Disclaimer

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

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

Overview & Operating Environment
- Speaker: Managing Director/Chief Executive Officer
  - Peter Amangbo
  - Slides 4 - 6

Results - Group
- Speaker: Chief Financial Officer
  - Stanley Amuchie
  - Slides 8-16

Q & A
Real GDP Growth (Rebase):
- GDP grew at the rate of 2.35% y/y in Q2 2015, down by 419bps from 6.54% recorded in the corresponding quarter of previous fiscal year.

Headline Inflation:
- Headline Inflation increased to 9.3% y/y in Aug’15 from 9.2% y/y recorded in Jul’15.
- The marginal increase was as a result of slower increases in Alcoholic Beverages, Tobacco and Kola; Health, Transport; and Recreation and Culture Divisions

Oil Production & Price:
- OPEC Average Monthly Basket Price declined by 25.6% during the 3rd quarter of the year, from $60.2/bbl recorded in Jun 2015 to $44.8/bbl in Sept 2015.

Foreign Reserves:
- Nigerian foreign reserves inched up by $1.3bn (4.5%) during the 3rd quarter of the year, from $29.0bn at the end of Q2 2015 to $30.3bn at the end of Q3 2015.

Exchange Rate:
- The Naira remained stable at N196.95/$ (CBN FX rate) and N199.05 (interbank market rate) during Q3 2015.

Treasury Single Account (TSA):
- The Federal Government gave a deadline of September 15th for the implementation of TSA by Ministries, Departments and Agencies of Government (MDAs)

Cash Reserve Ratio (CRR) & Monetary Policy Rate (MPR):
- Following the implementation of TSA, MPC reduced CRR from 31% to 26% while MPR was maintained at 13%
New CBN Circulars and Other Directives

**Limit on Foreign Currency Borrowings**
- The Central Bank has placed a limit on foreign currency borrowings by banks to 75% of shareholders' funds.

**BASEL II Implementation Update**
- A revised guideline on BASEL II implementation covering Pillar 1 (minimum capital requirement), Pillar 2 (ICAAP) and Pillar 3 (disclosure requirements) with accompanying reporting template was issued to DMBs by the CBN on June 24, 2015.

**Biometric Verification Number (BVN) Enrolment**
- Enrolment for Biometric Verification Number (BVN) for all bank’s customers in the industry has been extended to October 31, 2015.

**Publication of Delinquent Credit Facilities**
- In order to discourage accumulation of bad loans, the CBN issued guidelines for DMBs to publish names of debtors.

**Foreign Currency Loans to Customers**
- To hedge against FX risk, CBN has restricted the granting of foreign currency loans by banks to companies with foreign currency revenue.
- Zenith Bank typically extends foreign currency loans to customers with foreign currency revenue.

**Public Sector Short-term Loans**
- As part of Federal Government (FG) bail out plan, bank loans to state governments have been converted to FG 20-year bonds.

**Foreign Exchange Management Strategy**
- The Central Bank has reduced the spending limits on naira denominated cards abroad, prohibited payment of foreign currencies for transactions conducted in Nigeria and excluded some import items from accessing foreign currency at the official market.
Our Investment Proposition

Strong earnings capacity and growth, Solid and liquid capital base, strengthened ERM practices, Good returns on investments and excellent customer services

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

- **Increased Share of Middle Tier Market:**
  - Low cost of funds due to increased share of retail market through deposit mobilization and various forms of electronic banking applications.

- **Strong Focus on Risk Management:**
  - Low NPL ratio of 1.6% with a coverage ratio of about 124.4%.

- **Good Dividend Payout:**
  - Good and consistent dividend payout to its investors.
  - The Bank paid a dividend of 160 kobo per share for FY12, 175 kobo per share for FY2013 and FY2014, and an interim dividend of 25kobo per share was paid for half-year 2015

- **Return On Equity:**
  - ROAE moved from 18.70% as at FY14 to 19.71% in Q3 2015

- **Multilateral Financing Partnerships:**
  - International Finance Corporation (IFC), a member of the World Bank Group, signed a bilateral agreement to provide a $100 million loan facility to Zenith Bank Plc in order to increase the bank’s lending capacity to the various economic sectors, boost economic growth and job creation in Nigerian
  - The U.S. Agency for International Development (USAID) and other parties signed an agreement with Zenith Bank to make available $90 million in new private sector financing for the Power Africa Fund. This is first of its kind in Nigeria

- **Credit Rating/Certifications:**
  - Zenith Bank is rated B+/Stable/B by S and P, being the highest rating awarded to any Nigerian bank and in line with the country’s risk rating.
  - The bank became the first Nigerian institution to be awarded a triple ISO certification by the British Standards International (BSI):
    - ISO 22301 Standard – Business Continuity Management;
    - ISO 27001 Standard – Information Security Management; and
    - ISO 20000 standard – IT Service Management
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Q & A
Marching towards exceptional performance in 2015

Gross Earnings: N336.85bn
Net Interest Income: N161.40bn
Net Interest Margin: 7.9%
PBT: N104.05bn
PAT: N83.09bn

Customer Deposit: N2.52tn
Total Assets: N3.84tn
Total Shareholders’ Funds: N571.40bn
Gross Loans & Advances: N1.88tn

Loan to Deposit Ratio: 68.5%
Cost to Income Ratio: 55.1%
Liquidity: 45.2%
Capital Adequacy: 21.1%
Coverage Ratio: 124.1%
ROAE: 19.7%
EPS: 264k

NPL: 1.6%
Cost of Risk: 0.7%
Cost of Funds: 4.3%

+23.1% YoY
+11.2% YoY
-1.3% YoY
+19.9% YoY
+16.9% YoY

-0.6% YTD
+2.3% YTD
+3.4% YTD
+6.9% YTD
Improved top & bottom line earnings driven by deposit and loan growth and operating efficiency...
Comments

Net Interest Margin (NIM) declined marginally YoY by 1.3% (from 8.0% in Q3 2014 to 7.9% in Q3 2015) as yields on government securities dropped during the 3rd quarter of 2015.

Cost-to-Income Ratio declined YoY by 2.3% (from 56.3% in Q3 2014 to 55.1% in Q3 2015). Zenith Group is committed to keeping its cost-to-income ratio under control.

PBT increased by 19.9% YoY from N86.82bn in Q3 2014 to N104.05bn in Q3 2015 while PAT increased by 16.9% YoY from N71.05bn in Q3 2014 to N83.09bn in Q3 2015.
Interest Income

<table>
<thead>
<tr>
<th>N’million</th>
<th>Q3 2015</th>
<th>Q3 2014</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interbank Placements</td>
<td>6,401</td>
<td>4,271</td>
<td>50%</td>
</tr>
<tr>
<td>Treasury Bills</td>
<td>39,301</td>
<td>41,910</td>
<td>-6%</td>
</tr>
<tr>
<td>Govt &amp; Other Bonds</td>
<td>22,622</td>
<td>25,016</td>
<td>-10%</td>
</tr>
<tr>
<td>Loans &amp; Advances</td>
<td>188,413</td>
<td>141,814</td>
<td>33%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>256,737</strong></td>
<td><strong>213,011</strong></td>
<td><strong>21%</strong></td>
</tr>
</tbody>
</table>

- Interest income from loans and advances increased by 33% YoY as a result of loan growth and proper pricing of all risk assets.
- Interest income on interbank placements increased by 50% as the bank took advantage of its liquidity position.

Non-Interest Income

<table>
<thead>
<tr>
<th>N’million</th>
<th>Q3 2015</th>
<th>Q3 2014</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit related fees</td>
<td>12,360</td>
<td>11,234</td>
<td>10%</td>
</tr>
<tr>
<td>Commission on turnover</td>
<td>18,713</td>
<td>20,249</td>
<td>-8%</td>
</tr>
<tr>
<td>Trading Income</td>
<td>15,914</td>
<td>9,183</td>
<td>73%</td>
</tr>
<tr>
<td>Other fees &amp; commissions</td>
<td>23,633</td>
<td>18,760</td>
<td>26%</td>
</tr>
<tr>
<td>Other income</td>
<td>9,702</td>
<td>1,373</td>
<td>607%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80,322</strong></td>
<td><strong>60,799</strong></td>
<td><strong>32%</strong></td>
</tr>
</tbody>
</table>

- The Group’s continued effort in diversifying its revenue base yielded positive results as its non-interest revenue grew by 32% over the prior period.
Continuous efforts in cost-reduction strategies …..

Interest Expenses

<table>
<thead>
<tr>
<th>N'million</th>
<th>Q3 2015</th>
<th>Q3 2014</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current accounts</td>
<td>3,771</td>
<td>2,969</td>
<td>27%</td>
</tr>
<tr>
<td>Savings accounts</td>
<td>8,131</td>
<td>3,871</td>
<td>110%</td>
</tr>
<tr>
<td>Time Deposits</td>
<td>72,358</td>
<td>55,548</td>
<td>30%</td>
</tr>
<tr>
<td>Interbank takings</td>
<td>1,150</td>
<td>2,645</td>
<td>-57%</td>
</tr>
<tr>
<td>Borrowed funds</td>
<td>9,927</td>
<td>4,611</td>
<td>115%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>95,337</td>
<td>69,644</td>
<td>37%</td>
</tr>
</tbody>
</table>

- Interest expense was up by 37% YoY because of the increase in funding cost.

Total Operating Expenses

<table>
<thead>
<tr>
<th>N'million</th>
<th>Q3 2015</th>
<th>Q3 2014</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Costs</td>
<td>52,296</td>
<td>50,311</td>
<td>4%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>7,137</td>
<td>6,942</td>
<td>3%</td>
</tr>
<tr>
<td>Auditors' remuneration</td>
<td>372</td>
<td>362</td>
<td>3%</td>
</tr>
<tr>
<td>Directors' emoluments</td>
<td>493</td>
<td>182</td>
<td>171%</td>
</tr>
<tr>
<td>AMCON Charge</td>
<td>12,839</td>
<td>10,795</td>
<td>19%</td>
</tr>
<tr>
<td>Other expenses</td>
<td>54,808</td>
<td>43,874</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>127,945</td>
<td>112,466</td>
<td>14%</td>
</tr>
</tbody>
</table>

- Total operating expense increased by 14%, driven by the consistent rise in inflation and AMCON charge.
## Balance Sheet - Assets

### (N'm)

<table>
<thead>
<tr>
<th>Asset Category</th>
<th>Sep-15</th>
<th>Dec-14</th>
<th>YTD Change</th>
<th>Sep-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and balances with central banks</td>
<td>565,124</td>
<td>752,580</td>
<td>-24.91%</td>
<td>556,330</td>
</tr>
<tr>
<td>Treasury bills</td>
<td>356,853</td>
<td>295,397</td>
<td>20.80%</td>
<td>438,555</td>
</tr>
<tr>
<td>Assets pledged as collateral</td>
<td>263,027</td>
<td>151,746</td>
<td>73.33%</td>
<td>6,930</td>
</tr>
<tr>
<td>Due from other banks</td>
<td>472,590</td>
<td>506,568</td>
<td>-6.71%</td>
<td>426,165</td>
</tr>
<tr>
<td>Derivative assets</td>
<td>15,790</td>
<td>17,408</td>
<td>-9.29%</td>
<td>1,970</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>1,841,392</td>
<td>1,729,507</td>
<td>6.47%</td>
<td>1,526,109</td>
</tr>
<tr>
<td>Investment securities</td>
<td>205,484</td>
<td>200,079</td>
<td>2.70%</td>
<td>319,372</td>
</tr>
<tr>
<td>Investments in associates</td>
<td>508</td>
<td>302</td>
<td>68.21%</td>
<td>548</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>3,790</td>
<td>6,449</td>
<td>-41.23%</td>
<td>36</td>
</tr>
<tr>
<td>Other assets</td>
<td>38,349</td>
<td>21,455</td>
<td>78.74%</td>
<td>59,653</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>76,275</td>
<td>71,571</td>
<td>6.57%</td>
<td>70,951</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>2,677</td>
<td>2,202</td>
<td>21.57%</td>
<td>2,014</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>3,841,859</td>
<td>3,755,264</td>
<td>2.31%</td>
<td>3,408,633</td>
</tr>
</tbody>
</table>

Sustained Balance sheet strengthening and Growth with strong liquidity.
### Balance Sheet - Liabilities & Equity

<table>
<thead>
<tr>
<th>(N'm)</th>
<th>Group Sep-15</th>
<th>Group Dec-14</th>
<th>YTD Change</th>
<th>Group Sep-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers deposits</td>
<td>2,521,828</td>
<td>2,537,311</td>
<td>-0.61%</td>
<td>2,309,614</td>
</tr>
<tr>
<td>Current income tax</td>
<td>3,627</td>
<td>10,042</td>
<td>-63.88%</td>
<td>1,778</td>
</tr>
<tr>
<td>Deferred income tax liabilities</td>
<td>36</td>
<td>-</td>
<td>-</td>
<td>482</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>300,524</td>
<td>289,858</td>
<td>3.68%</td>
<td>274,698</td>
</tr>
<tr>
<td>On-lending facilities</td>
<td>105,752</td>
<td>68,344</td>
<td>54.73%</td>
<td>92,176</td>
</tr>
<tr>
<td>Borrowings</td>
<td>237,049</td>
<td>198,066</td>
<td>19.68%</td>
<td>122,604</td>
</tr>
<tr>
<td>Debt securities issued</td>
<td>101,209</td>
<td>92,932</td>
<td>8.91%</td>
<td>83,349</td>
</tr>
<tr>
<td>Derivative liabilities</td>
<td>333</td>
<td>6,073</td>
<td>-94.52%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>3,270,358</strong></td>
<td><strong>3,202,626</strong></td>
<td><strong>2.11%</strong></td>
<td><strong>2,884,701</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(N'm)</th>
<th>Group Sep-15</th>
<th>Group Dec-14</th>
<th>YTD Change</th>
<th>Group Sep-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital</td>
<td>15,698</td>
<td>15,698</td>
<td>0.00%</td>
<td>15,698</td>
</tr>
<tr>
<td>Share premium</td>
<td>255,047</td>
<td>255,047</td>
<td>0.00%</td>
<td>255,047</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>203,891</td>
<td>183,396</td>
<td>11.18%</td>
<td>176,856</td>
</tr>
<tr>
<td>Other reserves</td>
<td>96,297</td>
<td>97,945</td>
<td>-1.68%</td>
<td>75,834</td>
</tr>
<tr>
<td><strong>Total Shareholder's funds</strong></td>
<td><strong>571,501</strong></td>
<td><strong>552,638</strong></td>
<td><strong>3.41%</strong></td>
<td><strong>523,932</strong></td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>568</td>
<td>552</td>
<td>2.90%</td>
<td>497</td>
</tr>
<tr>
<td><strong>Total liabilities &amp; equity</strong></td>
<td><strong>3,841,859</strong></td>
<td><strong>3,755,264</strong></td>
<td><strong>2.31%</strong></td>
<td><strong>3,408,633</strong></td>
</tr>
</tbody>
</table>

Strong Capital base…. Remains a solid buffer against any adverse event
Sustained assets & liabilities match......

**Loan Growth**

- **Q3 2015**
  - Advances under finance lease: 0.7%
  - On-lending Facilities: 5.5%
  - Overdrafts: 32.2%
  - Term Loans: 61.6%

- **Q3 2014**
  - Advances under finance lease...
  - On-lending Facilities: 5.6%
  - Overdrafts: 30.4%
  - Term Loans: 63.1%

**Deposit Growth**

- **Q3 2015**
  - Domiciliary: 22.7%
  - Demand: 49.5%
  - Term: 18.7%
  - Savings: 9.1%

- **Q3 2014**
  - Domiciliary: 18.6%
  - Demand: 53.7%
  - Term: 18.4%
  - Savings: 9.2%
Continued market dominance through strong liquid asset base and funding mix...

### Liquid Assets

<table>
<thead>
<tr>
<th></th>
<th>Q3 2015</th>
<th>Q3 2014</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>72,243</td>
<td>51,572</td>
<td>40%</td>
</tr>
<tr>
<td>Operating accounts with CBN</td>
<td>49,264</td>
<td>113,144</td>
<td>-56%</td>
</tr>
<tr>
<td>Treasury bills</td>
<td>356,853</td>
<td>438,555</td>
<td>-19%</td>
</tr>
<tr>
<td>Assets pledged as collateral</td>
<td>263,027</td>
<td>6,930</td>
<td>3695%</td>
</tr>
<tr>
<td>Current balances with banks within Nig.</td>
<td>1,241</td>
<td>42</td>
<td>2855%</td>
</tr>
<tr>
<td>Current balances with banks outside Nig.</td>
<td>311,047</td>
<td>230,871</td>
<td>35%</td>
</tr>
<tr>
<td>Total</td>
<td>1,213,977</td>
<td>1,036,367</td>
<td>17%</td>
</tr>
</tbody>
</table>

### Funding Mix

<table>
<thead>
<tr>
<th></th>
<th>Q3 2015</th>
<th>Q3 2014</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer deposits</td>
<td>2,521,828</td>
<td>2,309,614</td>
<td>9%</td>
</tr>
<tr>
<td>Current income tax</td>
<td>3,627</td>
<td>1,778</td>
<td>104%</td>
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<td>36</td>
<td>482</td>
<td>-93%</td>
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<tr>
<td>Other liabilities</td>
<td>300,524</td>
<td>274,698</td>
<td>9%</td>
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<td>105,752</td>
<td>92,176</td>
<td>15%</td>
</tr>
<tr>
<td>Borrowings</td>
<td>237,049</td>
<td>122,604</td>
<td>93%</td>
</tr>
<tr>
<td>Debt securities issued</td>
<td>101,209</td>
<td>83,349</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>3,270,025</td>
<td>2,884,701</td>
<td>13%</td>
</tr>
</tbody>
</table>
### P&L – By Geography

#### 9 Months Ended Sept 2015 (N’m)

<table>
<thead>
<tr>
<th></th>
<th>Nigeria</th>
<th>Rest of Africa</th>
<th>Europe</th>
<th>Eliminations</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenue</strong></td>
<td>316,929</td>
<td>19,854</td>
<td>8,272</td>
<td>-8,202</td>
<td>336,853</td>
</tr>
<tr>
<td>Share of profit of</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>206</td>
<td>206</td>
</tr>
<tr>
<td>Associates</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td>-208,768</td>
<td>-13,325</td>
<td>-6,674</td>
<td>4,240</td>
<td>-233,007</td>
</tr>
<tr>
<td><strong>Profit Before Tax</strong></td>
<td>99,681</td>
<td>6,529</td>
<td>1,598</td>
<td>3,756</td>
<td>104,052</td>
</tr>
<tr>
<td><strong>Tax</strong></td>
<td>-19,236</td>
<td>-1330</td>
<td>-399</td>
<td>-</td>
<td>-20,965</td>
</tr>
<tr>
<td><strong>Profit After Tax</strong></td>
<td>80,445</td>
<td>5,199</td>
<td>1,199</td>
<td>3,756</td>
<td>83,087</td>
</tr>
</tbody>
</table>

#### 9 Months Ended Sept 2014 (N’m)

<table>
<thead>
<tr>
<th></th>
<th>Nigeria</th>
<th>Rest of Africa</th>
<th>Europe</th>
<th>Eliminations</th>
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<tbody>
<tr>
<td><strong>Total Revenue</strong></td>
<td>259,320</td>
<td>15,868</td>
<td>7,858</td>
<td>-9,308</td>
<td>273,738</td>
</tr>
<tr>
<td>Share of profit of</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Associates</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td>-175,982</td>
<td>-9,195</td>
<td>-5,553</td>
<td>3,810</td>
<td>-186,920</td>
</tr>
<tr>
<td><strong>Profit Before Tax</strong></td>
<td>83,338</td>
<td>6,673</td>
<td>2,305</td>
<td>5,498</td>
<td>86,818</td>
</tr>
<tr>
<td><strong>Tax</strong></td>
<td>-13,553</td>
<td>-1660</td>
<td>-559</td>
<td>-</td>
<td>-15,772</td>
</tr>
<tr>
<td><strong>Profit After Tax</strong></td>
<td>69,785</td>
<td>5,013</td>
<td>1,746</td>
<td>5,498</td>
<td>71,046</td>
</tr>
</tbody>
</table>

**Our Nigerian business continues to be the main driver of profitability … providing over 90% of gross revenue**
Improved profitability on core business segments
Deposits & Loans – By Sector

Q3 2015 Total Deposits - ₦2.52tn

- Retail: 33.0%
- Corporate & Commercial Banking: 48.1%
- Public: 12.3%
- Institutional: 6.6%

Q3 2014 Total Deposits - ₦2.31tn

- Retail: 34.9%
- Corporate & Commercial Banking: 41.5%
- Public: 13.2%
- Institutional: 10.4%

Q3 2015 Gross Loans - ₦1.88tn

- Corporate & Commercial: 82.1%
- Public: 10.6%
- Institutional: 5.3%
- Retail: 2.1%

Q3 2014 Gross Loans - ₦1.56tn

- Corporate & Commercial: 78.3%
- Public: 10.6%
- Institutional: 3.6%
- Retail: 7.5%
The group adopts a complete and integrated approach to risk management that is driven from the Board level to the operational activities of the bank.

Risk management is practiced as a collective responsibility coordinated by the risk control units and is properly segregated from the market facing units to assure independence.

The process is governed by well defined policies and procedures that are subjected to continuous review and are clearly communicated across the group.

There is a regular scan of the environment for threats and opportunities to improve industry knowledge and information that drives decision making.

The group maintains a conservative approach to business and ensures an appropriate balance in its risk and reward objectives.

Risk culture is continuously being entrenched through appropriate training and acculturation.

**Loans to Oil & Gas Sector:** As price of crude oil continues to fall, the bank has put in place the following to guide against delinquent loans:
- Hedges against drop in crude oil price for customers with loans
- Encourage customers to increase production capacity to generate more cash flows
- Restructuring of loans in line with expected cash flow
- Provision of Debt Service Reserve Accounts (DSRA)

**Loans to Power Sector:**
- Zenith bank advanced loans to DISCOs located in high cash generating areas like Ikeja and Eko DISCOS
- The bank supported customers with other thriving businesses
Focused risk management via portfolio diversification

**Loans by Sector – Q3 2015**

- Flour Mills 3.6%
- Real Estate and Construction 6.0%
- Communication 7.5%
- Transportation 9.5%
- Power 4.1%
- Other Manufacturing 13.1%
- Upstreams Oil & Gas 9.0%
- Agriculture 5.9%
- Education 0.3%
- Beverages and Tobacco 1.0%
- Consumer Credit 0.7%
- General Commerce 9.2%
- Government 4.6%
- Cement Manufacturing 3.9%
- Downstream Oil & Gas 13.6%
- Food and Agro-processing 2.3%

**Gross Loans – N1.88tn**

**Loans by Sector – Q3 2014**

- Flour Mills 3.9%
- Finance and Insurance 6.6%
- Communication 12.2%
- Transportation 5.8%
- Power 3.5%
- Other Manufacturing 12.8%
- Downstream Oil & Gas 11.5%
- Food and Agro-processing 2.0%
- Consumer Credit 2.0%
- Public utilities 2.3%
- General Commerce 6.7%
- Beverages and Tobacco 0.1%
- Agriculture 6.9%
- Education 0.3%
- Others 3.4%
- Upstreams Oil & Gas 6.5%

**Gross Loans – N1.56tn**

Well Diversified Loan Portfolio
We continue to develop our Risk Management Strategy and improve on the quality of our loan portfolio.

Overall NPL ratio of 1.6% is currently one of the lowest in the industry.
Liquidity and Capital Adequacy

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

Capital Mix

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

1. Compete aggressively for market share, but focus on high quality assets and top-end relationships while adopting cost reduction strategies
   - The Bank focuses on cost effective deposits from the retail end of the market to lend to the corporate end with emphasis on emerging business opportunities
   - Encourages strong risk management and corporate governance practices

2. Delivering superior service experience to all clients and customers
   - The Bank accomplishes this strategy by:
     - Consistent focus and investment in attracting and keeping quality people
     - Employing cutting edge technology
     - Deploying excellent customer service

3. Develop specific solutions for each segment of our customers’ base
   - Leveraging our capabilities and brand strength to consistently meet our clients’ needs
   - Developing a strong Zenith Bank platform to serve as an integrated financial solutions provider to our diverse customers base

4. Trading Management
   - We are taking advantage of our liquidity in Naira and foreign currencies to optimize our yields in the FX and money markets.
Our Key Growth Target Sectors

Driving profitability with our competitive advantages

### Identified Growth Sectors
- Infrastructure
- Manufacturing
- Petrochemicals
- Retail
- Real Estate and Construction
- Telecoms
- Transportation and General Commerce
- Agriculture
- Service Industry

### Competitive Advantage
- Strong capital and liquidity
- Strong brand
- Strong international rating
- Extensive branch network
- Robust ICT and E-bank channels
- Well motivated staff force
- Excellent customer services
Outlook and Prospects for FY2015

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

- **Agriculture:** The Federal government’s resolve to boost the agricultural sector in the country would no doubt create quite a number of opportunities in the areas of funding, job creation and indeed food security to Africa’s most populous nation. Various Funding Schemes to ensure that the country’s economy is diversified have been put in place. These include Commercial Agriculture Credit Scheme (CACS) that has 159 projects and Nigeria Incentive-Based Risk Sharing for Agricultural Lending (NIRSAL). Others are Seed and Fertilizer Scheme launched for banks to lend at a subsidized rate to local farmers and the value chain for the production of fertilizer. Zenith Bank has played a major role in this sector to support the various government's projects aimed at boosting our economy.

- **Deposit Base:** Our drive for low cost and appropriately mixed deposit base to fund our credit and money market transactions would continue in FY2015. We are committed to be a dominant player in the money market space to drive up income and profitability going forward.

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

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

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