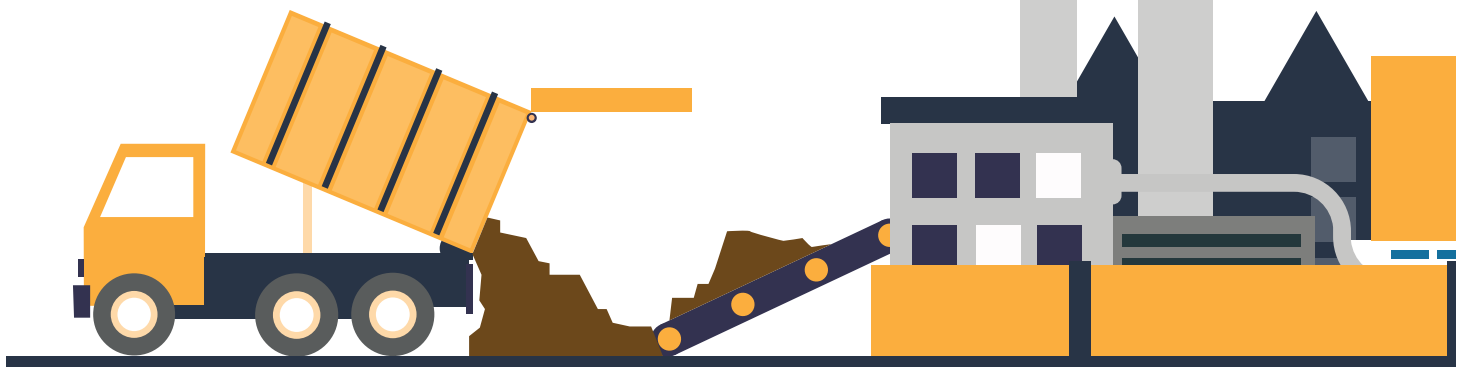
waste management practices by reducing the amount of waste sent to landfills and by practicing the "Triple R" principle of "Reduce, Reuse and Recycle."

Our approach to achieving this includes improving efficiencies in waste management bank-wide by introducing standard bins for both landfill and recyclable wastes. The project, which involves wastes differentiation and segmentation into paper, glass, liquid (bio-degradable) and plastic, though not completed, will be implemented from the next financial year.

Zenith Bank is committed to continuous process improvements to tackle its waste management issues bank-wide. In all the states where we operate, we have waste management contracts with State-owned or privately run waste management agencies. For example, in Lagos State where we have our Head office and the majority of our business offices, we use the services of the Lagos State Waste Management Authority (LAWMA) for this purpose. This agency is currently responsible for the classification, measurement and disposal of wastes generated by the Bank. LAWMA has adopted recycling as an effective, more environmentally friendly substitute for landfill and dumping. The agency's Clean Devel-



As an environmentally friendly brand, we understand that efficient waste management is a major corporate responsibility as the world struggles with the twin problem of climate change and global warming.



opment Mechanism (CDM) initiative is in accordance with the United Nations Framework Convention on Climate Change (UNFCCC).

In 2017, we obtained Environmental and Social Impact Assessment (ESIA) from approved government agencies in some of our business locations. These reports have helped us to weigh our risks appropriately and to develop strategic management plans to mitigate them. For example, the ESIA reports highlighted areas that require improvement in our effluents and wastes disposal processes, helping us to provide targeted solutions within the shortest possible timeframe.

Waste types

As a financial services institution, Zenith Bank does not generate hazardous waste. Our waste largely consists of fully depreciated and unserviceable items such as automobiles, computers and accessories, generators, air conditioners, construction wastes, among others. Zenith Bank's solid and organic wastes are evacuated by government agencies and government licensed contractors.

Our waste management system is not centralized. However, the same guiding policy cuts across all branches of the Bank. In 2017, reports produced by our Admin & Due Diligence Depart-

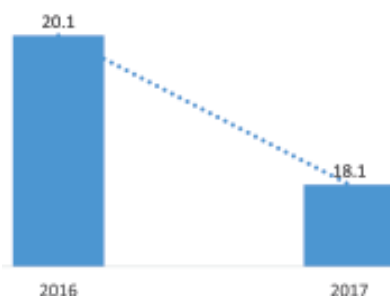
Total Waste Generated Per Employee / Tonnes (2016 Vs 2017)



Total Waste Generated /Tonnes (2016 Vs 2017)



Amount Spent on General Waste/N (2016 Vs 2017)



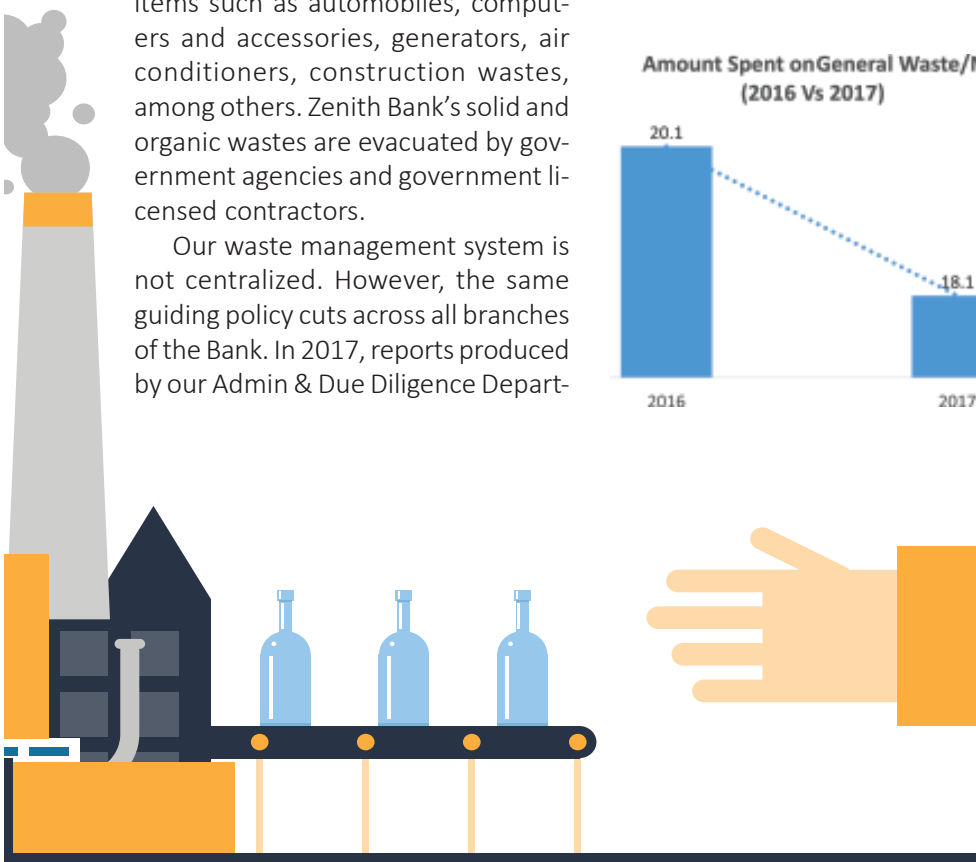
ment indicated that the total solid wastes generated by the Bank's head office was about 35 tonnes, compared to an estimated 20 tonnes in 2016, a 75 percent increase. Similarly, solid wastes generated per employee also increased in the year under review. We are concerned about this performance and will intensify efforts at significantly reducing our waste generation in the coming years. Our plan to implement a robust waste management system from 2018 will help us address this challenge.

Although there was an increase in our 2017 waste output, the process improvement strategy that has been put in place is helping us measure and monitor our wastes more accurately. Our improved evaluation and monitoring process is already helping us to reduce our waste management cost. For example, in 2017 Zenith Bank's Head Office and Lagos branches spent about N18.1 million on pick up of general wastes by LAWMA, down from N20.1 million reported in 2016. Although significant gaps remain, this report indicates some progress in realizing our set goals of increasing our efficiency with regards to accurately capturing, measuring and managing our wastes.

Environmental Compliance

Zenith Bank in its role as a financial intermediary has business relationships with players in all sectors of the economy. This exposes us to indirect environmental footprints arising from the activities of our business partners.

We are therefore committed to ensuring that our business pro-





cesses comply with national and global environmental regulations. Environmental compliance is therefore a material topic for our operations across all locations. The environmental compliance disclosures made in this section covers the Bank's entire operations in Nigeria.

Zenith Bank has a Corporate Sustainability and Responsibility (CSR) Unit, which is overseen by executive management and Board. Our CSR team works with the different KPI owners in the Bank to ensure environmental compliance. In 2016, the Bank started an initiative to have Sustainability Champions in all the departments in the Head Office, saddled with the responsibility of enforcing compliance with the Bank's environmental and social policies and playing the role of environmental and social influencers. In 2017, this initiative was extended to all the 53 business zones of the Bank.

The Bank has a well-established grievance mechanism through which internal and external stakeholders could report environmental violations resulting from its business operations. As is our ingrained corporate culture, we accept complaint as valuable feedback that guides our future decisions and actions. Our grievance mechanism creates opportunities to settle disputes before they escalate, and offers stakeholders a trusted channel through which they can express their concerns. This helps the Bank to identify systemic issues and ensure quick resolution of complaints as well as swift reparation, where applicable.

In 2017, Zenith Bank carried out numerous trainings for all employees, including management staff, on the need to be environmentally responsible. About 4,532 members of the workforce were trained on sustainability and environmental and social risks management. We will continue to prioritize stakeholders' feedback on environmental issues and ensure compliance with applicable regulations.

Zenith Bank's annual management review for 2017 identified no compliance failures. Although we realize that the policies are living documents that should be reviewed regularly in line with emerging realities, they are considered effective as at the time of this report and are strictly monitored to ensure compliance.

No contraventions of environmental regulation occurred within the period under review; and no fines were incurred.

While the Bank did not incur monetary or non-monetary sanctions for failure to comply with environmental laws and regulations within the period, some branches received notices from environmental regulatory agencies requesting proof of compliance with required environmental impact assessment. These requirements were provided swiftly without fines and penalties. Hence, no environmental compliance failure was recorded in the year under review.

The Bank will continue to improve its relationship with stakeholders and sustain effective grievance mechanism channels to foster active and fruitful engagements. We have made several improvements/upgrades in our 24/7 customer care unit and have ensured that all departmental/branch heads are always accessible to take urgent complaints from stakeholders. Complaints hotlines are also displayed conspicuously in our business locations, with dedicated staff empowered to make restitution and address customers concerns. As a result of these practices, Zenith Bank was able to manage all environmental issues amicably and to the satisfaction of relevant stakeholder in the year under review.



The Climate Impact

Some of the ways that climate change could impact the business of banking include the costs of carbon/emission offsets, climate related legislations, possible natural disasters such as flooding, desertification, wildfires, excessive weather conditions, disease outbreaks, drought, crop blights, and so on.

Climate change and global warming are two phenomena with the potential to disrupt the business landscape. As a financial services intermediary, our business partners span across every major sector of the economy, including agriculture, oil and gas, construction and real estate, mining, insurance, and so on. These sectors and several others are vulnerable to the fallouts of climate change and global warming. We understand these vulnerabilities and are progressively putting measures in place to mitigate the risks that they could pose to our business and valued investors and stakeholders.

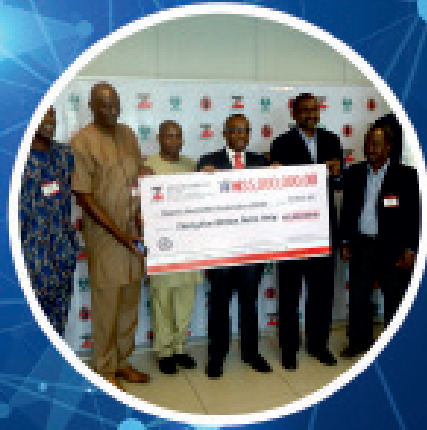
Some of the ways that climate change could impact the business of banking include the costs of carbon/emission offsets, climate related legislations, possible natural disasters such as flooding, desertification, wildfires, excessive weather conditions, disease outbreaks,

drought, crop blights, and so on. Owing to the possible impacts of climate change, global warming and a likely peak oil, some sectors that are very important to banking business could be negatively impacted.

In managing our value chain, we will continue to develop strategies that would enable us preempt and hedge natural occurrences that are beyond our control; effectively prepare our workforce to implement our business continuity plan; and diversify our business portfolio to hedge negative climate or environmental incidences.

We understand the need to continuously review our policies, processes and procedures to take these possibilities into account and put preventive and protective measures in place to help us get around the potential impact of climate change on our business and stakeholders.







SOCIAL

A focus on People, Technology, and Service is at the core of our business strategy and success.



Employment

We are committed to creating a decent work environment to enable us sustain our record of attracting, motivating and retaining the most qualified professionals.

A focus on People, Technology, and Service is at the core of our business strategy and success. Our quality employees help us achieve brand differentiation and are critical to the actualization of our business objectives. We are committed to creating a decent work environment to enable us sustain our record of attracting, motivating and retaining the most qualified professionals.

As a customer-centric organization, we recognize that employees are our vital success factor. We also recognize that the expertise and dedication of our employees are crucial to the delivery of our service promise meeting and surpassing customers' expectations.

To succeed in achieving our set goals of delivering premium services to our customers, we offer competitive, industry and market-driven compensation to motivate our employees and create a work environment that supports their career goals and aspirations. We are committed to building a convivial work place to achieve SDG Goal 8 of decent work and economic growth. The opinion of our employees offers us the opportunity to improve on our processes and practices. We therefore have established formal and informal channels of communication with employees. Our line supervisors and managers are encouraged to utilize these channels to elicit



feedbacks from their team members and ensure that remedial actions are taken as appropriate. Our employees are offered diverse channels to discuss and air their views on matters that concern them.

New employee hires and turnover rate

Turnover rate for permanent employees was 4.7 percent as 288 workers exited the Bank in 2017, a 36.3 percent reduction year-on-year, compared to the 452 employees that exited in 2016 at a turnover rate of 7.57 percent. The exited staff were made up of 149 female employees, constituting 51.74 percent; and 139 male employees, constituting 48.26 percent. Conversely, the number of new hires in the year under review stood at 448, a 229.4 percent improvement on the 136 new hires recorded in 2016.

In 2017, 448 new employees, comprising 243 females and 205 males were welcomed into our organization. Of the 448 new employees, 293 are within the 20-30 age group; 153 are within the 31-40 age group; while 2 are within the age range of 41 and above.

Regional classification of our new employees in 2017 is as follows: North -119; East - 32; South 89; and West - 208.

Twenty-Eight (28) employees, representing 9.72 percent of exited employees were within the age range of 20-30; 196 employees, representing 68.06 percent were within the age range of 31-40; while 64 employees, representing 22.22 percent, were within the age range of 40 and above.

Twenty-Eight (28) employees, representing 9.72 percent of exited employees were within the age range of 20-30; 196 employees, representing 68.06 percent were within the age range of 31-40; while 64 employees, representing 22.22 percent, were within the age range of 40 and above.

Regional breakdown of exited employees in 2017 indicates that 48 (16.67 percent) employees from the North; 70 (24.31

| 2017 PERMANENT NEW HIRES | | | |
|--------------------------|--------|------|-------|
| AGE GROUP/GENDER | Female | Male | Total |
| 20 - 30 | 174 | 119 | 293 |
| 31 - 40 | 69 | 84 | 153 |
| 41 & Above | 0 | 2 | 2 |
| Total | 243 | 205 | 448 |

| ALL NEW HIRES BY GEOPOLITICAL ZONES | | | |
|-------------------------------------|--------|------|-------|
| REGION/GENDER | Female | Male | Total |
| North | 54 | 65 | 119 |
| East | 17 | 15 | 32 |
| South | 47 | 42 | 89 |
| West | 125 | 83 | 208 |
| Total | 243 | 205 | 448 |

| TURNOVER RATE BY GENDER | | |
|-------------------------|-------|----------|
| GENDER | TOTAL | RATE (%) |
| FEMALE | 149 | 51.74 |
| MALE | 139 | 48.26 |
| TOTAL | 288 | 100 |

| TURNOVER RATE BY AGE GROUP | | |
|----------------------------|-------|----------|
| AGE GROUP | TOTAL | RATE (%) |
| 20-30 | 28 | 9.72 |
| 31-40 | 196 | 68.06 |
| 41-Above | 64 | 22.22 |
| TOTAL | 288 | 100 |

| TURNOVER RATE BY REGION | | |
|-------------------------|--------|----------|
| REGION | NUMBER | RATE (%) |
| NORTH | 48 | 16.67 |
| SOUTH | 70 | 24.31 |
| EAST | 94 | 32.64 |
| WEST | 76 | 26.39 |
| TOTAL | 288 | 100 |

percent) from the South; 94 (32.64 percent) from the East; and 76 (26.39 percent) from the West, exited the organization.

Labor and management relations

As a responsible brand that is guided by best practices in corporate governance, we understand that the decisions we take could have negative impact on the wellbeing and career of our employees. Zenith Bank is committed to adhering to all applicable labour laws and regulations and adopting best practices in labour relations in all the locations where it operates.

In climes where regulation does not stipulate minimum notice period, the earliest practicable notice period is provided in case of any policy or corporate action that could impact the wellbeing of the workforce. When decisions for operational changes that could impact our employees are made, we inform our employees in a timely manner prior to the implementation of such actions.

Freedom of association and collective bargaining

Zenith Bank complies with all applicable laws of the countries where it operates. These include sovereign state legislations on collective agreements, bargaining and freedom of association. We respect employees' right to form, join or not to join labour unions, without fear of reprisal, intimidation or harassment.

Consistent with international best practices, the Bank establishes policies and guidelines covering, but not limited to, grievance and disciplinary processes, paid maternity and paternity leave, employee training/performance management and severance/ separation benefits. We work with our employees to seek solutions that best align their interests with those of the Bank. We adhere to the notice period and provisions for consultation and negotiation as specified in established collective agreements. Where employees choose to establish a collective bargaining structure to negotiate their terms and conditions of employment, we remain committed to bargaining in good faith with them and or their representatives. All agreements reached via the collective bargaining process are binding on the Bank and the employees.



Occupational health and safety

In line with the provisions of ISO45001 (Occupational Health & Safety Standards), Zenith Bank values the physical and psychological health, safety and wellbeing of its employees. The Bank enforces strict health and safety rules and practices in the workplace; and these are reviewed and tested regularly.

We encourage our employees to observe these health and safety rules and practices and notify their supervisors or designated safety officers of possible health and safety hazards in the work environment. We also encourage employees to adopt reasonable measures to ensure their own safety.

Fire prevention and fire-fighting equipment are installed in strategic locations within the Bank's premises, while occasional fire drills are conducted to create awareness amongst staff. The Bank operates both a Group Personal Accident and the Workmen's Compensation Insurance covers for the benefit of its employees. It also operates a contributory pension plan in line with the Pension Reform Act.



Zenith Bank retains the services of top-class private hospitals where medical facilities are provided for employees and their immediate families at the Bank's expense.

The Bank's Health, Safety and Environment Committee meets periodically to review health and safety concerns and promote occupational health and safety practices in the work environment. Periodic fire prevention and safety management trainings are offered to employees to prepare them for emergencies and create awareness on health and safety issues in the workplace. In 2017, our Fire Marshals continued their training in conjunction with the Lagos State Fire Service. The import of the training is to prepare Fire Marshals to lead the process of evacuating staff and customers in the event of fire emergency.



In 2017, the Bank trained a total of 362 employees (191 employees were trained on Basic Emergency Response & First Aid, and 71 participated in Occupational Health & Safety Trainings).

Also in 2017, the Bank's Health, Safety and Environment Committee in collaboration with the Human Resources department and Zenith Medicare continued its routine health tips via email to help employees live healthier and encourage work/life balance, in line with our commitment to improving the quality of life of our employees.

We have a joint management-worker health and safety committee consisting of middle level management staff and junior staff. Each floor within our Head Office Complex (Zenith Heights) and the adjoining buildings has a minimum of four (4) safety officers (two for each wing/department). The safety officers are responsible for all Health and Safety related incidents and also coordinate health and safety awareness trainings. Our Risk Management department coordinate the activities of the committee and serves as the secretariat.

We require our contractors to retain certified Health and Safety personnel to ensure adherence to standard safety procedures in our project sites.

In 2017, the Bank trained a total of 362 employees (191 employees were trained on Basic Emergency Response & First Aid, and 71 participated in Occupational Health & Safety Trainings).

Training and development

Our highly competent and productive workforce is one of our biggest competitive edge. We therefore make significant investment in the training of our employees to equip them with requisite skills and capacity. Our aspiration is to be the employer of choice in the jurisdictions where we operate and offer our employees opportunities to acquire skills that are necessary for their career progression.

Employees and their line managers are responsible for identifying the training needs. Our biannual performance appraisal system also offers employees an opportunity to identify training gaps and needs.



Our training programmes are a mix of in-plant/in-house (at unit/department level), or formal (classroom or computer based via e-learning modules). We also offer external (local) trainings and offshore programmes. Employees participate in training programmes that are required to develop their skills and aid their career growth. Mandatory trainings are also offered to update employees on industry-specific developments, such as new regu-

lations on anti-money laundering and anti-terrorism financing, operational risk management, sustainability, and so on.

In 2017, average number of hours of employees' training was 200,088. Board members' had 96.75 average hours of training, while Assistant General Manager to General Manager cadre had 43.57 average hours of training. Deputy Manager to Senior Manager cadre, Banking Officer to Senior Assistant Manager cadre, and Executive Trainee to Assistant Banking Officer cadre had 49.18, 47.99, and 29.91 average hours of training, respectively.

A total of 5,338 employees, representing 86.78 percent of the workforce, were trained within the 2017 financial year using mostly online and classroom channels. About 4,532 members of the workforce were trained specifically on sustainability and environmental and social risk management in the year under review. About N1.03billion was expended on these trainings and capacity building, down 6.38 percent from N1.1 billion spent on trainings in 2016.

| 2017 EMPLOYEE TRAINING BY NUMBER, LEVEL, GENDER AND HOURS | | | | | | | |
|---|--------|-------|--------|---------------------------------|-----------------------------------|-------------------|-----------------------------------|
| S/N | LEVEL | MALE | FEMALE | TRAINING HOURS (MALE EMPLOYEES) | TRAINING HOURS (FEMALE EMPLOYEES) | TOTAL GENDER HOUR | AVERAGE HOUR BY EMPLOYEE CATEGORY |
| 1 | BOARD* | 3 | 1 | 369 | 18 | 387 | 96.75 |
| 2 | AGM-GM | 49 | 20 | 2,268 | 738 | 3,006 | 43.57 |
| 3 | DM-SM | 321 | 226 | 16,686 | 10,215 | 26,901 | 49.18 |
| 4 | BO-SAM | 820 | 766 | 38,268 | 37,845 | 76,113 | 47.99 |
| 5 | ET-ABO | 1,593 | 1,539 | 49,824 | 43,857 | 93,681 | 29.91 |
| 6 | TOTAL | 2,786 | 2,552 | 107,415 | 92,673 | 200,088 | |

| Employees Training Expenses for 2017 | | | | |
|--------------------------------------|--|--------------------|---------------------|---------------|
| | | 2016 | 2017 | % Change |
| 1. | In-plant/In-House/ Zonal programs | N635,014,696.60 | N761,172,275.72 | 19.87 |
| 2. | Online Courses (Amortized yearly) | N4,620,000 | N4,620,000.00 | - |
| 3. | External (local) programs | N3,860,500.00 | N8,288,360.00 | 114.70 |
| 4. | Offshore program (SM & below) | N419,553,309.58 | N175,622,416.34 | -58.14 |
| 5. | Offshore/ In-plant programs (AGM-GM) | N35,095,112.00 | N38,797,008.00 | 10.55 |
| 6. | Offshore/External programs (Directors) | N1,807,734.77 | N41,314,279.92 | 2,185.42 |
| Total | | ? 1,099,951,352.95 | ? 1,029,814, 339.90 | -6.38 (y-o-y) |

Diversity and equal opportunity

We understand that a diverse workforce is vital to our ability to adapt and thrive in a highly competitive business space. Our organization is therefore committed to promoting diversity and building a work environment where everyone feels at home and their distinctive perspectives, skills and experiences are appreciated and adequately rewarded.

Our employees come from diverse educational, professional and cultural backgrounds, bringing with them a wealth of experience that encourages continuous social learning from mixing and inter-cultural interactions.

As at end 2017, we had a total of 6,130 active permanent employees; 3,177 were male and 2,953 were females, representing 52 percent and 48 percent of total employees, respectively.

Also within the period, 70 employees made up our top management group (assis-

tant general managers, deputy general managers and general managers). Of this number, 21 were female and 49 were male, representing 30 percent female and 70 percent male, as at year end, 31st December, 2017. During the same period, there were six members in the executive management group (made up of three executive directors, two deputy managing directors and the GMD/CEO), as at year end, 31st December, 2017. Of this number, five were male and one was female, representing 80 percent and 20 percent, respectively.

Zenith Bank is committed to the continuous improvement of the female-male ratio in the top management and executive management cadre of the organization. In 2017, we continued the implementation of female mentoring initiatives to identify talented female employees who have distinguished themselves over the years and have demonstrated immense leadership potentials. We also organized a female leadership training programme in fulfilment of the Bankers' Committee's Recommendation on Women Economic Empowerment. In the year under

review, the Bank promoted a female to the position of a Deputy Managing Director.

On age composition, the Bank's top management group had sixty (60) individuals – representing 80 percent – within the 30-50 years' age group. Individuals above 50 years old in this cadre were 15, accounting for 20 percent. There were no employees under the age of 30 in our top management cadre in the year under review.

Our organization maintains a policy of equal pay for equal work. In all the climes where we operate, employees receive the same salaries and bonuses across the same level, irrespective of gender. We operate an inclusive work environment where people are valued equally and can rise in the corporate ladder based on merit and competence. Zenith Bank is committed to the actualization of SDG 5 (gender equality) and the International Labour Organization (ILO) Core Conventions principle of equal pay in the workforce.

| Zenith Bank's Active Permanent Employees by Gender (Percentage) | | | | |
|---|-------|-------|--------|-------|
| Female | Male | Total | Female | Male |
| 2,953 | 3,177 | 6,130 | 48.2% | 51.8% |

| Zenith Bank's Contract Employees by Gender (Percentage) | | | | |
|---|------|-------|--------|--------|
| Female | Male | Total | Female | Male |
| 988 | 891 | 1,879 | 52.58% | 47.42% |

| 2017 Permanent Employees by Region/Gender | | | |
|---|--------------|--------------|--------------|
| REGION/GENDER | Female | Male | Total |
| North | 665 | 863 | 1,528 |
| East | 219 | 296 | 515 |
| South | 441 | 445 | 886 |
| West | 1,628 | 1,573 | 3,201 |
| Total | 2,953 | 3,177 | 6,130 |

| 2017 Contract Employees by Region/Gender | | | |
|--|------------|------------|--------------|
| REGION/GENDER | Female | Male | Total |
| North | 197 | 244 | 441 |
| East | 79 | 72 | 151 |
| South | 147 | 130 | 277 |
| West | 565 | 445 | 1,010 |
| Total | 988 | 891 | 1,879 |

| BANK'S TOP MANAGEMENT GROUP BY GENDER | | |
|---------------------------------------|-----------|------------|
| GENDER | Total | % |
| FEMALE | 21 | 30 |
| MALE | 49 | 70 |
| Total | 70 | 100 |

| BANK'S TOP MANAGEMENT BY AGE GROUP | | |
|------------------------------------|-----------|------------|
| AGE GROUP | Total | % |
| Under 30 | 0 | 0 |
| 30 - 50 | 48 | 69 |
| Over 50 | 22 | 31 |
| Total | 70 | 100 |

| BANK'S TOP MANAGEMENT BY GENDER & GEOPOLITICAL ZONES (BRANCH LOCATIONS) | | | |
|---|-----------|-----------|-----------|
| REGION/GENDER | Female | Male | Total |
| North | 3 | 9 | 12 |
| East | 1 | 1 | 2 |
| South | 1 | 6 | 7 |
| West | 16 | 33 | 49 |
| Total | 21 | 49 | 70 |

| BANK'S EXECUTIVE MANAGEMENT GROUP BY GENDER | | |
|---|----------|------------|
| GENDER | Total | % |
| FEMALE | 1 | 20 |
| MALE | 5 | 80 |
| Total | 6 | 100 |

Non-discrimination

Zenith Bank prohibits discrimination in all its forms. Our Human Rights Policy abhors discrimination on the basis of tribe or ethnicity, religion, gender, color, religion, marital status or physical challenges. Our business partners, service providers, subcontractors and investees are encouraged to also adopt non-discrimi-

natory policies in their operations.

Our Human Rights Policy explicitly stipulates expected standards of behaviour in our business transactions and dealings with stakeholders (internal and external). Penalties for infractions are also clearly defined. We are committed to investigating any incidence of discrimination and meting out appropriate sanctions.



The Bank encourages employees and stakeholders to report incidences of discrimination through various engagement channels that have been availed to them. Employees can also give anonymous reports through the Bank's whistle blowing portal on our intranet, or directly to their supervisors. Such reports are investigated discreetly and when the facts are established, actions are taken in line with the Bank's disciplinary policy.

There were no reported incidences of discrimination or human rights violation in our workforce in the year under review. We shall continue to enlighten and encourage our employees to uphold our Human Rights Policy. We recognize that building a diverse, inclusive and nondiscriminatory work environment is a continuous exercise that benefits all parties.

Child labor

Zenith Bank explicitly prohibits the use of child labor in all its jurisdictions of operation. As a responsible corporate citizen, we support the international agenda to abolish human trafficking, modern slavery, forced and child labor.



We are strengthening our processes to enable us monitor our supply chain more closely, to ensure compliance with relevant global principles and standards.

We have introduced measures to ensure that our suppliers adhere to our Human Rights Policy which prohibits the use of child labor, and also, to extant laws prohibiting child labor, human trafficking, modern slavery, and forced labor. We are strengthening our processes to enable us monitor our supply chain more closely, to ensure compliance with relevant global principles and standards. We have included child labor prohibition in our environmental and social risk assessment process, as precondition for our lending activities. We have also included child labor prohibition as a standard safety procedure clause in our credit offer letters to customers in vulnerable sectors.

We will strengthen our supply chain structures to ensure more formal methodologies for monitoring the operations of suppliers and vendors who provide cleaning services in our premises, to ensure that they do not employ underage workers. We also understand the need to monitor our contractors and vendors to ensure that they adhere to standard Health and Safety standards to avoid incidences of exposure to harmful work environment.

Forced or compulsory labor

Zenith Bank respects the dignity and worth of the individual. We uphold the rights of our employees and abhor the use of forced or compulsory labor. Our Human Rights Policy prohibits forced or compulsory labor in all our operations, those of our clients, suppliers, and sub-contractors. Our Human Rights policy prohibits financing clients or projects that use forced, compulsory, human trafficked or slave labor. We uphold the United Nations Universal Declaration of Human Rights, the International Labour Organization (ILO) Forced Labor Convention (2014), and the principles on human and labor rights set out in the UN Global Compact.



We constantly engage our external stakeholders, communicate our labour standards and encourage them to respect our values as stipulated in our Human Rights Policy. Zenith Bank is committed to responding to reported incidences of infractions while it continues to closely monitor adherence.

We recognize that customers, suppliers and subcontractors in remote locations or those that are operating in certain sectors of the economy pose significant risk of forced and compulsory labor. In 2017, there were no incidences of forced and compulsory labor in our operations, those of our clients, suppliers, and subcontractors. We shall continue to exercise caution and due diligence in our lending and financing activities, especially in sectors or specific organizations where we believe that the risk and exposure to incidences of forced or compulsory labor is considerably high.

Human rights

Responsible organizations and entities recognize and respect the rights of others while carrying out their business affairs. As a global brand, Zenith Bank understands the importance of ensuring that the rights of its internal and external stakeholders are safeguarded.

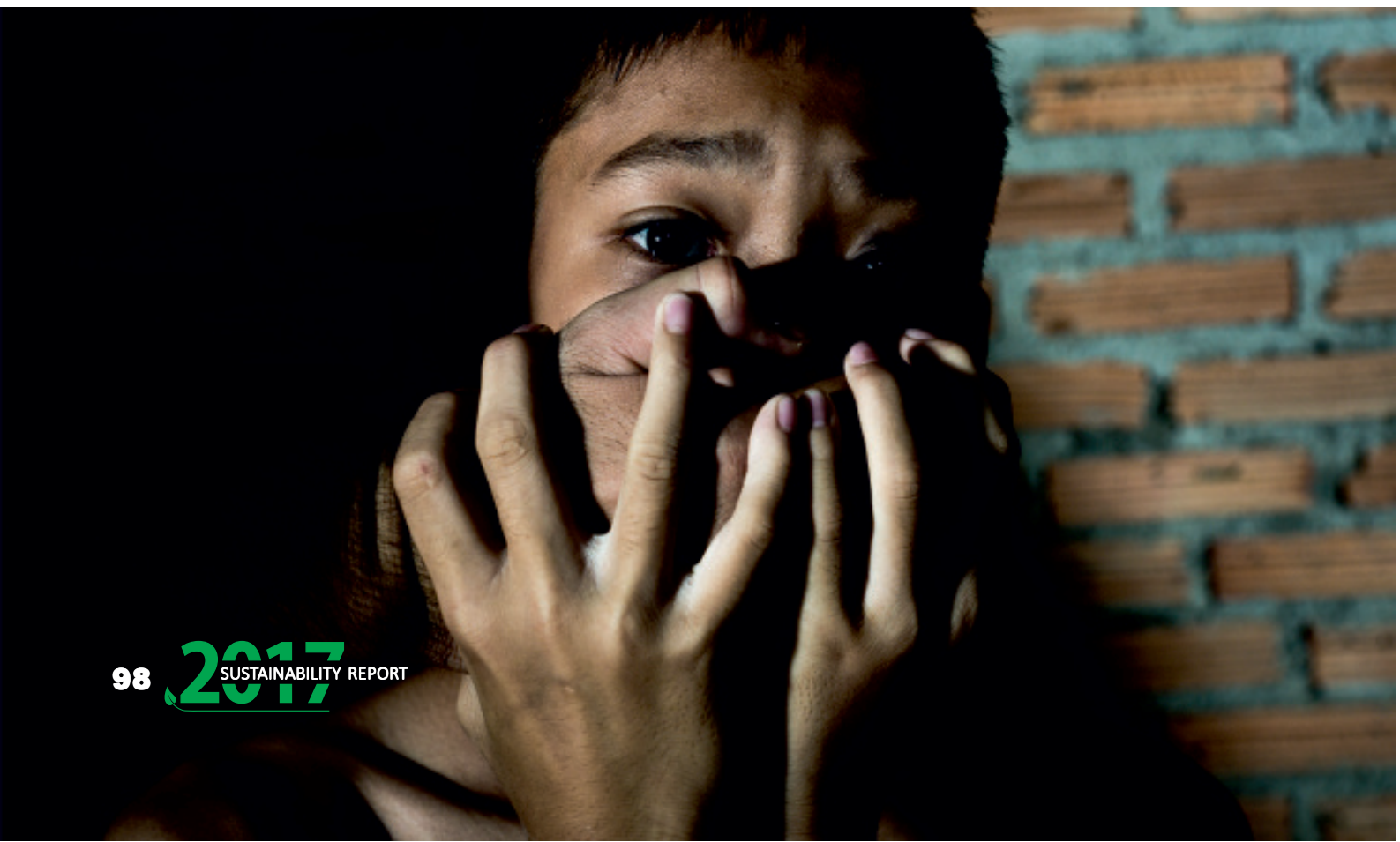


As a responsible bank, we strive to ensure that we entrench respect for human rights in all our processes and practices.

We make respect for human rights one of our top priorities and remain committed to aligning our business with the UN Guiding Principles on Business and Human Rights.

As a responsible bank, we strive to ensure that we entrench respect for human rights in all our processes and practices. We continue to provide trainings and awareness programmes for employees across different cadres, to ensure that they remain acquainted with their rights while also respecting the rights of others. Also, we ensure that our investees and clients are not involved in operational practices that could trample on the rights of their employees or members of the community where they operate.

With the full integration of E & S assessment into our credit process, our global credit committee carries out sufficient due diligence to determine credit customers' human rights practices. This is to ensure that social risk issues, such as violation of labour laws, health and safety issues, instances of discrimination, and so on, are handled in line with global best standards.





The Bank recognizes the importance of best human rights practices in its operations. We have put in place a human rights policy that reiterates the fundamental rights of members of staff and the consequences for noncompliance with applicable laws.

In the 2017 financial year, we trained employees in all cadres on Human Rights Framework and Child Rights using our online platform. The introductory course seeks to sensitize employees on their fundamental human rights as employees of the bank as well as citizens. In total, about 4,067 employees participated in the online training, representing 66.3 percent of our total staff strength.

Our Code of Conduct for Suppliers, Vendors and Contractors also forbids stakeholders in our value chain from violating the rights of their employees or members of the community where they operate.

Local communities & social investments

At Zenith Bank, we hold the belief that our business is only as successful as the communities where we operate. We therefore pay adequate attention to the needs of our host communities and attach utmost importance to



FRIENDS OF THE ENVIRONMENT (FOTE)
 with Support from
ZENITH BANK PLC
The Global Environment Facility (GEF) Small Grant Programme (SGP)
 100% solar gas for a
 ONE-DAY COMMUNITY-BASED AWARENESS RAISING WORKSHOP ON IMPROVING ACCESS OF WOMEN TO LPG (COOKING GAS) AS A SUBSTITUTE FOR FUELWOOD IN NIGERIA
 Venue: Iberikado Primary School, Ibeju Lekki
 Date: Tuesday 29th August, 2017
 Time: 9:00am

900 Eazybanking
 Making life simpler
ZENITH BANK PLC
 The Global Environment Facility (GEF) Small Grant Programme (SGP)



| SOCIAL AND COMMUNITY INVESTMENTS BY AREAS OF FOCUS IN 2017 | | |
|---|--------------------------|---|
| Area of Focus | Amount | Beneficiaries/ Purpose |
| Health | N456,000,000.00 | Donation to Private Health Sector Alliance, Support for Building of maternity clinic as well as Health Intervention for different individuals. |
| Education | N635,000,000.00 | Donations of ICT Centres to Mountain Top University, Ambrose Ali University, Ekpoma, etc. |
| Sports/Youth Development | N486,000,000.00 | Support for Nigerian Football federation (NFF), Nigerian Basketball Federation (NBBF), and the Delta State Principals Cup. |
| Special Intervention Projects | N467,000,000.00 | North East Children's Initiative, Provision of relief materials to flood victims across the country, etc. |
| Government/ Public Infrastructure/ Conferences | N557,000,000.00 | Donation to various States Security Trust Fund, Support for various states' economic summits, sponsorship of various conferences and seminar organized by governmental and non-governmental agencies. |
| Others | N10,000,000.00 | Support for Friends of The Environment (FOTE) Women Empowerment and Energy Efficiency Initiative in Rural and Semi-Urban Areas, Sponsorship of 2017 ICT Cybersecurity Week, Sponsorship of Nigeria Mobile Economy Summit & Expo, others |
| Total | N2,611,000,000.00 | Total CSR spending represents 1.5 percent of our profit after tax in 2017 |

their views and feedback. As a good corporate citizen, it is in our mutual interest to support their aspirations through socioeconomic empowerment and value creation so as to improve their quality of life while also maintaining mutual trust.

We explore our various engagement channels to identify areas of collaboration with our stakeholders. With this approach, we are able to formulate a robust Corporate Social Responsibility (CSR) policy and program that works for all parties, and are in line with the Sustainable Development Goals (SDGs). Our areas of focus remain Health, Education, Sports and youth development, Gov-

ernment/ Public Infrastructure.

Through our strategic CSR focus, we have been able to deliver projects that have long-term social and economic benefits for our host communities. This approach has helped us to achieve peaceful co-existence with them.

We remain committed to furthering the economic, cultural and social development of our host communities, particularly through community-based initiatives and philanthropy.

In the 2017 fiscal year, Zenith Bank continued to scale up its contributions to local communities,

| | | | |
|--|------------------------|---|--|
| Nigerian Football Federation (NFF) | N157,500,000.00 | To support the activities of the federation towards football development in Nigeria | In the year under review, the Nigerian National team, the Super Eagles was among the 32 national teams that qualified for the World Cup to be hosted by Russia in the Summer of 2018 |
| Friends of The Environment (FOTE) | N5,500,000.00 | Support for women empowerment, energy efficiency and environmental conservation initiatives in rural/semi-urban areas in Ibeju-Lekki, Lagos | Over 500 low income, rural women in Iberikodo community, Ibeju-Lekki, benefited from the initiative. LPG cooking stoves, energy saving cooking/wonder bags and other branded gift items were given out to the women. The initiative included a financial literacy and inclusion program. Over 300 zero-opening balance accounts were opened for women that were accessing banking products for the first time. |
| Niger State Government | N20,000,000.00 | Support for the Organization of Niger State Economic Summit 2017 | The Summit supports sustainable economic growth and development in Niger State. |
| Disaster Relief Project | N9,910,893.00 | Support for flood/disaster victims in Benue State | About 400 households in Achusa and Genabe communities directly received relief materials including Mosquito nets, mattresses, Detergents, rechargeable lanterns, educational items, bags of rice, personal care items, etc. These helped to ameliorate their trauma from the flood disaster. |
| Ambrose Alli University, Ekpoma | N9,550,000.00 | Purchase of 100 Computer Desktops donated to the University | The support has improved ICT learning and accessibility in the University. |
| Private Health Sector Health Alliance | N200,000,000.00 | Support for the Foundation's child and maternal healthcare Programmes | The initiative has saved more than 800,000 lives across 20 states through various healthcare intervention programmes. |
| Maternal HealthCare Initiative | N100,000,000.00 | Support for the construction of a Maternity Clinic at Daura, Katsina State | At completion, the project will support a significant reduction in maternal and infant mortality in that part of the country. |
| Various States' Security Trust Fund | N300,000,000.00 | Provision of Security Equipment and training of security personnel in Lagos and other States across the Country | Supports the security of lives and properties in various states' of the federation. |

charitable and non-political organizations. The Bank's community investments and CSR projects in 2017 amounted to N2.611 billion, a two per cent increase over the 2016 figure of N2.557 billion. With N635,000,000.00 interventions, the education sector received our biggest attention in our quest to support government's efforts at improving the standard of education and human capital development. We donated ICT centres to secondary and tertiary institutions including

Mountain Top University, Makogi Oba; Ambrose Ali University, Ekpoma, among others.

We continued to encourage youth development through our support for sports at both amateur and professional levels. In the year under review, we once again title-sponsored the Nigerian National Women Basketball League (the Zenith Women Basketball League). We also sponsored the Nigerian Football Federation (NFF). At the grassroots, we supported sports development



through the sponsorship of the Delta State Principals' Cup and other sporting activities in primary and secondary schools across the country.

We provided relief materials worth millions of naira to flood victims across the country. We also continued our support for the North East Children's Fund, an initiative aimed at educating and building capacity for thousands of internally displaced children of school age in the North Eastern region of the country.

We made donations to various States' Security Trust Fund to improve security and safety of lives and properties. Our Support for various states' economic summits, sponsorship of various conferences and seminar organized by governmental and non-governmental agencies ensured that we created platforms for policy makers and organized private sector to brainstorm on how to create and sustain economic growth across the



We operate within a highly regulated industry and are under obligation to give full disclosure on all our products and services.

local, state and federal levels.

About N2.611billion, a two per cent increase over the 2016 figure of N2.557billion, was allocated to donations and charitable gifts within the 2017 financial year, representing 1.5 percent of our profit after tax for 2017.

Product and service labeling

We operate within a highly regulated industry and are under obligation to give full disclosure on all our products and services. Our products and services are labelled in accordance with legal requirements regarding their benefits and the inherent risks that are associated with them. Beyond the facts required by regulation, we understand the importance of fair and responsible marketing of all our products and services. Our transparency and full information disclosure help us to gain the loyalty and trust of

our teeming customers and stakeholders.

Across all touchpoints, we consistently ensure that our marketing communications carry adequate and accurate information about the Bank's products and services, to empower customers and prospects to make informed business/investment decisions. We are committed to ensuring that our products and services meet the needs and yearnings of our different market segments, improve their lives by creating sustainable wealth, financial security while also driving financial inclusion as applicable.

At Zenith Bank, we realize that everyone is different. So, one size never fits all. We therefore create opportunities for everyone to succeed; offering our customers a wide range of banking products and services as well as digital solution options to cater for different lifestyles or phases of life's journey. Our array of innovative products and services has helped our customers to generate and secure wealth from cradle to adulthood, while also helping us to retain their loyalty and trust.

We have created a system that enables us to effectively and transparently provide full information regarding our products and services. To enable customers (prospective and existing) and investees to take informed decisions on our array of products, we also post and constantly update important information through our diverse communication platforms. We encourage clients to leverage our professional advice regarding our products and services that are of interest to them. In 2017, our product offerings did not contravene any product labelling laws. We were not in breach of, and did not receive any material penalties in relation to the sale of banned products, or non-compliance with



marketing and labeling regulations. Where we carried out promos, we duly secured necessary approvals from relevant agencies, including the Consumer Protection Council (CPC).

Customer privacy

In today's business environment, organizations rely heavily on having detailed and accurate customer data. However, the major challenge for most businesses is ensuring customer privacy and the security of their information, especially in the face of rising cybercrime. At Zenith Bank, we place high value on customer privacy and the security of information relating to their transactions. We also understand the finan-

cial and reputational implications of any breach on this service responsibility. We are not ignorant of the devices of prowling fraudsters and rising issues of identity and information theft within the global business environment. However, we continuously beef up and update our entire Information Technology security systems and have created layers of access to security rooms/platforms to forestall any attack.

We are sensitive to the impact a security breach could have on our reputation as well as the wellbeing of our customers. We have therefore put in place an effective structure to ensure the security of our systems and management of our data. In ad-



...the major challenge for most businesses is ensuring customer privacy and the security of their information, especially in the face of rising cybercrime.

dition to establishing a Compliance Department and an Internal Control and Audit Department that formulate and implement rules that enhance customer confidentiality and privacy of transaction, we have also created layers of policies that ensure that only authorized staff have access to sensitive areas of our operations. Also, with our access control policies, these departments, in conjunction with our Information Technology department, ensure the safety of customers' transactions and personal information. In 2017, Zenith Bank retained the three (3) ISO certification from the British Standards Institute (BSI) after a rigorous re-audit process.

Without any doubt, the approach adopted by the Bank has been very effective in ensuring customer privacy and the security of accounts and information. Since inception, we have recorded no significant breach of customer privacy and information confidentiality. This is indeed a proof of the effectiveness of our approach in this regard. We are not resting on our oars. We will continue to review, update and beef

up both our hardware and software privacy and security capabilities, as well as procedures and policies that support customers' privacy and information security.

As in the preceding year, the rate of customer complaints about confidentiality breach was minimal in the 2017 financial year. Of all the complaints received from our customers in the reporting year, none bothered on breach of privacy or non-compliance with information confidentiality oath taken by the Bank. We will continue to establish responsible information management practices that protect transactions and personal data.

Socioeconomic compliance

The consequences (monetary and non-monetary) of non-compliance in a highly regulated industry could have significant negative impact on the sustainability of any brand/business. We understand that willful or negligent act of non-compliance exposes our customers and other stakeholders to financial and reputational risks. If it crystalizes, this could have negative impact on our reputational capital, business performance and competitiveness. We therefore strive to remain compliant with industry rules and regulations.

At Zenith Bank, we adopt the precautionary approach to social, economic and environmental risks. We put structures in place to avert risk exposures and mitigate those risks that cannot be avoided. We continuously issue procedures and guidelines and monitoring tools that ensure compliance with extant policies, rules and regulations. These processes are also frequently reviewed and updated to cover new trends and developments. Because we believe that compliance is everyone's responsibility, we ensure that all staff are conversant with our rules of engagement through trainings and workshops, including our Anti-Money Laundering Workshops. We remain committed to promoting compliance and best practices in all our business activities.

During the reporting year, there was no compliance failures or breach of laws and regulations concerning our products and service delivery. Consequently, we did not incur any significant fines or non-monetary penalties for failure to comply with existing regulatory provisions. Fur-

| OUR PRODUCT PORTFOLIO | | |
|----------------------------|--------------------|----------------------------|
| Retail Products | Corporate Products | E-Banking Products |
| Individual Current Account | Fixed Deposit | Internet Banking |
| Gold Current Account | Corporate Account | Alert Z |
| Platinum Current Account | Treasury Bills | Swift pay |
| Savings Account | FGN Bonds | Corporate Internet Banking |
| ZECA | Zenith Funds | Trade Alert |
| Aspire Account | Call Deposit | Automated Payroll |
| Eazy Savings Classic | Services | Merchant Services |
| Eazy Save Premium | Corporate Banking | Online Bill Payment |
| Eazy Save Plus | Investment Banking | Scan to Pay |
| Services | | |
| Internet Banking | | |
| Mobile App | | |
| USSD Banking (*966#) | | |
| Cards | | |

thermore, there was no case in which Zenith Bank was accused of not having acted in compliance with laws, regulations and codes of practice.

Product portfolio

As a financial services institution, Zenith Bank's products are derived from its financial intermediary role in all the economies where it operates. The Bank's innovation and application of state-of-the-art technology has positioned it to provide world class financial products and services to all sectors of the economy. Our exceptional customer care has remained our unique selling point. Our product portfolio is made up of customized financial products and services that are designed to meet the unique needs of our different customers. We also ensure that all our products are in compliance with all existing rules and regulations guiding our industry.

In order to cater for the financial and banking needs of our customers in different segments of the economy, we have created different desks and business units that meet these needs and champion products innovation for the different markets that they serve. Our line managers are responsible for driving

the successful development of these products, subject to executive management's approval. Several policies and guidelines have been put in place to direct the op-



erations and procedures for developing new products. These policies are also aligned with Sustainable Development Goal 10: ‘Reduce inequality within and among countries’ by providing products tailored to meet the financial needs of individuals in all strata of the economy.

The Bank carries out periodic review of all products to ensure that the approximate level of impact is achieved and the service promise is delivered. Modifications or enhancements are made if and where necessary. The impressive performance of the Bank in the year under review is a testament to the effectiveness of our product and service development and delivery approaches. We will continue to improve on these approaches.

Zenith Bank introduced several e-business products and services during the reporting period. One specific product targeted at financial inclusion and reaching the unbanked population was the Scan to Pay. The Zenith Scan to Pay mobile app is a fast, simple and secure way of making payments at merchant’s outlets by simply scanning a QR (Quick Response) code using a smartphone. QR is similar to an identifier barcode displayed on items or goods found in retail stores. Scan to Pay does not require Cash or Card. Payment can be made and received anywhere, anytime,



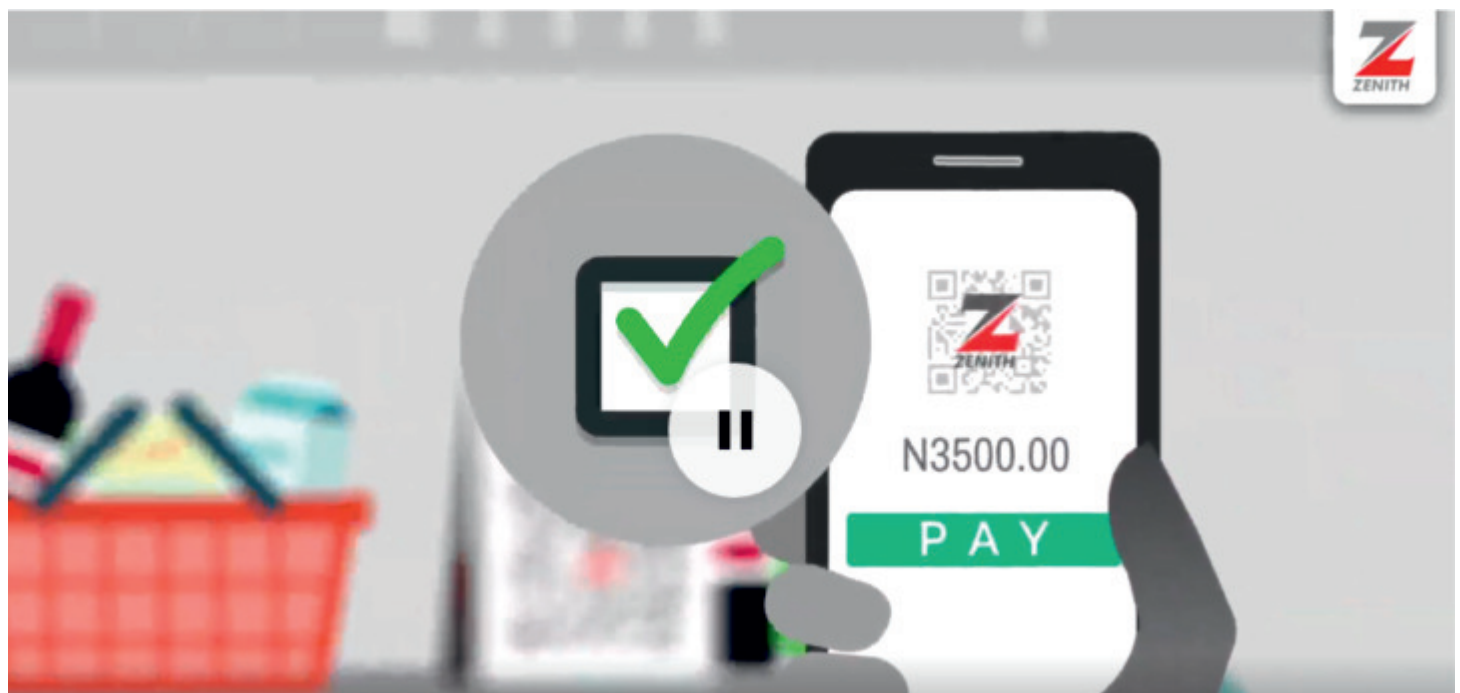
Our product portfolio is made up of customized financial products and services that are designed to meet the unique needs of our different customers

wherever the mVisa or MasterPass logos are displayed.

To receive payments, customers simply scans the QR code displayed at the merchant’s outlet using a smartphone. The customer’s account (irrespective of the Bank) is instantly debited and the merchant’s account domiciled with Zenith Bank is credited, real time. The Zenith QR code can be scanned by both mVISA or MasterPass registered users that have downloaded and activated the Bank’s mobile app. The “Zenith Scan to Pay” mobile app is available on app stores, and registration is free, providing easy access for all potential users.

The Bank has put measures in place to mitigate possible risks that may arise from these products. The merchant onboarding process ensures that fraudulent merchants are not enrolled on the platform. Merchant validation with pin and one-time-pin (OTP) or Mobile pin is compulsory. Technological configurations are also deployed to enforce merchants’ compliance with relevant regulatory and legal requirements, such as transaction limits.

For transaction initiation and consummation, we configure daily allowable transaction limits and velocity as well as the



implementation of customer 2-factor authentication using OTP/token/card and a 4-digit pin. Our policies cover cardholder and end-user reputation and support. We have well-defined dispute management and resolution channels. We have transaction monitoring procedures that ensure strict compliance with anti-money laundering (AML) and other regulatory policies.

Zenith Bank is committed to the national and global drive towards enhanced financial inclusion and literacy. In 2017, our e-business products and services were mostly designed to serve the purpose of economic empowerment for existing customers and financial inclusion for the unbanked population. Some of the features of these products include:

- Ability to operate e-wallets with minimal KYC requirements
- Ability to open EazySave and Eazyclassic accounts with minimal KYC requirements.

- Ability to conduct daily transactions within approved limits for e-wallet operated and or account class opened.
- No need for cash handling: convenient, secure and easy to operate
- Alternative e-solution for merchants with micropayments

Other products and services that were developed or upgraded by the Bank during the period under review include several collections, payments and reporting solutions, including the following:

Collection Solution

- In-House Collection Solutions: POS, mPOS, ATM, WEB – GlobalPAY & WebPAY.
- In-House Bank Branch Collection Solution: Xpath
- Third Party Collection Solutions: SME Online, QuickTeller, CentralPAY+
- Third Party Bank Branch Collection Solutions: PayDirect

(Interswitch); Payoutlet (E-Tranzact); PayCollect (Chamswitch); Pay4me (Pay 4 Me); Remita (SystemSpecs); E-BillsPay (NIBSS)

Payment Solution

- In-House Payment Solutions: Corporate Internet Banking, Internet Banking, Mobile Banking
- Third Party Payment Solutions: Autopay (Interswitch); Corporate Pay (E-Tranzact); Remita (SystemSpecs).

Reporting Solution

- In-House Reporting Solutions: POS Settlement Viewer, GlobalPAY Report Console, Real-Time Access and Alertz
 - Third Party Reporting Solution: Interswitch Extraswitch, Interswitch Scorebridge
- These products were targeted at serving specific markets, as detailed below:

| Zenith Bank's 2017 Financial Inclusion Products | | | | | |
|---|---------------------|-------------|------------------------|----------------------|---|
| PRODUCT | CLASS | SECTOR | DEMOGRAPHY | TYPE OF CUSTOMER | TYPE OF BENEFICIARY |
| POS | Corporate customers | All sectors | All regions nationwide | Banked (individuals) | Corporate customers only |
| Mobile /USSD Banking/Scan to Pay; Internet Banking/CIB. | Individuals | N/A | All (ubiquitous) | P2P, P2B, B2B | Government, Utility providers, Corporates and Individuals |
| Collection Products: Xpath, CMMS, PayDirect, Payoutlet, PayCollect, Pay4me, Remita, NiBSS E-BillsPay. | Corporate customers | All | All | Individual payers | Corporate organizations |



Audit

As a responsible corporate citizen, Zenith Bank realizes the crucial importance of its environmental and social footprints and the need to have an effective and functional environmental and social management system in place. The Bank is continuously improving on its documentation, measurement and monitoring procedures and using these as yardsticks for evaluating its overall progress and performance.

During the year under review, Zenith Bank's Internal Control and Audit department conducted several internal process audits. These included an audit of customer complaints received and processed in 2017; a review of the Bank's capital adequacy; stress test on the Bank's recovery and resolution plan; audit of our Environmental and Social Governance Structure, among others.

Zenith Bank is committed to significantly reducing its environmental footprints and playing its role towards the actualization of the Sustainable Development Goal 13: "Climate Action". In 2017, the Bank engaged the services of V4 Advisors



The Bank is continuously improving on its documentation, measurement and monitoring procedures and using these as yardsticks for evaluating its overall progress and performance.

to measure its carbon footprint/emission in line with global best practices. The Greenhouse Gas (GHG) audit measured in tCO₂eq, for our Head Office building and its annexes in Victoria Island, Lagos was based on the Business-as-Usual (BaU) scenario. V4 Advisors SAL, carried out the audit guided by the Greenhouse Gas Corporate Standard, and using the GHG Protocol (GHGP) established in 1998 by the World Resource Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). GHGP is the most credible and widely used protocol in the calculation of GHG emissions. The audit identified the emission sources from our day-to-day operations in 2017 and measured our actual impact on the environment during the period.

The audit report shows that the total GHG emitted by Zenith Bank Head Office was 9,688.2 tCO₂e in 2017. This is a 5.3 percent reduction from 10,227.6 tCO₂e in 2016. Our owned generators constituted our biggest emission point in 2017, constituting 45.0 percent of total emission. This is followed by electricity from national grid, 18.9 percent; refrigerants, 16.6 percent; car fleet, 16.3 percent; flight travels, 2.7 percent; and paper consumption, 0.5 percent. Ze-

nith Bank's plan is to carry out external CO2 emission audit every year (with 2016 audit as baseline) to effectively gauge and manage its footprints. This will allow us to capture, monitor and measure our footprints more accurately and objectively, as a step towards improving on our overall environmental performance.

Factsheet on the 2017 CO2 audit report is included in this report.

Active Ownership

As a major financial services institution, we interact with diverse economic agents and have in our portfolio players in virtually every sector of the economy. We understand that some of the business activities which we fund could have adverse impact on the society and the physical environment. We also understand our responsibility to ensure that we engage our third party relationships, to mitigate the environmental and social risk they pose to us as a bank, and also, their negative impact on the larger society.

In 2017, the Bank's Executive Management approved a policy that fully integrated environmental and social risk considerations into all our credit and investment transactions. This policy has effectively made environmental and social compliance a precondition for our decisions to approve or reject business transactions. The same policy applies to our suppliers, vendors and contractors.

In line with our environmental and social risk management framework, every project is subjected to risk evaluation and categorization as part of a broader environmental and social risk due diligence process. All projects that fall within categories A and B are further investigated and a corrective action plan is agreed with the customer. Corrective actions required for observed Environmental and Social lapses are discussed and agreed by both parties before the transaction can proceed to the final stage of approval. The process is currently undergoing automation which is expected to go live in 2018.

The policy also provides that all major projects embarked on or funded by the Bank are monitored, with the investees giving quarterly report on progress and level of compliance with agreed corrective actions and other E&S conditions. They are also obligated to report periodically on new environmental and social issues that may arise during the lifespan of the project. This supports our commitment to Responsible Consumption and Production as spelt out in 'Goal 12' of the Sustainable Development Goals.

The implementation of our green credit policy is anchored by the Corporate Sustainability & Responsibility; the Credit Risk Management; Loan Review and Monitoring; Compliance; Up-country Credit; Risk Management; and the Bank's Credit Committee; with close executive and Board oversight. Our new credit customers have been educated on the policy change while measures are being put in place to extend the scope to cover customers that were in our books before the policy was introduced.



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SPECIAL PROJECTS



The 'Big War Against Cancer' Campaign



In 2016, Zenith Bank invested N1.2 billion for the purchase of ten (10) mobile cancer diagnostic and treatment centres (MCC) the first of its kind anywhere in the world.

In 2016, Zenith Bank invested N1.2 billion for the purchase of ten (10) mobile cancer diagnostic and treatment centres (MCC) the first of its kind anywhere in the world. The health intervention initiative is in partnership with a non-profit organization the Committee Encouraging Corporate Philanthropy (CECP). The MCC, nicknamed **PinkCruise**, is a clinic on wheels with state-of-the-art facilities for screening, follow-up and treatment of cancer. Some of the medical activities carried out on the **PinkCruise** include Mammography, Endoscopy, Colonoscopy, Colposcopy, Cryotherapy, Laboratory, Vaccination and Surgeries for pre-cancer/early stage cancer.

In 2017, the first four of the pilot set of Mobile Cancer Centres were delivered and handed over to the CECP. The pilot phase of the 'BIG WAR' Against Cancer in Nigeria campaign was scheduled to start in the four old Regions in Nigeria, that is, East (PH); Mid-West (Asaba); North (Abuja); and West (Lagos). The inaugural outreach started on Sunday, November 5, 2017 through Friday, November 10, 2017. The medical PinkCruise was deployed for the first time in Nigeria with a free cancer diagnosis, free eye and general screening and treatment in the town of Agbor, Ika South Local Government Area of Delta State. Some

beneficiaries also came from the neighboring towns.

So far, at least 5000 men, women and children have been screened using the Zenith Bank sponsored medical PinkCruise. It is estimated that over 30,000 persons would have been screened by year end 2019.

In the coming year, the **Mission PinkCruise** is expected to kick off in Lagos on World Cancer Day (February 4, 2018). In continuation of the fight against Cancer, **Mission PinkCruise** will follow a year-long roster of health outreaches, covering all of Lagos State. To find out when the free medical mission will get to your domain between 2018 and 2019, the roster of activities is available online at www.pinkcruise.org; or <https://www.zenithbank.com/lagos-state-pilot-programme-12-months-schedule-of-mission-pinkcruise.pdf>. More details about the Big War Against Cancer Campaign are available on these websites. Contact details for the project: Mass Medical Mission House, 31 Bode Thomas Street, Surulere, Lagos, Nigeria || T: +234 (1) 2916464 || Email: info@cecpng.org; or Corporate Sustainability & Responsibility Unit; Research & Economic Intelligence Group; Zenith Bank Plc Head Office, Victoria Island, Lagos; Tel +234 (1) 278 1049, +234 (1) 278 1048, +234 704 000 0831; Email: sustainability@zenithbank.com; csr@zenithbank.com.





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NIGERIAN SUSTAINABLE BANKING PRINCIPLES (NSBP)

As a global brand, we remain committed to sustainability principles and standards that are aimed at the social, economic and environmental wellbeing of stakeholders and local communities



Our NSBP Scorecard

Zenith Bank is a reputable brand that creates superior value for its esteemed stakeholders. The Bank remains outstanding in the quality of its service delivery, shared value for stakeholders and innovations in technology banking. In line with global best practices, the Bank has embraced sustainable business principles and standards and has integrated environmental and social risks considerations into its credit, investment and operational decisions and practices.

Since Zenith Bank's establishment of the Zenith Philanthropy Unit over 15 years ago, it has come a long way in its sustainability journey. The Zenith Philanthropy Unit was tasked with the responsibility of looking out for projects which would significantly and positively impact the lives of individuals and host communities at large. The experience gathered from these philanthropic community development and support programs, revealed the obvious achieving greater impacts through a more strategic approach had become a necessity. This realization birthed the creation of Zenith Bank's Corporate Social Responsibility (CSR) Unit. Moreover, the growing global awareness on sustainable development opened our eyes to the enormous benefits derivable from cultivating sustainability as a core business culture. Zenith Bank remains committed to the integration of



In line with global best practices, the Bank has embraced sustainable business principles and standards and has integrated environmental and social risks considerations into its credit, investment and operational decisions and practices.

sustainability into all its business operations. We will also continue the expansion of our community investment initiatives.

As a global brand, we remain committed to sustainability principles and standards that are aimed at the social, economic and environmental wellbeing of stakeholders and local communities. These sustainability principles include the IFC's Performance Standards; the World Bank Group Environmental, Health and Safety Guidelines; the United Nations Universal Declaration of Human Rights (UDHR); the United Nations Environment Programme Finance Initiative (UNEP FI) and the United Nations Global Compact (UNGC); among others.

The Central Bank of Nigeria (CBN) in conjunction with the Bankers' Committee introduced the Nigerian Sustainable Banking Principles, (NSBPs) in 2012. As a signatory to these principles, Zenith Bank has taken proactive steps to fully integrate them into its business policies, processes and procedures. We report our implementation progress to the CBN bi-annually. The Nine Principles of the NSBP form one of the basis of our sustainability strategy and framework.

The table below outlines our progress in NSBP implementation in the financial year 2017.

| NSBP PRINCIPLES | DEFINITION | OUR PROGRESS |
|---------------------|--|---|
| PRINCIPLE 1. | Managing environmental and social risks in the bank's business transactions. | <p>Zenith Bank is a foremost financial services provider. We have investments and lending in virtually all sectors of the Nigerian economy, including oil and gas, agriculture, real estate and construction, mining and solid minerals, among others. These business relationships expose us to indirect environmental and social risks.</p> <p>Our lending policies have been updated in line with the provisions of the NSBP. With this, we ensure that our credit facilities are not extended to companies whose operations do not conform to sustainability principles. Thus, companies accessing credit from the Bank are expected to have proper pollution control methods in place; not engage in illegal activities; not be involved in the manufacture and sale of firearms, not be engaged in forced or child labour and other forms of human rights violations. They are also encouraged to imbibe energy efficiency; responsible use of natural resources; responsible waste management practices; and adopt the use of renewable energy; among other environmental and social best practices in business operations.</p> <p>Zenith Bank has adopted an Environmental and Social Management System (ESMS) and has integrated same into its credit administration process. In addition to the NSBP, Zenith Bank's ESMS is based on the provisions of the Equator Principles, the IFC Performance Standards, UNEP-FI and UNGC sustainability principles, the UN Sustainable Development Goals, and several other global sustainability standards.</p> <p>In 2017, credit transactions valued at about N218 billion were screened and accessed for E&S risks. Our goal remains to expand our E&S risks dragnet to cover all major projects, irrespective of the sector, by 2020; and to all projects, major and minor, by 2025. We will continue to improve on our E&S processes, especially in the areas of data documentation, measurement and compliance monitoring.</p> |
| PRINCIPLE 2. | Managing environmental and social footprints in the bank's operations. | <p>As a financial services institution, our direct environmental and social footprints are mostly derived from our energy consumption from the national grid, diesel and fuel usage for our vehicle fleet and electricity generators; wastes generated from our business operations; paper consumption; and so on. We are putting structures in place to manage our environmental footprints more responsibly. We now document, measure and monitor our footprints to ensure continuous process improvements. In the year under review, the report of the external carbon footprint audit conducted by V4 Advisors showed a 5.3 percent reduction in our greenhouse gas emission, year-on-year. We will continue to build on this achievement.</p> <p>On social footprints, we continue to ensure that we have positive impact on host communities and the larger society. Our CSR spending in 2017 was a total of N2.61 billion, representing 1.5 percent of our profit after tax for the year. In our internal operations, we continue to adopt policies that ensure best practices in occupational health and safety, good labour</p> |

| | | |
|---------------------|--|--|
| | | <p>relations, preservation of human rights and work/life balance for our employees. The continuous enforcement of our compulsory 5pm closing time has had significantly positive impact on work/life and has boosted productivity and job satisfaction within the workforce, allowing our employees to spend more time with their families and loved ones and pursue other personal interests. The initiative has also significantly reduced our energy spending and carbon footprint</p> |
| PRINCIPLE 3. | Safeguarding Human Rights in our Business Operations and Activities | <p>Zenith Bank has a robust Human Rights Policy with guidelines on how our employees are expected to relate among themselves and with all other stakeholders. We promote human rights in our business operations and activities, as well as in our dealings with employees, host communities, suppliers, vendors, contractors and other third-parties.</p> <p>Zenith Bank is an equal opportunity employer and does not tolerate any form of discrimination in its workforce or in its relations with external parties on the basis of race, colour, religion, gender, (dis)ability or marital status. We recognize that a diversified workforce affords us the opportunity to pool exceptional professionals with capabilities that help us sustain our competitive edge. In 2017, we trained employees in all cadres on Human Rights Framework and Child Rights using our online platform. In total, about 4,067 employees participated in the online training, representing 66.3 percent of our total staff strength.</p> |
| PRINCIPLE 4. | Promoting women's economic participation/ empowerment through our Business Activities. | <p>Zenith Bank operates a gender-inclusive workplace culture. The female gender makes up 48 percent of our total workforce; while females of the management cadre (that is, from Assistant Manager to Executive Director) grew from 42 percent in 2016 to 44 percent in 2017. The Bank spent over N346 million on building capacity for its female employees during the year.</p> <p>In our business operations, we seek to provide products, services and social investments designed specifically for women empowerment. Zenith Bank has, for the 12th year running, supported female participation in sports with its title sponsorship of the Zenith National Women Basketball League. Several alumni of the league pursue successful careers with national and international basketball teams around the world. Some of them include members of the Nigerian National Team (D'Tigress) that won the 2017 FIBA Women's AfroBasket Championship that held in Mali in August 2017.</p> <p>In 2017, the Bank supported 80 women/women-owned businesses with facilities and loans of about N2.14 billion. The Bank is committed to supporting promising female entrepreneurs and developing customized products to meet their business needs.</p> |

| | | |
|----------------------------|--|--|
| <p>PRINCIPLE 5.</p> | <p>Promoting financial inclusion and taking banking products and services to the unbanked population</p> | <p>Zenith Bank is committed to promoting financial inclusion and literacy across the country. The Bank has developed strategies for reaching the financially excluded groups, giving them access to customized and affordable products and services that meet their unique needs.</p> <p>In 2017, over 400,000 previously unbanked individuals received financial services or products for the first time through Zenith Bank. We have been able to achieve this through retail products such as the EazySave Accounts (Classic & Premium), Zenith Children's Account (ZECA), Zenith Integrated Student Account (ZISA), Aspire Account, EazyMoney, Zenith Mobile Banking, Agent Banking and USSD banking (*966#), as well as the introduction of zero-account opening balance products. During the financial year 2017, the volume and value of our USSD transactions were a whopping 12,710,612 and N120,083,630,123.77, respectively.</p> <p>The Bank organized and facilitated Financial Literacy workshops in March and October 2017, covering a total of 60 schools in the six geopolitical zones of the country, in partnership with the Central Bank of Nigeria (CBN). The Workshops were held in schools in Ogun, Gombe, Ebonyi, Kaduna, Cross River and Nasarawa States.</p> <p>In 2017, we considerably increased our social media presence and used Radio campaigns, TV Adverts and digital campaigns on social media to promote financial inclusion and literacy across the country.</p> |
| <p>PRINCIPLE 6.</p> | <p>E&S Governance</p> | <p>Zenith Bank has put in place a Board-level Sustainable Banking Governance Committee known as the Risk Management and Audit Committee, to oversee and drive the Bank's Sustainable Banking goals and objectives.</p> <p>We also have a management level Sustainability Steering Committee (SSC) tasked with the responsibility of overseeing our overall sustainability agenda through regular analyses and reviews of our E&S policies and practices. This is to ensure that we comply with globally acceptable economic, environmental and social norms.</p> <p>The Bank's E&S governance structure supports sustainable banking policies and practices. It clearly defines the roles, lines of responsibility, and processes for assessing, categorizing and managing environmental and social risks inherent in our business operations.</p> <p>Our Sustainability Champions' Group is made up of Sustainability promoters and influencers drawn from all the business units in the head office and with representation from all the zones that make up the Bank.</p> <p>We also have a Corporate Sustainability & Responsibility (CSR) Unit which has the responsibility of managing the day-to-day sustainability, environmental and social issues and policies of the Bank. The Unit reports to the executive management through a line Executive Director. Every quarter, the Bank's CSR Unit generates progress and situation report on sustainability, environmental and social issues to the Board through the Company Secretariat/Legal Adviser. The Unit is also in charge of all other Sustainability reporting to internal and external stakeholders,</p> |

| | | |
|---------------------|--------------------------------------|--|
| | | including the annual standalone GRI Sustainability Report; CBN's bi-annual NSBP report; UNGC, IFC, UNEP- FI reports, and so on. |
| PRINCIPLE 7. | Training and Capacity Building | <p>Training and capacity building remained one of the key people-oriented strategies we adopted in the year under review.</p> <p>A total of 5,338 employees, representing 86.78 percent of the workforce, were trained within the 2017 financial year using mostly online and classroom channels. About 4,532 members of the workforce were trained specifically on sustainability and environmental and social risk management in the year under review. About N1.03billion was expended on these trainings and capacity building in 2017.</p> <p>As part of our sustainability acculturation strategy, we integrated Sustainability, Environmental and Social Risk Management sessions into our quarterly Anti-Money Laundering trainings; our Operational Risk Management trainings; our quarterly Business Summit, as well as on the curriculum of our Orientation Program for onboarding of new hires.</p> <p>To enhance Sustainability awareness, we also publish and circulate daily "Sustainability Titbits" and weekly "Sustainability Headlines" using official emails of staff and our intranet portal.</p> |
| PRINCIPLE 8. | Promoting collaborative partnerships | <p>Zenith Bank partners with global sustainability leaders to promote the practice in the Nigerian financial services sector. The Bank is a GRI Gold Community member. This gives us a platform to continuously improve on our sustainability practices and reporting.</p> <p>We also partnered with the International Finance Corporation (IFC) and PROPARCO in 2017 with the aim of building affordable financing for real sector development.</p> <p>Zenith Bank is a member of the United Nations Environment Program Finance Initiative (UNEP-FI) and the United Nations Global Compact (UNGC). We are also a Member of the NSBP Steering Committee, the World Economic Forum, Nigerian Economic Summit Group, and several other global institutions that promote social and environmental sustainability.</p> <p>The Bank also forges partnerships and collaborative initiatives with States and the Federal governments towards improving sustainable development in the country.</p> |
| PRINCIPLE 9. | Sustainability Reporting | <p>Zenith Bank's 2016 standalone Sustainability Report titled "Creating Wealth Sustainably" is the first report in Africa's financial services sector to have adopted the newly unveiled GRI Standards. In November 2017, the Bank won the Award of the Best Company in Sustainability Reporting in Africa at the SERAS' CSR Awards.</p> <p>As a signatory to the Nigerian Sustainable Banking Principles (NSBPs); the United Nations Global Compact, and a member of the Global Reporting Initiative (GRI) Gold Community, we remain fully committed to sustainability reporting. In 2017 as in the preceding year, we complied with the bi-annual NSBP implementation reporting and sent annual reports to the IFC, UNGC, PROPARCO, among others.</p> |



BENEFITS OF ...

ZTP **ZENITH TRADE PORTAL**

LETTERS OF CREDIT | LC AMENDMENT | BILLS FOR COLLECTION
LICENCES (CBN FORMS) | FORM A (INVISIBLE) | EXPORT

- Shipping Document Tracking
- 24 Hours Trade Platform
- Access to Transaction Telexes
- News Feeds
- Correspondence
- Customized Reports
- Direct Trade Data Between Corporates and Bank
- Import Duty Payments
- Self-initiation of Transactions
- Form M Rate
- General Enquiry
- Notifications
- Record Keeping
- Accessibility

www.zenithbank.com



For enquiries and feedback, kindly contact
ZenithDirect, our 24hr interactive Contact Centre:

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zenithdirect@zenithbank.com

Zenith Bank has taken major strides in the effort to reduce the number of adults in the country that are without access to financial products. Our financial inclusion strategy is driven mostly by technology and innovation.





FINANCIAL INCLUSION



Financial Inclusion

P rinciple five of the NSBP requires us to promote financial inclusion in the Nigerian economy, especially by developing products and services that meet the needs of the economically disadvantaged groups and also by making banking easier for, and more accessible to these groups.

It is estimated that over 50 percent of the Nigerian adult population still do not have bank accounts and access to other financial services. We see it as our corporate social responsibility to empower the economically disadvantaged persons by giving them easy and affordable access to banking services. And financial literacy is an important first step towards achieving this goal.

The Bank also initiated zero-account opening balance products in 2017. In addition to this, we ensured that the financially excluded got easier access to financial services in the year under review. Some of the initiatives we introduced to take banking services to the financially excluded in 2017 include mass marketing and financial literacy activities targeted at market women and small business clusters such



As a foremost player in the Nigerian financial services sector, Zenith Bank continues to support the federal government's efforts at promoting financial inclusion and literacy. We see this as an obligation that we owe the unbanked members of the public.

as the computer village, Lagos; Ejigbo Market, Lagos; Ikotun Market, Lagos; Alaba International Market, Lagos; Agbara Market, Lagos; Trade Fair at Tafawa Balewa Square, Lagos; Balogun Market, Lagos and several others. Outside the Lagos area, our marketing team also visited the New Benin market in Benin; the Fruit market in Asaba; Ariaria Market in Aba; and several others across the country.

In 2017 our CSR and Retail Banking team visited some villages around the Lekki Free Trade zone, Ibeju Lekki, Lagos to create financial literacy awareness and also give the rural women easy access to account opening and other banking services.

Also within the year, financial literacy campaign was taken to about 60 schools across the country as part of the Central Bank of Nigeria's annual Financial Literacy initiative.

The core focus of our financial literacy strategy is to ensure the achievement of financial independence and stability by equipping citizens with information on the numerous financial products and services available to them and how these can be accessed easily. This is based on our realization that some sections of the Nigerian

| Retail Account Products: January to December 2017 | | |
|--|------------------------|------------------------|
| Account Name | Jan to Dec 2016 | Jan to Dec 2017 |
| Individual Current | 21,254 | 21,080 |
| Gold Current | 1,229 | 1,586 |
| Platinum Current | 400 | 426 |
| Salary Current | 26,906 | 5,361 |
| Savings Account | 319,508 | 244,295 |
| Cash Domiciliary | 930 | 2,474 |
| Prepaid Reloadable | 12,557 | 931 |
| Virtual Savings | 31,499 | 2,239 |
| Salary Savings | 73,999 | 78,572 |
| Zenith Children Account | 15,175 | 18,026 |
| EazySave Classic | 211,655 | 410,801 |
| EazySave Premium | 16,705 | 22,370 |
| EazySave Plus | 6 | 12 |
| Aspire Account | 39,507 | 40,755 |
| Asha/Asiea | 12 | 876 |
| | 771,342 | 849,804 |

economy are largely disadvantaged when it comes to access to financing. A large proportion of low income women, persons with disability, senior citizens, vulnerable groups, people in remote rural areas, among others, have limited or no access to credit. When these disadvantaged groups open a bank account, it is usually restricted to savings (basic) accounts, consequently limiting the scope of financial products they can utilize.

As a foremost player in the Nigerian financial services sector, Zenith Bank continues to support the federal government’s efforts at promoting financial inclusion and literacy. We see this as an obligation that we owe the unbanked members of the public.

We have introduced the ‘Zero account opening balance’ product. This is in addition to several other financial inclusion focused products and services, such as the Zenith Children’s Account (ZECA), Aspire, EazySave Classic, EazySave Premium, EazySave Plus, mobile banking,

e-purse, USSD Banking (*966#), and so on. With our USSD Banking, customers with non-smart phones can dial the *966# short code to open an account or perform other banking transactions such as; funds transfer, airtime purchase, bills payment and balance enquiry. USSD banking offers a convenient, fast, and secure way to access bank accounts and perform banking transactions via mobile phones, with or without internet connectivity. It has made financial services easily accessible as well as affordable. In the year under review, the volume and value of our USSD transactions were a whopping 12,710,612 and N120,083,630,123.77, respectively.

E-banking products and platforms remain effective as part of our financial inclusion drive. They enable existing and potential customers to have access to financial services even in areas where there may not be physical bank presence. Zenith Bank has

| STATE | Approved and Deployed Branches (Incl. Cash Centers) | | Operational Automated Teller Machines (ATM) | | Active Merchant Access Points (POS, m-POS, tablet, mobile phone, other devices) | |
|--------------|---|------------------|---|------------------|---|------------------|
| | As At 31/12/2016 | As At 31/12/2017 | As At 31/12/2016 | As At 31/12/2017 | As At 31/12/2016 | As At 31/12/2017 |
| ABIA | 9 | 8 | 21 | 25 | 101 | 148 |
| ADAMAWA | 7 | 7 | 19 | 20 | 50 | 76 |
| AKWA IBOM | 11 | 11 | 37 | 40 | 231 | 319 |
| ANAMBRA | 18 | 19 | 33 | 70 | 183 | 311 |
| BAUCHI | 2 | 2 | 10 | 10 | 15 | 14 |
| BAYELSA | 1 | 2 | 6 | 10 | 33 | 67 |
| BENUE | 4 | 4 | 15 | 25 | 65 | 83 |
| BORNO | 3 | 3 | 12 | 12 | 10 | 48 |
| CROSS RIVER | 8 | 8 | 18 | 18 | 111 | 141 |
| DELTA | 23 | 20 | 68 | 87 | 340 | 690 |
| EBONYI | 5 | 5 | 15 | 17 | 7 | 19 |
| EDO | 18 | 21 | 68 | 87 | 288 | 558 |
| EKITI | 2 | 2 | 8 | 8 | 5 | 8 |
| ENUGU | 17 | 17 | 30 | 34 | 170 | 191 |
| FCT | 58 | 58 | 148 | 151 | 1818 | 2650 |
| GOMBE | 1 | 1 | 3 | 3 | 12 | 20 |
| IMO | 7 | 7 | 22 | 23 | 81 | 177 |
| JIGAWA | 3 | 3 | 2 | 2 | 1 | 6 |
| KADUNA | 8 | 8 | 25 | 30 | 81 | 109 |
| KANO | 16 | 16 | 52 | 61 | 91 | 109 |
| KATSINA | 3 | 3 | 7 | 6 | 4 | 7 |
| KEBBI | 4 | 1 | 2 | 2 | 2 | 4 |
| KOGI | 5 | 5 | 20 | 22 | 42 | 33 |
| KWARA | 5 | 6 | 12 | 19 | 37 | 52 |
| LAGOS | 184 | 190 | 463 | 529 | 4453 | 5978 |
| NASARAWA | 2 | 2 | 5 | 9 | 26 | 29 |
| NIGER | 6 | 6 | 25 | 30 | 31 | 57 |
| OGUN | 15 | 14 | 20 | 37 | 187 | 238 |
| ONDO | 7 | 8 | 18 | 20 | 33 | 75 |
| OSUN | 6 | 7 | 20 | 37 | 32 | 46 |
| OYO | 15 | 18 | 57 | 61 | 144 | 210 |
| PLATEAU | 4 | 4 | 13 | 13 | 48 | 56 |
| RIVERS | 21 | 24 | 60 | 63 | 781 | 1179 |
| SOKOTO | 5 | 5 | 7 | 12 | 13 | 16 |
| TARABA | 3 | 3 | 16 | 16 | 44 | 57 |
| YOBE | 2 | 2 | 1 | 4 | 2 | 7 |
| ZAMFARA | 2 | 4 | 4 | 7 | 7 | 10 |
| TOTAL | 510 | 524 | 1,362 | 1,620 | 9,579 | 13,798 |

thus continued to deploy these products and services for inclusive banking. With these products, previously un-banked members of the public can have unhindered access to banking services using mobile devices.

We are also collaborating with Microfinance Banks for the issuance of debit cards to their customers.

These products are designed to make financial services easily available and accessible.

For example, in 2017, 410,801 new EazySave Classic Accounts were opened, an 89.8 percent growth from the 211,655 same class of accounts opened in the Bank in the preceding year.

Zenith Bank is one of the biggest banks in Nigeria and has continued to expand its network of Automated Teller Machines (ATM), Point of Sales (POS) terminals, branches and business offices throughout the country. As at December 31, 2017, the Bank has deployed 1,620 ATM, an 18.5 percent growth from 1,367 ATMs deployed as at end 2016. This is in

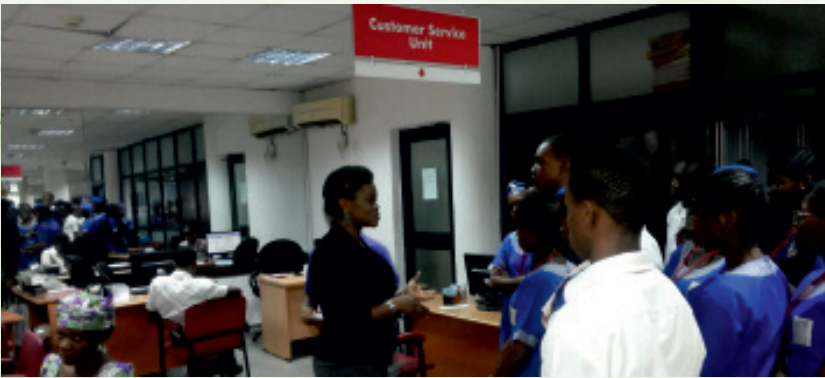
the bid to take banking services closer to the populace. Similarly, POS terminals across all the states of the federation rose by 44 percent, from 9,579 at the end of 2016 to 13,798 as at end 2017.

During the financial year 2017, the volume and value of our USSD transactions were a whopping 12,710,612 and N120,083,630,123.77, respectively.

In 2017, we considerably increased our social media presence. We will continue to deploy Radio campaigns, TV Adverts, and digital campaigns on social media to promote financial inclusion and literacy across the country. In conjunction with the CBN and the Bankers' Commit-

tee, Zenith Bank facilitated Financial Literacy Workshops across the six geographical zones of the country. In the financial year 2017, students in 60 secondary schools in Ogun, Gombe, Ebonyi, Kaduna, Cross River and Nasarawa States were taught financial literacy and the importance of leveraging financial services and products.

Zenith Bank has taken major strides in the effort to reduce the number of adults in the country that are without access to financial products. Our financial inclusion strategy is driven mostly by technology and innovation.







ZENITH BANK & THE SDGs

We ensure that our CSR and community investments align with the global targets to end extreme poverty and hunger, protect the planet and create sustainable wealth for all.

Zenith Bank's Impact on the SDGs

Sustainable development has become the most urgent priority of the international community. It is the core aim of the development agenda adopted by the United Nations (UN) in September 2015, under the Sustainable Development Goals (SDGs). The SDGs, 17 in number, seek to address some of the world's biggest challenges, including extreme poverty, poor access to quality healthcare and education, growing socioeconomic inequality, global warming and climate change, among others.

Although it is largely the responsibility of the governments to map out and implement strategies for achieving these laudable goals by 2030, they require collaboration with and support of the private sector, non-governmental organizations and other stakeholders to achieve these targets before the set timeline.

As a global brand, Zenith Bank welcomes the SDGs and strives to make significant impact across all three pillars of sustainable development economic, social and environmental. We believe that it behooves us to support governments where we operate to achieve these impressive goals. We ensure that our business decisions and actions generate economic, social and environmental benefits for our wide range of stakeholders.

In 2017, under the economic pillar, we continued to exert direct and indirect positive impact on the wellbeing of our stakeholders. During the period under review, our economic value creation in tax payments to government was N25.5 billion, while our employees received salaries and benefits worth N64.5 billion. Also, our shareholders received direct benefits valued at N84.7 billion in dividend payments; our vendors, suppliers, and local service providers

Economic Footprints and SDGs in 2017

| SDGs 1, 2, 5, 8 & 10 | SDGs 1,2, 8, 9 & 10 | SDGs 1,2, 8, 9 & 10 | SDGs 1, 2, 8, 9 & 10 | SDGs 1, 2, 8, 9 & 12 | SDGs 1, 3, 4, 8, 9, 11 |
|--|---|---------------------------|-------------------------------------|--|-----------------------------|
| 1,117 New Staff Hire (53% Female, 47% Male) | Loans and Advances to the Domestic Economy (N2.25trn) | Dividend Payout (N84.7bn) | Staff Salaries & Benefits (N64.5bn) | Economic Value for Vendors, Suppliers & Local service Providers (N145bn) | Taxes to Government N25.5bn |

received an economic value of N145.75 billion; while the economic value gained by providers of capital was N72.26 billion.

In the area of job creation, we hired a total of 1,117 new staff (448 permanent and 669 contract new hires), while our various economic and social investments created thousands of new job opportunities.

Our positive economic footprints helped to support the attainment of a number of the Global Goals, including SDGs 1, 2, 3, 4, 5, 8, 10 and 11. The indirect economic value we create through the clients and projects we finance and the financial services we offer to customers of all classes and social status, also contribute to the attainment of the SDGs. We remain committed to constantly re-assessing the focus of our business investments to ensure continuous prioritization of these global goals.

Under the environmental pillar, we ensure that we minimize the negative impacts that may arise from our business operations. In pursuant of and support for the realization of goals 6, 7, 11, 12 and 13, we are scaling up our transition to renewable energy sources. We are introducing solar energy in all our branches with the plan to gradually phase out fossil powered generators. We are retrofitting all branches with LED energy saving bulbs. We are also installing eco-friendly, energy efficient air conditioners bank wide.

We are consistently seeking new ways and opportunities to

drive sustainable consumption and production; working assiduously to reduce our use of paper, residual wastes, water consumption, and so on. We are influencing the environmental behavior of our business partners across our value chain, with the introduction of environmental standards that are preconditions for loan approval and disbursement. Our Code of Conduct for Suppliers, Vendors and Contractors also seeks to enforce environmental compliance in our supply chain. To effectively measure and monitor our footprint, we engaged the services of V4 Advisors, independent external auditors, to conduct a Greenhouse Gas (GHG) audit on our Head office, its annexes and our new ultramodern car park in 2017. The result showed that our total GHG emissions reduced to

9,688.2 tCO₂e, from 10,227.6 tCO₂e in 2016. We have set achievable targets across our key emission points with greater focus on the problem areas.

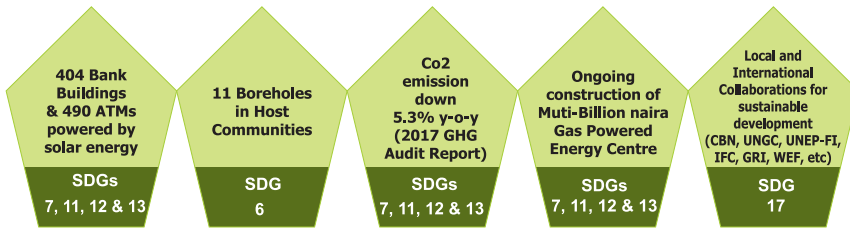
We ensure that our CSR and community investments align with the global targets to end extreme poverty and hunger, protect the planet and create sustainable wealth for all. Healthcare improvement; education and skills development; sports development; youth, women and economic empowerment; as well as public infrastructure development; formed the bedrock of our CSR endeavors during the 2017 financial year.

Our social investments in host communities and the larger society amounted to N2.611 billion, representing about 1.5 percent of our Profit after Tax (PAT) and a two per cent increase over the 2016 figure of

OUR SOCIAL INVESTMENTS & SDGs 2017



ENVIRONMENTAL FOOTPRINTS AND SDGs IN 2017



N2.557billion. The projects we supported in the year under review cut across the various SDGs. The graphics below show a mapping of our SDG related investments in 2017.

In addition to our social invest-

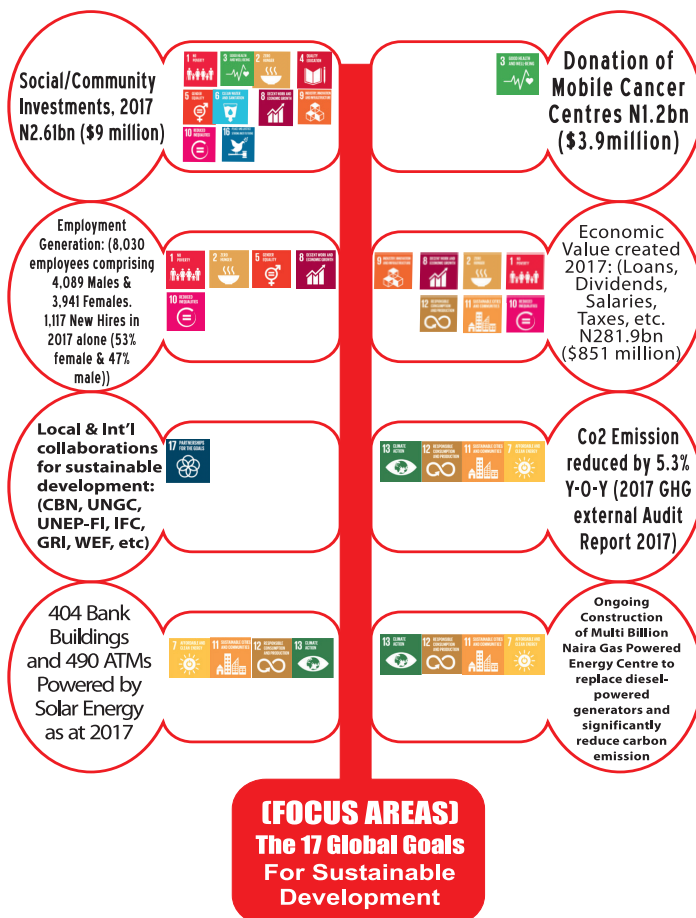
ments and in line with Goal 17 of the SDGs, we are collaborating with several local and international stakeholders, such as the Central Bank of Nigeria through the Nigerian Sustainable Banking Principles; the

United Nations Global Compact (UNGC); the United Nations Environment Programme Finance Initiative (UNEP-FI); the GRI Gold Community; the World Economic Forum; the Nigerian Economic Summit Group; and a host of others, towards the attainment of the Global Goals. These partnerships support the effort at developing a shared understanding of the skills and resources that are required to tackle the SDGs within the 15-year timeframe.

Business Opportunities in the SDGs

Zenith Bank is making progressive impact on the actualization of the Sustainable Development Goals. The Global Goals are also progressively impacting our business, creating new opportunities, developing new industries and bringing in new foreign and local investments and players. The evolving 'green sector' includes some of the key industries that will define the future of banking - waste management and recycling, renewable energy, bio-energy, carbon and emission trading and several others. As a forward looking brand, we are positioning ourselves to lead the 'green market' and leverage the vast opportunities it presents.

Zenith Bank's SDG Impacts 2017



Conclusion

In our internal operations, we are determined to keep building the sustainability culture in the workplace and growing influencers and champions that will drive our evolving environmental and social values.

Sustainable way of doing business is proving to be a win-win strategy. While the journey still has several gaps and challenges, we are pleased by the progress we have so far made.

In our internal operations, we are determined to keep building the sustainability culture in the workplace and growing influencers and champions that will drive our evolving environmental and social values.

We are building a corporate institution that is a trailblazer in several fronts; and one that has all the attributes of a global business leader.

Our vision for the Zenith brand is one that is centered around the principles of sustainability. We clearly understand that the 'green' business model will enable us to

achieve our goals, way into the future. With Zenith Bank, we are committed to building a brand that is designed to last. Therefore, we cannot but be a sustainability champion in the industry where we play.

In this journey, we also understand the need for effective collaboration with local and international players. Sustainable Development is not a feat that any one institution can pursue or achieve in isolation. It requires partnerships with institutions (government and private) that share similar vision. We are committed to leveraging partnerships that will support our goals and objectives in this regard.

We will continue to build on the successes we have achieved so far, and leverage innovations and creativity that will help accelerate the journey. The stakes are high; and so is the commitment.





Independent External Assurance Report



Limited Assurance Report to the Directors of Zenith Bank Plc.

The Board of Directors of Zenith Bank Plc. engaged us to provide limited assurance on the information described below and set out in Zenith Bank's Sustainability Report for the year ended 31 December 2017.

Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the "Selected Information" for the year ended 31 December 2017 has not been prepared, in all material respects, in accordance with the specific related GRI disclosure standards.

This conclusion is to be read in the context of what we say in the remainder of our report.

Selected Information

The scope of our work was limited to assurance over the information

marked with the symbol **A** in Zenith Bank Plc.'s Sustainability Report 2017 (the "Selected Information").

The Selected Information and the Reporting Criteria against which it was assessed are summarised in the table below. Our assurance does not extend to information in respect of earlier periods or to any other information included in the Sustainability Report for 2017.

| GRI Disclosure Index | Selected Information (as documented in Zenith Bank 2017 Sustainability Report) | Page number |
|---|--|--------------|
| GRI 401-1: New employee hires and employee turnover | The employee turnover rate was 4.7% as 288 employees exited the Bank in 2017, a 63.7% reduction year-on-year compared to the 452 employees that exited in 2016 at a turnover rate of 7.37%. Conversely, the number of new hires in the year under review stood at 448, a 30.4% improvement on the 136 new hires recorded in 2016. | 91-92 |
| GRI 404-1: Average hours of training per year per employee | 86.78% (5,338) of employees were trained within the 2017 financial year. A total of N1.03 billion was expended on these training programs | 93-94 |
| GRI 405-1: Diversity of governance bodies and employees | 48% (2,953) of employees were female while 52% (3,177) were male as at year end, 31st Dec., 2017 | 94-96 |
| GRI 405-1: Diversity of governance bodies and employees | 30% (21) of staff (of Assistant General Manager and above level) were female while 70% (49) were male as at year end, 31st Dec., 2017 | 96 |
| GRI 412-2: Employee training on human rights policies and procedures | The Bank recognizes the importance of best human rights practices in its operations. We have put in place a human right policy that reiterates the fundamental rights of members of staff and the consequences for noncompliance. In the 2017 financial year, we trained employees in all cadres on Human Rights Framework and Child Rights using our online platform. The introductory course seeks to sensitize employees on their fundamental human rights as employees of the bank as well as citizens. In total, about 4,067 employees participated in the online training, representing 66.3 percent of our total staff strength. Our Code of Conduct for Contractors, Suppliers and Vendors also forbids stakeholders in our value chain from violating the rights of their employees or members of the community where they operate. | 96-99 |
| GRI 413-1: Operations with local community engagement, impact assessments, and development programs | N2.611 billion, a two per cent increase over the 2016 figure of N2.557 billion, was allocated to donations and charitable gifts within the 2017 financial year. This total CSR spending represents 1.5 percent of our profit after tax in 2017 | 99-103 |
| GRI 418-1: Substantiated complaints concerning breaches of customer | In the year under review, a total of 374 complaints were recorded. These complaints include incidences of fraud and forgeries as well as other transactional issues (ATM dispense errors and network hitches, instant transfer disputes, local and International ATM / POS disputes, etc.) that may or may not have | 21-22, 18-19 |

| | | |
|---|--|-----------------------|
| privacy and losses of customer data | resulted in financial losses. Out of the total number of complaints, 220 were received in 2017 while 154 were carried over from 2016. About 77 percent (288) of the claims were resolved and N346.67 million was refunded, compared to N1.39 billion refunded for the 2016 financial year, and representing 75 percent reduction in claims refunded, year-on-year. However, 86 unresolved complaints constituting 23 percent of the total complaints received were yet to be resolved as at the time of this report. These will be carried forward to the new financial year. | |
| Financial Inclusion and Financial Literacy | The bank initiated zero-account opening balance products in 2017. In addition to this, we ensured that the financially excluded got easier access to financial services in the year under review. Some of the initiatives we introduced to take banking services to the financially excluded in 2017 include mass marketing and financial literacy activities targeted at market women and small business clusters such as the computer village, Lagos; Ejigbo Market, Lagos; Ikotun Market, Lagos; Alaba International Market, Lagos; Agbara Market, Lagos; Trade Fair at Tafawa Balewa Square, Lagos; Balogun Market, Lagos and several others. Outside the Lagos area, our marketing team also visited the New Benin market in Benin; the Fruit market in Asaba; Ariaria Market in Aba; and several others across the country. In 2017 our CSR and Retail Banking team visited some villages around the Lekki Free Trade zone, Ibeju Lekki, Lagos to create financial literacy awareness and also give the rural women easy access to account opening and other banking services. Also within the year, financial literacy campaign was taken to about 60 schools across the country as part of the Central Bank of Nigeria's annual Financial Literacy initiative. | 106-108, 121, 125-129 |
| GRI 201-1: Direct economic value generated and distributed | According to the Central Bank of Nigeria's "Economic Report Fourth Quarter 2017" (page 17), total banks' credit to the domestic economy as at year end 2017 stood at N20,414.45 billion. At N2,252.17 billion, Zenith Bank's credit to the domestic economy as at year end 2017 was 11.03 percent of industry's total. Our impressive investments and loans supported sustainable economic growth and development in the larger Nigerian economy in the year under review and created thousands of new jobs, while also creating sustainable wealth for our valued stakeholders. | 53-58 |
| GRI 205-2: Communication and training about anti-corruption policies and procedures | 62.8% (3,851) of our total employees received anti-corruption training within the 2017 financial year. This is a marginal 1.8% reduction from the total of 3,923 employees, representing 65.7% of total staff strength that were trained on anti-corruption in 2016. | 64 |
| GRI 302-1: Energy consumption within the organisation | In 2017, the total amount of electricity purchased from the national grid rose from 3,305,540.83kWh at the end of 2016, to 4,547,028.74kWh, indicating a 37.6 percent increase. Similarly, there was a 34 percent rise in the total electricity used per employee from 3,209 kWh/employee in 2016 to 4,301 kWh/employee in 2017. The increase in energy purchased from the local utility was owing to the expansion of the scope of this report to include the entire head office complex including the annexes and new car park. Consequently, the total occupied space for this report increased from 2,505.74m ² in 2016 to 6,730.2m ² in 2017. Furthermore, there was a corresponding decrease in the total litres of diesel used to run Zenith Bank's generators from 1,856,392 litres in 2016 to 1,584,676 litres in 2017, representing a reduction of 14.6 percent in diesel consumption. Consequently, there was a 12.7 percent decrease in the total litres of diesel used per employee, which dropped from 1,717 litres in the preceding year to 1,499 litres in 2017. | 70-74 |
| GRI 305-1: Direct (Scope 1) GHG Emissions | The total GHG emitted by Zenith Bank Head Office was 9,688.2 tCO ₂ e in 2017. This is a 5.3 percent reduction from 10,227.6 tCO ₂ e recorded in year 2016. Our owned generators constituted our biggest emission point, constituting 45.0 percent of total emission. This is followed by electricity from national grid, 18.9 percent; refrigerants, 16.6 percent; car fleet 16.3 percent; flight travels, 2.7 percent; and paper consumption, 0.5 percent. | 74-82, 109 |
| GRI 305-2: Energy Indirect (Scope 2) GHG Emissions | Zenith bank's plan is to carry out CO ₂ emission audit every year to be able to effectively gauge and manage its footprints. | |
| GRI 305-3: Other Indirect (Scope 3) GHG Emissions | Zenith Bank's head office complex occupies a total space of 6,730.2m ² . The complex and its annexes | |

host the largest number of employees (1,057 staff), representing 17.24 percent of our total workforce as at the year under review. It therefore constitutes the single largest emission point in the bank's operations.

Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' and, in respect of the greenhouse gas emissions, in accordance with International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements', issued by the International Auditing and Assurance Standards Board. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants (IESBA) issued by the International Federation of Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our engagement was conducted by a multi-disciplinary team of social, governance, economic, environmental, UN Sustainable Development Goals (SDGs) and assurance specialists with extensive experience in sustainability reporting.

Understanding reporting and measurement methodologies

The Selected Information needs to be read and understood together with the Reporting Criteria, which Zenith Bank is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time. The Reporting Criteria used for the reporting of the Selected Information are as at 2017, the Global Reporting Initiative Standards (GRI).

Work done

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. Our work included examination, on a test basis, of evidence relevant to the "Selected Sustainability Performance Information".

We planned and performed our work so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence on which to base our conclusion in respect of the Selected Sustainability Performance Information.

Our limited assurance procedures primarily comprised of:

- Discussions with the Bank's staff primarily responsible for matters on sustainability;
- Interviews with primary process owners (key management staff) across departments including Sustainable banking, Strategy, Human Resources, Facilities and IT;
- A study of the key controls put in place by the management over the Selected Sustainability Performance Information;
- Reviews of documented policies, reports and supporting information for relevant management assertions;
- Examination of the sustainability report in relation to the findings from this sustainability assurance exercise and providing recommendations for improvements.

- Considerations of the disclosure and presentation of the Selected Sustainability Performance Information.
- Evaluation of the GRI Index on Zenith Bank Plc.'s website for compliance with the GRI application level requirements for 2017.

The procedures selected depend on our judgment, including the assessment of the risk of material misstatement of the "Selected Sustainability Performance Information", whether due to fraud or error. In making those risk assessments, we considered internal control relevant to the Bank's preparation of the "Selected Sustainability Performance Information" in order to design procedures that are appropriate in the circumstances.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Zenith Bank Plc.' responsibilities

The Directors of Zenith Bank Plc. are responsible for:

- selection, preparation and presentation of the "Selected Sustainability Performance Information" in accordance with selected objective guidelines, collectively referred to as the "Reporting Criteria".
- designing, implementing and maintaining internal controls, as they determine necessary, to enable the preparation of the "Selected Sustainability Performance Information" that are free from material misstatements, whether due to fraud or error
- establishing objective Reporting Criteria for preparing the Selected Information;
- measuring and reporting the Selected Information based on the Reporting Criteria; and
- the content of the Sustainability Report for 2017.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Directors of Zenith Bank Plc.

This report, including our conclusions, has been prepared solely for the Board of Directors of Zenith Bank Plc. in accordance with the agreement between us, to assist the Directors in reporting Zenith Bank Plc.'s Sustainability performance and activities. We permit this report to be disclosed in the Sustainability Report for 2017 for the year ended 31 December 2017, to assist the Directors in responding to their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of Zenith Bank Plc. for our work or this report except where terms are expressly agreed between us in writing.



For: **PricewaterhouseCoopers**
10 August 2018
Chartered Accountants
Lagos, Nigeria
Engagement Partner: Samuel Abu
FRC/2013/ICAN/0000001495



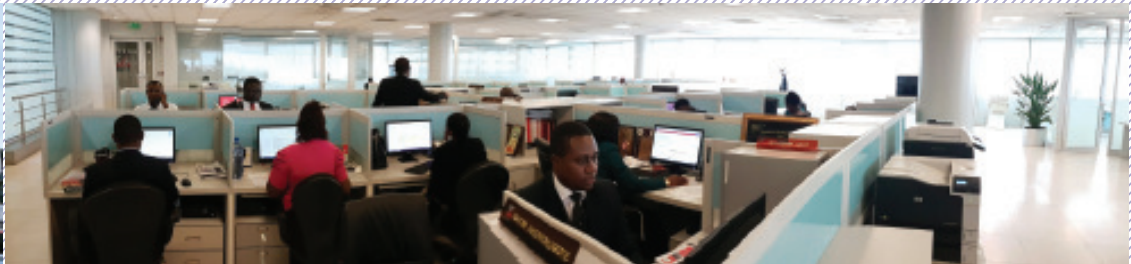
GRI Standards Content Index

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| Zenith Bank's 2017 Sustainability Report has been prepared in accordance with GRI Standards; Core option (GRI 102-54); and GRI Content Index (GRI 102-55) | | | |
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| | 102-48: Restatements of information | There are no restatements of information in the report | |
| | 102-49: Changes in reporting | There are no changes in reporting periods | |
| 102-50: Reporting period | January 1, to December 31, 2017 | | |

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Contact Information

This report is prepared by the Corporate Sustainability and Responsibility Unit of Zenith Bank Plc, in compliance with the 'GRI Standards' sustainability reporting principles and guidelines.

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It is our collective responsibility.**

Zenith Bank's Sustainability Team

