



**DR. EBENEZER ONYEAGWU**

Group Managing Director/Chief Executive Officer

Dear shareholders, I am pleased to welcome you to the 32nd Annual General Meeting of our Bank.

The global economy was beset by a range of challenges in 2022 that disrupted growth expectations. These included rising food and energy costs due to the Russia-Ukraine conflict, the sentiments associated with election cycles, and monetary policy tightening. As a result, the International Monetary Fund (IMF) estimated global economic growth of 3.4 per cent in 2022, down 45.2 per cent from 6.2 per cent in 2021.

On the domestic front, the Nigerian economy maintained a positive trajectory in 2022, albeit at a slower pace, after exiting recession in 2020. The National Bureau of Statistics (NBS) reported that Gross Domestic Product (GDP) grew by 3.10 per cent in 2022, a decline of 8.8 per cent from the 3.4 per cent growth recorded in 2021. Economic performance was hampered by weak oil inflationary pressures, production, insecurity, and flooding that inhibited agricultural productivity in several states of the federation. Additionally, tightening global financial conditions and recession fears limited the flow of investment into key sectors of the economy.

One of the macroeconomic challenges the Central Bank of Nigeria (CBN) had to respond to in 2022 was maintaining price stability, with the inflation rate climbing to 21.34 per cent as at December 2022. The inflation was caused by a disruption in food production activities, the Russia-Ukraine conflict, and an uptick in importation costs. The Monetary Policy Committee (MPC) of the CBN raised the Monetary Policy Rate (MPR) four consecutive times to 16.5 per cent while increasing the Cash Reserve Requirement (CRR) by 500 basis points to 32.5 per cent. In a bid to rein in spiralling inflation, the CBN increased the interest rates on its intervention loans to 9 per cent from 5 per cent. The CBN also redesigned the Naira and updated cash withdrawal limits to gain control of currency in circulation and deepen the nation's cashless policy.

Amidst the headwinds to growth in the past year, we remained dedicated to creating value for our customers through our innovative suite of products and services. We supported clients across various sectors of the economy to weather the uncertain

business environment while enabling them to achieve their growth ambitions. Our services played a vital role in stabilising small businesses, helping them with post pandemic recoveries and positioning them for growth. Additionally, our interventions provided a platform for businesses to network and access emerging opportunities. The Bank successfully held its 7th Annual Export Seminar, a flagship platform for canvassing and initiating trade policies while facilitating engagement between the key stakeholders in the Non-oil Export Sector. The Zenith Bank Tech Fair 2022, themed Future Forward 2.0, featured enriching presentations, panel discussions, the Zecathon, and exhibitions. The Bank is committed to incubating and mentoring the laureates that come through its digital entrepreneurship initiatives to ensure their growth.

All the success we recorded in the past financial year was only possible with the synergy between our people, technology infrastructure, and innovative services. Our highly talented team is committed to sustained innovative initiatives for continued value creation for our customers. We are relentless in delivering excellent services, which is one of the Bank's hallmarks. Zenith Bank believes that technology is an enabler of business, both for us and our clients. Consequently, we are making robust investments in our technology infrastructure to make it fit for the future. We are implementing a migration to a new enterprise software architecture as part of our digital transformation initiative as we strive to maintain our leadership in the digital financial services space. Through our investments in technology, we are confident that we will maintain our ability to innovate and deepen our overall digital payments suite and offerings, creating omni channels for digital service delivery.

As a testament to our outstanding accomplishments in 2022, Zenith Bank received several domestic and international awards and recognition. These awards include Bank of the Year, Nigeria (The Banker); Biggest Bank in Nigeria by Tier-1 Capital (The Banker); Best Bank in Nigeria (Global Finance Magazine); Best Commercial Bank, Nigeria (World Finance); Best Corporate Governance, Nigeria (World Finance); Best Commercial Bank, Nigeria (International Banker); Best Corporate Governance Financial Services Africa (Ethical Boardroom); Bank of the Year (New Telegraph Newspaper); Best Company in Technology for Development (SERAs); and Best Company in Work Place Practice – SERAs.

As a leading financial institution, we remain committed to addressing the challenges confronting society, as espoused in the Sustainable Development Goals of the United Nations and the Paris Agreement. The Bank has integrated sustainability principles and standards into its business operations and investment decisions because we subscribe to the principle of the Triple Bottom Line: People, Planet, and Profit. We strongly believe that businesses should strive to deliver positive social, environmental, and economic impact. We are poised to deepen our sustainable banking practices and commitments.

The outlook for the global economy and Nigeria is cautiously optimistic despite concerns about the trajectory of the Russia-Ukraine conflict and the risk of a global financial contagion due to financial fragilities in the United States and Switzerland. In its January 2023 World Economic Outlook Update report, the International Monetary Fund (IMF) noted that the global outlook is less gloomy than its October 2022 forecast, representing a turning point, with growth bottoming out and inflation declining. The IMF expects that global growth will slow from 3.4 per cent in 2022 to 2.9 per cent in 2023 due to efforts to rein in inflation and the Russia-Ukraine conflict, which are expected to weigh on economic activities. Against this backdrop, the IMF projects that the Nigerian economy will grow by 3.2 per cent in 2023, up by 0.2 per cent from its October 2022 forecast. The Nigerian economy is also expected to benefit from robust commodities trade and dynamic consumer goods and services markets in 2023, although there are downside risks, including high inflation, power supply challenges, and deteriorating fiscal balances.

Overall, we are optimistic about the future, and Zenith Bank is well-positioned to take advantage of emerging growth opportunities. We will continue to make the necessary investments and sustain our sound risk management and corporate governance practices that have given us an edge as we create enduring value for all our stakeholders.

Thank you.



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