



Building A SUSTAINABLE FUTURE

2018 Sustainability Report





We have continued to improve our business processes to significantly reduce adverse environmental impacts and be more efficient in resource utilization through the adoption of new technologies.

- Jím Ovíá

Building A Sustainable FUTURE



**SUSTAINABLE
DEVELOPMENT**

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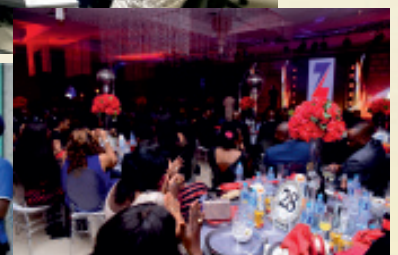
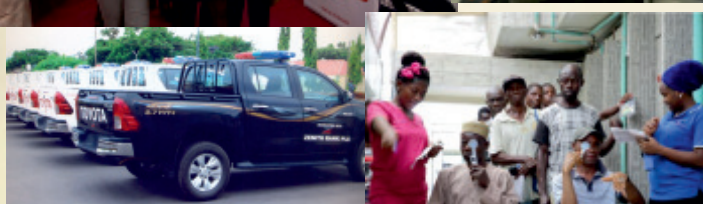
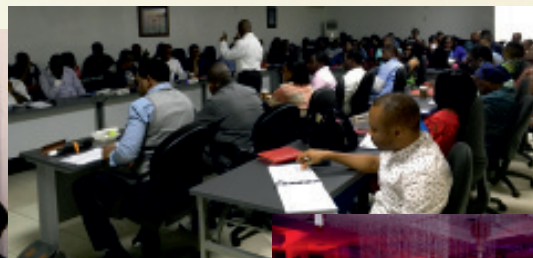
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About this REPORT

Zenith Bank's Sustainability Report 2018 ('Building a Sustainable Future') covers January 1, 2018, to December 31, 2018. It is an annual report that discloses our economic, environmental and social performance in the financial year 2018 and our plans and targets for the next five years.

It is our fourth standalone sustainability report, coming after the first report that was published in August 2016, covering the 2015 financial year. The second and third reports which were published in August 2017 and August 2018, covered 2016 and 2017 fiscal years respectively.

This report has been prepared in accordance with the GRI Standards: Core Option. The GRI content index is available on the page 147. 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 identified impacts are indicated.

The report underscores our progress and challenges in the practice of sustainable banking during the period under review. It discloses the impact of our positive and negative footprints on the economy, natural environment and the society. The 2018 Sustainability Report 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 2018 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.

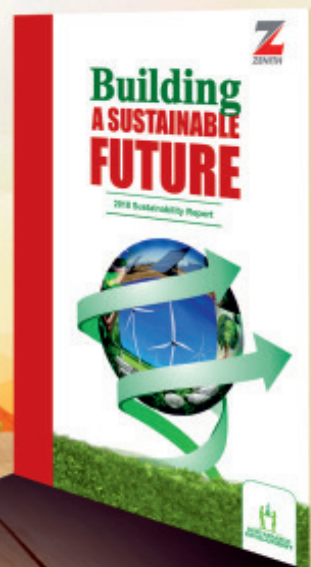
Topics that meet the three criteria are considered to be material and are defined based on the significance of their impact on our value chain.

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

stated. This report integrates the reporting requirements of other sustainability standards that we are committed to by regulation or in pursuit of our overall business strategy. These include 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), the Nigerian Stock Exchange Sustainability Disclosure Guidelines, among others.

This year's report provides us with additional opportunity to gauge our progress so far in the sustainability journey, following our first report published in 2016, which constituted our reporting baseline. There are no restatements of information and no changes in the reporting period.

Ernst & Young 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. Zenith Bank's approach to engaging external auditors for the performance of limited assurance services ensures that the service is approved by the Executive Management of the Bank; that the auditors have the capacity to carry out the service; and that there is no interference with the independence of the auditors. The external assurance procedure included on-site visits, interviews with relevant KPI managers and verification of related documents and data.



The operating environment in 2018 was challenging as the Nigerian economy continued to recover from the economic recession induced by the oil-price shock of 2016. Year-on-year, the Nigerian economy grew at an annual rate of 1.93 per cent in 2018, up from 0.82 per cent in 2017.

Despite the challenging business environment occasioned by the tepid economic recovery, Zenith Bank leveraged its track record and resilience to navigate the economic headwinds in 2018, recording another impressive financial performance. Zenith Bank's Gross earnings slid to NGN630.3 billion (\$1,757 million) in 2018, from NGN745 billion (\$2,250million) recorded in 2017. Total assets grew to NGN5.96 trillion (\$16,611million) in 2018, from NGN5.60 trillion (\$16,910million) in 2017, representing a growth of 6.4 per cent.

Zenith Bank created about NGN329.1 billion (\$917 million) wealth for various stakeholders in 2018, including employees, shareholders, government, and vendors, among others. The Bank's social investments, through diverse Corporate Social Responsibility (CSR) initiatives reached NGN3.1 billion (about 1.61 per cent of Profit after Tax), focusing on security, health, education, social infrastructure, youth empowerment and sport, among others.

During the year under review, need-gap analysis and engagement with host communities, government and other relevant stakeholders revealed that security remains a cardinal need of our communities. Accordingly, we increased our cumulative contribution by over 400 per cent to NGN1.57 billion, up from NGN300 million recorded in 2017.

As a responsible organisation that promotes climate actions and eco-friendly businesses, we conducted another carbon footprint audit in our Head Office in Lagos, and expanded the scope to include more of our business-owned buildings. The audit result showed that Zenith Bank emitted 12,219.10 tCO₂e from its 12,938.5 m² facility that accommodates 1,136 employees. Accordingly, 0.9 tCO₂e and 10.8 tCO₂e were emitted per m² and per employee, respectively. Year-on-year, the aggregate GHG intensities per m² fell by 7.1 per cent in 2017 and 34.4 per cent in 2018. Zenith Bank's employees embarked on 212 business

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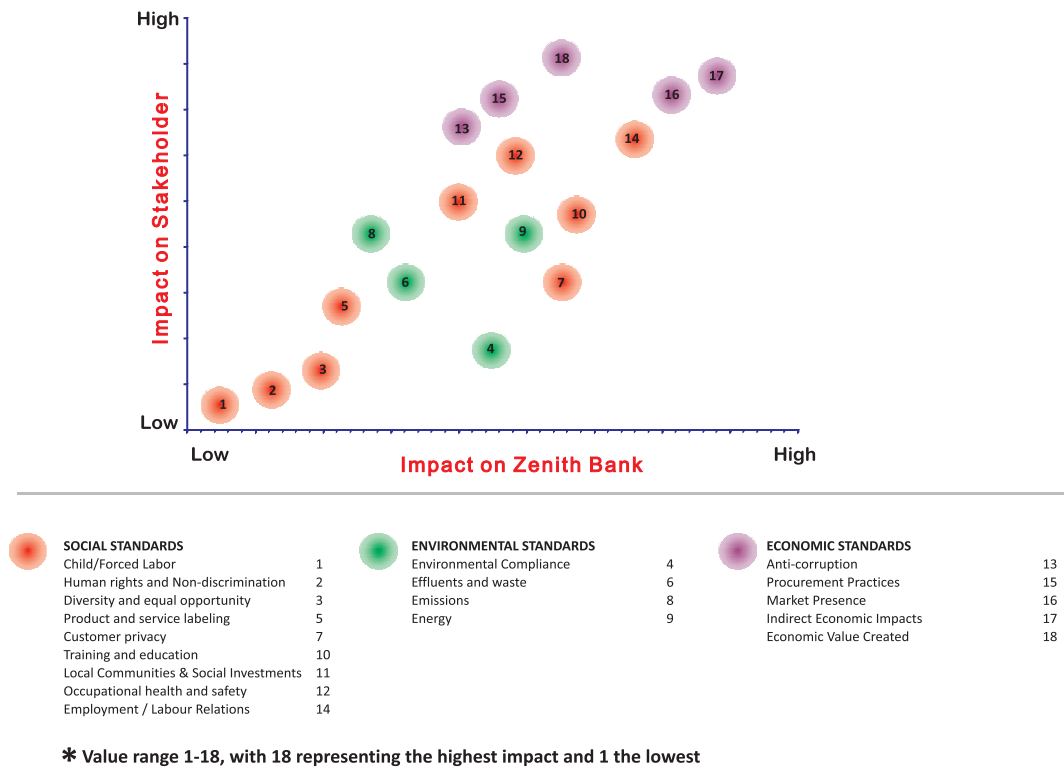
Zenith Bank created about NGN329.1 billion (\$917 million) wealth for various stakeholders in 2018, including employees, shareholders, government, and vendors, among others.

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EXECUTIVE SUMMARY



Zenith Bank's Sustainability Materiality Matrix 2018



trips in 2018, compared to 381 trips in 2017, resulting in about 10 per cent decrease in business trips related emission from about 262.8 tCO₂e recorded in 2017 to 239.4 tCO₂e in 2018.

In line with regulatory expectations from the Nigerian Stock Exchange (NSE), Zenith Bank's 2018 Sustainability Report features the NSE-GRI Sustainability Reporting Guidelines, which reports our sustainability milestones and progress on environmental, social, economic and governance issues. In the year under review, Zenith Bank disclosed core elements of sustainability initiatives under the NSE-GRI guidelines except for indicators/themes that are not material to our opera-

tion at this time, such as Water, and Product & Services responsibility.

In 2018, Zenith Bank was among the first 17 institutions to endorse the United Nations Environment Programme Finance Initiative (UNEP-FI) Principles of Responsible Banking which seeks to achieve the strategic objectives of the Sustainable Development Goals (SDGs). We also consolidated the integration of environmental and social risks considerations into all lending/investment decisions in 2018. In the years ahead, we shall continue to strive to reduce the potential negative impacts of our lending/investment decisions, as well as leverage emerging opportunities in green financing to build a sustainable future.

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A professional portrait of Jim Ovia, Chairman of Zenith Bank Plc. He is a middle-aged Black man with a goatee and glasses, wearing a dark suit, white shirt, and red tie. He is standing in front of a large, abstract painting with various colors and textures. The background is slightly out of focus, emphasizing the subject.

Chairman's Statement

Jim Ovia, CON
Chairman, Zenith Bank Plc

Building A Sustainable FUTURE

Financial Year 2018 was marked by significant global and domestic economic events with far-reaching impacts on several facets of our business. However, our track record and resilience of the Zenith brand enabled us to weather the economic headwinds and post yet another excellent performance.

The Group Profit-Before-Tax grew by 16.6 per cent, from NGN199billion in the year 2017 to NGN232billion in 2018. Profit-After-Tax grew by 10.9 per cent during the period, from NGN174billion in 2017 to NGN193billion in 2018. The Group Total Assets similarly also edged higher by 6.4 per cent, from NGN5.60trillion in 2017 to NGN5.96trillion in 2018, while customers' deposits grew by 7.3 per cent during the same period, from NGN3.44trillion to NGN3.69trillion. Group shareholders' fund grew by 0.5 per cent, from NGN812billion in 2017 to NGN816billion in 2018. Gross earnings, however, dropped by 15.4 per cent, from NGN745billion in 2017 to NGN630billion in 2018 due to declining trading income, compressed yields on assets, and a 10 per cent reduction in the loan book.

Our Group Earnings Per Share (EPS) rose 11.21 per cent, from NGN5.53k per share in 2017 to NGN6.15k in 2018. Consequently, total dividend payout to our esteemed shareholders grew 36.1 per cent, from NGN63.4billion the preceding year to NGN86.3billion. The sterling performance of the Zenith Bank Group in 2018 in the face of a challenging operating environment attests to the robust financial health of the Group.

In the year under review, the Zenith Bank Group deepened the integration of sustainability into the Bank's operation and processes with a renewed commitment to building a sustainable future through our core business of banking. Consequently, we kept our focus on the delivery of social projects and initiatives that complement the ef-

forts of the government to improve the economic wellbeing of the people and also aid the achievement of the Sustainable Development Goals (SDGs) of the United Nations. In 2018, Zenith Bank Group invested NGN3.1billion in diverse CSR projects and initiatives, up 19.2 per cent from NGN2.6billion in 2017.

We are mindful of the potential adverse environmental impact of our operation in the entire value chain. Consequently, a robust Environmental and Social (E&S) Risk Management framework has been put in place to minimize the impacts on the physical environment and mitigate the risks that are associated with our operations. We have continued to improve our business processes to significantly reduce adverse environmental impacts and be more efficient in resource utilization through the adoption of new technologies.

In 2018, our carbon footprint was measured and reported by independent external auditors. Year-on-year, aggregate GHG intensities per m2 at our Head Office housing 1,136 employees fell by 37.9 per cent in 2018. We are committed to reducing our carbon footprint to help achieve Nigeria's Nationally Determined Contribution

In the year under review, the Zenith Bank Group deepened the integration of sustainability into the Bank's operation and processes with a renewed commitment to building a sustainable future through our core business of banking.

(NDC) to the net global carbon emission index in line with the United Nations SDG 13 (Climate Action).

While we have made remarkable progress on the sustainability journey in the past six years, we are committed to the continuous improvement of our processes and build on our successes. For us at Zenith Bank Group, sustainability is more than an environmental issue; it is about building a sustainable future.


Jim Ovia, CON
Chairman

GMD / CEO'S
Statement

Building Safer
Communities and
Advancing Shared
PROSPERITY

Ebenezer Onyeagwu
GMD/CEO, Zenith Bank Plc

The safety of communities is key to the achievement of the goals and aspirations of both private and corporate citizens. As the Global Peace Index tries to show, there appears to be a nexus between peace and security on the one hand, and national economic prosperity on the other hand. We firmly believe that our commitment to sustainable banking can only bear real fruit within a peaceful and crime-free environment. Our collective progress towards shared prosperity requires the strengthening of institutions that are working daily to maintain peace and security in our communities. In 2018, Zenith Bank enhanced its engagement with government and other relevant stakeholders tasked with peace and security. The assessment emanating from the engagement formed the basis for our contribution to various States' Governments Security Trust Funds. We increased our cumulative contribution by 423.3 per cent to NGN1.57 billion in 2018 from NGN300 million in 2017. By boosting the operations and effectiveness of relevant security agencies, the safety of communities is enhanced.

While investing in the safety of communities, we are further mainstreaming occupational health and safety within the Bank. We understand that our employees, whom we value exceedingly, are more productive in a safe and conducive workplace. In our bid to improve safety in the workplace, we are striving to align our policies and procedures to global best practice. Part of the process includes driving safety from the top and broadening the opportunity for our employees to contribute to solutions that support their overall wellbeing. Our commitment to health and wellness initiatives remains strong, and we are determined to improve existing arrangements continually. For instance, we desire that more of our employees receive classroom training on safety. In 2018, the Bank trained a total of 501 employees (438 employees were trained on Basic Emergency Response and First Aid, while 63 participated in Occupational Health, Safety and Security trainings). We will do more on this front because safety training do not only make for a conducive workplace but are essential for life.

Another sub-set of our training system focuses on environmental and social sustainability. This

area of training empowers our employees to take ownership in our efforts to carry out the business of banking in a manner that minimizes our impact on the environment and people. We built environmental and social considerations into our credit approval process in 2017, and it has proved a rewarding practice since then as we are increasingly engaging with customers to reduce the negative impacts of projects while looking out for projects that deliver the highest dividend for our people and the planet. This approach also applies to our operations.

As a responsible institution, we track carbon emissions for our Head Office, using a certified tool, which is built on the internationally recognized "GHG Protocol". Our efforts have culminated in the reduction of emissions intensity during the year under review. We will sustain the momentum and explore the possibility of expanding the scope of the audit in future.

In December 2018, we endorsed the landmark draft principles of responsible banking of the United Nations

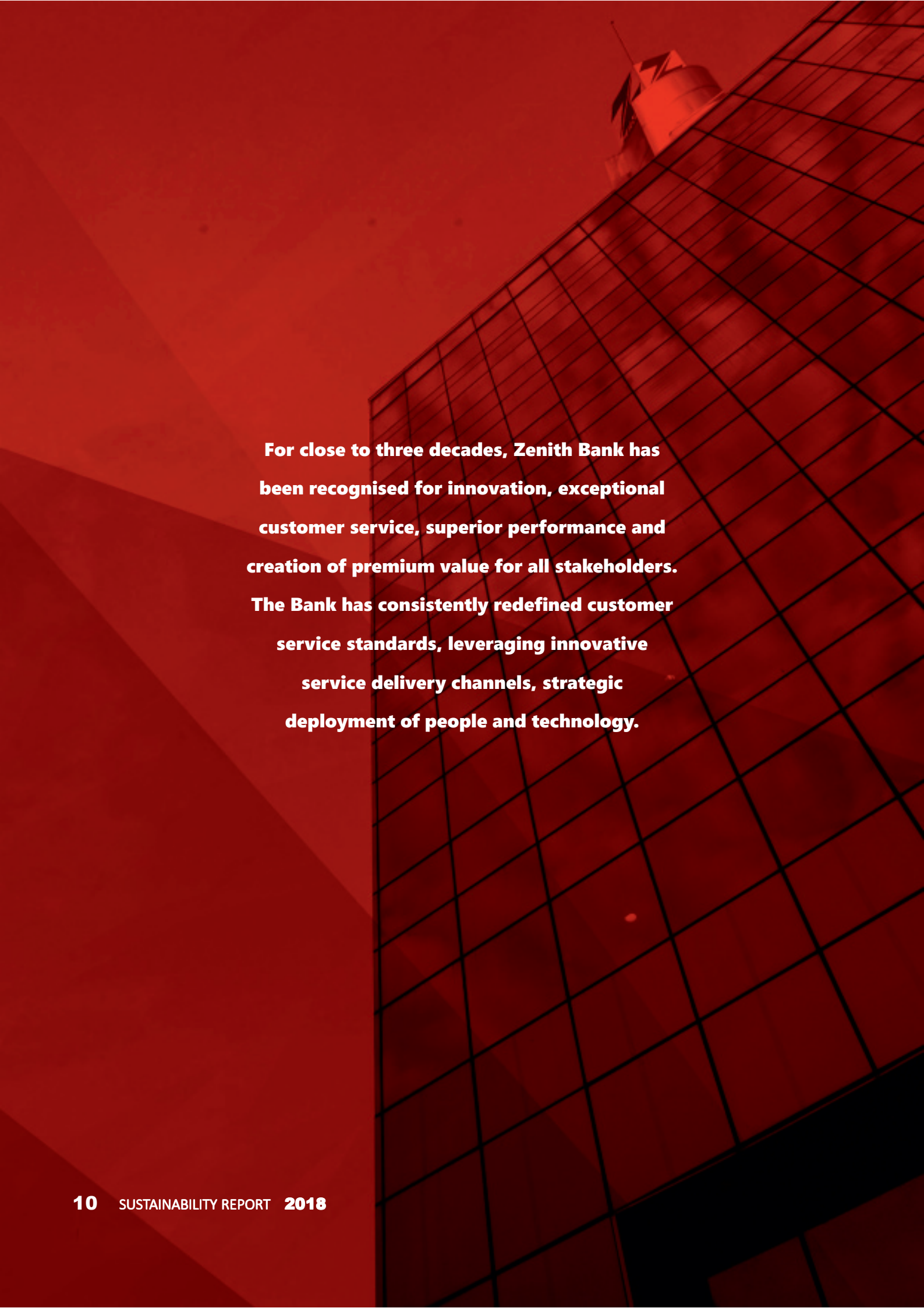
We firmly believe that our commitment to sustainable banking can only bear real fruit within a peaceful and crime-free environment. Our collective progress towards shared prosperity requires the strengthening of institutions that are working daily to maintain peace and security in our communities.

Environment Programme Finance Initiative (UNEP-FI). The Bank has actively participated in the implementation of these principles, which align our business strategy with society's goals. We are committed to improving our processes, products and services to ensure that they comply with the principles of responsible banking of UNEP-FI, and aid the achievement of the United Nations Sustainable Development Goals.

We recognize that the expectations that our investors and stakeholders have of us are enormous. Our sustainable banking ambitions are equally big. But we are resolute in making progress on this journey despite the challenges inherent in our operating environment.



Ebenezer Onyeagwu
Group Managing Director/CEO



For close to three decades, Zenith Bank has been recognised for innovation, exceptional customer service, superior performance and creation of premium value for all stakeholders. The Bank has consistently redefined customer service standards, leveraging innovative service delivery channels, strategic deployment of people and technology.

About ZENITH BANK

Corporate PROFILE

Z

enith Bank is a leading financial services provider, offering a range of financial products and services to retail customers, Micro, Small and Medium-Sized Enterprises (MSMEs), and Corporate clients. For close to three decades, Zenith Bank has been recognised for innovation, exceptional customer service, superior performance and creation of premium value for all stakeholders. The Bank has consistently redefined customer service standards, leveraging innovative service delivery channels, strategic deployment of people and technology.

Zenith Bank is one of Africa's most influential banking brands and Nigeria's largest bank by Tier 1 Capital and Total Assets. The Bank has an asset base of nearly NGN6trillion, gross earnings of NGN630.3billion and profit before tax of NGN231.7billion, as of December 31, 2018. Its stocks are traded on the Nigerian Stock Exchange (NSE) and the London Stock Exchange (LSE).

With a stable and experienced management team, the Zenith Bank Group serves its customers through a variety of business location spread across Africa, Europe, the Middle East and Asia. These comprise of a total of 596 business locations in Nigeria and the rest of the world. However, with advances in technology, the Bank has invested heavily in electronic and digital channels including ATMs, PoS terminals, internet and mobile banking applications and as a result, there has been an exponential rise in the volume of transactions consummated over digital platforms with a corresponding decrease in transactions completed at physical outlets and branches.

Our branding has been anchored on continued investment in people, technology and excellent customer service delivery. The combined intellectual capital and dedication of the staff, Management and Board, have shaped Zenith Bank into a world-class institution.

As of December 31, 2018, Zenith Bank had in its employment 3,233 males and 3,017 females, representing 48.3 per cent and 51.7 per cent of our total workforce of 6,250, respectively. These numbers form the basis of all analysis in this report, unless otherwise stated. A total of 114 permanent staff were inactive during the period under review, while 20 were seconded to the Bank's subsidiaries. The Bank's contract staff was a total of 1,936, representing 1,920 active contract staff and 16 inactive contract staff. All analyses in this report focus mainly on the active permanent staff of Zenith Bank Plc totalling 6,130 unless otherwise stated.

Zenith Bank has remained a Tier 1 bank and is adequately capitalised to meet and even surpass customers' needs and expectations. The bank has efficiently deployed its competitive edge of excellent customer services, size, brand name, branch network and customer reach, stable management as well as a motivated workforce, substantial capital base and liquidity to effectively compete in the Nigerian financial services landscape.

Our Key Strengths

- Innovation
- Good financial performance
- A stable and dedicated management team
- Highly skilled personnel
- Leadership in the use of Information and Communication Technology (ICT)
- Strategic distribution channels
- Good asset quality

Our Vision

"To build the Zenith brand into a reputable international financial institution recognised for innovation, superior customer service and performance while creating premium value for all stakeholders".

Our Mission

"Establish a presence in all major economic and financial centres 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

Strategic Objectives

The strategic objective of Zenith Bank remains the continuous improvement of its capacity to meet the customers' changing and increasing banking needs as well as sustaining high-quality growth in a volatile business environment.

In line with the United Nations Environment Program's Finance Initiative, (UNEP-FI) Principles of Responsible Banking, Zenith Bank has endorsed the principles of responsible banking and is resolutely committed to aligning these principles with its strategic objectives, which include:

- Continuous investment in branch network expansion and thus bringing quality banking services to our existing and potential customer base
- Continuous investment and deployment of state of the art technology and ICT platform



28TH ANNUAL GENERAL MEETING



- Continue to seek, employ and retain the best personnel available
- Ongoing investment in training and re-training of our staff
- Maintain and reinforce our core customer service delivery charter
- Sustain strong profitability and ensure adequate Return on Equity (ROE)
- Remain conservative but innovative
- Sustain strong balance sheet size with adequate liquidity and capital base
- Sustain our brand and premium customer services
- Cautious and synergistic global expansion
- Remain customer service focused
- Continuous emphasis on the use of technology as a competitive tool
- Maintain strong risk management and corporate governance practices.

Locally, branches will continue to be located at commercial business districts in all the state of the federation, taking into

consideration the existence of the following:

- Commercial activities, enough to ensure that the branch breaks even within a year.
- Synergistic loop based on business line (i.e. ensuring that the branches are located in areas having similar business lines to facilitate needed synergy).
- Convenience to our customers.

Core Banking Transformation

The Bank has commenced implementation of a core banking system to replace the existing core banking systems (Ethix/Phoenix) with MISYS suite of banking software and affiliated solutions which started in 2016. The Bank has successfully gone live on some MISYS banking solutions including – Trade Innovation, TradeX, Zenith Trade Portal, Kondor, MPM and LoanIQ which are used to drive our trade services, treasury products/deals and loan processing related customer transactions. These implemented solutions have been seen to improve efficiency and streamline operations.



Enhancing Internal Operating Systems to Control Costs

The Group expects to continue its drive to deploy the latest innovations in banking technology to maintain its position at the forefront of the changing banking landscape in Nigeria. Besides, the Group will aim to enhance its systems and internal procedures to improve its levels of customer service by delivering improved operational capabilities and efficiencies, while at the same time achieving economies of scale.

The Group's increased deployment of digital channels means more customers can carry out banking transactions without visiting its branches, thereby reducing operating costs. From an internal operating perspective, the Group has automated most of the operational activities, such as cheque confirmation and clearing processes, account opening procedures, credit administration and internal audit processes. These automated processes have started yielding results in the form of reduced turnaround times in all operational activities as well as a reduction in operating costs.

External Collaborations & Institutional Membership

Zenith Bank is committed to the Sustainable Development Goals (SDGs) of the United Nations, responsible business practices, other sustainability principles, initiatives and standards that support the long-term goals and objectives of the bank. Zenith Bank 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 Central Bank of Nigeria's Nigerian Sustainable

Banking Principles (NSBP) in July 2012; member of the Global Reporting Initiative (GRI) Gold Community in July 2016 and a signatory to the UNEP-FI Principles of Responsible Banking in December 2018.

Our overarching goal is to build a sustainable future for employees, host communities, customers, investors, shareholders, other key stakeholders, and the physical environment. Zenith Bank has endorsed the provisions of the International Labor Organisation'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 actualisation of the United Nations Sustainable Development Goals.

Zenith Bank is also 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 considerably enabled us to achieve several sustainability milestones, and access to several network of experts, ideas, implementation principles and guidelines and world-class training and capacity building opportunities.

“Our overarching goal is to build a sustainable future for employees, host communities, customers, investors, shareholders, other key stakeholders...”



INTEGRITY

Ethics & INTEGRITY



Zenith Bank recognises that the demonstration of a high level of integrity and ethical behaviour are essential to gaining the trust of our esteemed customers and stakeholders.

The Zenith brand is built on sound ethical practices and integrity. The Bank is committed to the highest standards of integrity, honesty and professionalism in all its operations and relationships with employees, customers and other stakeholders. We believe that creating a sustainable future rest on unwavering commitment to sound business ethics and integrity. Zenith Bank recognises that the demonstration of a high level of integrity and ethical behaviour are essential to gaining the trust of our esteemed customers and stakeholders. Beyond responsible banking, these practices ensure positive ethical impacts of our lending and investment decisions.

Zenith Bank conducts its business activities in compliance with the laid down laws and regulations. Our employees are expected to exhibit the highest level of ethical and legal conduct as outlined in the statutory regulations, industry guidelines and the Bank's policies.

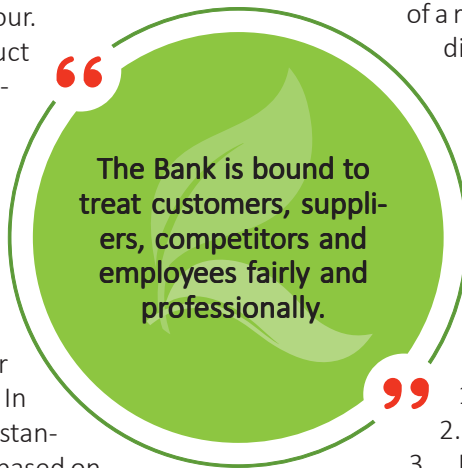
The Bank's code of ethics is enforced and monitored by the Board Governance, Nominations and Remuneration Committee. Appropriate structures are in place to deter violations, punish offenders and reward compliance. Our Disciplinary Committee hears cases of employees' ethical infractions and offers advice to executive management on disciplinary measures to be taken against erring employees, where applicable. 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.

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.

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

Our Employees' Code of Conduct and Handbook clearly define an acceptable code of behaviour, and they bind all employees at all levels. Our employees at all levels are continuously trained on behaviours that are acceptable in the workplace and those that are not in line with the Bank's Employees' Code of Conduct and Handbook. The penalties for violations are also clearly defined. In the event of breaches of our ethical standards, policies and procedures, and based on the severity of the violation, the Bank can invoke any of the following disciplinary measures against erring employees:

- Query
- Formal written warning
- Suspension



- Termination
- Dismissal

Zenith Bank's employees and other stakeholders are encouraged to use our diverse engagement channels to report any breach of ethical standards that could jeopardise the reputation of the Zenith brand or the wellbeing of stakeholders and the larger society. Reports can be made anonymously, via the Bank's whistleblowing portal on our intranet, or directly to a supervisor, line manager, and human resources department, as appropriate. No matter the form of a report, investigations will be conducted discreetly, and the confidentiality of the source is maintained, subject to any legal constraints.

Our employees have the responsibility 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 properly addressed.

1. A Supervisor
2. Chief Compliance Officer
3. Human Resources Department

Zenith Bank's disciplinary measures for non-compliance are fair, impartial, objective and known to all employees. The Bank is bound to treat customers, suppliers, competitors and employees fairly and professionally. The Bank's listing on the London Stock Ex-

Analysis of Fraud and Forgeries Return

Nature of Fraud	December 31, 2018			December 31, 2017		
	No.	% Loss	Actual Loss to the Bank (N) Jan-Dec 2018	No.	% Loss	Actual Loss to the Bank (N) Jan - Dec 2017
ATM/Electronic fraud	44	-	-	39	-	-
Staff Perpetrate	32	67	316,900,400	19	34	11,689,602
Impersonation	32	22	4,250,103	166	37	12,789,868
Stolen/Forged Instrument	146	11	107,534,526	34	25	8,644,515
Internet Banking	20	-	413,841	1	-	-
Others	43	-	-	20	4	1,624,830
Total	317	100	429,098,870	279	100	34,748,815



change and the Premium Board of the Nigerian Stock Exchange (NSE) attest to our good corporate governance record. We are rated highly in corporate governance and professional ethics in environments where we operate.

During the 2018 financial year, nearly 73 per cent of the 317 reported cases of fraud and forgeries resulted in an actual loss of about NGN429 million to the Bank, up from NGN34.75 million loss recorded in 2017. We are committed to the continuous evaluation of our processes, operations and activities to ensure that our business practices conform to the highest Environmental, Social and Governance (ESG) standards.

Grievance, Dispute & Feedback Mechanisms

Employees

At Zenith Bank, we encourage open communication in the workplace to keep our employees engaged, retain top talents and create a convivial environment where everyone is not only well-appreciated but has a say. Formal and informal channels are also employed in

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At Zenith Bank, we encourage open communication in the workplace to keep our employees engaged...
 ”

communication with employees with an appropriate two-way feedback mechanism. We also have effective mechanisms for reporting and resolving disputes when they occur.

We understand that mutually respectful line manager/employee relationship is key to high productivity and job satisfaction; therefore, we ensure swift resolution of individual, work-related conflicts. However, 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.

Zenith Bank’s grievance procedure is summarised 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.

Step 5: If the matter is not resolved satisfactorily in Step 4, The Group Head, Human Resources may refer the issue to our Internal Control & Audit Department and Disciplinary Committee, who will investigate it and take final decisions and recommendations. The Human Resources Department shall also document all requests and suggestions in the grievance resolution process.

In line with our code of conduct, employees must ensure that grievances are genuine. If a complaint is found to be spurious and or unjustified, the complainant will be sanctioned appropriately.



The Bank 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 ex-staff.

A review of the Bank’s Litigation Profile for the year under review as it relates to claims involving ex-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:	2
3. Claims resolved out of court:	NIL
4. Claims pending in court:	4
5. Claims Concluded in Court:	2

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

Nineteen of our employees utilised our grievance mechanisms and procedures in the financial year 2018, with fair, objective and satisfactory outcomes. Our grievance management procedures are indicated in our Employees’ Code of Conduct and Handbook.

Customers and Other Stakeholders

Zenith Bank has a diverse and extensive stakeholder base, with over 639,000 shareholders, millions of account holders and several host communities. The Bank has a robust platform through which stakeholders could send feedback to us on how we could serve them better, and this is of utmost importance to us. We are always in touch with both local and international stakeholders/public on issues about our products, services, personnel, business offices, social investments and related concerns.

We continually solicit and 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 about 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 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 the request. Self-help services on the Interactive Voice Response (IVR) are also available to callers. For callers that may not be fluent in the English language, there are standby interpreters that understand and speak all major Nigerian languages. Our Communications Unit, in charge of grievance mechanism portals, is frequently trained to be able to carry out its functions efficiently and effectively.

In 2018, feedback and complaints received included dispense errors arising from failed ATM, Web and Point of Sales (PoS) transactions; Nigeria Inter-Bank Settlement System (NIBSS) Instant Payment disputes; issues with bank rates and charges; unauthorised withdrawals; access to lending and financing; airtime purchase disputes; and incidences of employees’ misconducts, among others.

The Bank has put in place a complaints management policy framework to resolve complaints arising from issues covered under the Investments



Customer Complaints in Financial Statements for the period ended December 31, 2018

Description	Number		Amount claimed		Amount refunded	
	31-Dec-2018	31-Dec-2017	31-Dec-18 N	31-Dec-17 N	31-Dec-18 N	31-Dec-17 N
Pending complaints brought forward	86	154	9,783,412,201	1,571,817,766	N/A	N/A
Received Complaints	224	220	11,026,857,556	10,045,190,151	N/A	N/A
Resolved Complaints	122	288	3,776,775,251	1,833,595,716	800,131,355	346,672,659
Unresolved Complaints escalated to CBN for intervention / carried forward	188	86	17,033,494,506	9,783,412,201		

and Securities Act, 2007 (ISA). We remain committed to continually improving 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 ATMs are resolved instantly or within 24 hours. Disputes arising from transactions on other Banks' ATMs are resolved within five 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 total number of complaints received and how they were resolved during the review period are tabulated (see table).

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 224 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. A total of 310 complaints were handled by the bank; 224 were received in 2018 while 86 were carried over from 2017. About 39 per cent of the claims were resolved, and NGN0.8 billion was refunded, compared to NGN0.35 billion refunded for the 2017 financial year, accounting for 129 per cent increase in claims refunded, year-on-year. However, about 188 complaints were yet to be resolved as at the end of 2018 and are being reviewed in 2019.

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, 2017. In the 2018 survey, Zenith Bank was ranked as the most customer-focused Bank in the Retail and SME banking space.

Zenith Bank has formal and informal channels through which we elicit customers' feedback on their satisfaction with its products and services offering.

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.

Whistleblowing and Non-Retaliation Policy

Zenith Bank actively encourages whistleblowing by its employees, contractors, vendors, customers and members of the public who have concerns about our operations or management's actions. The Bank also has a whistleblowing procedure that ensures anonymity for whistleblowers. We have a direct link on the Bank's website, provided for whistleblowing. Internally, the Bank has a direct link on its intranet to enable staff to report all identified breaches of the Bank's Code of Corporate Governance. All reports are investigated, and necessary sanctions applied for violations.

At Zenith Bank, we have a potent whistleblowing policy that protects whistleblowers from victimisation and harassment. We also have a whistleblowing portal where employees and external stakeholders can report cases of ethical failures within the workplace. Our whistleblowing policy ensures strict confidentiality and supports anonymity of the whistleblower 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.

Zenith Bank is firmly committed to a policy that promotes open communication on, and timely disclosure of concerns that could jeopardise the wellbeing of the Bank and its stakeholders. We have a non-retaliation policy that proscribes retribution 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 staff shall be victimised 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

In 2018, Zenith Bank won several accolades and recognitions including the “Best Bank in Corporate Governance” (World Finance), “Bank of the Year” for the second consecutive year (BusinessDay Awards), and “Best Institution in Sustainability Reporting in Africa” for the second successive year (SERAS Awards). These awards and recognition amongst several others demonstrate our market leadership and competitive edge.

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



Some of our recent awards and recognition in the financial services space include:

- Most Valuable Bank Brand 2018. – The Banker
- The Most Customer-Focused Bank in the Retail and SME Banking Space 2018 – KPMG
- Best Corporate Governance Financial Services 2018 – Ethical Boardroom
- 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
- The 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
- The 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
- Moody’s 2018 Ratings: Long Term Debt B2; Outlook – Stable
- Fitch 2018 Ratings: Long-Term IDR B+; Credit Rating – Stable



Governance & OWNERSHIP
STRUCTURE



Ownership and Legal Form

Zenith Bank has a diverse shareholding structure, with more than 600,000 shareholders. No single individual shareholder holds more than 20 per cent of the Bank's total shares, as at December 2018.

Shareholding Analysis

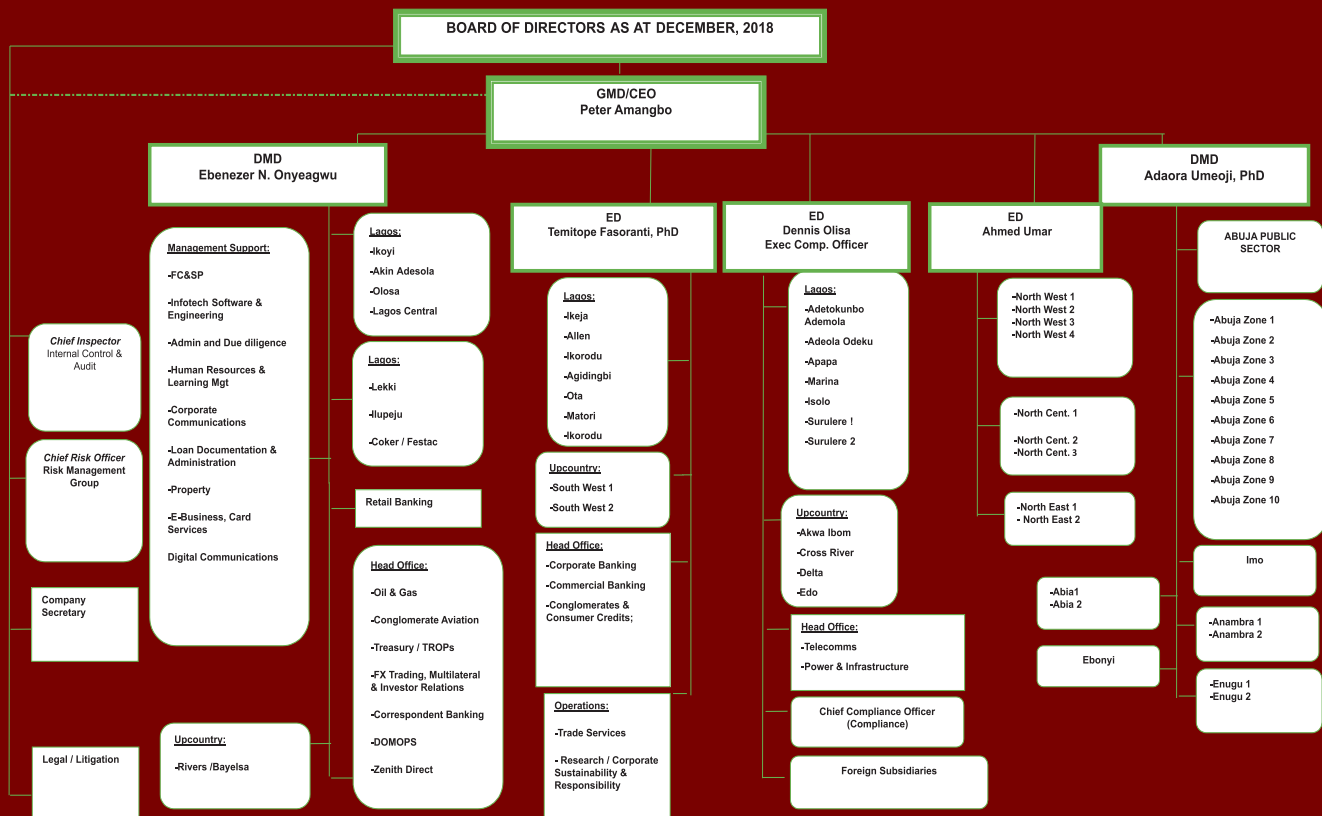
The shareholding pattern of the Bank as at 31 December 2018 is as stated below:

The shareholding pattern of the Bank as at 31 December 2018 is as stated below:				
Share range	No. of Shareholders	Percentage of Shareholders	Number of holdings	Percentage Holdings (%)
1-9,999	537,935	84.1308 %	1,596,747,902	5.09 %
10,000 - 50,000	80,329	12.5631 %	1,638,639,586	5.22 %
50,001 - 1,000,000	20,032	3.1329 %	3,108,802,557	9.90 %
1,000,001 - 5,000,000	791	0.1237 %	1,682,858,529	5.36 %
5,000,001 - 10,000,000	141	0.0221 %	966,504,587	3.08 %
10,000,001 - 50,000,000	116	0.0181 %	2,567,943,284	8.18 %
50,000,001 - 100,000,000	26	0.0041 %	1,791,562,895	5.71 %
100,000,001 - 500,000,000	23	0.0036 %	4,138,595,598	13.18 %
500,000,001 - 1,000,000,000	4	0.0006 %	2,279,638,965	7.26 %
Above 1,000,000,000	6	0.0009 %	11,625,199,884	37.02 %
	639,403	100 %	31,396,493,787	100 %

Substantial Interest in Shares

According to the register of members as at December 31, 2018, the following shareholders held more than 5.0 percent of the issued share capital of the Bank:

According to the register of members as at December 31, 2018, the following shareholders held more than 5.0 percent of the issued share capital of the Bank:		
	Number of Shares Held	Number of Shares Held
Jim Ovia, CON	3,546,199,395	11.29 %
Stanbic Nominees Nigeria Limited/C011 - MAIN	2,075,323,002	6.61 %
Stanbic Nominees Nigeria Limited/C001 - TRAD	1,820,956,539	5.80 %
Stanbic Nominees Nigeria Limited/C002 - MAIN	1,774,705,532	5.65 %



**Significant Changes to the Board: Mr. Ebenezer Onyeagwu is the new Group Managing Director/CEO of the Bank with effect from June 1, 2019. He succeeds Peter Amangbo, whose tenure expired on May 31, 2019.*

Directors' Shareholding

The direct and indirect interests of directors in the issued share capital of Zenith Bank Plc as at December 31, 2018, and as recorded in the register of directors shareholding and as notified by the directors for sections 275 and 276 of the Companies and Allied Matters Act (CAMA) and the listing requirements of the Nigerian Stock Exchange are as follows:

Interests in shares					
		Number of Shareholding			
		31 December, 2018		31 December, 2017	
Director	Designation	Direct	Indirect	Direct	Indirect
Mr. Jim Ovia, CON	Chairman / Non-Executive Director	3,546,199,395	1,513,137,010	2,946,199,395	1,593,494,151
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	421,426	-	321,426	-
Mr. Gabriel Ukpeh	Non Executive Director / Independent	32,660	-	32,660	-
Engr. Mustafa Bello	Non Executive Director / Independent	-	-	-	-
Mr. Peter Amangbo	Group Managing Director	15,000,000	21,000,000	5,000,000	2,300,000
Ms. Adaora Umeoji	Deputy Managing Director	53,873,169	1,710,123	31,620,141	1,710,123
Mr. Ebenezer Onyeagwu	Deputy Managing Director	36,000,000	-	7,000,000	-
Mr. Ahmed Umar Shuaib	Executive Director	7,077,343	-	1,077,343	-
Dr. Temitope Fasoranti	Executive Director	5,075,000	-	1,875,000	-
Mr. Dennis Olisa	Executive Director	7,122,316	-	4,122,316	-

Board of Directors & Board Structure

Zenith Bank Board of Directors is the highest governance body of the Bank elected by the shareholders at the Annual General Meeting. The Board has the overall responsibility for setting the strategic direction of the Bank, creating policies for corporate 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.

Our Board of Directors comprises persons of diverse discipline and skills, chosen based on professional background and expertise, business experience and integrity as well as sound knowledge of the banking business. Directors are fully abreast of their responsibilities and are therefore able to exercise sound judgment on issues relating to the Bank's business. Accordingly, they act in good faith with due diligence and skills and in the overall interest of the company and key stakeholders.

As at December 2018, the Board was made up of a Non-Executive Chairman, five (5) Non-Executive Directors and six (6) Executive Directors including the GMD/CEO. Three (3) of the Non-Executive Directors are independent directors, appointed in compliance with the Central Bank of Nigeria (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, Deputy Managing Directors as well as the Group Managing Director/Chief Executive as its Chairman.

“

Our Board of Directors comprises persons of diverse discipline and skills, chosen based on professional background and expertise, business experience and integrity as well as sound knowledge of the banking business.

”

During the period under review, one Board member retired, effective October 2, 2018. The Board meets at least every quarter but may hold extraordinary sessions to address urgent matters requiring the attention of the Board.

However, as at year-end December 31, 2018, we had eleven males and one female on our Board of Directors, representing 91.7 per cent male and 8.3 per cent female. Also, in the year under review, one board member was in the age group 30-50 years, while twelve were over 50 years. There were no persons under the age of 30 on the Bank's governance bodies in 2018.

Biographical details of the Directors can be found on the Bank's website, <https://www.zenithbank.com/about-us/board-of-directors-2/>

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BOARD OF DIRECTORS AS AT DECEMBER, 2018

	NAME	POSITION
1.	Mr. Jim Ovia, CON	Chairman
2.	Prof. Oyewusi Ibidapo-Obe	Independent/Non-Executive Director
3.	Mr. Gabriel Ukpéh	Independent/Non-Executive Director
4.	Engr. Mustafa Bello	Independent/Non-Executive Director
5.	Mr. Jeffrey Efeyini	Non-Executive Director
6.	Prof. Chukuka S. Enwemeka	Non-Executive Director
7.	Mr. Peter Amangbo	Group Managing Director/CEO
8.	*Mr. Ebenezer Onyeagwu	Deputy Managing Director
9.	Ms. Adaora Umeoji	Deputy Managing Director
10.	Mr. Umar Shuaib Ahmed	Executive Director
11.	Dr. Temitope Fazoranti	Executive Director
12.	Mr. Dennis Olisa	Executive Director

Significant Changes: *Mr. Ebenezer Onyeagwu succeeds Mr. Peter Amangbo as the new Group Managing Director/CEO of Zenith Bank, effective June 1, 2019.

COMPOSITION OF BANK'S GOVERNANCE BODIES BY GENDER AS AT DECEMBER, 2018		
GENDER	Total	%
FEMALE	1	8.3
MALE	11	91.7
Total	12	100

COMPOSITION OF BANK'S GOVERNANCE BODIES BY AGE AS AT DECEMBER, 2018		
AGE GROUP	Total	%
Under 30	-	-
30 - 50	1	8.3
Over 50	11	91.7
Total	12	100

Board Committees

The Board conducts its oversight functions using its various Board Committees. These Committees have clearly defined terms of reference, the scope of responsibilities and char-

ters to avoid overlap or duplication of roles. This makes for efficiency and allows for more profound 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 Board's Committees meet quarterly but may hold extraordinary sessions as the business of the Bank demands. Some of these standing committees include the Board Credit Committee; Board Audit and Compliance Committee; Board Governance, Nominations and Remuneration Committee; Finance and 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. Peter Amangbo, Mr.

The Bank has a Corporate Sustainability and Responsibility Unit with the responsibility of driving environmental, social and governance policies.



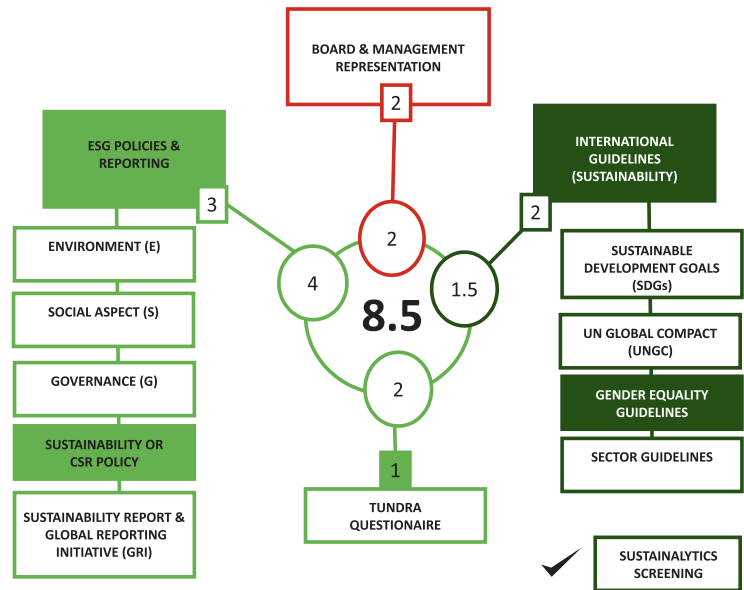
Ebenezer Onyeagwu and Mr. Dennis Olisa. The primary responsibilities of the Committee are to ensure that sound policies, procedures and practices are in place; that bank-wide risk management framework is in place and enforced, and to report the Committee’s activities to the Board of Directors.

E&S Governance

The Bank has a Corporate Sustainability and Responsibility Unit with the responsibility of driving environmental, social and governance policies. The Unit is also responsible for implementing the sustainability policy 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.

During the year under review, Zenith Bank was highly rated on Environmental, Social and Governance (ESG) by Tundra Fonder AB, a global investment fund manager. The Bank scored a total of 8.5 out of 10 on the ESG Rating. This



Source: Tundra Fonder AB

stellar rating exceeded the financial sector industry average of 6.9 and the overall average score of 7.7 for about 21 companies across nine countries that are associated with the Fund at the time of the annual assessment. It also attests to our superior E&S Governance practices. The ESG score was significantly driven by our ESG policies and reporting, which reinforce the Bank’s commitment to aligning its strategic objectives to the Sustainable Development Goals of the United Nations. According to Tundra Fonder, Zenith Bank also fared well in terms of strong female representation on the Board and Senior Management levels, impacting positively on our overall performance rating. The Bank will continue to collaborate with internationally recognised voluntary initiatives and align our business processes and strategies towards achieving the Sustainable Development Goals of the United Nations.





Business FOCUS

The personal banking products and services range from standard to specialised savings, current, domiciliary and investment account modified to suit individuals of different strata of life.



Zenith Bank is a commercial bank with authorisation 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

Zenith Bank's core business segments provide 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
- Commercial/SMEs
- 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 unit, through its Treasury subunit, provides ancillary services such as market-marking, derivatives trading, fixed income instruments, foreign exchange, commodities and equity securities, and manages the Group's correspondent banking relationships.

The Corporate Banking Strategic Business Unit (CBSBU) offers a wide range of services to multinationals, large local conglomerates and corporate clients. The unit is focused on providing superior banking services and customised banking products to the top tier of the market, with the following sub-units:

- Transport and Aviation
 - Conglomerates
 - Breweries and Beverages
 - Oil and Gas
 - Power and Infrastructure
 - Construction
 - Telecommunications and Fintechs

The Group's Retail Banking Unit (the "RBU") focuses on all small and medium enterprises (SMEs), commercial businesses which comprise personal current, and savings accounts customers and all unincorporated en-

“ Zenith Bank's core business segments provide a broad range of banking products and services to a diverse group of corporations, financial institutions... ”





tities (such as societies, clubs, churches, mosques etc.) The Group leverages our extensive branch network, electronic and digital channels. It offers various banking services to individuals. The personal banking products and services range from standard to specialised savings, current, domiciliary and investment account modified to suit individuals of different strata of life. Examples of such specialised products are the Zenith Children Accounts (ZECA), Individual Current and Savings Accounts, Easysave Classic and Premium Accounts (financial inclusion customers), Aspire Savings Accounts (tertiary institution students) and Platinum and Gold Current Accounts (high net worth individuals) etc. The sub-group also offers credit products, including personal loans, advances, mortgages, asset finance, and credit cards. E-business products offered include internet banking and mobile banking services (mobile app) and *966# EazyBanking, Zenith Scan to Pay, EazyMoney etc. Numerous channels such as ATMs, cards, PoS terminals, internet and mobile banking is to service this segment of the market effectively.

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

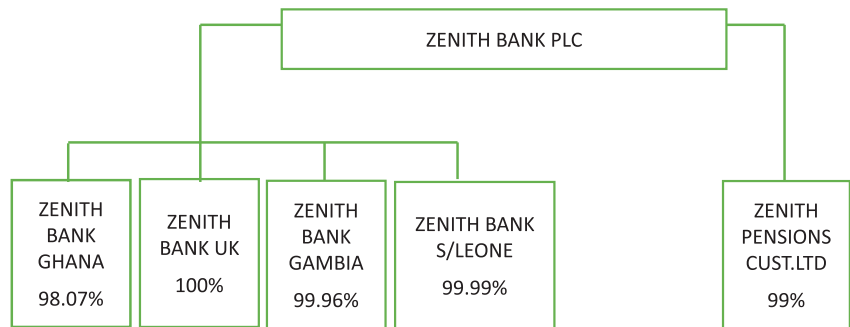


branches, and at the Federal, State and/or Local Government levels. Some of the products and services offered to the public sector include revenue collections, cash management, deposit and investment, electronic payroll systems, offshore remittances and foreign exchange, and project finance.

b. International Subsidiaries

The Group’s overseas subsidiaries carry out banking operations, providing traditional banking products and services tailored to meet the needs of those customers who are either located in countries where the subsidiaries are domiciled or who have a business presence in such locations. Each of the Group’s overseas subsidiaries offers a wide range of products and services which include deposit taking, loans and advances. The Group’s foreign subsidiaries include the following:

ZENITH BANK GROUP AS AT 31 DECEMBER 2018



Zenith Bank (UK) Limited

Zenith Bank (UK) Limited (“Zenith UK”) leverages on 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 relationships with Nigeria and other West African banks by providing facilities for letter of credit





count with Citigroup, the West African subsidiaries have both a global reach and local market knowledge which allows them to provide high quality importing and exporting intermediary services to their respective customers. Solutions are customised to each subsidiary's customers' needs, integrating letters of credit and other trade finance alternatives or products for an end-to-end trade proposition.

The West African subsidiaries source deposits from retail, corporate and institutional customers to support their respective funding needs. Each subsidiary also lends to customers in different sectors of their respective economies, through term loans, short term overdrafts, trade finance facilities and bonds and guarantees. Investment in fixed income instruments such as treasury bills, government and corporate bonds also form part of the banking activities carried out by each of the West African subsidiaries.

c. 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

confirmation and treasury products. Zenith UK has a branch in the United Arab Emirates (UAE). 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 West African Subsidiaries

Zenith Bank (Ghana) Limited, Zenith Bank (Sierra Leone) Limited and Zenith Bank (The Gambia) Limited make up our West African subsidiaries. They provide comprehensive trade services to major global corporations and medium-sized enterprises operating in the region. With the support of the parent company and Zenith UK which operates an ac-



custodian services to pension funds administrators (PFAs). As of 31 December 2018, total funds under its custody amounted to approximately NGN3.531 billion. Zenith Pensions has 102 funds under its custody which are shared among seven open pension fund administrators, three closed pension fund administrators and two annuities. The main service offerings provided by Zenith Pensions include collecting pension contributions, paying beneficiaries from their respective retirement saving 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 on a day-to-day basis.

d. Zenith Nominees Limited

Zenith Nominees Limited provides nominees, trustees, administrators and executorship services for non-pension assets. It started operations in 2018. Zenith Nominee seeks to be associated with the following attributes:

- Innovation
- Good financial performance
- A stable and dedicated management team
- Highly skilled personnel
- Leadership in the use of Information and Communication Technology
- Strategic Distribution Channels
- Good asset quality

Zenith Bank is committed to strengthening its viable position as a leading financial services provider in Nigeria. Our Nigerian branch network stood at 374 branches as at December 2018.

Operational Branches, Subsidiaries and Business Offices in 2018	
Federal Republic of Nigeria banking operations	374
Federal Republic of Nigeria off-site locations	155
Republic of Ghana	27
United Kingdom	2
Sierra Leone	6
The Gambia	6
South Africa Representative Office	1
China Representative Office	1

We have repeatedly enhanced our stakeholders' engagement policies and practices in our different local and international business units, and our products and services offerings, soliciting feedback and addressing their concerns. We ensure that we observe the laws and regulations in the different jurisdictions where we operate, benchmarking against global best practices in our customers, employees, investors and communities' relations.



Product & Service Innovation

At Zenith, we are continuously seeking new ways to serve existing customers better and attract new prospects. In an increasingly competitive global market, product and service innovation remain the key to sustaining the premium value we create for all our stakeholders.

The Bank is also strengthening its retail market aimed at reaching Nigeria's flourishing youth market and the huge unbanked and semi-banked population in the country. Hence, there is a need to deploy innovative

products and services that they would find attractive and value-adding. Our social media and *ZenithDirect* platforms have been highly effective channels in this regard. We continue to use the *ZenithDirect* platform to drive retail marketing, especially in the effort to reach the 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 banking; 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 that 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.

Sustainable Supply Chain Management

Zenith Bank's supply chain management system promotes local businesses. As a leading financial services provider, our procurement policies prioritise excellent product quality, service delivery and after-sales support. To meet increasing resource needs for our business operations, we source our products and services from local vendors across the country. Some of the significant 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.

SUPPLY CHAIN



In line with our strategy to optimise our supply chain, we continue to strengthen our criteria for selecting, evaluating, approving and managing our suppliers to guarantee the high-quality products and services as well as the reliability and sustainability of the entire supply value chains. To improve environmental and social responsibility in our value chain, we have integrated the UNGC's fundamental pillars (human rights, labour, 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 with a common framework for evaluating and monitoring progress over time.

Zenith Bank's local sourcing of materials has not only empowered local businesses but significantly reduced the travel time in products sourcing and delivery. This has considerably helped to cut back our greenhouse gas emissions. Nearly 90 per cent of our annual procurement budget is targeted at local suppliers. In 2018, our vendors, suppliers, contractors and local service providers received the economic value of NGN145.8 billion, up from NGN144.4 billion in 2017. We maintained trade ties with more than 400 suppliers and vendors, creating increasing economic value in the process. Our corporate procurements remain robust and significant to our operations since they impact directly or indirectly on the quality of our products and services. We ensure regular interaction with contractors to track trends, spot emerging risks and establish appropriate controls.

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, labour 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. In 2018, we administered our "Code of Conduct" on all major vendors, suppliers and contractors of the Bank and periodically screened all third-party business partners including investees, contractors, suppliers, among others.

Zenith Bank will ensure active monitoring of compliance with this Code and set compliance as a precondition for future relationship. 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 impact 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 Service Level Agreements (SLAs) carry Environmental and Social (E&S) risk management 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.



**Host
Communities**

Suppliers

**Regulators &
Government**

Media

**Investors &
Shareholders**

Employees

Customers



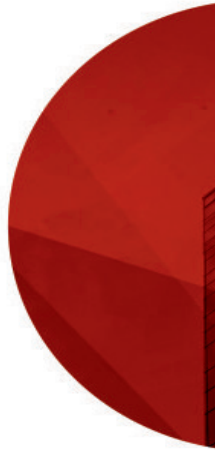
Our STAKEHOLDERS



Engagement with STAKEHOLDERS

- Creating Value

Our proactive engagement with key stakeholders has helped the bank to identify, understand and respond to their genuine concerns aimed at creating a significant positive impact on the economy, the natural environment and the larger society





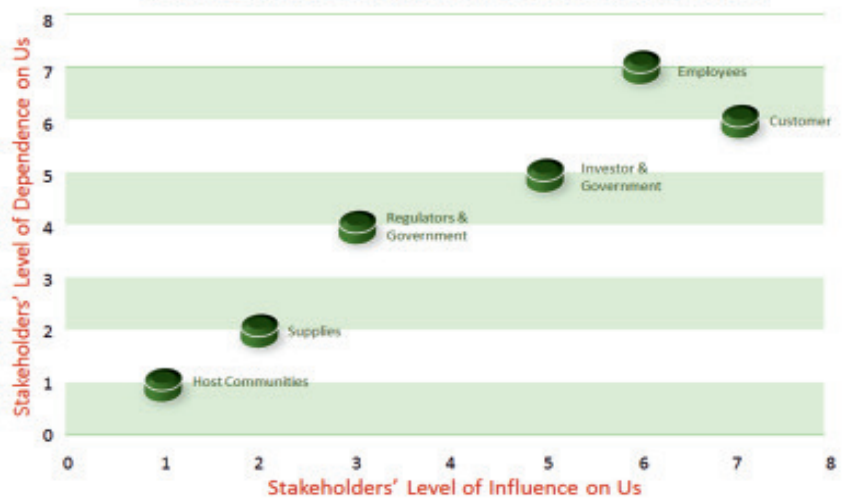
As a responsible corporate citizen, our stakeholders occupy a central place in our business strategies. Our stakeholders comprise individuals, groups and institutions that have a significant influence on the fulfilment of our business objectives and goals. These include our employees, customers, shareholders and investors, government/regulators, host communities, suppliers/vendors, and the media. Stakeholders can potentially have marked positive impacts

on our activities and critical business decisions. The overall goal is to translate the needs of our stakeholders into our strategic objectives, creating shared value and sustainable socio-economic outcome in the process.

Stakeholders' Mapping

The process of identifying our key stakeholders is driven by the level of influence they have on our business goals and objectives. We strongly believe that our business is reinforced by the quality of our engagement with our key stakeholders within the industry and communities where we operate. In 2018, mapping of our stakeholders involved prioritising and engaging those individuals and entities that have the most significant influence on our business goals and objectives.

Stakeholders' Identification & Materiality Matrix



Approach to Stakeholder Engagement

Our proactive engagement with key stakeholders has helped the bank to identify, understand and respond to their genuine concerns aimed at creating a significant positive impact on the economy, the natural environment and the larger society. At Zenith Bank, we understand that an assortment of perspectives is fundamental to the success of our business

strategy. This informed our regular and continuous engagement with our discerning stakeholders to obtain valuable viewpoints that could shape our approach towards realizing our corporate goals and objectives.

Given the diversity of our stakeholders, Zenith Bank has several channels through which we elicit and receive feedbacks. These channels and frequency of engagement are presented below.

Channels & Frequency of Stakeholders' Engagements		
Stakeholders	Methods/Channels of Engagement	Frequency of Engagement
Employees	<ul style="list-style-type: none"> GMD/CEO's Address Management Meetings Briefings Heads of Operations Seminar Monthly Performance Reviews Training Intranet Customer Service Operations Seminar Zenith Summit Zenith Forum Exit Interview Report Performance Appraisal Interview 	<ul style="list-style-type: none"> Annually Weekly Bi-Annually Monthly Quarterly Continuously Annually Quarterly Annually 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 Surveys Zenith Direct, a dedicated 24/7 Customer Service Centre Social media channels such as Facebook, Twitter, Instagram, amongst others. 	<ul style="list-style-type: none"> Continuously Daily As the need arises Continuously Continuously 24-hourly Continuously
Investors/ Shareholders	<ul style="list-style-type: none"> 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 the 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
Suppliers	<ul style="list-style-type: none"> Letters and phone calls Vendor management processes Meetings A dedicated Desk On-site visits and inspections 	<ul style="list-style-type: none"> 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

Zenith Bank has continued to proactively engage its key stakeholders to enhance overall product and service delivery, surpass their expectations and deliver on its sustainability objectives. We are committed to high-quality stakeholder engagement with all relevant stakeholders to address critical issues and concerns raised sustainably, and have integrated this as an essential aspect of our business strategy. The table below identified our key stakeholders, the mediums of engagement with them, and the key concerns they raised during the financial year 2018, as well as our responses to these issues.

Stakeholders' Key Issues and Concerns		
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"> ▪ We maintained a remuneration package that is competitive in the industry, in spite of the challenging economic headwinds in 2018. ▪ In addition to learning and development opportunities, deserving staff were regularly rewarded and promoted based on productivity. ▪ In 2018, in addition to our in-house online training, Zenith Learning Centre trained a total of 6,244 out of 6,250 employees, over 230,517 cumulative hours. This represents about 99.9 per cent of our total workforce. A total sum of NGN1,247,006,662.59 was expended on employee training in 2018. ▪ During the period under review, Zenith Bank maintained a mandatory shutdown policy of 5 p.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. ▪ Airtime purchase and Instant transfer failures ▪ USSD Banking failure ▪ Funds on hold after the settlement of card transactions. ▪ Instant transfer disputes. ▪ Reports of fraudulent/unauthorised withdrawals 	<ul style="list-style-type: none"> ▪ Zenith Direct offers 24 hours support to customers regarding all products and services of the Bank. The department also helps to resolve issues regarding USSD, uncredited NIP transfers, transfer charges on savings account, Internet Banking, Mobile Banking, all cards including debit, credit and prepaid, Trade and FX related services, Corporate Internet Banking etc. ▪ Zenith Bank has put in place a robust system that allows instant reversal of failed transactions. Dispense errors on Zenith ATMs are resolved within 24 hours. 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 when resolved. ▪ NIBSS 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 a transfer. Feedback is provided to the customer at every stage of the resolution. ▪ Report of fraudulent/ unauthorised withdrawals was escalated to the appropriate fraud desk for investigation. Valid claims were refunded while unsubstantiated claims were declined with proper feedback.

Stakeholders' Key Issues and Concerns

Stakeholders	Key Concerns	Management responses to concerns
Investors	<ul style="list-style-type: none"> ▪ Financial performance ▪ Return on investments ▪ Communication 	<ul style="list-style-type: none"> ▪ At Zenith Bank, our strategy is to deliver superior customer experience, operational efficiency and strategic business focus that translates to exceptional performance. ▪ We maintain effective communication with our esteemed shareholders and investors. Our goal is to ensure transparency and elicit feedback for enhanced performance and return on investment. ▪ Zenith Bank has an Investors Relations Unit that holds regular forum to brief stakeholders on its activities. ▪ Every quarter, we provide financial performance reports to Investors & Analysts. ▪ We also frequently 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 	<ul style="list-style-type: none"> ▪ At Zenith Bank, we ensure strict adherence to industry regulations and guidelines, including the newly introduced Bank Notes Fitness Standards for Fit and Unfit Notes and other CBN Circulars/Guidelines. ▪ In 2018, the bank stepped up social investments and lending to the real sectors of the economy aimed at enhancing the socio-economic condition of the citizenry and supporting government's efforts to improve the economy, particularly the small and medium scale businesses. ▪ Zenith Bank actively supports the government's fight against corruption and regulators' efforts at preventing money laundering. In 2018, a total of 5,926 employees – representing 94.8 per cent of the 6,250 active permanent employees – were sent on various classroom anti-corruption training. We will continue to cooperate with authorities at local and national levels to end the vice. ▪ We are fully committed to the financial inclusion of the economically disadvantaged groups; leveraging our agency banking and USSD (*966#) channels to drive the financial inclusion of the unbanked.

Stakeholders' Key Issues and Concerns		
Stakeholders	Key Concerns	Management responses to concerns
Host Communities	<ul style="list-style-type: none"> Environmental and social footprints Youth (un)employment and capacity building 	<ul style="list-style-type: none"> At Zenith, we consider the (potential) environmental and social impacts of our business activities with the intention to reduce our negative footprints. An audit of the bank's environmental and social footprints in 2018 showed a 26 per cent increase in our footprints, compared with 5.3 per cent reduction in 2017. This was driven by the expansion of the total area covered for the GHG audit, from 6,730.52m² in 2017 to 12,938.5 m² in 2018, year-on-year. However, aggregate GHG intensities per m² at our Head Office fell by 37.9 per cent in 2018 We will continue to implement procedures and adopt innovations that would cut back our emissions by nearly 8 per cent yearly. Based on our needs assessment, Zenith Bank will continue to support our host communities by creating employment opportunities and necessary facilities that could positively impact their overall well-being.
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"> Zenith Bank genuinely recognises the challenging business environment that our suppliers operate in. Hence, we will continue to approach price reviews/negotiations in a mutually beneficial manner. To considerably enhance our service delivery, sustainability criteria through a new code of conduct, have been integrated into our contractors, vendors and suppliers' selection and evaluation. This ensures responsible performance and sound ethical behaviour. We remain committed to further reducing our payment cycle to smoothen the operations of our suppliers, vendors and contractors, in line with best practices. In 2018, we administered our "Code of Conduct" on all our major vendors, suppliers and contractors and periodically screened all third party business partners (investees, contractors, suppliers etc. We will continue to provide specific guidelines and standards for suppliers to check the quality of products supplied, as well as to conduct supplier risk assessments, when necessary.
Media	<ul style="list-style-type: none"> Effective feedback Social Media presence 	<ul style="list-style-type: none"> Zenith Bank remains committed to sustaining the existing cordial relationship with the press by ensuring accurate and timely representation of information on both conventional and New Media. We understand that building a strong social media presence that customers love is key to our business strategy, as well as our long-term marketing and brand recognition goals.



In spite of the challenging business environment occasioned by tepid recovery from the economic recession induced by the oil-price shock in 2016, Zenith Bank leveraged its track record and resilience to navigate the economic headwinds in 2018, recording another superior financial performance.

Our FOOTPRINTS

ECONOMY



Economic PERFORMANCE



We sustained excellent and consistent dividend payout to our esteemed shareholders, from NGN1.75 per share in 2014 to NGN2.8 per share in 2018, an impressive 60 per cent growth.

Zenith Bank's strong commitment to people, technology and service has consistently created substantial value for its esteemed stakeholders. The vision of the Bank is to build sustainable economic value for its key stakeholders, including employees, customers, shareholders, investors, local communities and the larger society. The resilience of the Zenith brand has made it sustain the enviable position as the most profitable financial institution in the country and the largest Bank in Nigeria by Tier 1 capital and total assets, as at end-December 2018.

Financial Scorecard

In spite of the challenging business environment occasioned by tepid recovery from the economic recession induced by the oil-price shock in 2016, Zenith Bank leveraged its track record and resilience to navigate the economic headwinds in 2018, recording another superior financial performance. In the year under review, Zenith Bank remained resilient, sustaining an impressive financial performance as gross earnings hit NGN630.3 billion (\$1,757 million) in 2018, from NGN745 billion (\$2,250 million) recorded in 2017. Profit after tax rose by 11.3 per cent, from NGN173.8 billion (\$526 million) in 2017 to hit a record NGN193.4 billion (\$539 million) in 2018. Total assets also exceeded initial projections (NGN5.06 trillion) to reach about NGN5.96 trillion (\$16,611 million) in 2018, from nearly NGN5.6 trillion (\$16,910 million) reported in 2017, representing a gain of 6.4 per cent.

Highlights of the Group's operating results (extract) for the Financial Year 2018

ZENITH BANK PLC

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



SUMMARY FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present the summary financial information of Zenith Bank PLC for the year ended 31 December 2018. These summary financial information are derived from the full financial statements for the year ended 31 December 2018 and are not the full financial statements of 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 Auditors issued an unmodified audit opinion on the full financial statements for the year ended 31 December 2018 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 In millions of Naira	Group 2018	Group 2017 *Restated	Bank 2018	Bank 2017 *Restated
Gross earnings	638,344	745,189	538,094	673,636
Interest and similar income	440,052	474,628	367,816	426,210
Interest and similar expense	(144,458)	(216,637)	(124,156)	(200,672)
Net interest income	295,594	257,991	243,660	219,538
Impairment loss on financial & non-financial instruments	(18,372)	(98,227)	(15,313)	(95,244)
Net interest income after impairment loss on financial and non-financial instruments	277,222	159,764	228,347	124,294
Net income on fees and commission	81,814	82,548	64,124	65,561
Trading gains	80,202	157,974	80,202	157,974
Other operating income	17,947	22,444	17,479	22,606
Depreciation of Property and Equipment	(16,648)	(12,428)	(14,825)	(11,059)
Amortisation of intangible assets	(2,309)	(1,631)	(2,187)	(1,431)
Personnel expenses	(68,595)	(94,459)	(96,857)	(95,672)
Operating expenses	(137,897)	(144,893)	(124,578)	(132,852)
Profit before tax	231,685	199,319	192,107	168,421
Minimum tax	(4,052)	(4,350)	(4,052)	(4,350)
Income tax expense	(34,208)	(21,178)	(22,575)	(12,000)
Profit for the year after tax	193,424	173,791	165,480	153,003
Other comprehensive income: Items that will never be reclassified to profit or loss:				
Fair value movements on equity instruments at FVOCI	1,459	(2,551)	1,459	(2,551)
Items that are or may be reclassified to profit or loss:				
Foreign currency translation differences for foreign operations	4,828	5,233	-	-
Other comprehensive income/(loss) for the year	6,287	2,682	1,459	(2,551)
Total comprehensive income for the year	199,711	176,473	166,939	150,452
Profit attributable to:				
Equity holders of the parent	193,147	173,472	165,480	153,003
Non-controlling interest	277	319	-	-
Total comprehensive income attributable to:				
Equity holders of the parent	199,437	176,139	166,939	150,452
Non-controlling interest	274	334	-	-
Key financial information:				
Earnings per share (Basic and diluted) - N	6.15	5.53	5.27	4.87
Dividend per share (proposed) - N	2.80	2.70	2.80	2.70
Total non-performing credit facilities (N/millions)	100,503	105,865	92,630	91,738
Total non-performing credit facilities to total credit facilities (%)	4.96	4.70	4.82	4.33

Description	Number	Amount claimed	Amount refunded
In millions of Naira			
Pending complaints brought forward	86	8,763	N/A
Received complaints	224	11,027	N/A
Resolved complaints	122	3,777	900
Unresolved complaints escalated to CBN for intervention/complaints carried forward	168	17,033	-
Other refunds to customers amounted to N9,372,176			

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

AS AT In millions of Naira	Group 31-Dec-2018	Group 31-Dec-2017 *Restated	Group 31-Jan-2017 *Restated	Bank 31-Dec-2018	Bank 31-Dec-2017 *Restated	Bank 31-Jan-2017 *Restated
Assets						
Cash and balances with Central Banks	954,416	957,863	669,058	902,073	907,265	607,385
Treasury bills	1,000,950	936,817	567,269	817,043	799,992	463,787
Assets pledged as collateral	592,935	498,010	326,343	592,935	498,010	325,575
Due from other banks	674,274	495,903	450,457	303,466	373,331	354,485
Derivative assets	88,826	57,219	82,660	88,826	57,219	82,660
Loans and advances	1,823,111	2,100,362	2,289,365	1,736,066	1,980,464	2,138,132
Investment securities	585,312	330,951	199,478	199,673	117,814	118,622
Investment in subsidiaries	-	-	-	34,003	34,003	33,003
Deferred tax asset	9,513	9,561	6,440	9,197	9,197	6,041
Other assets	80,948	92,494	37,538	75,910	56,052	35,410
Property and equipment	148,137	133,384	105,284	133,804	118,223	94,613
Intangible assets	16,678	12,989	4,645	15,399	12,088	3,903
Total assets	5,955,710	5,995,253	4,738,825	4,955,445	4,833,658	4,283,736
Liabilities						
Customers' deposits	3,890,285	3,437,915	2,983,621	2,821,006	2,744,525	2,002,963
Derivative liabilities	16,995	20,805	66,834	16,995	20,805	66,834
Current income tax payable	9,154	6,915	8,963	5,954	6,069	6,927
Deferred tax liabilities	67	18	45	-	-	-
Other liabilities	231,716	243,023	214,080	223,463	229,332	248,136
On-lending facilities	393,285	393,034	390,657	393,285	393,034	390,657
Borrowings	437,260	356,496	263,106	438,463	418,979	292,802
Debt securities issued	361,177	332,931	153,464	361,177	332,931	153,464
Total liabilities	5,139,958	4,783,137	4,046,760	4,280,413	4,135,675	3,672,783
Capital and reserves						
Share capital	15,698	15,698	15,698	15,698	15,698	15,698
Share premium	255,047	255,047	255,047	255,047	255,047	255,047
Retained earnings	322,237	356,637	261,608	338,635	387,867	213,187
Other reserves	221,231	183,217	165,729	395,662	339,371	127,161
Attributable to equity holders of the parent	814,213	810,799	698,082	875,032	897,983	618,563
Non-controlling interest	1,538	1,317	963	-	-	-
Total shareholders' equity	815,751	812,116	699,045	875,032	897,983	618,563
Total liabilities and equity	5,955,710	5,995,253	4,738,825	4,955,445	4,833,658	4,283,736

The financial statements were approved by the Board of Directors for issue on 18 January, 2019 and signed on its behalf by:

Jim Ovia, CON (Chairman)
PRC/2013/CISN/00000002406

Peter Amangbo (Group Managing Director and Chief Executive)
PRC/2013/NCAN/00000001310

Ebenezer Oyeogawu (Deputy Managing Director)
PRC/2013/NCAN/00000003788

Mukhtar Adam, PhD (Chief Financial Officer)
PRC/2013/MULT/000000003196

Source: Zenith Bank 2018 Annual Report & Financial Statements

Direct Economic Value Created and Distributed

Zenith Bank has also maintained superior growth in aggregate shareholders' funds, which closed the financial year 2018 at NGN815.8 billion (\$2,274 million), up from NGN812 billion (\$2,451 million) in 2017. The development has positioned the Bank as one of the largest financial services providers in Africa. The Group's operating costs edged lower, from NGN145 billion (\$438 million) in 2017 to NGN138 billion (\$385 million) in 2018, representing a 5 per cent decline.

Also, profit before tax rose considerably by 17 per cent (NGN232 billion or \$647 million) in 2018, up from NGN199 billion (\$601 million) recorded in the 2017 financial year. Earnings Per Share (EPS) sustained a positive growth trajectory, from NGN5.53k per share reported in 2017 to NGN6.15k per share as of 2018, an 11.2 per cent gain. Consequently, we sustained excellent and consistent dividend payout to our esteemed shareholders, from NGN1.75 per share in 2014 to NGN2.8 per share in 2018, an impressive 60 per cent growth.

A five-year comparison of our economic value creation reveals an 88 per cent rise in tax payments to the government, from NGN20.34 billion as at 2014 to NGN38.25 billion in 2018. In the 2018 financial year, our employees received salaries and benefits worth NGN68.6 billion, down from NGN72.32 billion reported in 2014. Dividend to our esteemed shareholders increased by 57 per cent to NGN86.34 billion in 2018, from NGN54.94 billion recorded in 2014. The Group's gross earnings rose by 56 per cent, from NGN403.34 billion in 2018 to NGN630.34 billion recorded in 2017. In addition, our social investments increased by an impressive 182 per cent to NGN3.1 billion (about \$9 million), from nearly NGN1.1 billion recorded in 2013.

In the year under review, the Bank added 1,189 new staff (477 permanent and 712 contract new hires) to its total workforce.

“ In line with our consistent dividend payout performance, shareholders received direct benefits valued at NGN84.7 billion in dividend payments in 2018. ”

Zenith Bank's 5-Year Growth in Economic Value Created (2014 - 2018)

	2014		2018		5-year % Change
	Naira (Billion)	*US dollars (Million) @185.79	Naira (Billion)	*US dollars (Million) @358.79	
Payroll expenses	72.32	389	68.6	191	-5
Taxes	20.34	109	38.25	107	88
Dividend	54.94	296	86.34	241	57
Gross earnings	403.34	2,171	630.34	1,757	56
Profit after tax	99.45	1,041	193.42	539	94
Tier 1 Capital	552.64	4,390	815.75	2,274	48
Total asset	3,755.26	32,052	5,955	16,597	59
Social Investment	1.10	6	3.1	9	182

Source: Zenith Bank 2018 Annual Report & Financial Statements

Creating Sustainable Wealth

Building a sustainable future for all through wealth creation remains one of our strategic objectives in our bid to build an enduring and highly competitive brand with global relevance. We understand the need to continue to generate considerable wealth and value for our esteemed stakeholders and the broader economy. Zenith Bank will continue to remain strategic and proactive in business decisions and actions.

The aggregate net wealth created by Zenith Bank in 2018 rose by 14.2 per cent to NGN329 billion (\$917 million) in direct and indirect economic value, up from NGN282 billion (\$851 million) reported in 2017. In line with our consistent dividend payout performance, shareholders received direct benefits valued at NGN86.34 billion in dividend payments in 2018. Similarly, the economic value gained by providers of capital edged higher by NGN72.18 billion, to NGN144.45 billion

in 2018, up from NGN216.63 billion interest paid on funds in the preceding year. Also, vendors, suppliers, and local service providers received the economic value of NGN137.89 billion, from NGN145.75 billion the previous year. Our employees received salaries and benefits of about NGN68.56 billion in 2018, up from NGN64.46 billion in 2017, representing a 6 per cent rise.

Zenith Bank will continue to invest responsibly in the best interest of stakeholders. Also, we understand that we can only be as prosperous as the wellbeing of our customers, investors and the broader economy permits. We will consistently deliver innovation in product offering, fair pricing, value addition, responsible competition and marketing.

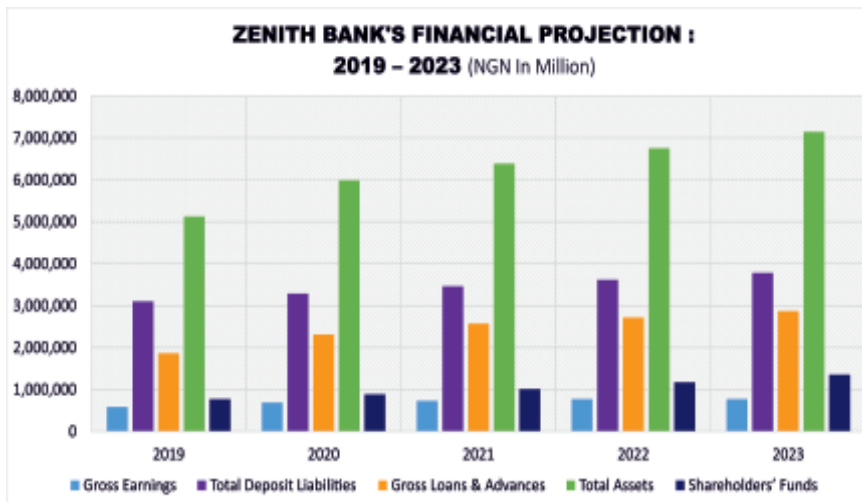
The additional economic benefits or value we generated and distributed to our stakeholders in 2018 are outlined in the table below.

As one of the biggest, most profitable and fastest growing financial services institution in Nigeria, Zenith Bank projects a remarkable rise in the economic value created for its stakeholders within the next five years.

We expect steady growth in our gross earnings, from about NGN538 billion in 2018 to nearly NGN817.61 billion by 2023, a 52 per cent rise. Also, total deposit liabilities and assets in 2023 are forecast to rise to NGN3.8 trillion and NGN7.1 trillion, respectively, from NGN3.7 trillion and NGN5.96 trillion in 2017. Also, our Profit before tax is projected to increase by 72.8 per cent, from NGN192.1 billion in 2018 to NGN332 billion by the end of the financial year 2023.

In spite of the slow economic growth in Nigeria (GDP grew by 1.91 per cent, year-on-year, in 2018), Zenith Bank remained resilient as total loans and advances reached NGN2.02 trillion in 2018, accounting for 7.3 per cent of the NGN27.57 trillion net domestic credit to the economy as at December 2018, according to the Central Bank of Nigeria in its monthly money and credit report.

In millions of Naira	31-Dec 18	31-Dec 18 %	31-Dec 17 Restated*	31-Dec 17 %
Group				
Gross income	630,344		745,189	
Interest expense				
- Local	(49,224)		(194,873)	
- Foreign	(95,234)		(21,764)	
	485,886		528,552	
Impairment loss on financial and non-financial instruments	(18,903)		(98,227)	
	466,983		430,325	
Bought-in materials and services				
- Local	(65,388)		(149,894)	
- Foreign	(72,509)		(2,594)	
Value added	329,086	100	277,837	100
Distribution				
Employees				
Salaries and benefits	68,556	21	64,459	23
Government				
Income tax	38,261	12	25,528	9
Retained in the Group				
Replacement of property and equipment / intangible assets	19,047	6	14,059	5
To pay proposed dividend	84,771	26	84,771	31
Profit for the year (including statutory, small scale industry, and non- controlling interest)	118,451	35	89,020	32
Total Value Added	329,086	100	277,837	100



VALUE-ADDED FORECAST – 2019 - 2023						
Economic Value Generated and Distributed						
	2019		2020	2021	2022	2023
Direct Economic Value Generated (EVG)	=N=(millions)		=N=(millions)	=N=(millions)	=N=(millions)	=N=(millions)
Revenue	529,621	100%	590,278	693,953	734,240	817,617
Economic Value Distributed (EVD)						
Operating costs:						
Depreciation & Amortization	16,812	3%	15,492	15,941	16,403	17,368
Operating Expenses	121,475	23%	125,878	154,668	160,884	167,156
Interest Expense	58,962	11%	77,144	78,678	82,591	103,967
Impairment charge for credit losses	15,313	3%	18,663	24,274	25,751	28,723
Employee Wages & Benefits:	56,657	11%	59,490	63,654	66,837	73,688
Payment to providers of capital (a):						
Interest on Borrowed Funds	65,194	12%	69,208	78,955	85,326	89,865
Community Investments (Donations):	3,101	0.59%	3,456	4,063	4,299	4,787
	337,514		369,330	420,232	442,091	485,554
PROFIT BEFORE TAX	192,107	36%	220,947	273,721	292,149	332,063
Payment to Government (Tax):	26,627	5%	46,399	71,167	58,430	9,962
PROFIT AFTER TAX	165,480	31%	174,548	202,553	233,719	322,101
Payment to providers of capital (b):						
Proposed Dividend	87,910	53%	91,638	105,328	116,860	135,283
Economic Value Retained [A-{B(i) to (vi)}]	77,570	15%	82,911	97,226	116,860	186,819

Source: 2018 Group Annual report & Financial Statement

Zenith Bank is progressively committed to sound employee engagement and management, in line with Sustainable Development Goal 5 of the United Nations which targets Gender Equality.

ZENITH BANK PLC						
BANK FORECAST FINANCIAL STATEMENTS -2019 TO 2023 FYE						
Group statements of comprehensive income						
In millions of Naira	2023 FYE	2022 FYE	2021 FYE	2020 FYE	2019 FYE	2018 FYE
Gross earnings	817,617	775,190	734,240	693,953	590,278	538,004
Interest and similar income	564,078	532,335	501,850	471,473	381,976	367,816
Interest and similar expense	(193,832)	(178,876)	(167,917)	(157,633)	(146,352)	(124,156)
Net interest income	370,246	353,459	333,933	313,840	235,624	243,660
Impairment charge for credit losses	(28,723)	(27,188)	(25,751)	(24,274)	(18,663)	(15,313)
Fees and commission	117,048	110,318	103,566	97,157	86,368	64,124
Trading income	117,206	113,460	109,953	106,655	103,466	80,202
Others income	19,286	19,077	18,872	18,669	18,468	17,479
Depreciation and amortisation	(17,368)	(16,878)	(16,403)	(15,941)	(15,492)	(16,812)
Personnel expenses	(73,688)	(70,179)	(66,837)	(63,654)	(59,490)	(56,657)
Operating expenses	(171,943)	(169,213)	(165,183)	(158,731)	(129,334)	(124,576)
Profit before tax	332,063	312,856	292,149	273,721	220,947	192,107
Income tax expense	(9,962)	(25,029)	(58,430)	(71,167)	(46,399)	(26,627)
Profit after tax	322,101	287,828	233,719	202,553	174,548	165,480
Bank statements of financial position						
In millions of Naira	2023 FYE	2022 FYE	2021 FYE	2020 FYE	2019 FYE	2018 FYE
Assets						
Cash and balances with central banks	978,584	934,091	891,813	849,142	799,693	902,073
Treasury bills	2,009,774	1,869,557	1,739,123	1,581,021	1,374,801	1,409,978
Due from other banks	542,052	515,432	490,449	466,994	443,958	393,466
Derivative assets	108,070	103,914	99,917	96,074	92,379	88,826
Loans and advances	2,872,329	2,718,786	2,575,134	2,427,363	1,866,271	1,736,066
Investment securities	344,151	325,235	307,364	290,479	276,647	156,673
Investment in subsidiaries	34,003	34,003	34,003	34,003	34,003	34,003
Investments in associates	0	0	0	0	0	0
Deferred tax assets	1,195	3,003	7,012	8,540	5,568	9,197
Other assets	83,811	82,167	80,556	78,977	77,428	75,910
Property and equipment	156,680	152,117	147,686	143,384	139,208	133,854
Intangible assets	17,002	16,668	16,342	16,021	15,707	15,399
Total assets	7,147,651	6,754,974	6,389,399	5,991,999	5,125,663	4,955,445
Liabilities						
Customers' deposits	3,784,322	3,619,589	3,463,054	3,292,117	3,103,173	2,821,066
Derivative liabilities	17,862	17,685	17,510	17,337	17,165	16,995
Current income tax	2,989	7,509	17,529	21,350	13,920	5,954
Other liabilities	417,049	491,179	548,381	554,155	91,612	223,463
On-lending facilities	633,406	575,823	523,476	475,887	432,625	393,295
Borrowings	738,359	671,236	610,214	554,740	504,309	458,463
Debt securities issued	196,077	194,517	192,956	191,396	189,836	361,177
	5,790,063	5,577,538	5,373,121	5,106,983	4,352,639	4,280,413
Capital and reserves						
Share capital	15,698	15,698	15,698	15,698	15,698	15,698
Share premium	255,047	255,047	255,047	255,047	255,047	255,047
Retained earnings	726,935	598,095	482,964	389,476	308,454	238,635
Other reserves	359,907	308,597	262,570	224,795	193,825	165,652
	1,357,588	1,177,437	1,016,279	885,016	773,024	675,032
Total liabilities	7,147,651	6,754,974	6,389,399	5,991,999	5,125,663	4,955,445

Source: 2018 Group Annual report & Financial Statement

Market Presence & Minimum Wage

As a leading brand, our employees are the enabler of our success. Coupled with a people-centric business model, we are not only committed to the job satisfaction of our esteemed employees but their learning and development opportunities and outcomes. We understand that market presence influences the socio-economic well-being of the people. Zenith Bank will continue to maintain a brand image that reflects respect for the well-being of our stakeholders, especially employees, customers, shareholders, and indeed, the general public.

Zenith Bank is progressively committed to sound employee engagement and management, in line with Sustainable Development Goal 5 of the United Nations which targets Gender Equality. There is no gender disparity in our remuneration and minimum wage.

At Zenith Bank, our wages and benefits are the same for all employees on the same level, irrespective of region and gender. Our competitive edge is connected to our ability to attract and retain the best talents in the financial services industry. As of December 31, 2018, we had in our employment 3,233 male and 3,017 female staff, representing 48.3 per cent and 51.7 per cent of our total employees of 6,250 respectively.

Our wages and remuneration are highly competitive in all the locations where we operate. Our net entry-level wage as at end 2018 was NGN1,868,998/annum, significantly higher than the Federal Government's minimum wage of NGN360,000 per annum (or NGN30,000/month), according to the provisions of the new National Minimum Wage (Amendment) Act, 2018. The ratio of our entry-level wage to the government's minimum wage is 5.2 to 1.

The average entry-level wage for other workers (excluding employees) was NGN623, 571.24/ annum or NGN51,964.27 per month, which is markedly higher

Zenith Bank's Active Permanent Employees by Gender (Percentage)				
Male	Female	Total	Male	female
3,233	3,017	6,250	51.7%	48.3%

2018 Permanent New Employees by Age Group/Gender			
REGION/GENDER	Female	Male	Total
North	52	66	118
East	18	18	36
South	37	34	71
West	152	100	252
Total	259	218	477

2018 Permanent New Employees by Age Group/Gender			
REGION/GENDER	Female	Male	Total
North	52	66	118
East	18	18	36
South	37	34	71
West	152	100	252
Total	259	218	477



than the Federal Government's new minimum wage of NGN360,000 per year (NGN30,000/month). We will continue to conduct periodic monitoring of contractors that manage outsourced labour, to ensure compliance with the new minimum wage and remuneration for their employees.

Indirect Economic Impacts

Zenith Bank's social investment strategy is to support government's efforts at diversifying the economy through sustainable funding and investments in the real sector of the economy such as agriculture, power, manufacturing, solid minerals, industries and construction. The Bank also prioritises green financing to sectors with the highest potential to improve the condition and wellbeing of the broader economy through sustainable development priorities, bringing development closer to the people.

We are conscious of the need to accelerate the nation's economic recovery

by creating sustainable wealth and employment opportunities for nearly 6.2 million Nigerian youths that are actively seeking employment through our business investments and lending activities.

Zenith Bank's corporate philanthropy and social investments in 2018 were targeted at security, health care delivery and education of our communities. Our most significant social investment in 2018 was on promoting the safety of life and property of local communities. As part of our corporate social responsibility, we invested NGN1.57 billion in this initiative which covers the contributions to several State Security Funds including Lagos, Abia, Akwa Ibom, Rivers, Adamawa, Imo, Taraba states, among others. Zenith Bank's total donations on corporate social responsibility surpassed initial projection to hit NGNGN3.1 billion or \$9 million, up from NGN2.6 billion or \$7.9 million reported in 2017

In 2018, we sustained our support for the Private Sector Health Alliance of Nigeria with a seed contribution of NGN305 million. The goal of this initiative is to positively influence private and public policies towards addressing

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Sustaining the Momentum in Infrastructural Development

The infrastructural development of Nigeria is of great interest to us. In line with Sustainable Development Goal 9 (Industry, Innovation and Infrastructure), we are committed to the infrastructural development of Nigeria. Despite the sluggish economic growth, Zenith Bank remained resilient as lending to real sectors of the economy stood at NGN2.02 trillion within the period under review, down from NGN2.3 trillion in 2017. The Bank has also engaged actively in the disbursement of various intervention funds

women and children’s health and wellbeing issues, including maternal and neonatal mortality. Other health initiatives in 2018 include NGN158 million investment in medical interventions for low-income individuals faced with various life-threatening medical conditions, all geared towards complementing government’s efforts at improving life expectancy in the country.

In line with our resolute commitment to the development of the Nigerian educational sector, we expended about NGN266 million towards this initiative in the 2018 financial year. Our educational empowerment initiatives in the year under review include a flagship vocational training centre in Maiduguri; an ICT Centre in the University of Nigeria, Nsukka; donation of ICT facilities to Ambrose Ali University, Ekpoma; support for the North-East Children’s Fund; educational support for Louisville Girls High School, Ijebu-Itele, Ogun State; the Zenith Academic Excellence Award for Best Graduating Students in some Federal Universities and the Zenith Scholarship Fund for the Nigerian Computer Society, among others.

launched by the Central Bank of Nigeria towards developing targeted sectors of the economy.

Our sectoral lending and investments during the review period include transport, NGN27.6 billion; manufacturing, NGN579.9 billion; communications, NGN56 billion; and power, NGN88.9 billion. Our investment in the general trade

Lending to the Economic Sectors in 2018					
S/N	SECTOR	2017		2018	
		(N'm)	As % OF TOTAL LOANS	(N'm)	As % OF TOTAL LOANS
		31-Dec		31-Dec	
1	Agriculture	63,223	2.8	56,422	2.8
2	Oil and gas	660,243	29.3	510,139	25.3
3	Consumer Credit	11,728	0.5	30,761	1.53
4	Manufacturing	633,739	28	579,856	28.76
5	Real estate and construction	113,137	5	113,281	5.6
6	Finance and Insurance	8,045	0.4	7,118	0.35
7	Government	311,904	14	310,265	15.39
8	Power	83,470	3.7	88,852	4.41
10	Transportation	53,037	2.4	27,579	1.37
11	Communications	95,093	4.2	56,234	2.79
12	Education	9,953	0.4	5,021	0.25
13	General Commerce	208,600	9.3	230,992	11.45
	Gross Loans	2,252,172	100%	2,016,520	100%

and commerce sector was up by nearly 11 per cent to NGN230.9 billion in 2018, from about NGN208.6 billion in 2017. Besides, we spent NGN113 billion on real estate and construction projects, NGN56 billion to the agricultural sector and NGN30.7 billion on consumer credit. The Bank also advanced NGN510.1 billion to the oil and gas sector and NGN208.6 billion for general commerce, amongst others. These sectoral financings have generated employment opportunities and per capita wealth for several households in the different communities where we operate, as well as value for shareholders and investors, customers and the larger society.

Our investments in critical sectors of the economy in 2018 are detailed in the table above.

Stimulating the Real Sector for Sustainable Development

In 2018, the Nigerian economy sustained its recovery from economic recession driven by the performance of the non-oil sector of the economy, particularly communications, transportation and agriculture. Despite the prevailing macroeconomic headwinds in the year under review, Zenith Bank supported the real sector of the economy with more than NGN2.02 trillion in credit and investments. While the rebound in commodity prices has positively impacted the nation's foreign exchange earnings and stability in the foreign exchange market, Zenith Bank is committed to accelerating the diversification of Nigeria's sources of foreign exchange earnings through effective import substitution policy, in line with Nigeria's Economic Recovery and Growth Plan. Accordingly, the significance we attach to the growth of the country's manufacturing sector is reflected in our total loan and advances of more than NGN579.9 billion to the sector in 2018, representing 25 per cent of our entire loan portfolio for the year. For instance, we invested nearly NGN4.5 billion in the acquisition of plant and machinery towards the construction of an ultra-modern steel plant. Also, in a bold move to encourage import substitution, Zenith Bank invested NGN15 billion towards the production of cement for the real estate and construction sector, conserving the nation's foreign exchange earnings. We spent NGN4.8 billion to support the upgrade of an eco-friendly toilet roll production line for export and local consumption.



Zenith Bank availed NGN1.8 billion to develop a brownfield project to manufacture solid sodium silicate with the Differentiated Dynamic Cash Reserve Requirement (DCRR) financing opportunity of the Central Bank of Nigeria. As part of efforts to ensure sustainable dairy development in the country, we supported a dairy development programme with NGN2.3 billion to improve the productivity and income of local dairy farmers, enabling them to run their businesses optimally, in line with Sustainable Development Goal 8: Decent Work and Economic Growth.

We also assisted the government's economic diversification efforts by providing about NGN56.4 billion to revamp the agricultural sector. This included NGN13 billion credit to refinance the acquisition of property, plant and equipment for the development of a Greenfield fertiliser plant with a capacity of 2.6 million metric tons of urea per annum. The fertiliser project will likely generate nearly 6,500 jobs. We also provided over NGN3.3 billion to refinance the development of an integrated rice processing plant.

“

...we financed the purchase, processing and exports of agro commodities – rice, oil palm, poultry (animal feeds) and soybeans – with over NGN19 billion

”

To significantly boost 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 NGN19 billion (see Agric Desk). The development has significantly improved the income of farmers, creating new agribusiness entrepreneurs across the value chain. We also committed significant funds towards the production of oil palm, rice, poultry and sugar, among others. The Bank's credit to the agricultural sector has positively impacted the local communities by providing employment opportunities, developing local markets (farm gate) and enhancing export of agro-commodities.

In the Telecommunications and Power sectors, we invested over NGN56 billion and NGN88.9 billion, respectively, to boost the emerging digital economy, especially mobile-commerce. These investments have considerably improved the socio-economic well-being of millions of Nigerians and created thousands of new jobs, in line with the Sustainable Development Goals 1, 7 and 8 of the United Nations (Zero Poverty, Affordable and Clean Energy & Decent Work and Economic Growth). Our investments in these sectors of the economy have markedly helped to facilitate the following:

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- Significantly drive Nigeria's economic growth
- Improved foreign investors' confidence in the economy
- Creation of new jobs, enhancing per capita wealth of households
- Improved broadband infrastructure and connectivity
- Increased electricity generation and transmission capacity across the country





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).

Procurement Practices

Zenith Bank is a leading brand in Nigeria with enormous procurement and purchasing capacity. As part of our procurement policies and practices, we patronise local suppliers in all the locations where we operate. This is one of our ways of giving back to our host communities and adhering to the country's local content regulations.

As part of efforts to comply with responsible consumption and production as advocated by the United Nations Sustainable Development Goal 12, we prioritise excellent product quality, service delivery and after-sales support with good environmental and social practices. We have integrated environmental and social conditions into our Suppliers' Code of Conduct and Service Level Agreements (SLAs). In 2018, Zenith Bank administered the Suppliers' Code of Conduct on all major service providers, as part of efforts to promote socio-environmentally friendly business practices. The development also ensures high-quality products

and service delivery and value for money.

Zenith Bank's procurement practices have positively impacted the Nigerian economy, empowering households with jobs and sustainable wealth, in line with SDG 12: Responsible Consumption and Production. Zenith Bank, through its sustainable business development in supply chain operations, has helped to fight extreme poverty and hunger, eliminating unlawful or unhealthy working conditions, promoting workers' rights and human rights.

In 2018, our vendors, suppliers, contractors and local service providers received an economic value of NGN145.8 billion, up from NGN144.4 billion in 2017. As a leading financial services provider, our corporate procurements remain robust and significant to our operations since they impact, directly or indirectly, the quality of our products and services. We ensure regular interaction with contractors to track trends, spot emerging risks and establish appropriate controls.

Our total procurement expenses on locally sourced materials edged lower by 5.2 per cent to 90 per cent of our total procurement spending in 2018, down from about 95 per cent recorded in 2017. Materials purchased include cement, steel, woods, paints, among others.

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).

In 2018, ICT facilities and equipment constituted a substantial part of our procurements. More than 80 per cent of our ICT equipment was purchased locally to boost decent work and economic growth in line with SDG 8. Our procurement policy deliberately promotes patronage of



local ICT vendors. The Bank only uses foreign vendors when viable local alternatives are not readily available. Our relations with IT vendors are guided by laid down service level agreements, while our Tender Committee oversees the selection of vendors.

In a bold move to ensure cost-effectiveness in procurement policies and expense administration, we have automated our expense ticket procedures, which set spending limits in line with approved budgets. We also conduct price intelligence and assist our branches in getting value for money.

Anti-Corruption

In 2018, we continued to closely monitor our processes, procedures and technologies to ensure internal control and systems' security. These have significantly improved our cor-



Anti-Corruption Training, Broken Down By Employee Category And Region				
S/N	LEVEL	LAGOS	ABUJA	SOUTH
1	BOARD	12	1	
2	AGM-GM	48	11	8
3	DM-SM	311	119	126
4	BO-SAM	1014	408	352
5	ET-ABO	1806	832	878
6	TOTAL	3191	1371	1364
Grand Total		3851		

Board, Executive Management and Top Management Training on Anti-Corruption by Employee Category And Region					
S/N	LEVEL	LAGOS	ABUJA	SOUTH	TOTAL
1	BOARD	12	1		13
2	AGM-GM	48	11	8	67
3	TOTAL	60	12	8	80

porate governance and boosted our anti-corruption drive and awareness within the workforce.

As part of our strategies to achieve SDG 16: Peace, Justice and Strong Institutions, we encourage the use of whistleblowing platform. This also helps to avert frauds and cyber-crimes, particularly phishing emails and other social engineering attacks.

As part of efforts to close the vulnerabilities observed in our anti-corruption drive and in line with the Central Bank of Nigeria's (CBN) mandate, our e-fraud desk has continued to provide 24 hours verifications and checks on the genuineness of the electronic receipts and payments.

Zenith Bank also offers sufficient anti-corruption training for all categories of employees quarterly, with emphasis on evolving social engineering attacks and other kinds of cyber-crimes. Our employees are

“ Zenith Bank also offers sufficient anti-corruption training for all categories of employees... ”

also being trained and closely supervised to be more vigilant and be able to identify fraudulent cash related transactions, such as counterfeit notes.

In 2018, a total of 5,926 employees – representing 94.8 per cent of the 6,250 active permanent employees were sent on various classroom anti-corruption training, up from 62.8 per cent or 3,851 employees in 2017.

Also, 80 members of the Bank's top management, executive management and board, were trained on the latest anti-corruption policies of the Bank through quarterly Anti-Money Laundry (AML) Workshops. This represents 96.4 per cent of total staff in these cadres.

Furthermore, the Bank is in the process of organising training on anti-corruption for its key business partners.

ENVIRONMENT

At Zenith Bank, we have developed strategies and set realistic targets to enable us to effectively manage the carbon footprints from our business operations and lending decisions.





Sustainable BUSINESS STRATEGY



At Zenith Bank, we appreciate how our operations and activities could (potentially) have adverse impacts on the state of the physical environment where we operate. As a responsible organisation that promotes climate actions and eco-friendly businesses, we regularly set key emission points' targets, conduct annual GHG audit, monitor and review our

environmental footprints to reduce our GHG emissions across our emission channels, in line with the United Nations Sustainable Development Goal 13 (Climate Action) and the 2015 Paris Climate Agreement, in particular Nigeria's Nationally Determined Contribution (NDC).

ZENITH BANK'S ENVIRONMENTAL IMPACT MANAGEMENT STRATEGIES

Energy Consumption	<ul style="list-style-type: none"> • Transit to the use of more renewable and environmentally friendly energy sources for our business operations bank-wide. • Introduce solar power 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 5 pm 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 promotes 100 per cent, 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 authorised waste collectors and recyclers • Ensure global best practices in e-waste management

We have consistently adopted and implemented global best practices in environmental management as part of initiatives to comply with relevant environmental laws and regulations. We fully recognise and embrace the increasing global concerns about environmental sustainability, which is why we are fully committed to undertaking periodic reviews of our policies and processes to enable us identify areas of probable adverse environmental impact and mitigate them as efficiently as possible. At Zenith Bank, we have developed strategies and set realistic targets to enable us to effectively manage the carbon footprints from our business operations and lending decisions.

In 2018, material topics related to Zenith Bank's environmental footprints include energy, emissions, effluents and waste, and compliance. This is in alignment with the GRI materiality methodology. Our environmental report is limited to 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

“ We continuously work to improve our business processes and procedures by increasing the use of renewable energy sources ... ”

annexes and are centrally processed by the Corporate Sustainability and Responsibility (CSR) Unit in the Head Office, unless otherwise stated.

ENERGY

As a large financial institution, electricity plays a significant role in our business operations. Zenith Bank's energy consumption is mainly powered by fossil fuel. Our primary source of energy is the national electricity grid, which is supplemented by the use of inverter, solar energy and fossil-powered generators due to the erratic power supply in the country. The environmental reporting scope covered the Bank's Head Office and all the branches, cash offices and other buildings within Nigeria owned by the Bank. However, data for this report will be obtained mostly from our Head Office buildings.

At Zenith Bank, we fully understand the harm that the use of non-renewable energy constitutes to the physical environment. We continuously work to improve our business processes and procedures by increasing the use of renewable energy sources (inverter and solar power), to promote energy efficiency, reduce cost and adopt environmentally responsible practices bank-wide.

Zenith Bank has in place a green business model anchored on sound management strategies and frameworks, enabling energy-efficient business operations. In ensuring adherence to global best practices in the use of energy resources, we have implemented energy consumption assessment, measurement and monitoring techniques.

The Bank is not only concerned with its

energy efficiency practices but has taken a clear stance on the practices of all stakeholders in our value chain. Our credit administration and procurement processes carry compliance with global environmental standards as a precondition for business relationships – with creditors, investees, vendors, contractors and suppliers. Furthermore, as part of our contribution towards the global climate action, the Bank provides sustainable banking solutions to our customers; supporting environmental solutions and innovations; funding environmentally friendly businesses and projects, and investing in green initiatives both in the public and private sectors.

In our credit decisions, we have fully integrated energy consumption assessment as an integral part of the Environmental and Social (E&S) Risk Assessment process. The development is expected to encourage our customers and investees to migrate to renewable energy sources and develop energy efficient methods to drive their business operations. So far, we have witnessed significant progress and positive results from our energy conservation strategy, such as a reduction in our energy consumption and carbon footprints.

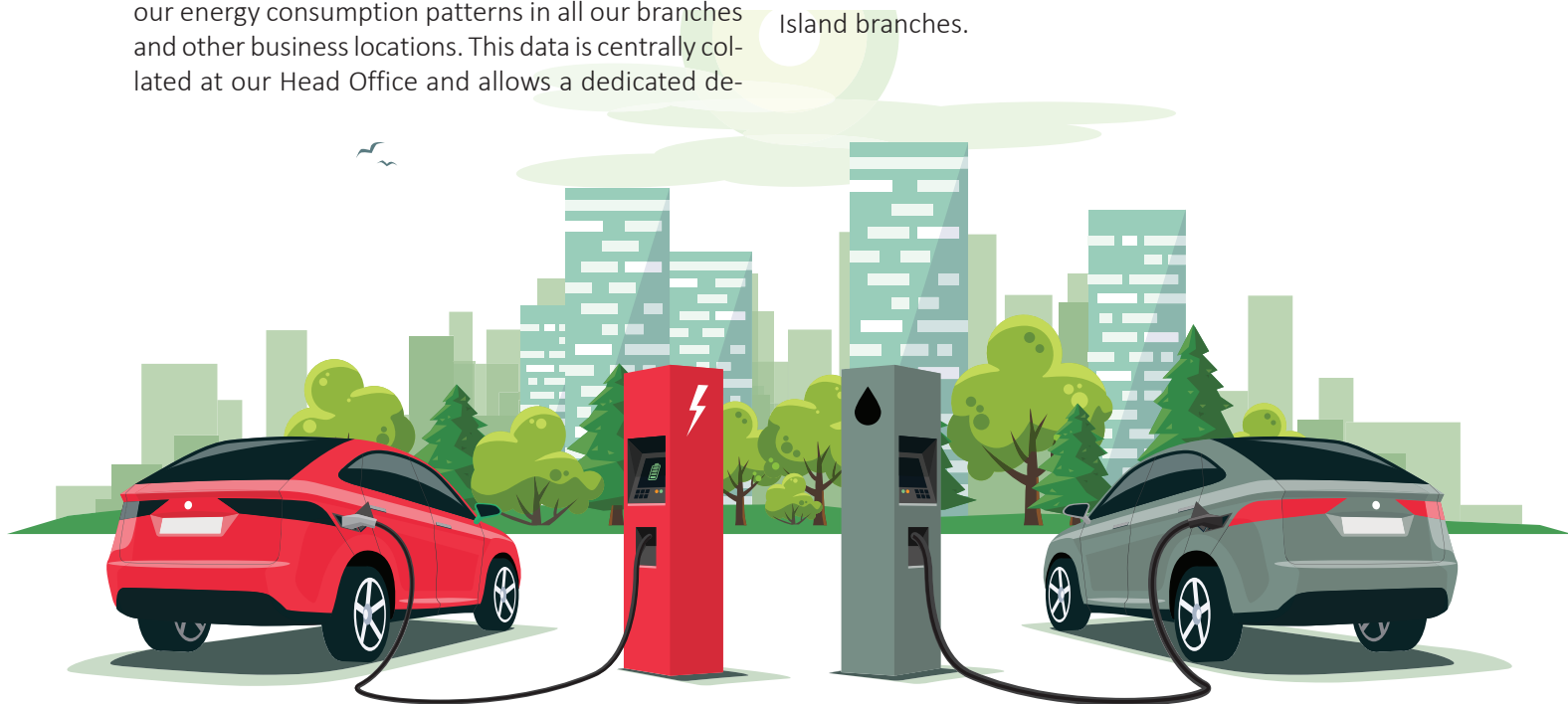
At Zenith Bank, we remain committed to optimising our energy usage by reducing consumption and introducing smart energy saving appliances and systems. Our energy policies emphasise holistic tracking of our energy consumption. This allows us to set appropriate energy consumption and reduction targets. The Bank’s ‘Admin Manager’ has enabled us to comprehensively report, measure and monitor our energy consumption patterns in all our branches and other business locations. This data is centrally collated at our Head Office and allows a dedicated de-

partment to evaluate the intensity of energy consumption bank-wide. Besides, this process ensures that the Bank can gradually develop energy measuring and monitoring capacities. We have commenced a strategy to expand our environmental and social footprints measurement to our offshore locations, starting from our Ghana subsidiary.

Energy Consumption within the Organisation

Zenith Bank utilises self-generated energy from fossil-powered generators to augment power from the national electricity grid. The Bank is committed to meeting the global target of doubling the rate of improvement in energy efficiency by 2030 in line with Sustainable Development Goal 7 (Affordable, reliable, sustainable and modern energy for all). As part of our energy management plans, we have embraced the use of solar technology and commissioned a gas-powered, centrally controlled energy generation plant. We have also scaled up the replacement of nearly all incandescent bulbs with LED light. Zenith Bank is committed to supporting various initiatives on renewable energy, especially investments in affordable green energy.

Our Head Office buildings on Ajose Adeogun Street, Victoria Island, Lagos with a total occupied space of 12,938.49m² hosts the highest number of employees (1,136 staff). It is the principal emission point in our operations. Consequently, we consistently focus on the Head Office buildings in our energy reduction efforts. Construction of Zenith Bank’s ultramodern, gas-powered energy plant has commenced and will significantly reduce our carbon footprints when it begins operations. This project is estimated to eliminate the use of at least 20 (250kva) generators in all our business offices located in our Victoria Island branches.



ENERGY CONSUMPTION PATTERN IN 2018

	FY 2017	FY 2018	Percentage Change
Total Electricity Purchased from the National Grid (kWh)	4,547,028.74	6,954,796.00	52.95
Total Electricity used per Employee from the National Grid (kWh)	4,301	6,122	42.34
Total Electricity Purchased From The National Grid Per Square Meter (kWh)	732.45	537.53	-26.61
Total Diesel Consumption (Ltr)	1,584,676	2,055,766.00	29.73
Total Diesel used Per Employee (Ltr)	1,499	1,809	20.68
Total Diesel used Per Square Meter (Ltr)	255.26	158.89	-37.75

In 2018, the total amount of electricity we purchased from the national grid rose by 52.95 per cent to 6,954,796.00kWh, from 4,547,028.74kWh in 2017. Similarly, there was a 42.34 per cent rise in the total electricity used per employee to 6,122 kWh/employee in 2018 from 4,301 kWh/employee in 2017. The increase recorded in energy purchased from the national grid was as a result of the expansion of the scope of this report to include a new budding added to the Head Office complex in 2018. Consequently, the total occupied space for this report increased to 12, 938.49 m² in 2018 from 6,730.2m² in 2017. Thus total elec-

tricity purchased from the national grid per square meter dropped to 537.53 Kwh from 732.45 kWh recorded in 2018.

Similarly, there was a corresponding increase in the total litres of diesel used to run Zenith Bank's generators from 1,584,676 litres reported in 2017, to 2,055,766.00 litres in 2018, representing a 29.73 per cent rise in diesel consumption. As a result, there was a 20.68 per cent increase in the total litres of diesel used per employee, rising from 1,499 litres in 2017 to 1,809 in 2018. Given the rise in the occupied space for this year's report, the total diesel used per square meter dropped from 255.26 litres in 2017 to 158.89 in 2018.

Zenith Bank's employees embarked on 212 business trips in 2018, compared to 381 trips in 2017, resulting in an 8.9 per cent decrease in emission from about 262.8 tCO₂e recorded in 2017 to 239.4 tCO₂e in 2018. The refrigerants used for chillers, refrigerators and split air conditioners increased by 192.6Kg to 1,217.6Kg in

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In 2018, the total amount of electricity we purchased from the national grid rose by 52.95 per cent to 6,954,796.00kWh, from 4,547,028.74kWh in 2017.

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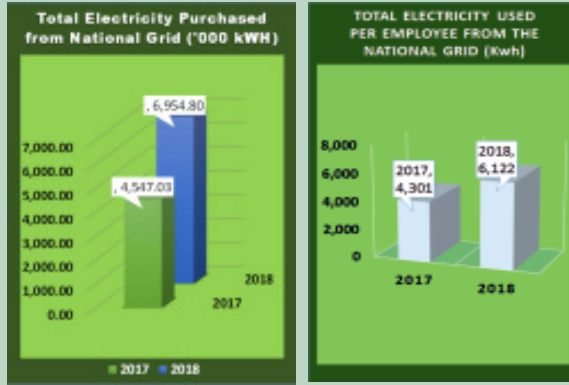
2018, up from 1,025.2Kg in 2017, representing a growth of by 18.79 per cent. The increase in 2018 was due to additional buildings added to the Head Office complex during the period under review. Our target is to reduce the Bank's total energy consumption by 20 per cent by 2020 and further down by 40 per cent by 2025. Our performance in 2018 is an indication that we are poised to achieve this goal.

Our Energy Optimisation Efforts

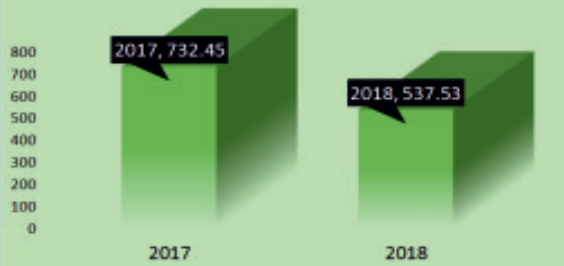
As part of efforts to optimise energy usage, Zenith Bank has consistently implemented periodic upgrades of Information Technology (IT) infrastructure. The recent updates of our banking soft-



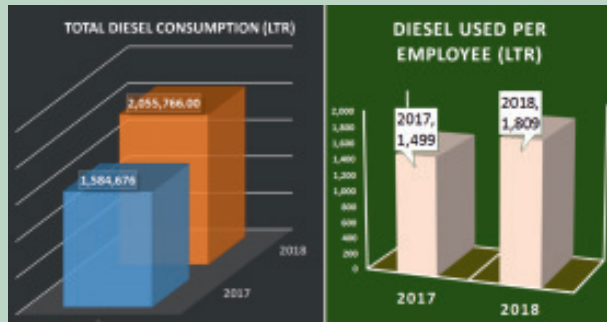
ELECTRICITY FROM THE NATIONAL GRID



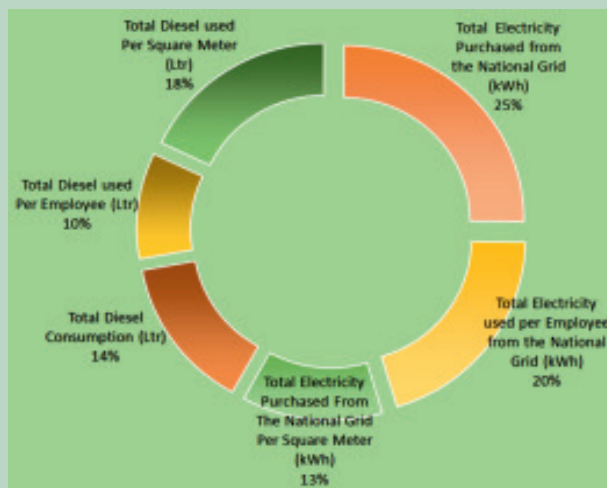
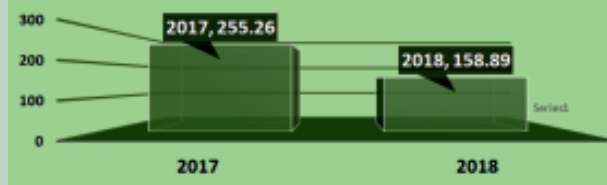
TOTAL ELECTRICITY PURCHASED FROM THE NATIONAL GRID PER SQUARE METERS (KWH)



ELECTRICITY FROM GENERATOR



TOTAL DIESEL USED PER SQUARE METER (LTR)



ware and system applications, as well as the addition of motion sensors and controls, has helped to reduce the intensity of our electricity consumption. We will continue to adopt measures to ensure energy efficiency in all our new constructions. In 2018, Zenith Bank successfully retrofitted nearly all light fittings in all our branches nationwide with energy saving LED bulbs and fluorescents.

We remain committed to gradually reducing our energy consumption by increasingly embracing eco-friendly, energy-star-rated office equipment. Our energy consumption from renewable sources as well as reductions achieved from the transition to more efficient facilities is still not fully captured, measured and quantified.

The number of our ATMs powered by solar energy increased to 632 with 185 new installations achieved in 2018. This attests to our drive and unwavering commitment to energy efficiency. We are committed to the migration to eco-friendly and energy efficient air conditioners.

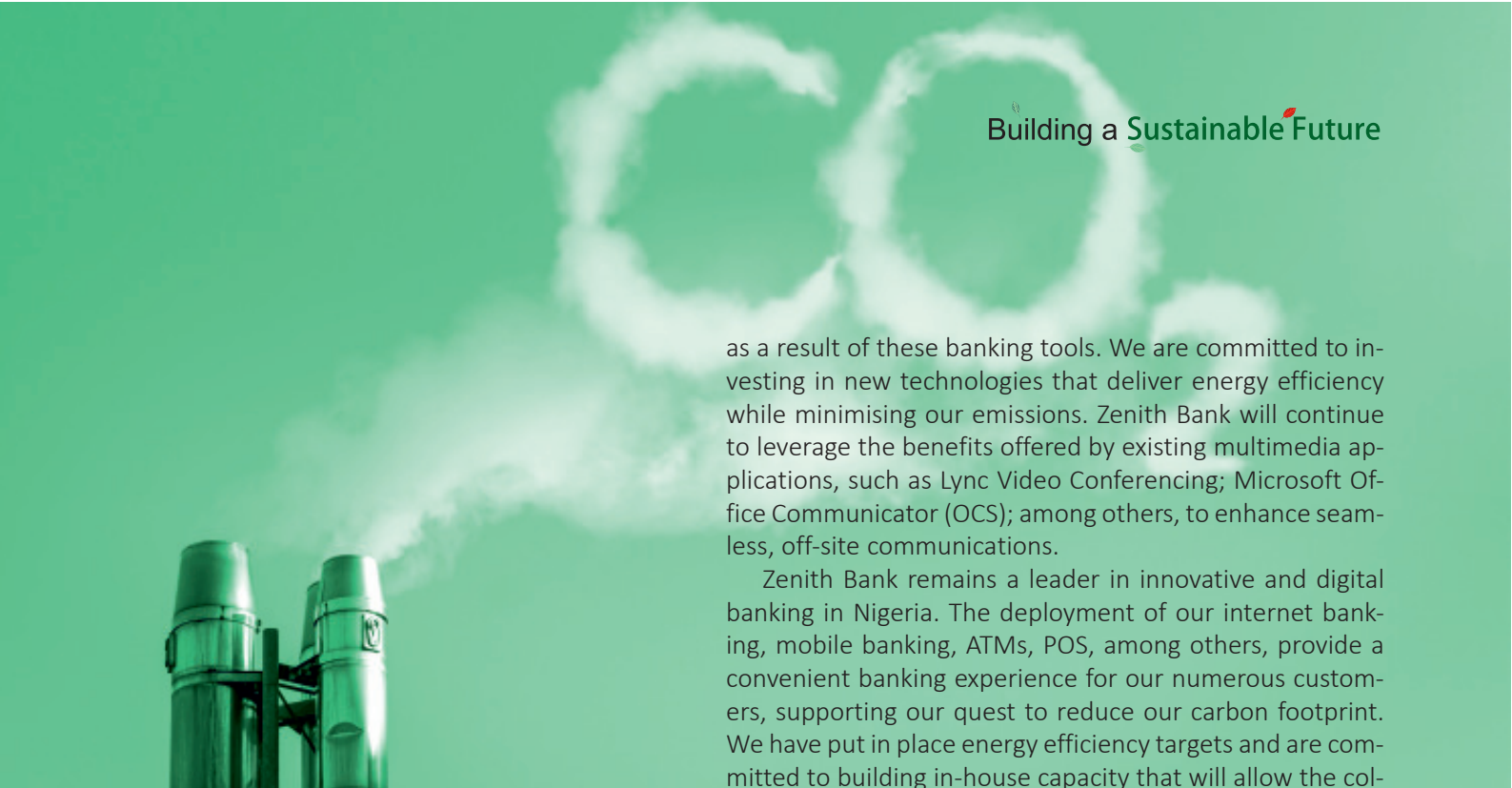
Zenith Bank is fully committed to deploying the much-needed resources, strategies and partnerships that would enable us to fully harness the unique opportunities in the renewable energy space in the coming years.

EMISSION

At Zenith Bank, we understand the relationship between emission and climate change. We are also aware of the role we are expected to play in the fight against the menace of global warming and climate change. With 596 business locations and 376 vehicles in our Head Office

fleet in 2018, greenhouse gas emission remains a material topic for us. Zenith Bank has made a significant effort to manage its GHG emissions through the control of energy consumption and deliberate reduction of our business trips and third-party emissions by leveraging technology in our business operations. This is

Zenith Bank's Key Emission Points		
Emission Channels	Management Strategy	Target Date
Vehicles	• Migration to the use of low carbon, hybrid and energy-efficient vehicles	2025
	• Phase out all diesel-powered vehicles from our fleet	2025
Electricity/Generators	• Patronise 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 the 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, reuse and recycle approach	Ongoing
Inverters/Batteries	• Migrate to renewable energy powered inverters	Ongoing
	• Adopt use, re-use and recycle policies	Ongoing



part of our strategies to achieve SDG 13 (Climate Action). Our emissions report is limited to the Bank's Head Office operations in Nigeria.

Zenith Bank's Head office complex occupies a total space of 12,938.5m². The complex and its annexes host the largest number of employees (1,136 staff), representing 13.96 per cent of our total workforce as at the end of the 2018 financial year. As a result, it constitutes our single most significant emission point.

As a leading brand, Zenith Bank is obliged to contain its overall negative environmental footprints. The Bank has committed to reducing its GHG emission by 20 per cent by 2020. To ensure this, we are focusing our efforts on reducing, measuring, monitoring and reporting the GHG emissions associated with our operations.

We continue to increase the use of renewable sources in our energy mix, update our business processes for greater efficiency, deploy energy efficient technologies, and effectively capture, measure and monitor emissions from our business offices.

Zenith Bank has adopted an approach that leverages the use of digital technology to reduce CO₂ emission significantly. We use state-of-the-art solutions to deliver optimal, customised banking experience and product offering, reducing the commute time for millions of our customers. Our target is to provide banking services to customers outside the confines of our banking halls. We, however, put into consideration energy and e-waste

as a result of these banking tools. We are committed to investing in new technologies that deliver energy efficiency while minimising our emissions. Zenith Bank will continue to leverage the benefits offered by existing multimedia applications, such as Lync Video Conferencing; Microsoft Office Communicator (OCS); among others, to enhance seamless, off-site communications.

Zenith Bank remains a leader in innovative and digital banking in Nigeria. The deployment of our internet banking, mobile banking, ATMs, POS, among others, provide a convenient banking experience for our numerous customers, supporting our quest to reduce our carbon footprint. We have put in place energy efficiency targets and are committed to building in-house capacity that will allow the collection, measurement, reporting, and monitoring of our footprints more efficiently.

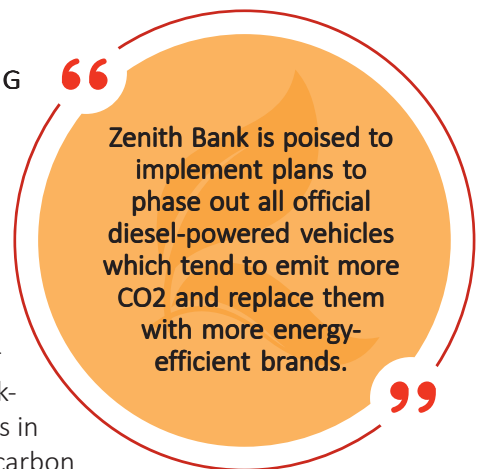
V4 Advisors conducts an annual independent carbon footprint audit for the Bank. We also conduct regular in-house evaluations and independent reviews to assess our progress and enhance our commitment to self-regulation and self-auditing of our GHG emissions.

Direct (Scope 1) GHG Emissions

Zenith Bank's GHG emissions majorly stem from fossil fuel consumption, primarily from self-generated electricity, vehicular travels and air travels. The Bank is making significant progress in its quest to reduce its carbon footprints.

Recently, we embarked on the replacement of all our 13-20 KVA generators on Night Loads with hybrid solar panels. As at December 2018, Zenith Bank successfully migrated 632 ATMs out of a total of 1,464 to solar power. We are working to achieve our target of achieving 100 per cent migration by 2020. We also intend to gradually migrate all our IT infrastructure, business offices, and branches to renewable energy sources.

Our pool cars, official cars for management staff, departmental vehicles and staff buses are the sources of our direct



Zenith Bank is poised to implement plans to phase out all official diesel-powered vehicles which tend to emit more CO₂ and replace them with more energy-efficient brands.

ZENITH BANK'S EMISSION ANALYSIS						
	DESCRIPTION	2016	2017	2018	DIFFERENCE IN VALUE	% CHANGE
		BASE YEAR				
DIRECT EMISSION (tCO2e)	GENERATORS	5,110.70	4,362.60	5,659.50	1,296.90	29.73
	CAR FLEET	1,871.40	1,580.90	1,654.60	73.70	4.66
	REFRIGERANTS	1,570.10	1,603.50	1,836.60	233.10	14.54
INDIRECT EMISSION (tCO2e)	PHCN	1,333.50	1,834.30	2,805.60	971.30	52.95
	FLIGHT TRIPS	299.4	262.80	239.40	23.40	8.90
	PAPER	42.70	44.00	23.40	20.60	46.82
TOTAL		10,227.80	9,688.10	12,219.10	2,531.00	26.12
	AREA COVERED	6,730.52	6,730.52m ²	12,938.49m ²	6,207.97	92.24

carbon footprints from transportation and business travels. In 2018, as part of efforts to reduce our emissions from transportation, we reduced the Bank's Head Office fleet by 14.35 per cent (63 vehicles), from 439 as at 2017 to 376. This was despite a 4.99 per cent rise in the number of employees that use the Bank's official fleet, from 1,082 as at 2017 to 1,136 in 2018. The Bank, however, recorded an increase in gasoline consumption by 4.7 per cent from, 691,

446.75 litres in 2017 to 723,652.13 litres in 2018. The Bank's management has put measures in place measures to ensure more efficient utilisation of premium motor spirit.

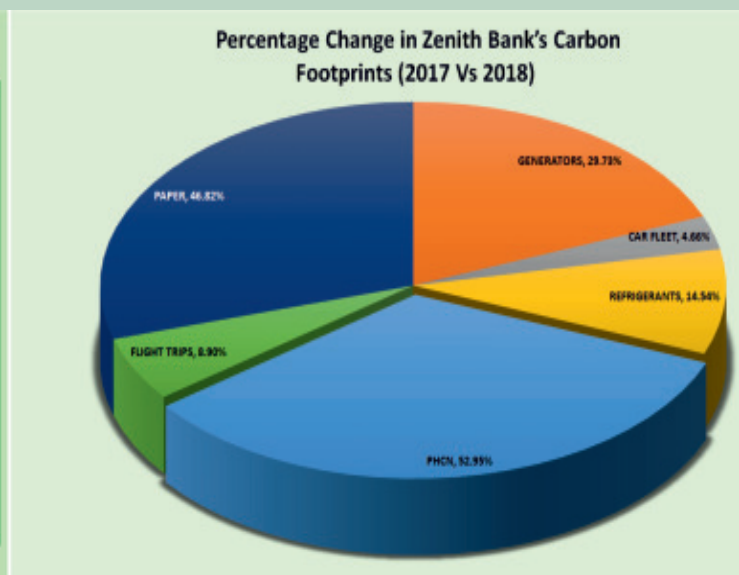
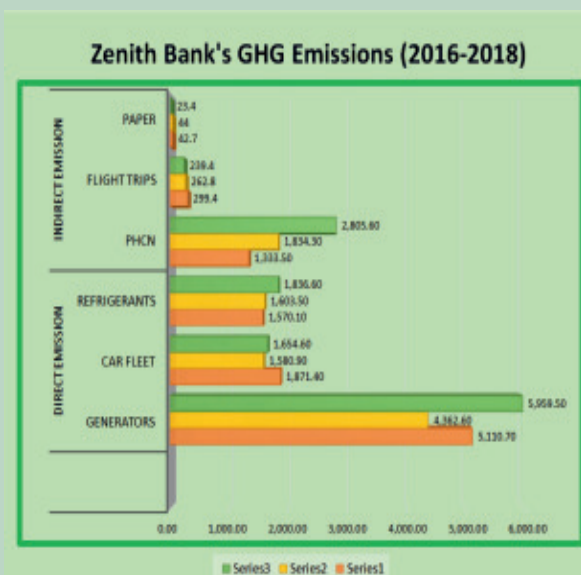
In the year under review, our paper consumption constituted 0.2 per cent of our total emissions. In 2018, the volume of paper used dropped to 24,494.60 down from 27,150Kg, in the previous year. This resulted in a 46.81 per cent increase in emission

from 44 tCO2e in 2017 to 23.4 tCO2e in 2018.

Data collected from the relevant KPI departments indicated that employees of the Bank embarked on 212 business trips in 2017 as against to 381 trips in 2018. This represents 8.9 per cent decrease in emission, from 239.4 tCO2e to 262.8 tCO2e, year-on-year. This is a consolidation of the 12.2 per cent year-on-year drop witnessed in the preceding reporting period.

Our use of refrigerants for chillers, refrigerators and split air conditioners grew by 192.6 Kg, to 1,217.6 Kg in 2018 from 1,025Kg in 2018. This led to a corresponding increase from emissions of from 1,603.50 tCO2e in 2017 to 1836.6 tCO2e.

As part of Zenith Bank's effort to reduce vehicular carbon emission, vehicles in our fleet are serviced regularly to avoid



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...we embarked on the replacement of all our 13-20 KVA generators on Night Loads with hybrid solar panels.

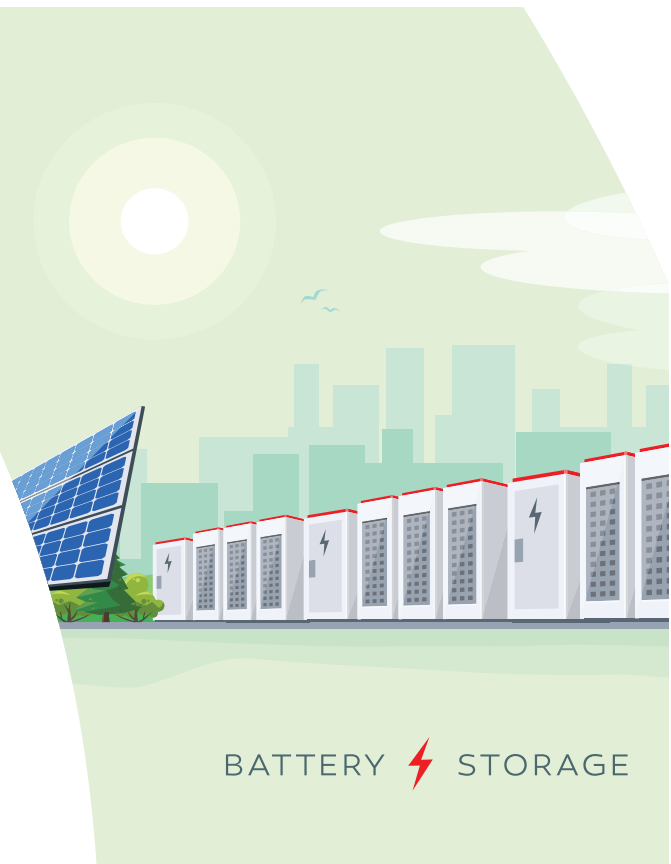
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SOLAR POWER STATION

emissions resulting from incomplete combustions. We also have in place a four-year vehicle depreciation and replacement policy, which we strictly adhere to as part of our many efforts to mitigate high emissions. The Bank continues to adopt practices aimed at reducing emissions as part of its Greenhouse Gas (GHG) control initiatives. The Bank provides staff buses that cover the length and breadth of Lagos. This is aimed at reducing the number of vehicles used by our employees for daily commuting to work and hence, emission. We are also committed to leveraging technology and engineering behavioural changes to reduce our carbon footprint. Zenith Bank is poised to implement plans to phase out all official diesel-powered vehicles which tend to emit more CO₂ and replace them with more energy-efficient brands.

The carbon footprint audit conducted by V4 Advisors in 2018, showed that Zenith Bank emitted 12,219.10 tCO₂e from its 12,938.5 m² facility that accommodates 1,136 employees. Accordingly, 0.9 tCO₂e and 10.8 tCO₂e were emitted per m² and per employee, respectively.



BATTERY ⚡ STORAGE



Certificate for Greenhouse Gas Auditing

Presented to

ZENITH BANK PLC

*Plot 84, Ajose Adeogun Street, Victoria Island
Lagos – Nigeria*

For its Greenhouse Gas Auditing and Reporting for the calendar year 2018, using V4 Advisors' tool that is in compliance with the Greenhouse Gas Corporate Standard and ISO 14064-1, 2006.



V4 Advisors' calculation and reporting tool has been reviewed by WRI for conformance with the GHG Protocol Corporate Standard.

Contacting V4 Advisors: www.V4advisorsdmcc.com – mobile: +971 (0) 50 668 1073 – V4 Advisors DMCC Registered in Dubai

GREEN HOUSE GAS EMISSION REPORT

ZENITH BANK HEAD OFFICE – GHG AUDIT AND MANAGEMENT

GHG EMISSION FACT SHEET FOR 2018

DESCRIPTION

March 18, 2019

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

This fact sheet summarizes the 2018 GHG emissions results, quantified using V4 Advisors' "Built on GHG Protocol" Corporate GHG online Calculator. Additionally, this fact sheet contains a comparison with baseline year 2016 GHG audit.

CONCEPT OF THE GHG 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
- Refrigerant gases

Scope 2: Indirect emissions:

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

Scope 3: Other indirect emissions:

- Business related flight travels
- Paper Consumption

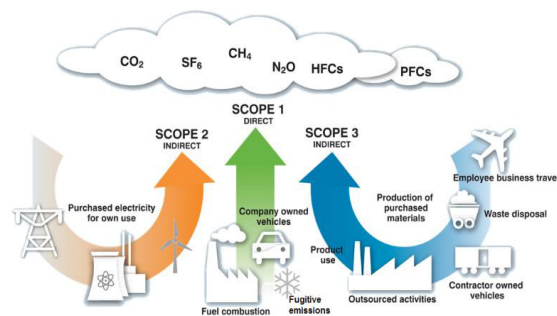


Figure 1: Requirements of the GHG Protocol

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

ZENITH BANK HEAD OFFICE – GHG AUDIT AND MANAGEMENT GHG EMISSION FACT SHEET FOR 2018

FIGURES SUMMARIZING THE RESULTS OF ZENITH BANK'S TOTAL GHG EMISSIONS (tCO_{2e}) FOR 2018

In 2018, the total GHG emissions emitted by Zenith Bank Head Office, accommodating 1,136 employees in a total area of 12,938.5 m² were 12,219.0 tCO_{2e}. This is equivalent to 10.8 tCO_{2e} per employee or 0.9 tCO_{2e} (944.4 KgCO_{2e}) per m². Compared to 2016, the total GHG emissions were 10,227.6 tCO_{2e} for 1,030 employees in a total area of 6,730.5 m². This is equivalent to 9.9 tCO_{2e} per employee or 1.5 tCO_{2e} (1,519.6 KgCO_{2e}) per m².

Figures 3 and 4 illustrate 2016 and 2018 total GHG and scopes' contributions. Figure 5 and 6 show the 2018 GHG sources' contributions and their monthly variations.

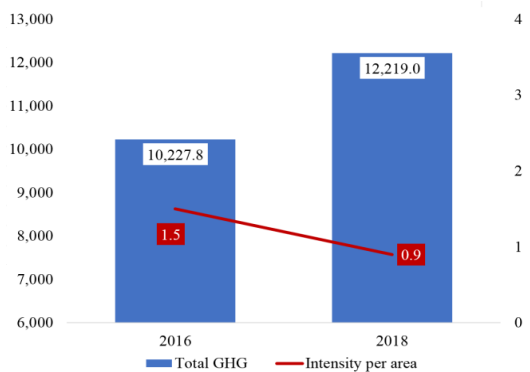


Figure 3: Zenith Bank Head Office total GHG emissions and intensities. Total GHG were higher in 2018 than 2016 by 19.5% while intensity per area were lower by 37.9%.

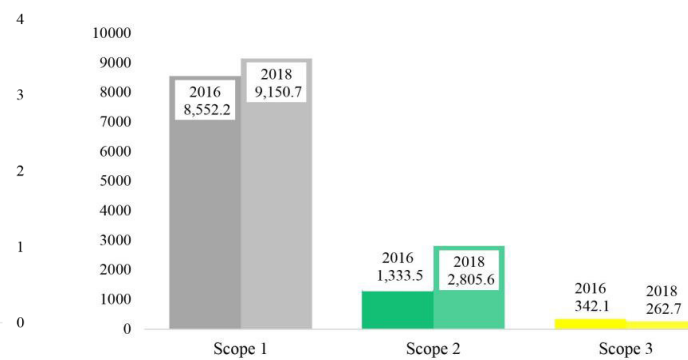


Figure 4: Zenith Bank Head Office GHG Emissions in tCO_{2e} per Scope in 2016 and 2018.

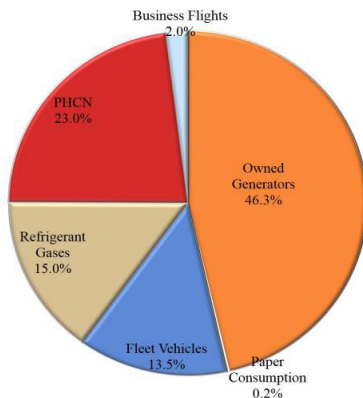


Figure 5: Zenith Bank Head Office sources contribution (%) in 2018.

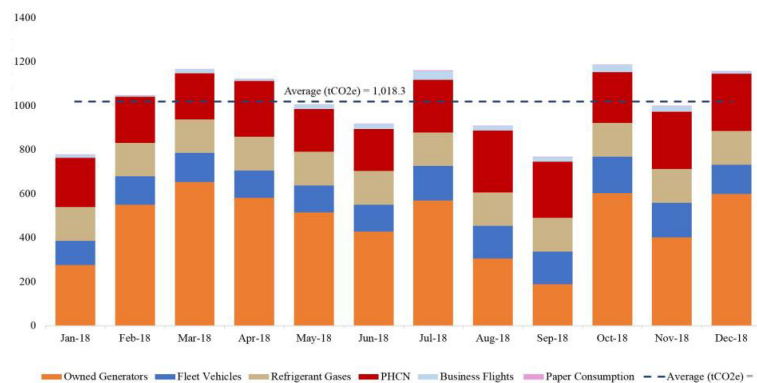


Figure 6: Zenith Bank Head Office total monthly GHG Emission variations. Average in 2018 (1,018.3 tCO_{2e}) higher than average in 2016 (852.3 tCO_{2e}) by 19.5%.

RESULTS EQUATE TO

The total GHG emission from Zenith Bank's Head Office in 2018 is 12,219.0 tCO_{2e}, which equates to:



560,504.6 pine trees that are 10 years old are needed to offset the Bank's GHG emissions (or a forest of 952.9 Km²)

ZENITH BANK HEAD OFFICE – GHG AUDIT AND MANAGEMENT
GHG EMISSION FACT SHEET FOR 2018



Description	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	TOTAL
Scope 1. Direct emissions from backup power production and car fleet (tCO_{2e})													
Owned Generators	274.6	548.9	652.3	580.3	514.1	427.4	567.9	304.1	188.5	601.5	400.9	598.9	5,659.5
Fleet Vehicles	111.4	129.1	132.2	125.0	122.7	122.4	157.1	148.6	148.3	167.1	157.7	132.9	1,654.6
Refrigerant Gases	153.1	153.1	153.1	153.1	153.1	153.1	153.1	153.1	153.1	153.1	153.1	153.1	1,836.6
Total Scope 1	539.1	831.0	937.6	858.4	789.9	702.9	878.1	605.7	489.9	921.6	711.6	884.9	9,150.7
Scope 2. Indirect emission from purchased power (tCO_{2e})													
Electricity from local authorities	224.1	208.5	209.7	253.4	194.9	189.7	238.9	280.9	254.9	230.9	259.7	260.1	2,805.6
Total Scope 2	224.1	208.5	209.7	253.4	194.9	189.7	238.9	280.9	254.9	230.9	259.7	260.1	2,805.6
Scope 3. Selected indirect emissions (tCO_{2e})													
Business Flights	13.0	5.9	17.0	8.5	19.5	23.4	40.6	20.8	21.4	32.6	27.3	9.6	239.4
Paper Consumption	1.8	1.8	1.8	1.8	1.8	1.8	3.6	1.8	1.8	1.8	1.7	1.8	23.4
Total Scope 3	14.7	7.7	18.8	10.3	21.3	25.2	44.2	22.6	23.2	34.4	29.0	11.4	262.7
Monthly total emissions (tCO_{2e})	777.9	1,047.2	1,166.1	1,122.1	1,006.1	917.9	1,161.2	909.2	768.0	1,186.9	1,000.2	1,156.4	12,219.0
Yearly total emissions (tCO_{2e})													12,219.0

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EFFLUENTS AND WASTE

Zenith Bank considers effluents and wastes as material, due to the size of our business operations and the number of communities where we operate. The Bank recognises that waste generation and its management thereof could result in adverse environmental impacts, if not responsibly managed. Waste is, however, an indispensable part of any business. As a foremost financial institution, we are duty-bound to assure our stakeholders and our host communities that our waste management processes are such that mitigate environmental contamination and its resultant social risks.

A primary goal in our waste management system is the efficient reuse and recycling of materials resulting in a reduction in waste generation.

Local environmental authorities overseeing locations where the Bank operate have in place waste disposal policies governing the jurisdictions. Zenith Bank will continue to adhere strictly to these policies and comply with extant regulations and set standards in each district. 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. Zenith Bank is an environmentally friendly brand that fully understands that proper waste management is a paramount corporate responsibility. Poor waste management practices degrade the environment and contribute to uncontrolled greenhouse gas emissions.

The Bank is developing a strategy to considerably reduce the wastes we generate through smarter use of our assets and resources. We are also keenly working towards the implementation of sustainable waste management practices, particularly circular economy initiatives that allow us to reduce the amount of waste we send to landfills. We are also instilling in our staff and operations the “four Rs” of waste management: “Reduce, Reuse, Recycle and Recover.”

The Bank is steadily working towards achieving

A primary goal in our waste management system is the efficient reuse and recycling of materials resulting in a reduction in waste generation.

ing an improvement in waste management and recycling processes by introducing standard bins for both landfill and recyclable wastes in all business locations. The project, when fully implemented, will incorporate waste differentiation and segmentation into paper, glass, liquid (bio-degradable) and plastic.

At Zenith Bank, we have remained committed to improving our processes, which addresses waste management bank-wide. The Bank has in place waste management contracts with State-owned or privately-run waste management agencies in all our business locations nationwide. In Lagos State, for instance, the Lagos State Waste Management Authority (LAWMA) has the responsibility of classifying, measuring and disposing of waste generated at our Head Office and business offices. LAWMA, on its part, has adopted recycling – more effective and sustainable alternative to landfill and



...the implementation of an efficient waste management system has resulted in considerable reduction in our waste management costs.

dumping. Following the United Nations Framework Convention on Climate Change (UNFCCC), the agency has developed the Clean Development Mechanism (CDM). In 2018, as in the preceding year, various business locations of the Bank obtained Environmental and Social Impact Assessment (ESIA) from the approved government agencies. Our Sustainability Team has been availed the opportunity to develop appropriate and strategic management plans

to mitigate risks these reports have highlighted. This has been especially helpful in developing management strategies for our effluents and wastes disposal processes.

Waste by Type and Disposal Method

Zenith Bank is a provider of financial services, and as a result, our operation does not generate hazardous waste. Waste generated from our operations consists mainly of unserviceable and fully depreciated items such as automobiles, generators, air conditioners, computers and accessories, construction waste, among others. Government agencies and government licensed contractors evacuate solid and organic waste generated in our business locations.

During the year under review, the implementation of an efficient waste management system has resulted in considerable reduction in our waste management costs. In 2018, our Head Office and Lagos branches paid a total of NGN10.99 million to LAWMA for waste evacuation services. This was 39.28 per cent lower than NGN18.11



million reported in 2017 and 45.38 per cent lower than NGN20.1 million reported in 2016. The significant reduction in our waste management expense is a clear indication that we have made positive progress in our quest to increase our efficiency in accurately capturing, measuring and managing our wastes. The Bank, however, acknowledges that our waste management processes still have vast room for improvement. We are committed to the development and implementation of a robust waste management system that would enable us fully and sustainably address our waste recycling challenges.

Environmental Compliance

Zenith Bank has indirect exposure to environmental footprints arising from the activities of our business partners. This is because, in our role as a financial services intermediary, we maintain business relationships with players in all critical sectors of the economy.

The Bank is, therefore obliged to ensure that our business processes comply with national and global environmental regulations. Environmental compliance is consequently a material topic for our operations across all locations. The environmental compliance disclosures made in this section of the report covers the Bank's entire operations in Nigeria.

Zenith Bank has in place a fully functional Corporate Sustainability and Responsibility (CSR) Unit, overseen by Executive Management and Board. The Bank's CSR team collaborates with the different KPI owners within the Bank to ensure environmental compliance. Zenith Bank currently has Sustainability Champions representing all the


departments in the Head Office and the 53 business zones of the Bank. Our Sustainability Champions play the role of environmental and social influencers within the Bank. Also, they are tasked with ensuring compliance with the Bank's environmental and social policies.

At Zenith Bank, our culture requires that we accept customer complaints as 'gifts'. Complaints are feedback that provides valuable information to make strategic business and operational decisions. We have a well-established grievance mechanism that allows our internal and external stakeholders to report environmental violations resulting from our business operations across all locations. Our grievance mechanism avails the Bank and its stakeholders' an opportunity to settle

disputes before they escalate. It presents stakeholders with a safe channel through which they can express their various concerns. It also enables the Bank to identify systemic issues, quick resolution of complaints and provision of swift reparation, where applicable.

In 2018, management staff and employees of Zenith Bank took part in several levels of training on sustainability geared toward consolidation of their knowledge on the need to be environmentally responsible. About 6,476 members of the workforce were trained on environmental and social risks management. The Bank is committed to ensuring compliance with relevant regulations. We will also not waver in our commitment to prioritising stakeholders' feedback on environmental issues.





No compliance failures were identified in the Bank's annual management review for 2018. Zenith Bank, however, understands that policies are living documents that require periodic review to remain relevant in the light of emerging local and global trends in service delivery. The policies in place are, however, considered adequate as at the time of this report and are strictly monitored to ensure compliance. No fines were incurred, and no environmental regulations were contravened within the period under review.

Non-Compliance with Environmental Laws and Regulations

During the period under review, Zenith Bank did not incur monetary or non-monetary sanctions as fines for non-compliance with environmental laws and regulation, and no environmental compliance failure was recorded. Some of our business locations were however

served notices from environmental regulatory agencies requesting proof of compliance with required environmental impact assessment. These requests were promptly provided.

At Zenith Bank, we are committed to maintaining relationships with stakeholders and sustain effective grievance mechanism channels to nurture active and meaningful stakeholders' engagement. We continue to upgrade in our 24/7 customer care unit to effectively take urgent complaints from stakeholders. Besides, all departmental and branch heads are reachable to take urgent complaints from our stakeholders. Also, all our business offices have our Complaint Hotlines visibly displayed. Dedicated staff man the Complaint Hotlines and they are empowered to address customers concerns. Zenith Bank has been able to manage all environmental issues amicably and to the satisfaction of relevant stakeholder in the year under review.

THE IMPACTS OF CLIMATE CHANGE

As a responsible financial services provider, we understand the potentially significant impacts of climate change and extreme weather conditions and their harmful effects on not just our broader environment but on banking operations. The impact of climatic change goes beyond national borders. Extreme weather condition is accelerating the rate of sea level rise, intense heat waves, damaging wildfires, precipitation and flooding risks to low-lying communities, with negative and costly impacts on not just human health but on the health of flora, fauna and marine ecosystems.

Carbon emissions from the global energy industry rose in 2018 by the fastest rate since 2011, coal use has been on the rise for the past two years, and Mauna Loa observatory has recorded its 2nd highest rise in atmospheric CO₂ levels on record to almost 415 parts per million (ppm). We, therefore, understand that the pursuit of a sustainable future is a continuous and collective one as our clients cut across various sectors of the economy.

Beyond words, Zenith Bank is firmly committed to changing these narratives by integrating environmental and social risks considerations into all lending decisions intended to reduce the negative impacts of climate change. In 2018, the Bank was among the first 17 institutions to endorse the United Nations Environment Programme Finance Initiative's Principles of Responsible Banking which seeks to align strategic objectives with Sustainable Development Goals of the United Nations.

Zenith Bank is the first Nigerian bank to consecutively report the carbon emissions of its Head Office using a certified tool built on the internationally recognised "GHG Protocol". The GHG audit was carried out by V4 advisors using calculations and reporting tools that have been reviewed by the World Resources Institute (WRI).

“The impacts of extreme weather conditions are already here.”



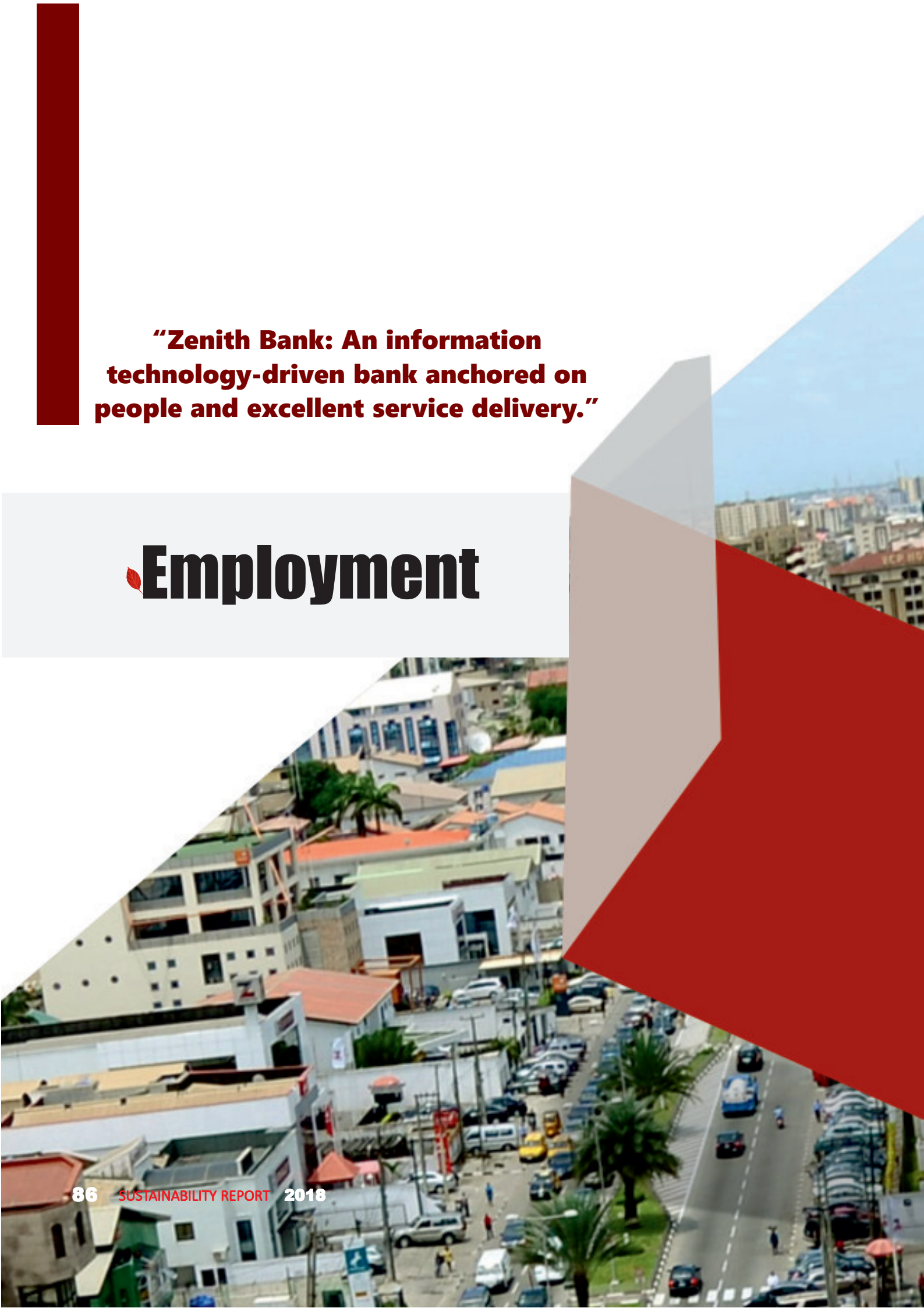


Social

We are committed to finding new ways of maintaining a pool of dedicated and qualified employees to sustain excellent service delivery.

“Zenith Bank: An information technology-driven bank anchored on people and excellent service delivery.”

Employment





We are a Bank that values employees because we recognise that our business strategy and success largely depend on them. Our employees help us to stand out in the financial services sector in Nigeria by adequately supporting our customers and partners. Our capacity to provide quality customer service and to surpass the expectations of our customers as well as our stakeholders are hinged on the expertise of our employees.

We are committed to finding new ways of maintaining a pool of dedicated and qualified employees to sustain excellent service delivery. We strive to build a work environment that supports the wellbeing and creativity of our employees in consonance with SDG 8 (Decent Work and Economic Growth). We provide competitive and market-driven remuneration packages as well as qualitative training to sustain the commitment and active involvement of our employees in the achievement of our corporate objectives while accommodating their career growth goals.

To make our employment processes and practices better, we leverage feedback from our team members, team leaders and managers. The feedback is received through diverse formal and informal channels of communication with our employees. Where the feedback identifies gaps in our work practices, measures are put in place to close the gaps. Our Human Resources team also tracks the changes occurring as a result of policies and procedures to ensure we continue to attract and retain quality talent.

We provide competitive and market-driven remuneration packages as well as qualitative training to sustain the commitment and active involvement of our employees in the achievement of our corporate objectives while accommodating their career growth goals.

New Employee Hires and Turnover Rate

The turnover rate for permanent employees was 3.8 per cent as 352 workers exited the Bank in 2018, a 22.2 per cent increase year-on-year, compared to the 288 employees that exited in 2017 at a turnover rate of 4.7 per cent. The exited staff were made up of 187 female employees, constituting 53.13 per cent; and 165 male employees, representing 46.88 per cent. The number of new hires in the year under review stood at 477, an increase of 6.47 per cent over 448 new hires recorded in 2017.

The Bank welcomed 477 new employees, comprising 259 females and 218 males in 2018. Of the 477 new employees, 351 are within the 20-30 age group; 125 are within the 31-40 age group; while one is within the age range of 41 and above.

2018 PERMANENT NEW HIRES			
AGE GROUP/GENDER	Female	Male	Total
20 - 30	201	150	351
31 - 40	58	67	125
41 & Above	0	1	1
Total	259	218	477

ALL NEW HIRES BY REGION			
REGION/GENDER	Female	Male	Total
North	52	66	118
East	18	18	36
South	37	34	71
West	152	100	252
Total	259	218	477

TURNOVER RATE BY GENDER		
GENDER	TOTAL	RATE (%)
FEMALE	187	53.12
MALE	165	46.88
TOTAL	352	100

TURNOVER RATE BY AGE GROUP		
AGE GROUP	TOTAL	RATE (%)
20-30	43	12.22
31-40	242	68.75
41-Above	67	19.03
TOTAL	352	100

TURNOVER RATE BY REGION		
REGION	NUMBER	RATE (%)
NORTH	65	18.47
SOUTH	30	8.52
EAST	13	3.70
WEST	244	69.31
TOTAL	352	100

Regional classification of our new employees in 2018 is as follows: North -118; East - 36; South – 71; and West - 252.

Breakdown of turnover rate by gender indicates that one hundred and eighty-seven (187) employees, representing 53.12 per cent of exited employees were female while 165 employees, representing 46.88 per cent, were male.

Forty-three (43) employees, representing 12.22 per cent of exited employees were within the age range of 20-30; 242 employees, representing 68.75 per cent were within the age range of 31-40; while 67 employees, representing 19.03 per cent, were within the age range of 40 and above.

Regional breakdown of exited employees in 2018 indicates that 65 (18.47 per cent) employees from the North; 30 (8.52 per cent) from the South; 13 (3.70 per cent) from the East; and 244 (69.31 per cent) from the West, exited the organisation.

Labor and Management Relations

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 we operate. As a responsible global brand that upholds best practices in corporate governance, we understand that the decisions we take could have a negative impact on the wellbeing and career of our employees. The Bank provides a minimum notice period of two days in case of any policy or corporate action that could impact the wellbeing of our workforce.

Freedom of Association and Collective Bargaining

In line with international best practices, Zenith Bank establishes policies and guidelines covering, but not limited to, grievance and disciplinary processes, paid maternity leave, employee training/performance management and severance/separation benefits. We continually work with our employees to seek solutions that best align their interests with the Bank's vision and strategy.

At Zenith 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. The Bank also complies with all applicable laws of the countries where we operate. These include sovereign state legislation 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.

ability of our employees to be at their best; this concern also extends to the safety of customers and service providers who visit our locations.

Currently, the Bank is developing an Occupational Health and Safety Management System in line with the provisions of ISO45001 (Occupational Health and Safety). Strict health and safety rules and practices are enforced 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

contractors and visitors in our workplace. The executive management of the Bank is represented on the HSE Committee along with the Heads of key units such as Compliance, Risk Management, Human Resources, and Security Services, among others. We also 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 re-



Occupational Health and Safety

Zenith Bank is committed to providing a safe, healthy and secure workplace for all our employees, contractors, visitors and customers, following international best practices and standard health and safety regulations. We understand that a safe and healthy environment impacts on the

supervisors or designated safety officers of possible health and safety hazards in the work environment. We also encourage employees to adopt safe behaviours to ensure their wellbeing and safety at work.

The Bank's Health, Safety and Environment Committee and Working Groups, provide forums for consultation and dissemination of information on matters that affect the safety and welfare of employees,

responsible for all Health and Safety related incidents and also coordinate health and safety awareness trainings. Our Corporate Sustainability and Responsibility department coordinates the activities of the Committee and Working Group and serves as the secretariat.

Zenith Bank retains the services of top-class private hospitals where medical facilities and services are provided for employees and their



immediate families at the Bank's expense. The Bank operates both a Group Personal Accident and the Workmen's Compensation Insurance covers for the benefit of its employees. We also operate a contributory pension plan in line with the Pension Reform Act, 2014.

Also, 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 leverages feedback from internal drills and audits to improve the health and safety system. External safety audits also provide the opportunity to review our safety processes. Fire Basic Emergency Response and First Aid training are offered to employees to prepare them for emergencies and create awareness on health and safety issues in the workplace. In 2018, our Safety Officers continued their training in conjunc-

“**Fire Basic Emergency Response and First Aid training are offered to employees to prepare them for emergencies and create awareness on health and safety issues in the workplace.**”

tion with the Lagos State Fire Service. The training seeks to prepare our Safety Officers to lead the process of evacuating staff and customers in the event of a fire emergency. In 2018, the Bank trained a total of 501 employees up from the 362 employees trained in 2017; 438 employees were trained on Basic Emergency Response and First Aid, while 63 participated in Occupational Health, Safety and Security trainings-.

The Bank's Health, Safety and Environment Working Group in collaboration with the Human Resources department and Zenith Medicare continued its routine health and wellbeing sensitisation 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 also require our contractors to retain certified Health and Safety personnel to



sustainability, and so on. To make our training programmes more effective, employees and their line managers are empowered to identify and provide feedback on their training needs. Our bi-annual performance appraisal system also offers employees an opportunity to identify training gaps and needs.

In 2018, the total number of hours of employees' training was 230,517. Board members had 38.08 average hours of training, while Assistant General Manager to General Manager cadre had

17.75 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 49.37, 53.99, and 23.67 average hours of training, respectively. Specifically, the average hours of training per employee stood at 35.25.

A total of 6,527 employees, representing 99.9 per cent of the workforce, were trained within the 2018 financial year using mostly online and classroom channels. About 6,476 members of the

ensure adherence to standard safety procedures in our project sites.

Training and Development

At Zenith Bank, we understand that having a high-performing workforce is critical to sustaining our competitive advantage. We not only value our competent workforce but deliberately make a significant investment in their training and development aimed at equipping them with requisite skills and capacity. We aspire to be the employer of choice that offers employees the opportunities to advance skills and foster career progression and leadership development.

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) training and offshore programmes. Employees participate in training programmes that are designed to develop their employability skills and aid their career growth. Mandatory training is also offered to update employees on industry-specific developments, such as new regulations on anti-money laundering and anti-terrorism financing, operational risk management,

2018 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*	12	1	486	9	495	38.08
2	AGM-GM	49	22	891	369	1,260	17.75
3	DM-SM	325	244	16,794	11,295	28,089	49.37
4	BO-SAM	1,052	972	57,870	51,399	109,269	53.99
5	ET-ABO	1,955	1,907	44,937	46,467	91,404	23.67
6	TOTAL	3,393	3146	120,978	109,539	230,517	

Employees Training Expenses for 2018 (NGN)				
		2017	2018	% Change
1.	In-plant/In-House/ Zonal programs	761,172,275.72	968,279,461.27	27.21
2.	Online Courses (Amortised yearly)	4,620,000.00	137,638,585.27	2879.19
3.	External (local) programs	8,288,360.00	21,713,134.25	161.97
4.	Offshore program (SM & below)	175,622,416.34	61,658,122.52	-64.89
5.	Offshore/ In-plant programs (AGM-GM)	38,797,008.00	6,897,717.00	-82.22
6.	Offshore/External programs (Directors)	41,314,279.92	48,840,642.28	18.22
7.	Miscellaneous	Nil	1,979,000.00	N/A
		1,029,814, 339.90	1,247,006,662.59	21.09 (y-o-y)



workforce were explicitly trained on sustainability and environmental and social risk management in the year under review. About NGN1.25 billion was expended on these training and capacity building, up 21.09 per cent from NGN1 billion spent on training in 2017.

Diversity and Equal Opportunity

At Zenith Bank, we understand that a diverse workforce is a competitive business advantage. We are therefore committed to promoting diversity and building an inclusive work environment where everyone feels at home

Permanent Employees by Gender in 2018			Contract Employees by Gender in 2018		
GENDER	TOTAL	%	GENDER	TOTAL	%
FEMALE	3,017	48	FEMALE	1,010	53
MALE	3,233	52	MALE	910	47
Total	6,250	100	Total	1,920	100

Permanent Employees by Region/Gender in 2018				Contract Employees by Region/Gender in 2018			
REGION/GENDER	Female	Male	Total	REGION/GENDER	Female	Male	Total
North	667	874	1541	North	239	233	472
East	244	312	556	East	102	109	211
South	444	449	893	South	141	103	244
West	1,662	1,598	3,260	West	528	465	993
Total	3,017	3,233	6,250	Total	1,010	910	1,920

Bank's Top Management Group by Gender in 2018		
GENDER	Total	%
FEMALE	22	31
MALE	48	69
Total	70	100

Bank's Top Management by Age Group in 2018		
AGE GROUP	Total	%
Under 30	0	0
30 – 50	42	60
Over 50	28	40
Total	70	100

Bank's Top Management by Gender & Geopolitical Zones (Branch Locations) in 2018			
REGION/GENDER	Female	Male	Total
North	0	10	10
East	11	8	19
South	5	23	28
West	6	7	13
Total	22	48	70

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

and their unique perspectives, skills and experiences are appreciated and adequately rewarded. As a company that promotes equal opportunity, our employees come from diverse educational, professional and cultural backgrounds, bringing with them a wealth of experience that encourages continuous learning and enriches interactions.

As at end 2018, we had a total of 6,250 active permanent employees; 3,233 were male, and 3,017 were females, representing 52 per cent and 48 per cent of total employees, respectively. Also, within the period, 70 employees made up our top management group (assistant general managers, deputy general managers and general managers). Of this number, 22 were female, and 48 were male, representing 31.4 per cent and 68.6 per cent respectively, as at 31st December 2018. 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). Of this number, five Directors were male, and one Director was female, representing 80 per cent and 20 per cent, respectively.

We recognise the need for equal gender participation, especially at the level of decision making and we are committed to the continuous improvement of our female-male ratio in the top management and executive management cadre of the organisation. In

2018, 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 organised women's rights online training programme in fulfilment of the Bankers' Committee's Recommendation on Women Economic Empowerment.

During the year under review, the Bank's top management group had forty-two (42) individuals within the 30-50 years' age group, representing 60 per cent of the Bank's senior management team. Individuals that are





above 50 years of age in this cadre were twenty-eight (28), accounting for 40 per cent. There were no employees under the age of 30 in our top management cadre in the year under review.

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

Non-Discrimination

As a responsible organisation, Zenith Bank proscribes discrimination in any form or shade. This is one of the bedrocks of our Human Rights Policy, which abhors discrimination based on tribe, ethnicity, religion, gender, colour, religion, marital and family status or physical challenges. Our approach to ensuring that human rights practices are exercised without discrimination of any kind is to uphold our Human Rights Policy.

The Policy explicitly stipulates expected standards of behaviour in our business transactions

and dealings with stakeholders, both internal and external. We also prevail on our business partners/service providers and investees to also entrench the principle of non-discrimination in their operations. This approach allows and encourages all our stakeholders to report incidences of discrimination through our various engagement channels. For example, our employees have access to the Bank's whistleblowing portal, where any form of discrimination can be anonymously reported.

We ensure that such reports are discreetly investigated and when the facts are established, disciplinary actions are duly meted out in line with the Bank's Disciplinary Policy. Similar measures are taken in cases of discrimination reported by our external stakeholders. Accordingly, in the 2018 financial year, no incidence of discrimination was reported on any of our stakeholder engagement channels. While we acknowledge and celebrate the discipline of our stakeholders in upholding our Human Rights Policy, we remain committed to building a diverse yet non-discriminatory business environment.

Child Labour

Child labour has remained a major global social menace. At Zenith Bank, we recognise this and as such, support all efforts – global and domestic, government and non-government driven – to eradicate child labour. Our prohibition of

As a responsible organisation, Zenith Bank proscribes discrimination in any form or shade. This is one of the bedrocks of our Human Rights Policy, which abhors discrimination based on tribe, ethnicity, religion, gender, colour, religion, marital and family status or physical challenges.

the use of child labour in all our operations and locations demonstrates this commitment.

We have also gone further to communication our stance on child labour to our contractors and suppliers through our 'Code of Conduct for Suppliers, Contractors and Vendors'. Accordingly, we encourage and expect them to have strict policies about child labour, as well as comply with all applicable laws on child labour. But more importantly, we ensure that they adhere to our Human Rights Policy, which prohibits the use of child labour.

Through the administration of our Code of Conduct for Suppliers, Contractors and Vendors, we elicit suppliers, vendors and contractors' commitment to these principles and standards in their business relationship with us. Consequently, we monitor the operations of these suppliers and vendors to ensure that they do not engage underage staff, nor expose workers to an unhealthy work environment. We remain committed to upholding human rights and support the efforts to eliminate child labour and exploitation of workers.

**“
...we monitor the operations of these suppliers and vendors to ensure that they do not engage underage staff, nor expose workers to an unhealthy work environment.
”**

Forced or Compulsory Labour

Forced or compulsory labour constitutes a violation of fundamental human rights. As a responsible organisation that respects the dignity and rights of every individual, Zenith Bank prohibits any form of forced or compulsory labour. To demonstrate our commitment, we are a signatory to, and also uphold, various treaties that protect human and labour rights, such as the UN Global Compact (UNGC), the United Nations Universal Declaration of Human Rights, the International Labour Organization (ILO) Forced Labor Convention (2014), etc.

We understand that to achieve the progressive abolition of forced or compulsory labour requires establishing and ensuring implementation, of relevant standards. Thus, our Human Rights Policy prohibits forced or compulsory labour in every segment of our operations. We maintain this stance in our dealings with our vendors and suppliers, as well as in our investment/lending decision. Our clients clearly understand that we prohibit financing projects that use forced or compulsory labour.

Our approach has ensured that forced labour is eradicated within our business operations. In the 2018 financial year, we recorded no incidence of forced and compulsory labour in our operations. However, we remain committed to responding to reported incidences of infractions both in our operations and that of our clients, suppliers, and subcontractors. This unwavering commitment is at the core of our values as an organisation.

Human Rights Assessment

Respect for human rights and dignity is a moral obligation of any responsible organisation. As a responsible global brand, Zenith Bank understands this responsibility and therefore, strive to ensure that we entrench respect for fundamental rights and freedoms in our processes. Besides aligning our business with the UN Guiding Principles on Business and Human Rights, we support all efforts towards safeguarding and upholding human rights. Zenith Bank is a signatory to many global corporate responsibility initiatives that entrench respect for human rights, such as the UN Global Compact, the UNEP-FI, etc.



Being bound by these principles, we remain resolute in ensuring that the rights of our internal and external stakeholders are safeguarded. Our Human Rights Policy reiterates the fundamental human rights of staff and other stakeholders. Through our code of conduct administered on our vendors and contractors, we entrench the respect for fundamental human rights principles in our supply chain. As a lender, our credit process also includes carrying out sufficient due diligence on loans /investments to forestall the tram-

pling on the rights of members of the community where they operate.

Our robust engagement channels ensure staff across different cadre remain acquainted with their rights, and cases of violation of rights are duly reported, investigation and sanctioned. In the 2018 financial year, 1,573 staff were trained on human rights policies using our online platform. This represents a quarter of our permanent staff strength. The training focused on Women’s Rights, an essential aspect of fundamental human rights that emphasises the

rights and entitlements claimed for women and girls worldwide. In the year under review, no incidence of human rights violation was reported on any of our stakeholder engagement channels.

Local Communities & Social Investments

As a responsible corporate citizen, Zenith Bank supports communities where we operate through social and community investment programmes. We understand that

SOCIAL & COMMUNITY INVESTMENTS BY AREAS OF FOCUS IN 2018		
Area of Focus	Amount	Beneficiaries/ Purpose
Health	NGN466,000,000.00	Donation to Private Health Sector Alliance and medical support/ Aid for different individuals.
Education	NGN266,000,000.00	Donation of ICT Facilities to Bishop Okoye Spiritan Secondary School in Oyigbo, River State and Lagos State College of Health Technology, College of Education Agbor, Delta State. Educational support for Louisville Girls High School and St. Saviour’s School, Ikoyi, Maryland Covent School
Sports/Youth Development	NGN406,000,000.00	Support for Nigerian Football Federation (NFF), Nigerian Basketball Federation (NBBF), and the Delta State Principals Cup.
Government/Public Infrastructure	NGN1,571,000,000.00	Donation of security equipment/Gadgets to several State Security Trust Fund, governments and agencies.
Other Projects/Support	NGN356,000,000.00	Support for various states' economic summits, sponsorship of various conferences and seminar organised by governmental and non-governmental agencies. These include Nigerian Academy of Neurological Surgeons, Musical Society of Nigeria, CFA Society of Nigeria, etc.



supporting these communities through financial contributions and value creation not only enhance our social impact but also help us establish and maintain good relationships and trust.

Leveraging our robust engagement/feedback channels, our host communities steadily provide us with vital information that shapes our Corporate Social Responsibility (CSR) policies, strategies and actions. As such, our CSR actions are well targeted and needs-based. More importantly, we align our social investments with the Sustainable Development Goals (SDGs) of the United Nations, which emphasises a holistic approach to achieving a sustainable future for all. At Zenith Bank, our areas of focus remain Health, Education, Sports and youth development, Government/Public Infrastructure. We have continued to deliver social projects that have sustainable socioeconomic benefits for our host communities in these areas.

In the 2018 financial year, Zenith Bank expended NGN3.065 billion on social investments to improve the lives of people in communities where we operate. The amount represents a 17 per cent increase over the 2017 figure of NGN2.611billion. Our most significant social investment in 2018 was on promoting the se-





Some Specific CSR Projects and Beneficiaries in 2018		
Beneficiary	Amount	Purpose
The ARISE Fashion Management and Mentoring Programme (AFMMP)	NGN50,000,000.00	Donation towards the Arise Fashion Week 2018.
The Chartered Financial Analyst (CFA) Society of Nigeria	NGN30,000,000.00	Sponsorship support for the CFA Institute Research Challenge.
Various States' Security Trust Fund	NGN1,571,000,000.00	Provision of Security Equipment and training of security personnel in Lagos Abia and other States across the Country.
The Nigerian Academy of Neurological Surgeons (NANS)	NGN10,00,000.00	Donation towards the 3rd Congress of the Continental Association of African Neurosurgical Societies
Delta State Ministry of Basic & Secondary School	NGN43,000,000.00	Sponsorship of the Third Edition of the Delta Principal Cup
Cross River State Government	NGN10,000,000.00	Sponsorship Support for Annual Calabar Festival
Nigeria Basketball Federation (NBBF), Nigeria Football Association (NFF), Badminton Federation of Nigeria (BFN), etc.	NGN363,000,000.00	Sponsorship of various sports development initiatives.
ReadManna Ventures	NGN14,000,000.00	Sponsorship on 2018 Microsoft Office World Championship in Orlando, Florida, USA.
Private Health Sector Health Alliance	NGN305,000,000.00	Seed Fund Support for the Foundation's child and maternal health Programmes
Medical Assistance for Various Individuals	NGN158,000,000.00	Medical Assistance for the treatment of underprivileged individuals with life-threatening ailments.
Musical Society of Nigeria (MUSON)	NGN14,000,000.00	Sponsorship towards the promotion of Nigeria's arts and culture
Various Economic Societies/Chambers of Commerce, Associations, etc.	NGN61,000,000.00	Sponsorship of various economic Summits, Conferences, Business Meetings, Retreats, etc.



curity of lives and property of local communities. Our need-gap analysis revealed that security remains the cardinal need of our communities. Thus, we invested NGN1.57 billion in collaborating with the local communities, the federal, state and local governments, and other relevant agencies to preserve the public peace, and ensure a crime-free environment for all.

During the period under review, we sustained our various sports development initiatives to encourage youth development and empowerment at both amateur and professional levels. These include sponsorship of the Delta State Principal's Cup; the Nigerian Football Federation (NFF); and our flagship Zenith National Women's Basketball League in partnership with the Nigerian Basketball Federation (NBBF). With a total of about N406 million, sports received a large chunk of our social investment in 2018 in line with the high priority we place on empower-

ing the country's teeming youth population.

In the area of health, our initiatives in the year under review were mostly focused on maternal healthcare and medical assistance to the members of our host communities with medical challenges. We scaled up our support for the Private Sector Health Alliance of Nigeria with a seed contribution of NGN305million. The goal of this initiative is to positively influence private and public policies towards addressing women and children's health and wellbeing issues, including maternal and neonatal mortality. Other health initiatives in 2018 include NGN158 million investment in various medical interventions for low-income individuals faced with different life-threatening medical conditions. These medical aids have restored joy and hope to many households at the verge of a losing a loved one, from a three weeks old baby with a heart defect, to a 22-

year-old man needing a kidney transplant and even the aged needing corrective surgeries for cataract and glaucoma.

In line with our firm commitment to the development of the Nigerian education sector, we expended about NGN266million through various initiatives in the sector in 2018. These actions of ours support our commitment to ensuring that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes and ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university. Zenith Bank's social investments in education also cover our quest to facilitate access to quality education beyond what is provided free of charge by the government and to continue enhancing the standard of education and human capital development in Nigeria.





Our educational empowerment initiatives in the year under review include a flagship vocational training center in Delta State in partnership with the Centre for Values in Leadership (CVL), a non-profit organisation towards its goal of equipping about 20,000 young persons with practical and marketable skills they require to gain employment as well as increase their access to credit and financing. This donation supports our contribution to the SDG 4 target of substantially increasing the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship;

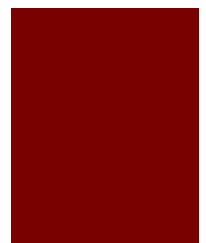
Other education targeted donations include the donation of ICT facilities to Bishop Okoye Spiritan Secondary School, Oyigbo, River State; Lagos State College of Health Technology; College Of Education Agbor, Delta State; educational support for Louisville Girls High School, Ijebu-Itele, Ogun State; support for CFA Society in Nigeria and the Zenith Academic Excellence Award for Best Graduating Students in some Federal Universities, among others. We remain committed to executing high impact social investments that will improve the lives and standard of living in our host communities.

Product and Service Labeling

The Nigeria financial industry is highly regulated by the Central Bank of Nigeria (CBN). Accordingly, we are under obligation to give full disclosure of all our financial products and services. More importantly, we place a high premium on the loyalty and trust of our customers. We reflect our core value of integrity in all our business conduct, including complete information disclosure regarding products and services and associated risks/charges.

Consequently, across all customer touch points, we ensure accurate and honest labelling of products and services. We understand that our customers rely on information regarding our array of innovative products and services to make business/investment decisions. As such, we consistently ensure that marketing communications of the Bank's products and services carry relevant, adequate and accurate information. We remain resolute in our commitment to ensuring that our products and services meet the needs and ambitions of our different market segments, improve their lives by creating sustainable wealth and financial security and support the financial inclusion drive.

In our nearly three decades of providing financial services, Zenith Bank has remained innovative in its



products and services offering. Our range of banking products and services, as well as digital solutions, adhere strictly to extant rules and guidelines on product marketing and labelling. Thus, in 2018, our product offerings did not contravene any product labelling laws. We conducted our product offerings, advertisements, promotions, etc. in line with marketing and labelling regulations. We will continue to adhere to the highest standards of integrity in all our media and marketing communications.

Customer Privacy

At Zenith Bank, respect for customer privacy together with the security of information relating to them and their transactions is central to our core business. We understand the financial and reputational damage of any breach on our data security. We place a high value in the handling and protection of sensitive personal information of our customers. In addition to a regulatory requirement, financial services providers collect and sometimes need to share, customers' personal information for various business purposes such as account opening. The major challenge of most businesses is ensuring customer privacy and the security of their information.

The Bank has put in place a resilient Information Technology (IT) security systems, managed by our IT department, to safeguard critical customers' information in our possession. This system is continuously upgraded to repel information breaches. Additionally, our

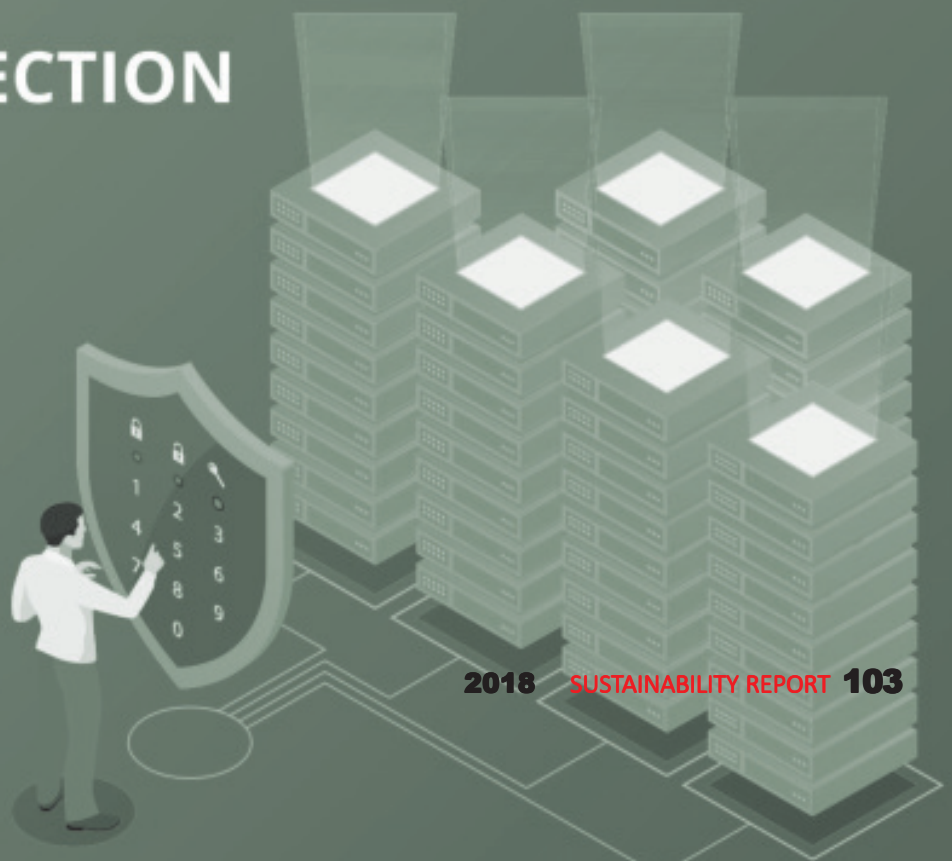
employees adhere strictly to the Bank's policy on information confidentiality. They are continually trained on the requisite skills to protect customers' confidential information. Besides, our access control policy ensures that only authorised members of staff have access to certain applications, as well as sensitive areas of our operation, thereby limiting the chances of a data breach.

As a result of these measures, Zenith Bank has maintained an enduring good reputation in the area of respecting customer privacy and the security of customers' accounts and information. In the 2018 financial year, the number of customers' complaints about confidentiality breach were insignificant. Of the 224 complaints received from our customers in the reporting year, none bothered on breach of privacy. While we celebrate this feat, we remain committed to upholding our confidentiality oath, especially in the face of rising issues of information breach/theft.

Socioeconomic Compliance

As a publicly quoted financial institution in Nigeria, Zenith Bank is guided by the rules and guidelines of the Nigerian Stock Exchange (NSE), the Securities & Exchange Commission (SEC), the Central Bank of Nigeria (CBN) and the National Deposit Insurance Corporation (NDIC). Consequently, any act of non-compliance may have substantial monetary and non-monetary implications to the Zenith brand. In view of this, Zenith Bank, as a responsible corporate citizen, strives to comply

DATA PROTECTION



with extant rules and regulations; knowing that non-compliance put the bank's reputation and the interest of our stakeholders at risk.

We maintain a regulatory reporting unit within the bank that closely monitors regulatory pronouncements and requirements relating to reporting rendition to ensure we do not default in the delivery of the expected result. We have also put measures in place to ensure compliance and mitigation of risks associated with non-compliance. These include: Automating the report rendition process to achieve consistency, accuracy and timeliness; coordinating our reporting activities as a bank, engaging the regulators on grey areas to ensure that the bank's understanding of regulation is the same as the intended objective of Government, etc.

Within the organisation, our staff periodically undergo training/ workshops (both classroom and online) such as Anti-Money Laundering Workshops, Fraud and Policy Awareness training, etc. to keep abreast of regulatory issues.

During the 2018 financial year, we incurred a penalty of NGN10million due to contraventions of the regulation of the Banks and Other Financial Institutions Act, 1991. We incurred about N2million penalty for the application of excess charges on status enquiry, N4million penalty for the opening of a branch in Dubai without the approval of the CBN, and another N4million penalty for dismissed/terminated staff and an additional penalty for failure to discharge within the stipulated timeframe. We recognise the gaps that attracted these penalties and re-

main committed to ensuring compliance and best practices in all our business activities.

Product Portfolio

As a leading financial intermediary, Zenith Bank has continued to develop products and services that meet the needs of all the economies where it operates. The Bank's innovation and application of state-of-the-art technology has positioned us to provide bespoke financial products and services to all sectors of the economy. Our excellent customer service remains our unique selling point aimed at creating premium value for all stakeholders. Zenith Bank's product portfolio is made up of customised financial products and services that are designed to meet the unique needs of our different customers. The Bank also ensures



that all our products comply with existing rules and regulations that guide our industry as well as, working in consonance with national priorities and the Sustainable Development Goal 10 to 'Reduce inequality' by providing products tailored to meet the financial needs of individuals in all strata of the economy.

Zenith Bank has created innovative products and services in different desks and business units designed to meet the changing needs of our esteemed customers. This enables us to cater for all financial and banking needs of our customers in different segments of the economy. Subject to executive management's approval, our line managers drive the successful development of these products. The Bank has put in place several policies and guidelines which direct the operations and development procedures of all new products.

To optimise our service promise, we conduct a periodic review of all our products and services, and either modify or improve accordingly, in line with emerging trends. Indeed, Zenith Bank has sustained its outstanding performance as a direct result of the effectiveness of our product and service development and delivery approaches. We continue to improve on these approaches.

Major e-business products and services that were developed by the Bank during the period under review include online services and products such as ZedStores, the introduction of self-service on internet banking channel that allow our customers to carry out limit increase, bulk payments and custom duty payments. Zenith Bank also deployed USSD (EazyBanking) on PoS, as well as on Scan To Pay, Agency Banking for PoS merchants and consolidated



INTERNATIONAL MONEY TRANSFER

Receive money from abroad without hassles at any Zenith Bank branch nationwide.

“ The Bank also introduced multi-factor authentication and increased transfer limits on the Eazybanking platform. ”

settlement. Furthermore, Zenith Bank introduced a distress code (*966*60#) on our Eazybanking platform to allow account holders to restrict transactions on their account if they suspect a breach of any of their transaction instruments. The Bank also introduced multi-factor authentication and increased transfer limits on the Eazybanking platform.

We are aware of the possible risks that may arise from these products and have put in place measures to mitigate them. For instance, our merchant onboarding process is designed to limit fraudulent merchants from enrolling on the platform. Merchant validation with PIN and one-time-PIN (OTP) or Mobile PIN is required. Similarly, our technological configurations are deployed in such a way

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		

5 Channels to update your BVN

-  Dial *966*BVN#
-  Log on to Zenith Bank Internet Banking
-  Visit any Zenith Bank Branch
-  Zenith Direct:
+234 1 278 7000, +234 1 292 7000
-  Visit www.zenithbank.com/bvn



ENQUIRIES OR FEEDBACK?

You can **chat live** with us 24/7 at www.zenithbank.com.

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- Zenith Bank Plc on **Facebook**
- @zenithbankplc on **Instagram**
- Email: zenithdirect@zenithbank.com
- **Zenithdirect** on 01-2787000 and 0700ZENITHBANK

that ensures that all our merchants comply with relevant regulatory and legal obligations. Zenith Bank also provides Cardholder/End User Repudiation & Support and Dispute management and resolution to address account holders feedback and complaints. Cardholder and end-user repudiation and support are covered in our policies. Our dispute management and resolution channel are also transparent to ensure customer satisfaction. We also carry out transaction monitoring to ensure strict compliance with AML and regulatory policies.

To mitigate possible risk in our transaction initiation and consummation, 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, have been put in place. Zenith Bank also strictly complies with anti-money laundering (AML) and other regulatory policies through our transaction monitoring procedures.

During the year under review, Zenith Bank remained committed to the national and global efforts aimed at increasing financial inclusion and literacy rates. We continue to provide E-business products and services that are developed to drive the economic empowerment of our existing customers as well as financial inclusion for the unbanked population. Some of our unique product features include:

- E-wallets operation with minimal KYC requirements.
- EazySave and Eazyclassic account opened with minimal KYC requirements.
- Alternative e-solution for merchants with micropayments.
- Consummation of daily transactions within approved limits for e-wallet operated and account class opened.

ZENITH BANK'S 2018 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 /Eazy Banking/Scan To Pay, Internet Banking/CIB.	Individuals	N/A	All (ubiquitous)	P2P, P2B, B2B	Govt. Utility providers, Corporates and Individual
Collection Products (Xpath, CMMS, PayDirect, Payoutlet, PayCollect, Pay4me, Remita, NIBSS E-BillsPay.	Corporate customers	All	All	Individual payers	Corporate organization

During the year under review, Zenith Bank remained committed to the national and global efforts aimed at increasing financial inclusion and literacy rates.

Other products and services that were upgraded by the Bank during the period under review include several collections, payments and reporting solutions such as:

Collection Solutions:

1. Zenith Collection Solutions: PoS, mPoS, ATM, WEB, Global PAY, Mobile Banking Scan To Pay, USSD EazyBanking.
2. Zenith Bank Branch Collection Solutions: X-path;
3. 3rd Party Collection Solutions: SME Online, Quick Teller, WebPay, CentralPAY+, mCASH, NIBSS Direct debit.
4. 3rd Party Bank Branch Collection Solutions: PayDirect (Interswitch), Payoutlet (E-Tranzact), PayCollect, Pay4me, Remita

(Systemspec), NIBSS e-BillsPay Payment Solutions:

5. Zenith Payment Solutions: Corporate Internet Banking and Internet Banking.
6. 3rd Party Payment Solutions: AutoPay, Corporate Pay (E-Tranzact) and Remita.
7. Zenith Reporting Solutions: Zenith e-Channels portal, Real-Time Access, Alertz, GlobalPay and Report console.
8. 3rd Party Reporting Solutions: Extraswitch, Interswitch Scorebridge, MasterCard connect.

These products are targeted at serving specific markets (see table above).



AUDIT

Zenith Bank understands the critical components of environmental and social footprint management, effective monitoring and measurements. In 2018, the Bank closely monitored and measured its sustainability milestones and footprints. This provided us with a yardstick to evaluate our sustainability progress and plot the pathway to greater performance.

During the year under review, Zenith Bank's Internal Control and Audit department conducted several internal process audits. These included an examination of customer complaints received and processed in 2018; a review of the Bank's capital adequacy; stress test on the Bank's recovery and resolution plan; among others.

Also, during the year under review, the Bank contracted V4 Advisors to measure our carbon footprint/emission in line with regulatory and global expectations. And consequently, we organised a carbon footprint training for relevant KPI owners in the different departments in the Bank. The Greenhouse Gas (GHG) audit, measured in tCO₂e, for our Head Office buildings in Victoria Island, Lagos alone, was based on the Business-as-Usual (BaU) scenario. V4 Advisors 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 2018 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 0.9 tCO₂e per square meter in 2018. This is a 37.9 per cent reduction from 1.4 tCO₂e per square meter recorded in 2017. In 2018, Scope 1 (Diesel consumption from owned-generators, fuel consumption from vehicle fleets and refrigerants from cooling systems) contributed significantly to the total GHG emissions, accounting for 74.9 per cent, while Scope 2 (Electricity purchased from PHCN) and Scope 3 (Air travel for business reasons and Paper consumption) accounted for 23.0 per cent and 2.2 per cent of the total GHG emissions, respectively.

A breakdown of the report revealed that; Electricity generated by owned generators and purchased from local utilities were the primary sources of the total GHG emissions, accounting for 46.3 per cent and 23.0 per cent respectively in 2018.

This is followed by; refrigerants - 15.0 per cent; car fleet -13.5 per cent; flight travels - 2.0 per cent; and paper consumption - 0.2 per cent.

Zenith Bank has put in place a strategy to carry out external CO₂ emission audit yearly (with 2016 as audit baseline year) to effectively gauge and manage our footprints. This allows us to capture, measure and monitor our footprints more accurately and objectively, in our quest to improve our positive impacts on the environment and manage the negative impacts of climate change. In line with our carbon emission reduction strategy, we are committed to considerably enhancing our institutional capacity on climate change mitigation, adaptation and impact reduction in furtherance of the Sustainable Development Goal 13: 'Climate Action'.

Zenith Bank has in place an environmental and social risk management framework that ensures all projects undergo risk evaluation and categorisation as part of our far-reaching environmental and social risk due diligence process. Corrective Actions Plans are developed for all category A and B projects for observed environmental and social risks. The corrective plans are then presented to our customers for discussions with an understanding to commit to the agreed action plans before the transaction can proceed to the final stage of approval. To improve the process efficiency of the E & S assessment, we are currently at the final stages of automation and is expected to go live before the end of 2019.

Our E&S policy also requires that all significant projects carried out or financed by the Bank undergo periodic monitoring. Investees are expected to give a quarterly report on the progress and level of compliance with agreed corrective actions and other E&S conditions. Customers are obligated to provide updates on any new environmental and social issues that occur throughout the lifespan of the project. Zenith Bank is committed to Responsible Consumption and Production as spelt out in 'Goal 12' of the Sustainable Development Goals.

To ensure compliance with our green credit policy, our Corporate Sustainability & Responsibility team works in collaboration with the Credit Risk Management Group; Loan Review and Monitoring Department; Compliance Department; Up-country Credit Department; and the Risk Management Group. Measures are put in place to educate all our new credit customers on this policy as well as customers that were in our books before the new policy was introduced.

“ Zenith Bank has in place an environmental and social risk management framework that ensures all projects undergo risk evaluation and categorisation as part of our far-reaching environmental and social risk due diligence process. ”

Active Ownership

As a foremost financial services institution, we have developed relationships with various economic agents and our portfolio includes key players in all sectors of the Nigerian economy. The Bank acknowledges the fact that some of the business activities which we fund could have adverse effects on our society and the physical environment. We are also fully aware of our responsibility to make sure that we engage our third-party relationships, to mitigate the potential environmental and social risks they pose to us as a bank, and also, their negative impact on the society at large.

The Executive Management of the Bank had in 2017 approved a policy that fully integrated Environmental and Social (E&S) risk considerations into all our credit and investment decisions. Our E&S policy has effectively made environmental and social compliance a precondition in credit considerations and approval effective January 1, 2018. We have also replicated the E&S policy in our business relationships with our contractors, suppliers and vendors.



So far, we have taken our 'BIG WAR' Against Cancer to various communities, local government councils, worship places (mosque and churches), town unions, government organisations and schools in the country.

Special PROJECTS



The 'Big War' Against Cancer Continues



Zenith Bank in partnership with the Mass Medical Mission and Committee Encouraging Corporate Philanthropy (CECP), is taking action to support the efforts of

the National Cancer Control Plan (NCCP) to reduce the incidence and prevalence of Cancer in Nigeria. Our BIG WAR Against Cancer is aimed at making holistic health promotion and cancer prevention accessible to all Nigerians, especially to the underserved communities where this coverage is not readily available.

Cancer is responsible for 72,000 deaths in Nigeria every year, with an estimated 102,000 new cases annually. Breast and Cervical cancer have been identified as the two most common types of Cancer responsible for approximately 50.3 per cent of all cancer cases in Nigeria. This data is according to the National Cancer Control Plan 2018 – 2022.

Since 2016, Zenith Bank has invested over NGN1.2 billion for the purchase of ten (10) Mobile Cancer Centres (MCC) and Comprehensive Cancer Centres (CCC). The MCC popularly called the **PinkCruise**, is a mobile



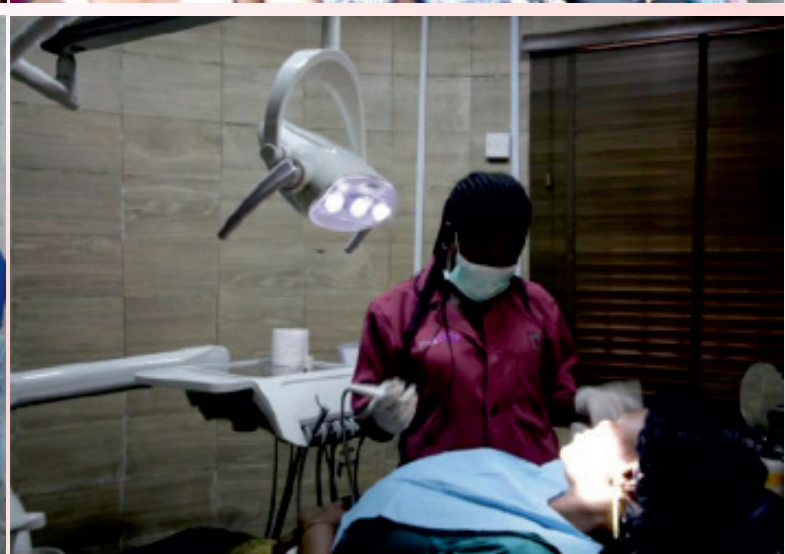
clinic equipped with state-of-the-art facilities for screening and treatment (including mammography, endoscopy, colonoscopy, colposcopy, cryotherapy, lab tests, vaccination and surgeries for pre-cancer/early stage cancer). The PinkCruise is deployed alongside free vision and dental screening and treatment community outreaches (Mission PinkVISION and PinkDentist).

So far, we have taken our 'BIG WAR' Against Cancer to various communities, local government councils, worship places (mosque and churches), town unions, government organisations and schools in the country. Starting its inaugural outreaches in Delta State and the FCT and now in Lagos State, the PinkCruise has directly reached over 18,116 beneficiaries. Of these 18,116 beneficiaries, 60 per cent were diagnosed with various pathologies, with the most common conditions being cancer-related, eye, dental and general health issues. Specifically, 31 per cent were diagnosed with sight problems and 1,619 free reading glasses were dispensed, 9 per cent were diagnosed with Cancer, 8 per cent were

treated for dental related issues, while others were diagnosed with systemic killer diseases which are also risk factors for Cancer, including obesity, hypertension, diabetes mellitus and hepatitis.

We are committed to scaling up efforts to ensure that we significantly contribute to delivering the Sustainable Development Goal 3 - Ensuring healthy lives and promoting wellbeing for all.

More information about the medical outreach is available online at www.pinkcruise.org; or <https://www.zenithbank.com/lagos-state-pilot-programme-12-months-schedule-of-mission-pinkcruise.pdf>. 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 1047, +234 (1) 278 1052; Email: zenithsustainability@zenithbank.com or csr@zenithbank.com.



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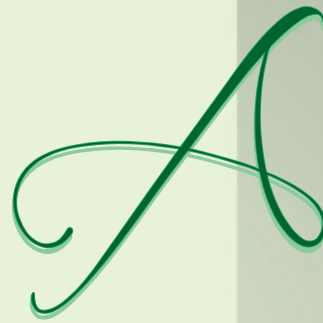
www.zenithbank.com



Nigerian Sustainable **BANKING PRINCIPLES (NSBP)**

Our NSBP SCORE CARD

As a signatory to the NSBP, Zenith Bank has taken proactive steps to fully integrate them into its business policies, processes and procedures. The Nine Principles of the NSBP form one of the bases of our sustainability strategy and framework, and we take further action to report our implementation progress to the CBN bi-annually.



At Zenith Bank, we understand the evolving expectations of the people, communities and businesses that we serve. We recognise our role in creating sustainable value and impacting positively on all our stakeholders. Hence, in line with global best practices, we have embraced sustainable business principles and standards and integrated environmental and social risks considerations into our processes, as well as our credit and investment decisions.

As a global brand, we remain committed to advancing sustainability principles and standards that are aimed at the social, economic and environmental wellbeing of the communities and economies that we serve, whether as a financial intermediary or as partners.

We are a signatory to the Nigerian Sustainable Banking Principles (NSBP), a set of Nine (9) principles introduced by the Central Bank of Nigeria (CBN) in conjunction with the Bankers' Committee in 2012. As a signatory to the NSBP, Zenith Bank has taken proactive steps to fully integrate them into its business policies, processes and procedures. The Nine Principles of the NSBP form one of the bases of our sustainability strategy and framework, and we take further action to report our implementation progress to the CBN bi-annually. The table below outlines our progress in NSBP implementation in the 2018 financial year.



Zenith Bank NSBP Milestones

NSBP PRINCIPLES	DEFINITION	OUR PROGRESS
<p>PRINCIPLE 1.</p>	<p>Managing environmental and social risks in the Bank's business transactions.</p>	<p>As a foremost financial services provider, our lending decisions and policies have been aligned with the provisions of the NSBP. We mostly ensure green financing of significant projects in critical sectors of the economy. We also ensure that our credit facilities are not extended to companies whose operations do not conform to the principles of sustainability. 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 amongst others. They are also encouraged to be energy efficiency; be responsible in the use of natural resources; be responsible in waste management practices; and adopt the use of renewable energy; among other environmental and social best practices in their business operations.</p> <p>In the first quarter of 2018, Zenith Bank made considerable strides in its adoption and integration of sustainable banking principles into all credit decisions, operations and other practices. Our goal remains to expand our E&S risks dragnet to cover all significant 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> <p>The Bank is committed to rethinking its business processes, products and services to ensure compliance with the Sustainable Development Goals of the United Nations and the principles of responsible banking of the United Nations Environment Programme Finance Initiative (UNEP-FI).</p> <p>Our Corporate Social Responsibility (CSR) initiatives are targeted at health, education, women and youth empowerment, sports development and public infrastructure enhancement. The strategic focus of our CSR initiatives is to complement government's efforts at reducing poverty and enhancing the wellbeing of our host communities.</p>
<p>PRINCIPLE 2.</p>	<p>Managing environmental and social footprints in the bank's operations.</p>	<p>As a financial services provider, our direct environmental 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 improving our structures and systems to manage our environmental footprints more responsibly. Zenith Bank documents, measures and monitors its footprints to ensure continuous process improvements.</p> <p>Zenith Bank audit and reports the carbon emissions of its Head Office using a Certified tool - the "GHG Protocol". We are showing our commitment to the United Nations Global Compact (UNGC) Principle 8; to undertake initiatives to promote greater environmental responsibility, in addition to complying with the Global Reporting Initiative (GRI) Standards.</p> <p>In 2018, the total area covered in the external carbon footprint audit conducted by V4 Advisors for the bank was expanded by 92.2 per cent from 6,730.52m² in 2017 to 12,938.5 m² in 2018, accommodating 1,136 employees. The audit report shows that the total GHG emitted in Zenith Bank's Head Office was 0.9 tCO₂e per square meter in 2018. This is a 37.9 per cent reduction from 1.4 tCO₂e per square meter recorded in 2017. We will continue to build on this achievement. On social footprints, we continue to ensure that we have a positive impact on host communities and the larger society. Zenith Bank's total Corporate Social Responsibility investment was for the 2018 financial year was NGN3.1 billion, representing 1.61 per cent of Profit After Tax. Our CSR actions covered education, sports, health and several special interventions.</p> <p>In our internal operations, we continue to adopt policies that ensure best practices in occupational health and safety, good labour relations, preservation of human rights and work/life balance for our employees. The continuous enforcement of our compulsory 5 pm closing time has had a significant positive impact on work/life balance and also boosted productivity and job satisfaction within the workforce. The initiative has also significantly reduced our energy spending and carbon footprint.</p>

Zenith Bank NSBP Milestones

NSBP PRINCIPLES	DEFINITION	OUR PROGRESS
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 its relations with external parties based on race, colour, religion, gender, (dis)ability or marital status. We recognise that a diversified workforce allows us to pool exceptional professionals with capabilities that help us sustain our competitive edge. In 2018, we trained employees in all cadres on Human Rights Framework and Women's Rights using our online platform. In total, about 1,573 employees participated in our online training, representing 25.2 per cent 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 per cent of our total workforce; while females of the management cadre remained at 22 per cent in 2018. The Bank spent over NGN539 million on building capacity for its female employees during the year. About 1,976 employees took the Online Women's Right training.</p> <p>We have consistently sought to provide support for women empowerment through our social investments. Zenith Bank has, for the last 14 years, 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 2018, the Bank supported 74 women and women-owned businesses with facilities and loans of about NGN1.29 billion. The Bank recognises the need to support promising female entrepreneurs and is committed to developing customised products to meet their business needs.</p>
PRINCIPLE 5.	Promoting financial inclusion and taking banking products and services to the unbanked population	<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 customised and affordable products and services that meet their unique needs.</p> <p>In 2018, over 538,910 previously unbanked individuals received financial services or products for the first time through Zenith Bank. We have been able to achieve this through our 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.</p>

Zenith Bank NSBP Milestones

NSBP PRINCIPLES	DEFINITION	OUR PROGRESS
PRINCIPLE 5.	Promoting financial inclusion and taking banking products and services to the unbanked population	<p>In the year under review, the volume and value of our USSD transactions recorded significant growth, from 12,710,612 and NGN120,083,630,123.77 respectively to 29,652,673 and NGN380,250,271,388.24, indicating a percentage increase of 133.2 per cent.</p> <p>We also upgraded the accessibility of our branches; hence 30 of our branches can be easily accessed by physically challenged persons. We are committed to increasing the number.</p> <p>In partnership with the Central Bank of Nigeria (CBN), Zenith Bank organised and facilitated Financial Literacy workshops in March and October 2018, covering a total of 60 schools in the six geopolitical zones of the country. The programme was aimed at teaching children the critical fundamentals of financial literacy, re-enforcing a savings culture as well as teaching them the basics on entrepreneurship / livelihood skills. This programme directly impacted a total of 10,109 students (4,964 boys and 5,145 girls specifically).</p> <p>Zenith Bank is committed to increasing its social media presence and radio campaigns, TV adverts and digital campaigns on social media to promote financial inclusion and literacy across the country.</p>
PRINCIPLE 6.	E&S Governance	<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 objectives. We also have a management level Sustainability Steering Committee (SSC) tasked with the responsibility of overseeing our overall sustainability agenda through regular analysis and reviews of our E&S policies and practices. This is to ensure that we comply with globally acceptable economic, environmental and social norms. Our E & S policy 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. 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, including the annual standalone GRI Sustainability Report; CBN's bi-annual NSBP report; UNGC, IFC, UNEP- FI reports, and so on.</p>

Zenith Bank NSBP Milestones

NSBP PRINCIPLES	DEFINITION	OUR PROGRESS
PRINCIPLE 7.	Training and Capacity Building	<p>Training and capacity building remained one of the vital people-oriented strategies we adopted in the year under review.</p> <p>A total of 6,539 employees, representing 99.9 per cent of the workforce, were trained within the 2018 financial year using mostly online and classroom channels. Three thousand six hundred three (3,603) members of the workforce were trained on sustainability and environmental and social risk management in the year under review. NGN1.25billion was expended on these training and capacity building in 2018.</p> <p>As part of our sustainability acculturation strategy, we integrated Sustainability, Environmental and Social Risk Management sessions into our quarterly Anti-Money Laundering training; our Operational Risk Management training; 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 on our intranet portal.</p>
PRINCIPLE 8.	Promoting collaborative partnerships	<p>Zenith Bank partners with global sustainability leaders to encourage the practice of sustainability in the Nigerian financial services sector. The Bank is a GRI Gold Community member. This gives us a platform to continuously improve our sustainability reporting and practices.</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 the States and the Federal governments towards improving sustainable development in the country.</p>
PRINCIPLE 9.	Sustainability Reporting	<p>On December 13, 2018, Zenith Bank endorsed the landmark draft principles of responsible banking under the auspices of the United Nations Environment Programme Finance Initiative (UNEP-FI). The principles of responsible banking seek to align the Bank's business strategy with society's goals.</p> <p>Zenith Bank has published three standalone Sustainability Reports, starting from the 2015 financial period. Our 2016 independent Sustainability Report titled "Creating Wealth Sustainably" is the first report in Africa's financial services sector to have adopted the newly unveiled GRI Standards. The Bank has won the SERAS' CSR Awards as the Best Company in Sustainability Reporting in Africa, for two consecutive years, 2017 and 2018.</p> <p>As a signatory to the Nigerian Sustainable Banking Principles (NSBP); the United Nations Global Compact, and a member of the Global Reporting Initiative (GRI) Gold Community, we remain fully committed to sustainability reporting. In 2018 as in the preceding year, we complied with the bi-annual NSBP implementation reporting and sent annual reports to the IFC, UNGC, PROPARGO, among others.</p>





...our financial inclusion strategy aligns with the National Financial Inclusion Strategy (NFIS) of the Central Bank of Nigeria,



Financial  **INCLUSION**



Financial Inclusion

In Nigeria, it is estimated that over 50 per cent of the adult population do not have bank accounts and access to formal financial services. To close this gap and help achieve the Nigerian Sustainable Banking Principle 5, Zenith Bank considers it a social responsibility to empower economically disadvantaged persons by giving them convenient and affordable access to banking services. Hence, we

continue to strategise on financial inclusion through our relevant stakeholders towards achieving this goal.

In addition to the drive to on-board more individuals into the formal sector, we organised a flagship initiative themed “Style by Zenith” in 2018. The event, which will continue to hold as an annual event, is targeted at supporting the retail business by connecting them to consumers across all demographics. Our debut “Style by Zenith”, which attracted over 190 businesses, offered the Bank a platform to introduce its financial products and services tailored for SMEs, including electronic products. Through this programme, the Bank demonstrated its commitment to the empowerment of



SMEs in Nigeria.

Overall, our financial inclusion strategy aligns with the National Financial Inclusion Strategy (NFIS) of the Central Bank of Nigeria (CBN), to ensure all adult Nigerians have easy access to a broad range of formal financial services that meets their needs, and are provided at an affordable cost. This commitment will further provide financial independence and stability for the underserved population, by equipping them with information on the numerous financial products and services available to them. We realise that in achieving this, we will be helping to improve household welfare and spur small enterprise activities for the economically disadvantaged, thereby reducing income inequalities.

To serve this group, we have continued to drive our 'Zero account opening balance' product, in addition to several other financial inclusion focused products and services, such as the Zenith Children's Account (ZECA), Aspire, EazySave Classic, EazySave Premium,



Retail Account Products: 2017 Vs 2018

Account Name	Jan to Dec 2017	Jan to Dec 2018
Individual Current	21,080	25,985
Gold Current	1,586	798
Platinum Current	426	402
Salary Current	5,361	3,611
Savings Acct	244,295	326,840
Cash Dom	2,474	1,244
Prepaid Reloadable	931	878
Virtual Savings	2,239	585
Salary Savings	78,572	48,171
Zenith Children Account	18,026	19,500
EazySave Classic	410,801	506,560
EazySave Premium	22,370	33,026
EazySave Plus	12	19
Aspire	40,755	41,582
Asha/Asiea	876	180
	849,804	1,009,321

***966#**
EazyBanking

... it's not just
Banking
it's a
Lifestyle



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# shortcode to open an account or perform other basic banking transactions such as: funds transfer, airtime purchase, bills payment and balance enquiry. USSD banking offers our customers 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 and affordable. In the year under review, the volume and value of our USSD transactions recorded significant growth, from 12,710,612 and NGN120,083,630,123.77 in 2017, re-



larly, PoS terminals across all the states of the federation rose by 19 per cent, from 13,798 at the end of 2017 to 16,425 as at end 2018.

In 2018, we considerably deepened our social media penetration to reach more people. We will continue to deploy radio campaigns, TV adverts, and digital campaigns on social media to promote financial inclusion and literacy across the country. Also, in the year under review, Zenith Bank took the financial literacy campaign to over 10,109 students across the country as part of the Central Bank of Nigeria’s annual Financial literacy and World Savings Day initiatives.

spectively to 29,652,673 and NGN380,250,271,388.24 in 2018, indicating an increase of 216.7 per cent

Zenith Bank considers its E-banking products and channels as a critical driver of our financial inclusion strategy. We consistently position these products and platforms to help reduce banking cost and encourage the previously un-banked members of the public to embrace our financial services using mobile devices, especially in areas where there may not be physical bank presence.

We are one of the biggest banks in Nigeria, and so we recognise the need to continue to expand our network of Automated Teller Machines (ATM), Point of Sales (PoS) terminals, branches and business offices throughout the country. As of December 31, 2018, the Bank had deployed 1,817 ATMs, a 12.2 per cent growth from 1,620 ATMs deployed as at end 2017. This development helps us to take banking services closer to the populace. Simi-

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Zenith Bank considers its E-banking products and channels as a critical driver of our financial inclusion strategy.

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lly, PoS terminals across all the states of the federation rose by 19 per cent, from 13,798 at the end of 2017 to 16,425 as at end 2018. In 2018, we considerably deepened our social media penetration to reach more people. We will continue to deploy radio campaigns, TV adverts, and digital campaigns on social media to promote financial inclusion and literacy across the country. Also, in the year under review, Zenith Bank took the financial literacy campaign to over 10,109 students across the country as part of the Central Bank of Nigeria’s annual Financial literacy and World Savings Day initiatives. Zenith Bank facilitated financial literacy workshops across the six geographical zones of the country in compliance with the initiative.

For the 2018 World Savings Day, 92 Staff including executive management members of the Bank visited 22 Local Government Areas in 7 states of the federation: Anambra, Cross River, Nasarawa, Kaduna, Ogun, Gombe and the Ebonyi States. A total number of 4,827 secondary school students, which comprised 2,383 girls and 2,444 boys were taught financial literacy and the importance of leveraging financial services and products. Also, for the 2018 Financial Literacy Day which Zenith Bank partook of, a total of 5,282 school children were mentored comprising 2,701 girls and 2,581 boys. The students were trained on the fundamentals of finan-

cial literacy, re-enforcing a savings culture as well as teaching basics entrepreneurship /livelihood skills. The students also learnt how to use the ATM and PoS for cash withdrawal/transfers and other transactions.

The Bank has made major strides in the reduction of the number of adults in the country without access to financial products and will continue to drive financial literacy, in line with the Nigerian Sustainable Banking Principles of the CBN.

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 31/12/2017	As At 31/12/2018	As At 31/12/2017	As At 31/12/2018	As At 31/12/2017	As At 31/12/2018
ABIA	8	8	2	28	148	237
ADAMAWA	7	7	20	23	76	108
AKWA IBOM	11	11	40	40	319	415
ANAMBRA	19	19	70	76	311	383
BAUCHI	2	2	10	10	14	25
BAYELSA	2	2	6	12	67	192
BENUUE	4	4	25	25	83	145
BORNO	3	3	12	12	48	49
CROSS RIVER	8	8	18	30	141	269
DELTA	20	20	87	95	690	1327
EBONYI	5	5	17	17	19	53
EDO	21	21	87	98	558	877
EKITI	2	3	8	8	8	37
ENUGU	17	17	34	43	191	363
FCT	58	58	151	155	2650	2758
GOMBE	1	1	3	3	20	29
IMO	7	7	23	33	177	341
JIGAWA	3	3	2	2	6	11
KADUNA	8	8	30	37	109	168
KANO	16	16	61	64	109	211
KATSINA	3	3	6	6	7	15
KEBBI	1	1	2	8	4	2
KOGI	5	5	22	22	33	65
KWARA	6	6	19	25	52	103
LAGOS	190	194	529	579	5978	5610
NASARAWA	2	2	9	9	29	64
NIGER	6	6	30	34	57	122
OGUN	14	14	37	49	238	446
ONDO	8	8	20	30	75	180
OSUN	7	7	37	40	46	109
OYO	18	18	61	72	210	326
PLATEAU	4	4	13	13	56	79
RIVERS	24	24	63	76	1179	1184
SOKOTO	5	5	12	12	16	28
TARABA	3	3	16	16	57	70
YOBE	2	2	4	4	7	5
ZAMFARA	2	4	7	11	10	19
TOTAL	524	529	1,620	1,817	13,798	16,425



NSE-GRI Sustainability **DISCLOSURE**

OUR PROGRESS ON NSE-GRI SUSTAINABILITY DISCLOSURE

Recognising the impact of sustainability on overall business performance, the Nigerian Stock Exchange (NSE) recently unveiled its NSE-GRI Sustainability Disclosure Guidelines in conjunction with the Global Reporting Initiative (GRI), to integrate sustainability reporting for its listed companies and encourage the adoption of sustainable business practices. Our existing policies align with the NSE-GRI principles, and we have integrated NSE-GRI reporting into our Sustainability Report, in line with regulatory expectations.

The table below outlines our progress in implementing the NSE-GRI Sustainability Disclosure Guidelines in the financial year 2018.

Our existing policies align with the NSE-GRI principles, and we have integrated NSE-GRI reporting into our Sustainability Report...



NSE-GRI Sustainability Disclosure Guidelines

THEME	DESCRIPTION	INDICATORS/METRICS
Suppliers Relations Management and Ethics	Operating standards for purchasing and the selection of suppliers	<p>As a responsible corporate citizen, we place strict adherence to local content regulations, as such, our procurement policies and practices have been designed to patronise local suppliers in all the locations where we operate. This is one of our ways of giving back to our host communities, improving their means of livelihood, and providing support for local SMEs.</p> <p>In 2018, we administered our “Code of Conduct” on all our major vendors, suppliers and contractors and periodically screen all third party business partners (investees, contractors, suppliers etc). We are working at strengthening our supply chain structures to ensure a robust system of monitoring the operations of suppliers and vendors who provide support and supply services to us, to ensure that they do not employ underage workers or compromise on Health and Safety Standards.</p>
Responsible Products and Services	Impact of products and services on stakeholders.	<p>As a leading financial intermediary, Zenith Bank has continued to develop products and services that meet the needs of all the economies where it operates. The Bank’s innovation and application of state-of-the-art technology has positioned us to provide bespoke financial products and services to all sectors of the economy. Our excellent customer service remains our unique selling point aimed at creating premium value for all stakeholders.</p> <p>Zenith Bank’s product portfolio is made up of customised financial products and services that are designed to meet the unique needs of our different customers. The Bank also ensures that all products comply with existing rules and regulations that guide our industry as well as, working in consonance 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. To optimise our service promise, we conduct a periodic review of all our products and services, and either modify or improve accordingly, in line with emerging trends in digital banking and ever-changing consumer needs. This enables us to cater for all financial and banking needs of our customers.</p>
Diversity in the Workplace	Diversity across the workplace, including at management level. These can be categorized along the dimensions of gender, age and physical abilities.	<p>At Zenith Bank, we consider our People to be our greatest assets. We understand that a diversified workforce allows us to pool exceptional professionals with the capabilities that help us to sustain our competitive edge. Zenith Bank’s approach is to prioritize the sustenance of an inclusive workplace.</p> <p>As of December 2018, we had a total of 6,250 active permanent employees; 3,233 were male, and 3,017 were females, representing 52 per cent and 48 per cent of total employees, respectively. Also, of the 1,920 active contract employees in the Bank, 47 per cent were males, and 53 per cent were females. The percentage of employees in the executive management by gender as of December 2018 was 69 per cent male and 31 per cent females. We will continue to improve gender balance, especially with regards to instituting equal participation and representation at every level of decision-making and across the Bank.</p>

NSE-GRI Sustainability Disclosure Guidelines

THEME	DESCRIPTION	INDICATORS/METRICS																																																	
Diversity in the Workplace	Diversity across the workplace, including at management level. These can be categorized along the dimensions of gender, age and physical abilities.	Zenith Bank does not discriminate on equal pay, all staff of the Bank on the same level, regardless of gender are remunerated equally and enjoy equal access to career development opportunities based on individual performance and job requirement. We understand the value of attracting and retaining a diverse workplace, and we will continue to give necessary support and create an enabling environment for female employees to thrive especially concerning parental leave and return to work policies. In 2018, 98.8 per cent of employees who took parental leave returned to work and were retained without any setbacks to their careers.																																																	
Labour practices	Engaging and Inclusive work environment that spans across ensuring employability, skills development and fair remuneration.	<p>Zenith Bank attracts talents with a genuine commitment to creating superior value for our customers and society. We want our people to be empowered through life-long learning aimed at improving their productivity and development opportunities; hence, we make adequate plans to train and strengthen the employability and skills development of all our employees. We aspire to be the employer of choice in the financial services sector.</p> <p>At Zenith Bank, 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.</p> <p>In 2018, the average number of hours of employees' training was 230,517. A total of 6,539 employees, representing 99.9 per cent of the total workforce, were trained within the 2018 financial year, using mostly online and classroom channels.</p> <table border="1"> <thead> <tr> <th>S/N</th> <th>LEVEL</th> <th>MALE</th> <th>FEMALE</th> <th>TRAINING HOURS (MALE EMPLOYEES)</th> <th>TRAINING HOURS (FEMALE EMPLOYEES)</th> <th>TOTAL GENDER HOUR</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>BOARD*</td> <td>12</td> <td>1</td> <td>486</td> <td>9</td> <td>495</td> </tr> <tr> <td>2</td> <td>AGM-GM</td> <td>49</td> <td>22</td> <td>891</td> <td>369</td> <td>1260</td> </tr> <tr> <td>3</td> <td>DM-SM</td> <td>325</td> <td>244</td> <td>16794</td> <td>11295</td> <td>28089</td> </tr> <tr> <td>4</td> <td>BO-SAM</td> <td>1052</td> <td>972</td> <td>57870</td> <td>51399</td> <td>109269</td> </tr> <tr> <td>5</td> <td>ET-ABO</td> <td>1955</td> <td>1907</td> <td>44937</td> <td>46467</td> <td>91404</td> </tr> <tr> <td>6</td> <td>TOTAL</td> <td>3393</td> <td>3146</td> <td>120978</td> <td>109539</td> <td>230,517</td> </tr> </tbody> </table> <p>Zenith Bank offers competitive remuneration: Our net entry-level wage as at end 2018 was NGN1,868,998/annum, significantly higher than the Federal Government's minimum wage of NGN360,000 per annum (or NGN30,000/month), according to the provisions of the new National Minimum Wage (Amendment) Act, 2018. The ratio of our entry-level wage to the government's minimum wage is 5.2 to 1.</p> <p>Zenith Bank prohibits discrimination in all its forms. Our Human Rights Policy abhors discrimination based on tribe or ethnicity, religion, gender, colour, religion, marital status or physical challenges. Our Human Rights Policy explicitly stipulates expected standards of behaviour in our business transactions and dealings with stakeholders (internal and external).</p>	S/N	LEVEL	MALE	FEMALE	TRAINING HOURS (MALE EMPLOYEES)	TRAINING HOURS (FEMALE EMPLOYEES)	TOTAL GENDER HOUR	1	BOARD*	12	1	486	9	495	2	AGM-GM	49	22	891	369	1260	3	DM-SM	325	244	16794	11295	28089	4	BO-SAM	1052	972	57870	51399	109269	5	ET-ABO	1955	1907	44937	46467	91404	6	TOTAL	3393	3146	120978	109539	230,517
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NSE-GRI Sustainability Disclosure Guidelines

THEME	DESCRIPTION	INDICATORS/METRICS
Occupational Health & Safety	This focuses on safety, health and welfare of people engaged in work or employment.	<p>Zenith Bank maintains best practices in Occupational Health & Safety Standards. The Bank is committed to providing a safe, healthy and secure workplace to all our employees, contractors, visitors and customers, in accordance with international best practices and standard health and safety regulations.</p> <p>In 2017, the Bank developed a policy to drive its commitment to maintaining a safe workplace. The Bank's Health, Safety and Environment Committee and Working Groups, provide forums for consultation and dissemination of information on matters that affect the safety and welfare of employees, contractors and visitors in our workplace. The Executive Management of the Bank is represented on the HSE Committee, along with the Heads of critical units such as Compliance, Risk Management, Human Resources, and Security Services, among others. We also have a joint management-worker health and safety committee, consisting of middle-level management staff and junior staff.</p> <p>Occasional fire drills are conducted in our Head Office buildings and branches to create awareness amongst staff. The Bank leverages feedback from internal drills and audits to improve the health and safety system. The training seeks to prepare our Safety Officers to lead the process of evacuating staff and customers in the event of a fire emergency. External safety audits also provide the opportunity to review our safety processes. Basic Emergency Response and First Aid training are offered to employees to prepare them for emergencies and create awareness on health and safety issues in the workplace. In 2018, the Bank trained a total of 501 employees on workplace health and safety issues (438 employees were trained on Basic Emergency Response and First Aid, while 63 participated in Occupational Health, Safety and Security training). The 2018 figure represents an increase of 38.4 per cent compared to 362 employees trained in 2017.</p>
Human Rights	The rights of the individual as expressed in the international Bill for Human Rights (comprising the 1948 United Nations Declaration of Human Rights- UNDHR and the two International Covenants on Human Rights of 1966).	<p>As a responsible organisation, Zenith Bank is fully committed to human rights protection in the workplace. This commitment is consistent with our aspiration to ensure high ethical standards in the way we run our business. Respect for human rights is one of our top priorities and we remain committed to aligning our business with the UN Guiding Principles on Business and Human Rights.</p> <p>Zenith Bank has put in place a human rights policy that reiterates the fundamental rights of members of staff and the consequences for non-compliance with applicable laws. Our human rights policy applies to all employees of Zenith Bank, its affiliates and subsidiaries globally.</p> <p>In 2018, we trained employees in all cadres on Human Rights Framework and Women's Rights using our online platform. In total, about 1,573 employees participated in online training, representing 25.2 per cent of our total staff strength.</p>

NSE-GRI Sustainability Disclosure Guidelines

THEME	DESCRIPTION	INDICATORS/METRICS															
Society	Company's impact on society and local communities	<p>Zenith Bank supports communities where we operate through social and community investment programmes. We understand that supporting these communities through financial contributions and value creation not only enhances our social impact but also help us establish and maintain good relationships and trust. Community engagement plays an essential role in shaping our Corporate Social Responsibility (CSR) policies, strategies and actions. Aligning our social investments with the Sustainable Development Goals (SDGs) of the United Nations also emphasises our commitment to contributing holistically to achieving a sustainable future for all.</p> <p>In 2018, our areas of focus remained Health, Education, Sports and youth development, Government/ Public Infrastructure. In the 2018 financial year, Zenith bank expended NGN3.065 billion on social investments to improve the lives of people in communities where we operate. This amount represents a 17 per cent increase over the 2017 figure of NGN2.611billion. Our most significant social investment in 2018 was on promoting the security of lives and property of local communities. This action was inspired by the findings from our need-gap analysis that identified security as a cardinal need of our communities. Thus, we invested NGN1.57 billion in collaborating with the local communities, the federal, state and local governments, and other relevant agencies to preserve the public peace, and ensure a crime-free environment. Further breakdown of our community and social spending include;</p>															
		<table border="1"> <thead> <tr> <th>Area of Focus</th> <th>Amount</th> <th>Beneficiaries/ Purpose</th> </tr> </thead> <tbody> <tr> <td>Health</td> <td>NGN466,000,000.00</td> <td>Donation to Private Health Sector Alliance and medical support/ assistance for different individuals.</td> </tr> <tr> <td>Education</td> <td>NGN266,000,000.00</td> <td>Donation of ICT Facilities to Bishop Okoye Spiritan Secondary School in Oyigbo, River State and Lagos State College of Health Technology, College of Education Agbor, Delta State. Educational support for Louisville Girls High School and St. Saviour's School, Ikoyi, Maryland Covent School etc.</td> </tr> <tr> <td>Sports/Youth Development</td> <td>NGN406,000,000.00</td> <td>Support for Nigerian Football Federation (NFF), Nigerian Basketball Federation (NBBF), and the Delta State Principals Cup.</td> </tr> <tr> <td>Government/ Public Infrastructure</td> <td>NGN1,571,000,000.00</td> <td>Donation of security equipment/gadgets to several State Security Trust Fund, governments and agencies.</td> </tr> </tbody> </table>	Area of Focus	Amount	Beneficiaries/ Purpose	Health	NGN466,000,000.00	Donation to Private Health Sector Alliance and medical support/ assistance for different individuals.	Education	NGN266,000,000.00	Donation of ICT Facilities to Bishop Okoye Spiritan Secondary School in Oyigbo, River State and Lagos State College of Health Technology, College of Education Agbor, Delta State. Educational support for Louisville Girls High School and St. Saviour's School, Ikoyi, Maryland Covent School etc.	Sports/Youth Development	NGN406,000,000.00	Support for Nigerian Football Federation (NFF), Nigerian Basketball Federation (NBBF), and the Delta State Principals Cup.	Government/ Public Infrastructure	NGN1,571,000,000.00	Donation of security equipment/gadgets to several State Security Trust Fund, governments and agencies.
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NSE-GRI Sustainability Disclosure Guidelines

THEME	DESCRIPTION	INDICATORS/METRICS
Anti-corruption	Activities to combat corruption and bribery	<p>Ensuring compliance with all applicable laws and regulations on anti-corruption is crucial for Zenith Bank's sustained effort to complement the government's anti-corruption drive.</p> <p>Zenith Bank encourages the use of whistleblowing platform within its organisation as part of its strategies to achieve SDG Goal 16: Peace and Justice Strong Institutions. In extension, our whistleblowing policy also helps to avert fraud and cyber-crimes.</p> <p>At Zenith Bank, maintaining anti-corruption awareness and enhancing employees' capacity to be more vigilant and able to identify fraudulent transactions is an integral part of our business strategy, especially with regards to combating fraudulent cash related transactions such as counterfeit notes. In 2018, a total of 5,926 employees – representing 94.8 per cent of the 6,250 active permanent employees were sent on various classroom anti-corruption training, up from 62.8 per cent or 3,851 employees in 2017. Also, 80 members of the Bank's top management, executive management and board members, were duly trained on the latest anti-corruption policies of the Bank through quarterly Anti-Money Laundry (AML) Workshops. This represents a 96.4 per cent of total staff in these cadres. Furthermore, the Bank is in the process of organising training on anti-corruption for its key business partners.</p>
Waste management	Waste includes hazardous and nonhazardous waste.	<p>As a responsible corporate citizen, we are duty-bound to assure our stakeholders and our host communities that our waste management processes are such that mitigate environmental contamination and its resultant social risks. This includes strict adherence to local policies and compliance with necessary regulations and set standards in each local environment where the Bank operates. At Zenith Bank, we have remained committed to improving our processes, which addresses waste management matters bank-wide. The Bank has in place waste management contracts with state-owned or privately run waste management agencies in all our business location nationwide.</p> <p>In 2018, as in the preceding year, various business locations of the Bank obtained Environmental and Social Impact Assessment (ESIA) from the approved government agencies. Our sustainability team is working to develop appropriate and strategic waste management plans to mitigate the risks that these reports have highlighted. This has been especially helpful in developing management strategies for our effluents and wastes disposal processes.</p> <p>In 2018, our Head Office and Lagos branches paid a total of NGN10.99 million to Lagos Waste Management Authority (LAWMA) for waste evacuation services. This was 39.28 per cent lower than NGN18.11 million reported in 2017 and 45.38 per cent lower than NGN20.1 million reported in 2016. Our waste expense data is a clear indication that we have made positive progress in our quest to increase our efficiency in accurately capturing, measuring and managing our wastes.</p>

NSE-GRI Sustainability Disclosure Guidelines

THEME	DESCRIPTION	INDICATORS/METRICS
Energy	Consider the efficient use and consumption of energy as well as energy generated from renewable sources.	<p>Zenith Bank has in place a green business model anchored on sound management strategies and frameworks to enable energy-efficient business operations. In ensuring adherence to global best practices in the use of energy resources, we have implemented energy consumption assessment, measurement and monitoring techniques.</p> <p>Zenith Bank's energy consumption is mainly powered by fossil fuel. Our primary source of energy is the national electricity grid, which is supplemented by the use of inverter, solar energy and fossil-powered generators due to an erratic power supply in the country.</p> <p>In 2018, the total amount of electricity we purchased from the national grid for our Head Office buildings rose by 52.95 per cent to 6,954,796.00kWh, from 4,547,028.74kWh in 2017. Similarly, there was a 42.34 per cent rise in the total electricity used per employee to 6,122 kWh/employee in 2018 from 4,301 kWh/employee in 2017. The increase recorded in energy purchased from the national grid is as a result of the expansion of the scope of our annual carbon audit to include a new building added to the Head Office complex in 2018.</p> <p>At Zenith Bank, we remain committed to optimising our energy usage by reducing consumption and introducing smart energy saving appliances and systems. Our energy policies emphasise holistic tracking of our energy consumption. This allows us to set appropriate energy consumption reduction goals and targets. The Bank's 'Admin Manager' has enabled us to comprehensively report, measure and monitor our energy consumption patterns in all our branches and other business locations. As part of our energy management plans, we have embraced the use of solar technology. The number of our ATMs powered by solar energy increased to 632, with 185 new installations achieved in 2018. We have also scaled up the replacement of nearly all incandescent bulbs with LED light. This attests to our drive and unwavering commitment to energy efficiency. Our gas-powered electricity generating system which is projected to be installed and operational by 2020, will supply power to our Head office and nearby branches. We continuously work to improve our business processes and procedures by increasing the use of renewable energy (inverter and solar power in over 400 branches), to promote energy efficiency, reduce cost and adopt environmentally responsible practices bank-wide.</p>
Compliance	Adherence of activities to relevant environmental laws.	<p>Zenith Bank consistently adopts and implements global best practices in environmental management as part of initiatives to comply with relevant environmental laws and regulations. As a responsible organisation that promotes climate actions and eco-friendly businesses, we regularly set key emission points' targets, conduct annual GHG audit, monitor and review our environmental footprints. This is intended to reduce the Green House Gas Emissions across our emission channels, in line with the United Nations Sustainable Development Goal 13: Climate Action and the 2015 Paris Climate Agreement, in particular, Nigeria's Nationally Determined Contribution (NDC). In the 2018 financial year, the Bank did not incur any fine for non-compliance with environmental laws and regulations.</p>



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Zenith Bank & THE SDGs

We believe that through our collaboration with government and non-governmental organisations and other key stakeholders, many, if not all, of these laudable goals that address some of the world's biggest challenges - Poverty, Poor Health and Education, Climate Change, etc. – will be achieved by the year 2030.

Our Role in Achieving the Sustainable Development Goals (SDGs)

Following the adoption of the 17 Sustainable Development Goals (SDGs) in 2015 by the United Nations (UN) and indeed, the global community, Zenith Bank is committed to supporting all stakeholders' efforts towards achieving the 2030 Sustainable Development Agenda. We believe that through our collaboration with government and non-governmental organisations and other key stakeholders, many, if not all, of these laudable goals that address some of the world's biggest challenges - Poverty, Poor Health and Education, Climate Change, etc. – will be achieved by the year 2030.

In the year under review, we collaborated with a variety of stakeholders including the Central Bank of

Nigeria – through the Nigerian Sustainable Banking Principles, the United Nations Global Compact (UNGC) and the United Nations Environment Programme Finance Initiative (UNEP-FI) to brainstorm on strategies to achieve the goals before the set timeline. More importantly, we deliberately aligned our social investments in 2018 with the SDGs, prioritising some of the goals that have particular significance for us across our global business.

The table below shows a mapping of our 2018 social investment across our priority SDGs.

Zenith Bank Sustainable Development Goals

Focus Area	Amount	Pertinent SDG
Security Trust Funds	NGN 1,571 Million	SDG16
Sports organisation	NGN349 Million	SDG1
Private Sector Health Alliance	NGN305 Million	SDG3
Financial Inclusion Project with the CBN	NGN200 Million	SDGs 1, 2, & 10
Educational support to Nigerian schools	NGN181 Million	SDG4
Medical Assistance to the Underprivileged	NGN158 Million	SDG3
ICT Centres for Educational Institutions	NGN85 Million	SDGs 1, 2 & 4
Economic summits and conferences sponsorship	NGN61 Million	SDGs1, 8 & 9
Musical Society of Nigeria	NGN14 Million	SDG16
Other donations individually below NGN10million	NGN19 Million	All SDGs

Conclusion

Sustainability has become an integral aspect of every responsible organisation. It is a win-win business strategy that creates enduring value for all stakeholders. Zenith Bank, as a leading financial services provider is committed to building a brand that fosters sustainable banking.

Building a better and sustainable future for all requires tackling some of the biggest challenges facing our world such as climate change, environmental degradation, poverty, and inequality as enunciated in the Sustainable Development Goals of the United Nations. Zenith Bank's endorsement of the UNEP-FI principles of responsible banking in December 2018 demonstrates our firm commitment to align our strategic objectives with the Sustainable Development Goals.

In the last four years of reporting our sustainability journey, Zenith Bank has made tremendous progress in adopting sustainability principles in internal operations as well as our credit and investment decisions. The Bank is committed to continuously reviewing its business processes, products and services to ensure compliance with globally acceptable economic, environmental and social norms.

As a responsible organisation, we are committed to supporting all stakeholders' efforts towards achieving the Sustainable Development Goals. In

2018, the Bank's support in respect of SDG 16 (Peace, Justice and Strong Institutions) reached about NGN1.57 billion through donations to various states' security trust funds. Other key CSR initiatives of the Bank include NGN181 million educational support to Nigerian schools; NGN58 million to build ICT centres for educational institutions; NGN305 million

support to the Private Sector Health Alliance of Nigeria; and NGN158 million in medical assistance to the underprivileged, among others. We acknowledge that building a sustainable business is a journey, and we remain determined to build on our successes in partnership with other key stakeholders while finding innovative ways to bridge identified gaps.

As Sustainability gathers steam among the world's leading brands, Zenith Bank will continue to drive the adoption of sustainable banking principles in the financial services industry.

“ In the last four years of reporting our sustainability journey, Zenith Bank has made tremendous progress in adopting sustainability principles in internal operations as well as our credit and investment decisions. ”



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Independent External ASSURANCE REPORT



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INDEPENDENT SUSTAINABILITY ASSURANCE REPORT TO THE DIRECTORS OF ZENITH BANK PLC FOR THE YEAR ENDED 31 DECEMBER 2018

We have completed our independent assurance engagement to enable us to express our limited assurance conclusions on whether specified Key Performance Indicators (“KPIs”) of Zenith Bank Plc as included in the Sustainability Report (“the Report”) of the Bank for the year ended 31 December 2018, has been prepared, in all material respects, in accordance with managements’ criteria as derived from the GRI Sustainability Reporting Standards (GRI Standards):

	Page
GRI 201-1: Direct economic value generated and distributed	
• Aggregate shareholders’ funds for 2018 and 2017	53
• Relative profit before tax for 2018 and 2017	7 & 53
• Relative earnings per share for 2018 and 2017	7 & 53
• Relative gross earnings for 2018 and 2014	4 & 53
• Relative dividend declared for 2018 and 2014	53
• Relative tax paid to government for 2018 and 2014	53
• Relative salaries and benefits paid to employee for 2018 and 2014	53 & 54
• Relative social investment (total donation on corporate social responsibility) for 2018 and 2014	53 & 58
• Social investments (donations) during the year	7 & 96
• Percentage of social investment to profit after tax	4
• Relative interest paid to provider of capital for 2018 and 2017	54
GRI 405-1: Diversity of governance bodies and employees	
• Total employees (permanent and contract) by gender (number and percentage)	92
• Total top management staff (number and percentage in gender representation)	93
• Total Board member (number and percentage in gender representation)	29 & 30
GRI 404-3: Percentage of employees receiving regular performance and career development reviews	
• Total training hours	91
• Total number of employee trained during the year	91
• Percentage of employee trained during the year	91
• Total employee training expenses for the year	91
GRI 401-1: New employee hires and employee turnover	
• Employee turnover rate (number and percentage)	87
GRI 406-1: Incidents of discrimination and corrective actions taken	
• Total number of incidents of discrimination during the reporting period.	94
GRI 412-2: Employee training on human rights policies or procedures	
• Number of employees trained in human rights policies or procedures	96
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Customer complaints for the year ended (Number of complaints and naira amount claimed)	22, 23 & 103



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Analysis of fraud and forgeries returns (number and naira return)	18 & 19
GRI 404-2: Programs for upgrading employee skills and Transition assistance programs	
Employee who have undergone training on fighting/combating financial crime (number and percentage of total employee)	63
Financial Inclusion and Financial Literacy activities for the year ended	
Number of new accounts created during the year	126
Number of USSD transactions during the year (volume and value)	127
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GRI 302-1: Energy consumption within the organisation	
Energy consumption pattern within the Bank	68
GRI 305-1: Direct (Scope 1) GHG emissions	
Carbon footprint measurement and management	4 & 72

The specified KPIs noted above have been highlighted for identification purposes in the Report through the symbol “+”.

Our responsibility in performing our independent limited assurance engagement is to Zenith Bank Plc only and in accordance with the terms of reference for this engagement as agreed with them. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Zenith Bank Plc, for our work, for this report, or for the conclusions we have reached.

Directors’ Responsibility

The directors are responsible for implementing a stakeholder engagement process to identify all relevant stakeholders, to identify key issues, to respond appropriately to key issues identified, to determine those key performance indicators which may be relevant and material to the identified stakeholders, and to design and apply appropriate sustainability reporting policies. The directors are also responsible for the preparation and presentation of the Report and the information and assessments contained in the Report in accordance with the relevant criteria. This responsibility includes: designing, implementing and maintaining appropriate performance management and systems to record, monitor and improve the accuracy, completeness and reliability of the sustainability data and to ensure that the information and data reported meet the requirements of the relevant criteria, and contains all relevant disclosures that could materially affect any of the conclusions drawn.

Independence and quality control

Our independence is defined by regulatory requirements and the Code of Ethics of our profession. In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Assurance Provider’s Responsibility

Our responsibility is to express our limited assurance conclusions on the specified KPIs in the Report based on our independent limited assurance engagement. Our independent limited assurance engagement was performed in accordance with The International Framework for Assurance Engagements and International Standards on Assurance Engagements 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Informa-



tion (ISAE 3000) developed by the International Auditing and Assurance Standards Board and in accordance with The International Standard on Assurance Engagements 3410: Assurance Engagements on Greenhouse Gas Statements under the auspices of the International Federation of Accountants (IFAC). This standard requires us to comply with ethical requirements and to plan and perform our engagements to obtain limited assurance regarding the specified KPIs contained in the Report.

Basis of Work and Limitations

We have complied with the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants, which includes comprehensive independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our engagement was conducted by a multi-disciplinary team of health, safety, social, environmental and assurance specialists with extensive experience in sustainability reporting.

The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the subject matter and the purpose of our engagement. In making these assessments, we have considered internal control relevant to the Bank's preparation and presentation of the Report and the information contained therein, in order to design procedures appropriate for gathering sufficient appropriate assurance evidence to determine that the information in the Report is not materially misstated or misleading as set out in the summary of work performed below. Our assessment of relevant internal control is not for the purpose of expressing a conclusion on the effectiveness of the Bank's internal controls.

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods adopted for the definition and gathering of information. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements.

We planned and performed our work to obtain all the information and explanations that we considered necessary to provide a basis for our limited assurance conclusions pertaining to the Report and the specified KPIs, expressed below.

Where a limited assurance conclusion is expressed, our evidence gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement.

Summary of Work Performed

Set out below is a summary of the procedures performed pertaining to the specified KPIs which were included in the scope of our limited assurance engagement.

- We obtained an understanding of:
 - o The entity and its environment;
 - o Entity-level controls;
 - o The selection and application of sustainability reporting policies; and
 - o The significant reporting processes including how information is initiated, recorded, processed, reported and incorrect information is corrected, as well as the policies and procedures within the reporting processes.



- We made such enquiries of management, employees and those responsible for the preparation of the Report and the specified KPIs, as we considered necessary.
- We inspected relevant supporting documentation and obtained such external confirmations and management representations as we considered necessary for the purposes of our engagement.
- We performed analytical procedures and limited tests of detail responsive to our risk assessment and the level of assurance required, including comparison of judgementally selected information to the underlying source documentation from which the information has been derived.

We believe that the evidence obtained as part of our limited assurance engagement, is sufficient and appropriate to provide a basis for our limited assurance conclusions expressed below.

Conclusion

Based on the work we have performed and subject to the limitations described above, nothing has come to our attention that causes us to believe that the specified Key Performance Indicators in the Zenith Sustainability Report for the year ended 31 December 2018 has not been prepared, in all material respects, in accordance with GRI Standards.

Other matter

The maintenance and integrity of the Zenith Bank Plc Website is the responsibility of Zenith Bank Plc management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to the information in the Zenith Bank Plc Sustainability Report shown on the website, which differs from the content in the printed version.



Samuel Agbevem
Ernst & Young
Lagos, Nigeria
9 August 2019

GRI Standard  **CONTENT INDEX**

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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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condition of the world.
It is our collective responsibility.**

Zenith Bank's Sustainability Team

