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

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</tbody>
</table>
Real GDP Growth (Rebase):
- The GDP grew at the rate of 6.21% y/y in Q1 2014, up by 176bps from 4.45% recorded in the corresponding quarter of previous fiscal year.
- The non-oil sector was the major driver of the growth recorded in Q1 2014. Services had the highest growth, followed by Agriculture and then industries.

Headline Inflation:
- Headline Inflation increased to 8.2% y/y in Jun’14 from 8.0% y/y recorded in May’14.
- The price increases recorded in June’s Headline index were as a result of an increase in all divisions that contribute to the index.

Oil Production & Price:
- OPEC Average Monthly Basket Price extended its previous month’s gains by nearly $2.50 in June to reach its highest value of $107.89/bbl for the year, uplifted by a surge in crude oil outright prices.

Foreign Reserves:
- Nigerian foreign reserves declined marginally from $37.83bn as at end of Q1 2014 to $37.55bn as at end of Q2 2014. However, month-on-month experienced an increase of $0.59bn or 1.6% from the level of $36.96bn recorded at the end of May 2014.
- The CBN continues to apply foreign reserves to defend the Naira from devaluation.

Exchange Rate:
- The FX market remained stable in Q2 2014 due to increased inflows of forex and CBN’s policy which helped to moderate the demand for foreign exchange.
- The exchange rate at the RDAS segment of the market hovered between US$/N155.5 and US$/N156 in Q2 2014.

Cash Reserve Ratio (CRR):
- CRR on private sector funds was increased from 12% to 15% effective April, 2014

Eurobond Issuance:
- The banking sector has witnessed an increase in Eurobond issuances to fund medium to long term risk assets.

Source: Nigeria Bureau of Statistics
Central Bank of Nigeria
OPEC
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 2.8% with a coverage ratio of over 90%.

- **Good Dividend Payout:**
  - Good and consistent dividend payout to its investors.
  - The Bank paid a dividend of 95 kobo per share to its shareholders for FY11, 160 kobo per share for FY12 and 175 kobo per share for FY2013.

- **Return On Equity:**
  - Since the banking sector began recovery in 2009, Zenith Bank’s ROAE has shown promising trends.
  - ROAE for FY12 was at 23.49% but declined to 19.61% in FY13 due to tax consideration.
  - Half-year 2014 ROAE is currently at about 19%

- **Eurobond issuance & GDR Listing:**
  - Zenith Bank issued a $500mil Eurobond Notes from its $1bn Global Medium Term Note Programme.
  - About 200% over-subscription was recorded for the bond issuance
  - Zenith Bank has been listed on the London Stock Exchange since March 2013 through a non-capital GDR listing for greater accessibility by international investors.

- **Credit Rating/Awards:**
  - Zenith Bank is rated BB-/Stable/B by S and P, being the highest rating awarded to any Nigerian bank and in line with the country’s risk rating.
  - KPMG awarded Zenith Bank has the best bank in SME segment in the 2014 Banking Industry Customer Satisfaction Survey (BICSS)
Overview & Operating Environment
- Speaker: Managing Director/Chief Executive Officer
  Peter Amangbo
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Results - Group
- Speaker: Chief Financial Officer
  Stanley Amuchie
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Results – By Segment & Geography
- Speaker: Executive Director/Corporate Banking
  Stanley Amuchie
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Company Risk Management
- Speaker: Executive Director – Enterprise Risk Management
  Ebenezer Onyeagwu
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Strategy & Outlook
- Speaker: Managing Director/Chief Executive Officer
  Peter Amangbo
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Q & A
### Financial Highlights

**Key Theme**

- On Course for an Impressive Performance in 2014

### Balance Sheet

- **Customer Deposit:** N2.30tn
- **Total Assets:** N3.20tn
- **Total Shareholders’ Funds:** N492.39bn
- **Loans & Advances:** N1.41tn
- **Loan to Deposit Ratio:** 55.80%
- **Cost to Income Ratio:** 56.51%
- **Liquidity:** 60.5%
- **Capital Adequacy:** 22.6%
- **NPL:** 2.8%; **Cost of Risk:** 0.44%
- **ROAE:** 18.95%
- **EPS:** 151k

### P & L

- **Gross Earnings:** N184.43bn
- **Net Interest Income:** N90.73bn
- **Net Interest Margin:** 8.14%
- **PBT:** N57.86bn
- **PAT:** N47.45n

### Key Ratios

- **+7.84% YoY**
- **-0.67% YoY**
- **-7.78% YoY**
- **+6.98% YoY**
- **+4.46% YoY**

- **+1.24% (YTD)**
- **+1.93% (YTD)**
- **+3.31% (YTD)**
- **+10.73% (YTD)**
Profit & Loss Statement

<table>
<thead>
<tr>
<th></th>
<th>Group 6 mths to Jun-14</th>
<th>Group 6 mths to Jun-13</th>
<th>YOY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuing Operations:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Income</td>
<td>139,524</td>
<td>128,323</td>
<td>8.73%</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>-48,781</td>
<td>-36,966</td>
<td>31.96%</td>
</tr>
<tr>
<td><strong>Net Interest Income</strong></td>
<td>90,743</td>
<td>91,357</td>
<td>-0.67%</td>
</tr>
<tr>
<td>Impairment Charge for Credit Losses</td>
<td>-2,948</td>
<td>-3,610</td>
<td>-18.34%</td>
</tr>
<tr>
<td>Net Interest Income after Impairment Charge for Credit Losses</td>
<td>87,795</td>
<td>87,747</td>
<td>0.05%</td>
</tr>
<tr>
<td>Fees and Commission Income</td>
<td>25,981</td>
<td>23,820</td>
<td>9.07%</td>
</tr>
<tr>
<td>Net gains on Financial Instruments</td>
<td>17,902</td>
<td>10,355</td>
<td>72.88%</td>
</tr>
<tr>
<td>Other Income</td>
<td>1,028</td>
<td>596</td>
<td>72.39%</td>
</tr>
<tr>
<td>Share of profit of associates</td>
<td>324</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>-75,171</td>
<td>-70,428</td>
<td>6.73%</td>
</tr>
<tr>
<td>Profit Before Tax from continued operations</td>
<td>57,859</td>
<td>52,090</td>
<td>11.07%</td>
</tr>
<tr>
<td><strong>Discontinued Operations:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross income from discontinued operations</td>
<td>0</td>
<td>7,930</td>
<td>-100.00%</td>
</tr>
<tr>
<td>Gross expenses from discontinued operations</td>
<td>0</td>
<td>-5,937</td>
<td>-100.00%</td>
</tr>
<tr>
<td>Profit Before Tax from discontinued operations</td>
<td>0</td>
<td>1,993</td>
<td>-100.00%</td>
</tr>
<tr>
<td><strong>Continued &amp; Discontinued Operations:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>57,859</td>
<td>54,083</td>
<td>6.98%</td>
</tr>
<tr>
<td>Minimum Tax</td>
<td>0</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>Income Tax Expense</td>
<td>-10,414</td>
<td>-8,664</td>
<td>20.20%</td>
</tr>
<tr>
<td><strong>Profit After Tax</strong></td>
<td>47,445</td>
<td>45,419</td>
<td>4.46%</td>
</tr>
</tbody>
</table>

Improved top & bottom line earnings driven by deposit and loan growth and operating efficiency...
Comments

- Despite the pressure on Net Interest Margin (NIM) due to CRR increase by the CBN, NIM inched up QoQ by 1.5% from 8.02% in Q1 2014 to 8.14% in Q2 2014.

- Cost to Income Ratio remained flat YoY and QoQ. Growth in income heads were undermined by regulatory policies (increase in savings deposit rate and increase in AMCON charge)

- The bank has significantly improved on its credit related fees, income from FX transactions and other fees & commissions.

- Profit after tax (PAT) increased by 4.5% YoY from N45.42bn in H1 2013 to N47.45bn in H1 2014
The drop in interest income from T-bills and investment in securities was as a result of the increase in CRR on private sector funds.

- Interest income from loans and advances increased by 36%

- The bank grew its non-interest income by 30%

- The bank has significantly improved on its credit related fees, income on FX transactions and other fees & commissions

Revenue Base ...Sustained Diversification
Continuous efforts in cost-reduction strategies ..... 

Interest Expenses

<table>
<thead>
<tr>
<th>N'million</th>
<th>H1 2014</th>
<th>H1 2013</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current accounts</td>
<td>2,018</td>
<td>2,318</td>
<td>-13%</td>
</tr>
<tr>
<td>Savings accounts</td>
<td>2,449</td>
<td>1,519</td>
<td>61%</td>
</tr>
<tr>
<td>Time deposits</td>
<td>39,551</td>
<td>32,231</td>
<td>23%</td>
</tr>
<tr>
<td>Inter-bank takings</td>
<td>2,457</td>
<td>516</td>
<td>376%</td>
</tr>
<tr>
<td>Borrowed funds</td>
<td>2,306</td>
<td>382</td>
<td>504%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>48,781</strong></td>
<td><strong>36,966</strong></td>
<td><strong>32%</strong></td>
</tr>
</tbody>
</table>

Interest Expense on borrowed funds (eurobond & multilateral agencies) increased significantly to match the growth in the medium to long term USD funding needs of the bank.

Total Operating Expenses

<table>
<thead>
<tr>
<th>N'million</th>
<th>H1 2014</th>
<th>H1 2013</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Costs</td>
<td>33,203</td>
<td>26,710</td>
<td>24%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>4,369</td>
<td>4,735</td>
<td>-8%</td>
</tr>
<tr>
<td>Auditors' remuneration</td>
<td>249</td>
<td>164</td>
<td>52%</td>
</tr>
<tr>
<td>Directors' emoluments</td>
<td>207</td>
<td>405</td>
<td>-49%</td>
</tr>
<tr>
<td>AMCON Charge</td>
<td>7,197</td>
<td>6,250</td>
<td>15%</td>
</tr>
<tr>
<td>Other expenses</td>
<td>29,946</td>
<td>32,164</td>
<td>-7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>75,171</strong></td>
<td><strong>70,428</strong></td>
<td><strong>7%</strong></td>
</tr>
</tbody>
</table>

- Total operating expenses increased by 7% which is below the nominal GDP growth rate of about 14.5%
## Balance Sheet - Assets

<table>
<thead>
<tr>
<th>(N'm)</th>
<th>Group</th>
<th>Group</th>
<th>YTD</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jun-14</td>
<td>Dec-13</td>
<td>Change</td>
<td>Jun-13</td>
</tr>
<tr>
<td>Cash and balances with central banks</td>
<td>556,416</td>
<td>603,851</td>
<td>-7.86%</td>
<td>284,196</td>
</tr>
<tr>
<td>Treasury bills</td>
<td>335,833</td>
<td>586,441</td>
<td>-42.73%</td>
<td>649,673</td>
</tr>
<tr>
<td>Due from other banks</td>
<td>501,686</td>
<td>256,729</td>
<td>95.41%</td>
<td>346,613</td>
</tr>
<tr>
<td>Derivative assets held for risk management</td>
<td>1,939</td>
<td>2,681</td>
<td>-27.68%</td>
<td>0</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>1,385,988</td>
<td>1,251,355</td>
<td>10.76%</td>
<td>1,066,225</td>
</tr>
<tr>
<td>Investment securities</td>
<td>295,581</td>
<td>303,125</td>
<td>-2.49%</td>
<td>265,616</td>
</tr>
<tr>
<td>Investments in associates</td>
<td>2,272</td>
<td>165</td>
<td>1254.55%</td>
<td>318</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>708</td>
<td>749</td>
<td>-5.47%</td>
<td>414</td>
</tr>
<tr>
<td>Other assets</td>
<td>50,724</td>
<td>36,238</td>
<td>39.97%</td>
<td>61,806</td>
</tr>
<tr>
<td>Assets classified as held for sale</td>
<td>0</td>
<td>30,454</td>
<td>-100.00%</td>
<td>35,036</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>70,557</td>
<td>69,410</td>
<td>1.65%</td>
<td>69,568</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>2,048</td>
<td>1,935</td>
<td>5.84%</td>
<td>1,547</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>3,203,752</td>
<td>3,143,133</td>
<td>1.93%</td>
<td>2,781,012</td>
</tr>
</tbody>
</table>

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

(N'm)

<table>
<thead>
<tr>
<th></th>
<th>Group Jun-14</th>
<th>Group Dec-13</th>
<th>YTD Change</th>
<th>Group Jun-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers deposits</td>
<td>2,304,976</td>
<td>2,276,755</td>
<td>1.24%</td>
<td>2,000,997</td>
</tr>
<tr>
<td>Current income tax</td>
<td>2,171</td>
<td>7,017</td>
<td>-69.06%</td>
<td>1,017</td>
</tr>
<tr>
<td>Deferred income tax liabilities</td>
<td>1,106</td>
<td>678</td>
<td>63.13%</td>
<td>5,578</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>175,685</td>
<td>215,643</td>
<td>-18.53%</td>
<td>201,686</td>
</tr>
<tr>
<td>On-lending facilities</td>
<td>85,356</td>
<td>59,528</td>
<td>43.39%</td>
<td>61,862</td>
</tr>
<tr>
<td>Borrowings</td>
<td>142,070</td>
<td>60,150</td>
<td>136.19%</td>
<td>37,137</td>
</tr>
<tr>
<td>Liabilities classified as held for sale</td>
<td>0</td>
<td>14,111</td>
<td>-100.00%</td>
<td>14,416</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>2,711,364</td>
<td>2,633,882</td>
<td>2.94%</td>
<td>2,322,693</td>
</tr>
</tbody>
</table>

(N'm)

<table>
<thead>
<tr>
<th></th>
<th>Group Jun-14</th>
<th>Group Dec-13</th>
<th>YTD Change</th>
<th>Group Jun-13</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>153,280</td>
<td>161,144</td>
<td>-4.88%</td>
<td>124,414</td>
</tr>
<tr>
<td>Other reserves</td>
<td>67,902</td>
<td>73,347</td>
<td>-7.42%</td>
<td>59,535</td>
</tr>
<tr>
<td><strong>Total Shareholder's funds</strong></td>
<td>492,388</td>
<td>509,251</td>
<td>-3.31%</td>
<td>458,319</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>461</td>
<td>4,015</td>
<td>-88.51%</td>
<td>3,625</td>
</tr>
<tr>
<td><strong>Total liabilities &amp; equity</strong></td>
<td>3,203,752</td>
<td>3,143,133</td>
<td>1.93%</td>
<td>2,781,012</td>
</tr>
</tbody>
</table>

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

**Loans Growth**

- June 2013: 1,094.3
- September 2013: 1,140.5
- December 2013: 1,276.1
- March 2014: 1,336.4
- June 2014: 1,413.0

**Deposits Growth**

- June 2013: 2,001.0
- September 2013: 2,034.0
- December 2013: 2,276.8
- March 2014: 2,288.1
- June 2014: 2,305.0

**Loans & Advances**

- **H1 2014**
  - Overdrafts: 32.1%
  - Term Loans: 61.4%
  - Advance under finance lease: 0.9%
  - On-lending facilities: 5.7%
- **H1 2013**
  - Overdrafts: 29.5%
  - Term Loans: 63.7%
  - Advance under finance lease: 1.5%
  - On-lending facilities: 5.3%

**Deposits Mix**

- **H1 2014**
  - Demand: 54.4%
  - Deposit from Banks: 3.3%
  - Term: 16.6%
  - Domicilliary: 17.0%
- **H1 2013**
  - Demand: 59.6%
  - Deposit from Banks: 3.4%
  - Term: 14.0%
  - Savings: 8.3%
  - Domicilliary: 14.6%
Continued market dominance through strong liquid asset base and funding mix…

**Liquid Assets**

<table>
<thead>
<tr>
<th>N'million</th>
<th>H1 2014</th>
<th>H1 2013</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>50,880</td>
<td>44,086</td>
<td>15%</td>
</tr>
<tr>
<td>Operating accounts with CBN</td>
<td>53,937</td>
<td>44,043</td>
<td>22%</td>
</tr>
<tr>
<td>Mandatory reserve deposits with CBN</td>
<td>451,599</td>
<td>196,067</td>
<td>130%</td>
</tr>
<tr>
<td>Treasury bills</td>
<td>335,833</td>
<td>649,673</td>
<td>-48%</td>
</tr>
<tr>
<td>Current balances with banks within Nig.</td>
<td>12,723</td>
<td>9,497</td>
<td>34%</td>
</tr>
<tr>
<td>Current balances with banks outside Nig.</td>
<td>353,001</td>
<td>231,863</td>
<td>52%</td>
</tr>
<tr>
<td>Placements with banks &amp; discount houses</td>
<td>135,962</td>
<td>105,253</td>
<td>29%</td>
</tr>
<tr>
<td>Total</td>
<td>1,393,935</td>
<td>1,280,482</td>
<td>9%</td>
</tr>
</tbody>
</table>

Mandatory reserve deposits with CBN increased by 130% as a result of CRR increase to 75% for public sector deposits and 15% for private deposits.

**Funding Mix**

<table>
<thead>
<tr>
<th>N'million</th>
<th>H1 2014</th>
<th>H1 2013</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer deposits</td>
<td>2,304,976</td>
<td>2,000,997</td>
<td>15%</td>
</tr>
<tr>
<td>Current income tax</td>
<td>2,171</td>
<td>1,017</td>
<td>113%</td>
</tr>
<tr>
<td>Deferred income tax liabilities</td>
<td>1,106</td>
<td>5,578</td>
<td>-80%</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>175,685</td>
<td>201,686</td>
<td>-13%</td>
</tr>
<tr>
<td>On-lending facilities</td>
<td>85,356</td>
<td>61,862</td>
<td>38%</td>
</tr>
<tr>
<td>Borrowings</td>
<td>142,070</td>
<td>37,137</td>
<td>283%</td>
</tr>
<tr>
<td>Liabilities classified as held for sale</td>
<td>-</td>
<td>14,416</td>
<td>-100%</td>
</tr>
<tr>
<td>Total</td>
<td>2,711,364</td>
<td>2,322,693</td>
<td>17%</td>
</tr>
</tbody>
</table>

Borrowings increased by 283% in order to meet the medium to long term USD funding requirements of our customers.
<table>
<thead>
<tr>
<th>Agenda</th>
</tr>
</thead>
</table>
| **Overview & Operating Environment**  
  ➢ Speaker: Managing Director/Chief Executive Officer  
    Peter Amangbo  
    Slides 4 - 5 |
| **Results - Group**  
  ➢ Speaker: Chief Financial Officer  
    Stanley Amuchie  
    Slides 7- 15 |
| **Results – By Segment & Geography**  
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| **Company Risk Management**  
  ➢ Speaker: Executive Director – Enterprise Risk Management  
    Ebenezer Onyeagwu  
    Slides 21- 24 |
| **Strategy & Outlook**  
  ➢ Speaker: Managing Director/Chief Executive Officer  
    Peter Amangbo  
    Slides 26 - 29 |
| **Q & A** |
Our Nigerian business continues to be the main driver of profitability … providing over 90% of gross revenue.
### P&L – By Sector

#### 6 Months Ended June 2014 (N’m)

<table>
<thead>
<tr>
<th></th>
<th>Corporate</th>
<th>Institutional</th>
<th>Public</th>
<th>Retail</th>
<th>Discontinued Operations</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>84,840</td>
<td>29,509</td>
<td>31,354</td>
<td>38,731</td>
<td>0</td>
<td>184,434</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>31,615</td>
<td>7,992</td>
<td>14,899</td>
<td>3,353</td>
<td>0</td>
<td>57,859</td>
</tr>
<tr>
<td>Tax</td>
<td>-5,690</td>
<td>-1,438</td>
<td>-2,682</td>
<td>-604</td>
<td>0</td>
<td>-10,414</td>
</tr>
<tr>
<td>Profit After Tax</td>
<td>25,925</td>
<td>6,553</td>
<td>12,217</td>
<td>2,750</td>
<td>0</td>
<td>47,445</td>
</tr>
</tbody>
</table>

---

#### 6 Months Ended June 2013 (N’m)

<table>
<thead>
<tr>
<th></th>
<th>Corporate</th>
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<th>Public</th>
<th>Retail</th>
<th>Discontinued Operations</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>58,909</td>
<td>37,527</td>
<td>29,509</td>
<td>37,149</td>
<td>7,930</td>
<td>171,024</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>16,573</td>
<td>18,176</td>
<td>7,798</td>
<td>9,542</td>
<td>1,993</td>
<td>54,083</td>
</tr>
<tr>
<td>Tax</td>
<td>-2,655</td>
<td>-2,912</td>
<td>-1,249</td>
<td>-1,529</td>
<td>-319</td>
<td>-8,664</td>
</tr>
<tr>
<td>Profit After Tax</td>
<td>13,918</td>
<td>15,264</td>
<td>6,549</td>
<td>8,013</td>
<td>1,674</td>
<td>45,419</td>
</tr>
</tbody>
</table>

---

**Gross Revenue**

**H1 2014**
- Corporate & Commercial: 46%
- Discontinued Operations: 0%
- Retail: 21%
- Institutional: 16%

**H1 2013**
- Corporate & Commercial: 34%
- Discontinued Operations: 5%
- Retail: 17%
- Institutional: 22%

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**Improved profitability on core business segments**
H1 2014 Total Deposits - ₦2.30tn

H1 2014 Gross Loans - ₦1.41tn
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Q & A
Healthy Risk Assets Portfolio…

### Our Risk Management Strategy

- The group adopts a complete and integrated approach to risk management that is driven from the Board level to the operational activities of the bank.

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

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

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

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

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

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### NPL Coverage Ratio

- Jun-13: 82.18%
- Sep-13: 88.68%
- Dec-13: 94.24%
- Mar-14: 100.44%
- Jun-14: 96.06%

### NPL Ratio

- Jun-13: 3.10%
- Sep-13: 3.10%
- Dec-13: 2.90%
- Mar-14: 2.80%
- Jun-14: 2.80%

*The Group's NPL ratio has declined further from 2.91% recorded in 2013 to 2.8% in H1 2014.
Focused risk management via portfolio diversification

Loans by Sector – H1 2014

- Finance and Insurance 1.89%
- Government 9.20%
- Cement Manufacturing 3.04%
- Downstream Oil & Gas 12.46%
- Food and Agro-processing 2.05%
- Consumer Credit 2.24%
- General Commerce 6.03%
- Beverages and Tobacco 0.13%
- Agriculture 7.34%
- Education 0.31%
- Public utilities 1.82%
- Real Estate and Construction 7.29%
- Transportation 5.62%
- Power 3.44%
- Other Manufacturing 12.09%
- Communication 12.44%
- Upstream Oil & Gas 3.17%
- Other Credit 3.20%
- Others 3.32%

Gross Loans – N1.41tn

No concentration risk

Loans by Sector – H1 2013

- Finance and Insurance 1.46%
- Government 8.61%
- Cement Manufacturing 1.48%
- Downstream Oil & Gas 10.19%
- Food and Agro-processing 3.17%
- Consumer Credit 3.20%
- General Commerce 6.79%
- Beverages and Tobacco 0.20%
- Agriculture 5.83%
- Education 0.48%
- Others 4.49%
- Upstream Oil & Gas 4.61%
- Other Credit 0.49%
- Public utilities 2.37%
- Real Estate and Construction 6.15%
- Communication 16.48%
- Transportation 5.94%
- Power 1.26%
- Other Manufacturing 13.68%

Gross Loans – N1.09tn
We continue to develop our Risk Management Strategy and improve on the quality of our loan portfolio.

Overall NPL ratio of 2.8% is currently one of the lowest in the industry.
Strong Capitalization and Liquidity

Liquidity and Capital Adequacy

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

Capital base – predominantly made up of Tier 1 (core capital) which consists of mainly share capital and reserves created by appropriations of retained earnings.
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Q & A
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
Our Key Growth Target Sectors

Driving profitability with our competitive advantages

**Identified Growth Sectors**
- Infrastructure
- Manufacturing
- Oil and Gas (Upstream & Downstream)
- Power and Energy
- Real Estate and Construction
- Telecoms
- Transportation and General Commerce
- Agriculture

**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 FY2014

- **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.

- **Power and Infrastructure:** The Nigerian government has sold major power assets in the country via auction. The 25% of the bid price was paid by preferred bidders in March 2013 while the 75% balance was also paid in August 2013. As we begin to see the inflow of a large volume of private sector investments through the creation of new power generation and distribution entities and the subsequent development of a competitive electricity market, Zenith Bank is strategically positioned to take advantage of any emerging business opportunities in the country’s power sector.

- **Upstream Oil & Gas:** The large international oil companies are divesting from their on-shore and shallow-water investments which has created opportunities for the smaller players. The bank will continue to provide support to these players who have distinguished themselves in this sector.

- **Biometric Identification of Bank’s Customers:** The Central Bank of Nigeria in conjunction with the Bankers Committee has commenced the capturing of bio-data of all bank’s customers across the industry into a single data base. This will provide a unique identification for each individual account holder. The credit history/standing of each customer will then be easily accessed across the industry. It is expected to open up retail banking as credit risk will be minimized.

- **Cash-lite Project of CBN:** The cash-lite project has now been extended nation wide effective July 1st 2014. Zenith Bank Plc has efficiently deployed a wide range of banking products that provides resourceful and robust financial services to its customers. It has launched mainly e-Banking products (Point of Sales Terminals, ATMs etc) geared towards meeting the changing needs of its customers in the light of the recently introduced and evolving cashless society policies being championed by the Central Bank of Nigeria (CBN) and fully supported by the banking community in the country.
Outlook and Prospects for FY2014

- **Mobile & Internet Banking:** Zenith Bank Plc has taken advantage of mobile and internet banking licenses to promote internet corporate banking solutions and person-to-person payments using mobile phones.

- **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.

- **Best Practices:** With the issuance of our Eurobond and the earlier listing on the London Stock Exchange, the Group would continue to uphold corporate governance and best practices in all segments of our business.

- **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.

- **Deposit Base:** Our drive for low cost and appropriately mixed deposit base to fund our credit and money market transactions would continue in FY2014. We are committed to be a dominant player in the money market space to drive up income and profitability going forward.

- **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