



# 2020 HALF YEAR REPORT

Presentation to Investors  
and Analysts



PEOPLE | TECHNOLOGY | SERVICE

# Agenda

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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.

A nighttime photograph of an industrial facility, likely a port or refinery, with numerous cranes and buildings illuminated by warm yellow lights. In the foreground, a multi-level bridge or overpass structure is lit with bright blue lights, which reflect on the dark water below. The sky is dark, and the overall scene is a mix of industrial activity and modern infrastructure.

# Overview of Operating Environment

# Nigerian Economy and Key Developments in the Banking Sector

## Real GDP Growth:

- Nigeria recorded a negative growth of -6.10% y/y in real GDP in Q2 2020, a decrease of 7.97% from 1.87% y/y growth recorded in Q1 2020. The decline was largely attributable to significantly lower levels of both domestic and international economic activities during the quarter, which resulted from the lockdown instituted by government authorities to contain the COVID-19 pandemic
- The oil sector contracted by -6.63% y/y and contributed 8.93% to total real GDP in Q2 2020 while the non-oil sector contracted by -6.05% - with the following sectors experiencing the highest negative growth: Transport and Storage, Accommodation and Food Services, Construction, Education, Real estate and Trade.

## Headline Inflation:

- Headline inflation increased to 12.56% y/y in Jun'20 from 12.40% y/y recorded in May'20.
- Food inflation rose by 14 bps to 15.18% y/y while core inflation increased marginally by 1 bps to 12.13% y/y.

## Oil Production & Price:

- OPEC average monthly basket price increased by 9.4% during the 2<sup>nd</sup> quarter of 2020, from \$33.9/bbl recorded in Mar'20 to \$37.1/bbl recorded in Jun'20. However, the price dipped to \$17.7/bbl in Apr'20 before recovering in subsequent months.
- Nigeria recorded an average daily oil production of 1.81 mbpd in Q2 2020, a drop of 0.26 mbpd from 2.07 mbpd recorded in Q1 2020 as a result of compliance with OPEC quotas.

## Foreign Reserves:

- Nigerian foreign reserves declined by 1.4% QoQ from \$36.1bn recorded at the end of Q1 2020 to \$35.6bn recorded at the end of Q2 2020.

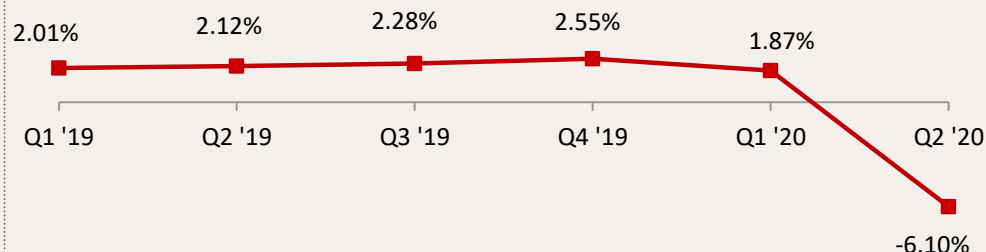
## Exchange Rate:

- There was about 6.5% movement in exchange rate (NGN/USD) in the first half of 2020. Rates (NGN/USD) as at end of June 2020: NAFEX( I&E) – 386.75; CBN Retail – 385.5 (December 2019: NAFEX( I&E) – 363.7; CBN Retail – 359.7).

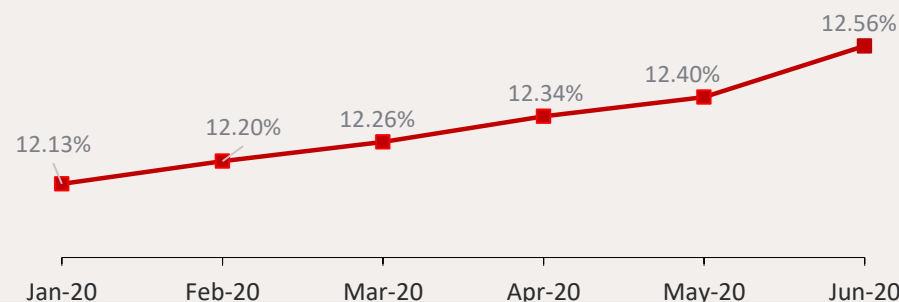
## Cash Reserve Ratio (CRR) & Monetary Policy Rate (MPR):

- The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) voted to keep all monetary policy rates the same during the MPC meeting held in July 2020. Cash Reserve Ratio (CRR) - 27.5%; Monetary Policy Rate (MPR) – 12.5%; and Liquidity Ratio - 30%.

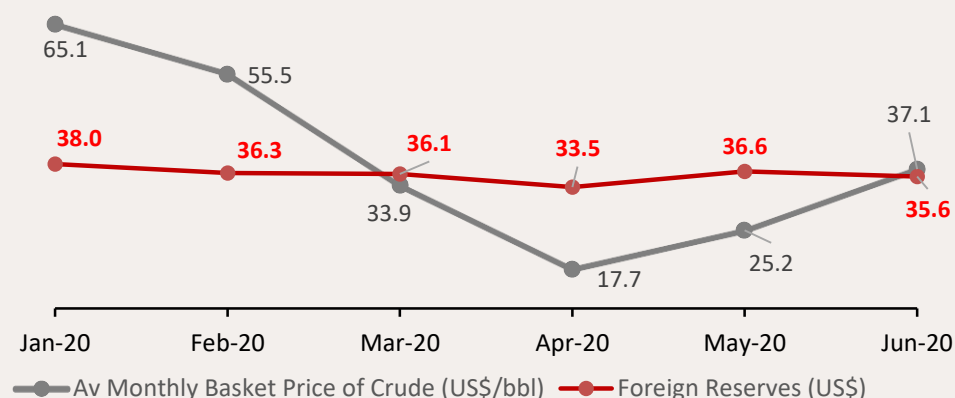
## GDP Growth Rate



## Inflation Rate



## Foreign Reserves / Oil Price



Source: National Bureau of Statistics, Central Bank of Nigeria, OPEC

# Our Response to Covid-19 Pandemic

As we transit to the new normal amid this pandemic, the health and safety of our employees, customers and other stakeholders are of utmost importance to us while we remain focused on preserving value for our shareholders.

- We have set a clear direction and communicated this effectively to all staff and other stakeholders in accordance with our Business Continuity Plan (BCP). Remote working and electronic self-services for our traditional banking services have been established.
- Our BCPs are constantly being reviewed and strengthened to reflect the current and potential impacts of Covid-19 pandemic.
- We have also developed a strategic crisis-action plan to guide our response across all Covid-19 scenarios - short, medium and long term, while leveraging on emerging opportunities.
- Executive Management has encouraged virtual meetings and discussions of the bank activities across various Teams.
- Several stress tests to assess the possible impacts of Covid-19 on our liquidity, capital adequacy and earning capacity had been conducted. We remain resilient to short and medium term shocks from the adverse impacts of coronavirus pandemic.
- We review our loan books continuously and closely monitor all assets and liabilities classes to ensure sufficient liquidity to meet our financial obligations.
- We are engaging our customers in key sectors of the economy to better understand their current challenges and provide effective and bespoke actions to alleviate their hardships while preserving shareholders' funds.
- We have increased our investment in IT and Cyber Security infrastructure to enable us meet the increasing digital needs of our customers while protecting our organization and customers from all cyber security threats.

# Our Investment Proposition

Market leadership, growth capacity, solid and liquid capital base, strengthened ERM practices, good returns on investment and excellent customer service.

## A dominant player in the 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 as well as efficient trade finance processes and services, to continuously grow and support businesses.

## Growing footprint in the retail and digital space:

- Continues to attract and grow its share of retail customers and retail business in the market.

## Strong Focus on Risk Management:

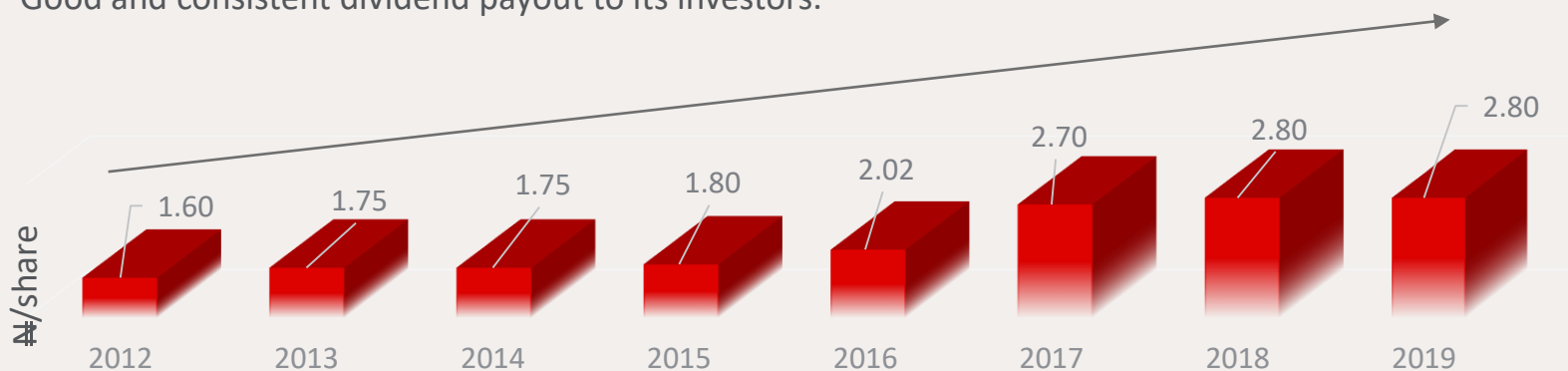
- NPL ratio came in at 4.7% with a coverage ratio of 132%. The Group will continue to implement robust risk management practices and maintain the lowest possible NPL ratio.

## Credit Rating: Constrained by Sovereign Ratings

- Standard and Poor's ratings for Zenith Bank are: B-/Stable/B (Issuer Credit Rating) and ngBBB/ngA-2 (National Scale Rating).
- Fitch ratings are: 1) Long-term foreign currency IDR: 'B' - Negative Watch; 2) Short-term foreign currency IDR: 'B'; 3) National Long-term rating: 'AA-(nga)'; 4) National Short-term rating: 'F1(nga)'.
- Moody's ratings: 1) Long Term Debt - B2 with Negative Outlook; 2) Long Term Deposit – B3 with Negative Outlook

## Consistent and Growing Dividend Payout:

- Good and consistent dividend payout to its investors.



# Non-financial Highlights

## SOCIAL IMPACT/CSR

- Member of the Nigeria Coalition against Covid-19
- Official Bank of the Nigerian National Football Teams
- Private Sector Health Alliance Project
- Zenith Bank National Women Basketball League
- The Muson Centre Project
- Aba SME Fair
- Zenith Tech Fair
- Style by Zenith
- Zenith Youth Parade

## CUSTOMERS/CHANNELS

		H1 2020	H1 2019
Number of Customers		11,048,592	8,633,112
Number of Cards Issued		9,011,254	6,913,385
Number of active POS Terminals		57,429	38,005
Number of ATM Terminals		2,033	1,950
Number of Branches		437	424
Number of Cash Centres		171	181
Number of Male Employees		4,024	3,813
Number of Female Employees		3,741	3,502

## AWARDS

- Biggest Bank in Nigeria by Tier-1 Capital 2020 - The Banker Magazine
- Most Valuable Banking Brand in Nigeria 2020 - The Banker Magazine
- Bank of the Year 2020 - Independent Newspapers
- Best Bank in Nigeria 2020 – Global Finance Magazine
- Bank of the Decade (People's Choice) – Thisday Awards 2020
- Best Digital Bank 2019 - Augusto & Co.
- Best Company Promoting Good Health and Well-being 2019 - The SERAS CSR Award

## SHARE HOLDINGS



Number of Shareholders

**644,436**

## PRODUCT INNOVATIONS

Emergency USSD Code **\*966\*911#**

Virtual Debit Card

Timeless Account

USSD on POS  
Biometric ATM operations

## SOCIAL MEDIA FOLLOWING

6,002,623

1,237,295

453,613

31,382,380 (views)

143,876



# Group Results

## Key Themes

- ✓ Efficiency and risk management for superior performance.
- ✓ Building a shock-proof balance sheet.
- ✓ Growing our footprint in the retail and digital space.

## Income Statement

Gross earnings:	<b>₺346.1Bn</b>	<b>+4.4% YoY</b>
Net-interest income:	<b>₺157.4Bn</b>	<b>+10.5% YoY</b>
Non-interest income:	<b>₺116.5Bn</b>	<b>+6.2% YoY</b>
Profit before tax:	<b>₺114.1Bn</b>	<b>+2.2% YoY</b>
Profit after tax:	<b>₺103.8Bn</b>	<b>+16.8% YoY</b>

## Balance Sheet

Customers' deposits:	<b>₺4.90Tn</b>	<b>+15.1% YTD</b>
Gross loans:	<b>₺2.80Tn</b>	<b>+13.7% YTD</b>
Total assets:	<b>₺7.58Tn</b>	<b>+19.4% YTD</b>
Total shareholders' funds:	<b>989.0Bn</b>	<b>+5.0% YTD</b>

# Financial Highlights – H1 2020 Contd.

## Key Ratios

	30-Jun-20	30-Jun-19	% change
Return on average equity (RoAE)	21.5%	21.7%	(0.9%)
Return on average assets (RoAA)	3.0%	3.0%	0.0%
Earnings per share (EPS)	N3.3	N2.8	17.9%
Net interest margin - NIM	9.0%	8.6%	4.7%
Cost of funds	2.2%	3.0%	(26.7%)
Cost of risk	1.8%	1.4%	28.6%
Cost-to-income ratio	54.3%	53.2%	2.1%
	30-Jun-20	31-Dec-19	% change
Liquidity ratio	50.8%	57.3%	(11.3%)
Loan-to-deposit ratio (Group)	57.1%	57.8%	(1.2%)
Loan-to-deposit ratio (Bank)	66.1%	68.6%	(3.7%)
Capital adequacy ratio (CAR)	20.0%	22.0%	(9.1%)
Non-performing loan ratio (NPL)	4.7%	4.3%	9.3%
Coverage ratio	132.0%	148.2%	(10.9%)

# Profit or Loss Statement

- Strong top and bottom lines, propelled by growth in net interest income and non-interest income.

(N'million)	Group 6M 20	Group 6M 19	YOY Change
<b>Gross income</b>	<b>346,088</b>	<b>331,586</b>	<b>4.37%</b>
Interest and similar income	216,954	214,601	1.10%
Interest and similar expense	(59,545)	(72,086)	(17.40%)
<b>Net interest income</b>	<b>157,409</b>	<b>142,515</b>	<b>10.45%</b>
Impairment charge	(23,923)	(13,735)	74.18%
Net interest income after impairment charge	133,486	128,780	3.65%
Net fee and commission income	33,503	55,815	(39.97%)
Other operating income	24,151	8,814	174.01%
Trading gains	58,832	45,101	30.45%
Amortisation of intangible assets	(12,471)	(9,791)	27.37%
Depreciation of property and equipment	(1,778)	(1,514)	17.44%
Personnel expenses	(38,868)	(38,725)	0.14%
Operating expenses	(82,731)	(76,803)	7.83%
Profit before tax	114,124	111,677	2.19%
Tax expense	(10,298)	(22,795)	(54.82%)
<b>Profit after tax</b>	<b>103,826</b>	<b>88,882</b>	<b>16.81%</b>

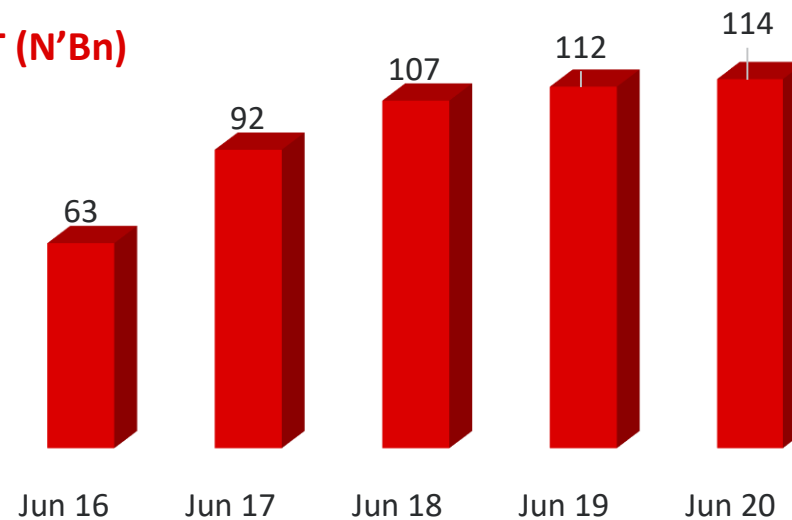
# Consolidating Earnings and Profitability



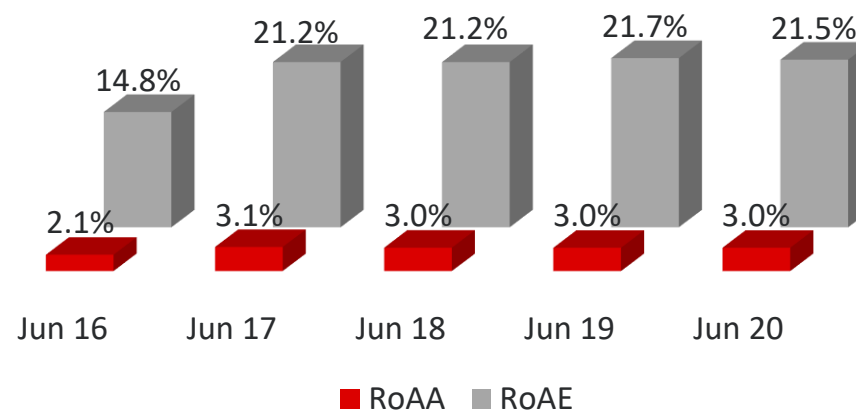
Zenith Group has continued to deliver an attractive earnings profile, supported by a robust revenue base and despite market turbulence.

- **PBT** increased YoY by 2.2% from N111.7bn in H1 2019 to N114.1bn in H1 2020, driven by **Net Interest Income** which grew by 10.5% YoY.
- **ROAE** declined marginally from 21.7% to 21.5% YoY as a result of our stronger capital base.
- **ROAA** remained flat at 3.0% YoY.

### PBT (N'Bn)



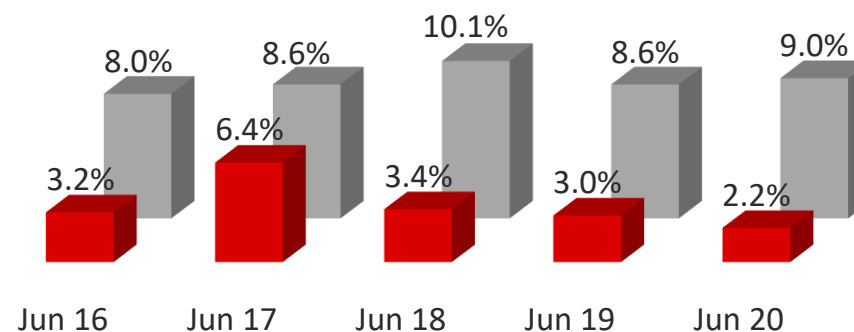
### RoAA & RoAE



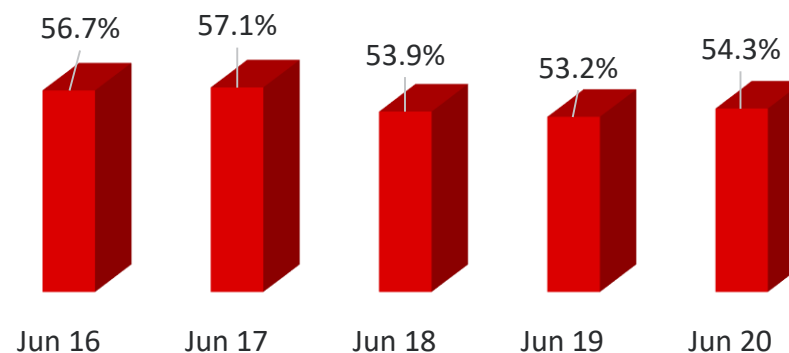
# Consolidating Earnings and Profitability Contd.

- **Net Interest Margin - NIM** improved by 5% YoY (from 8.6% in H1 2019 to 9.0% in H1 2020), demonstrating the Group's ability to deliver optimal pricing for its interest-bearing assets and liabilities in a declining yield environment.
- **Cost of Funds** dropped to 2.2% in H1 2020 from 3.0% recorded in H1 2019 as a result of rebalancing of our funding mix and the declining yield environment.
- **Cost-to-Income Ratio** increased from 53.2% recorded in H1 2019 to 54.3% recorded in H1 2020 due to inflationary pressures and the Group's conservative approach towards impairment charges in the current elevated risk environment.

## Cost of Funds & Net Interest Margin



## Cost to Income Ratio

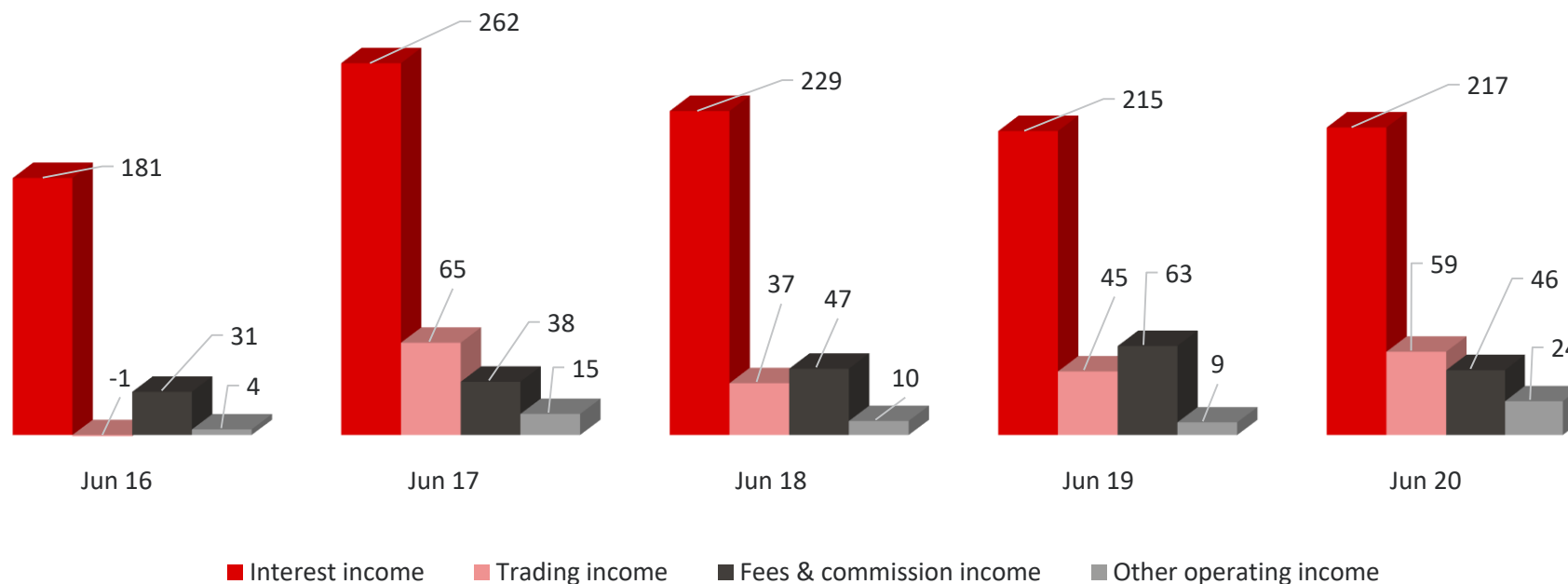


# Evolution of Revenue Base

- Contribution of non-interest income lines to total revenue continues to grow, increasing from 35.3% in H1 2019 to 37.3% in H1 2020.

N'million	H1 2020	% to Total Revenue	H1 2019	% to Total Revenue	YoY
Interest income	216,954	62.7%	214,601	64.7%	1.1%
Trading income	58,832	17.0%	45,101	13.6%	30.4%
Fees and commissions income	46,151	13.3%	63,070	19.0%	-26.8%
Other operating Income	24,151	7.0%	8,814	2.7%	174.0%
<b>Total Revenue</b>	<b>346,088</b>	<b>100%</b>	<b>331,586</b>	<b>100%</b>	<b>4.4%</b>

₹'Bn

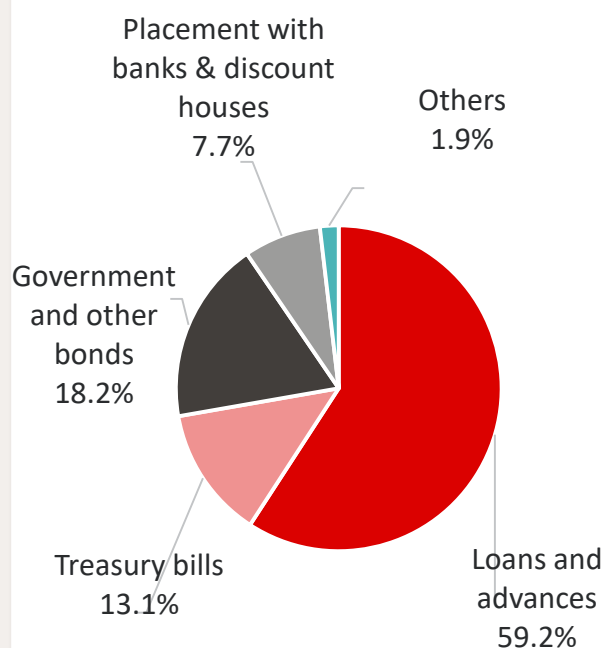


# Revenue Base: Interest Income Lines

- Treasury bills interest income dipped by 46% YoY because of the declining yield environment and rebalancing of our interest generating assets.

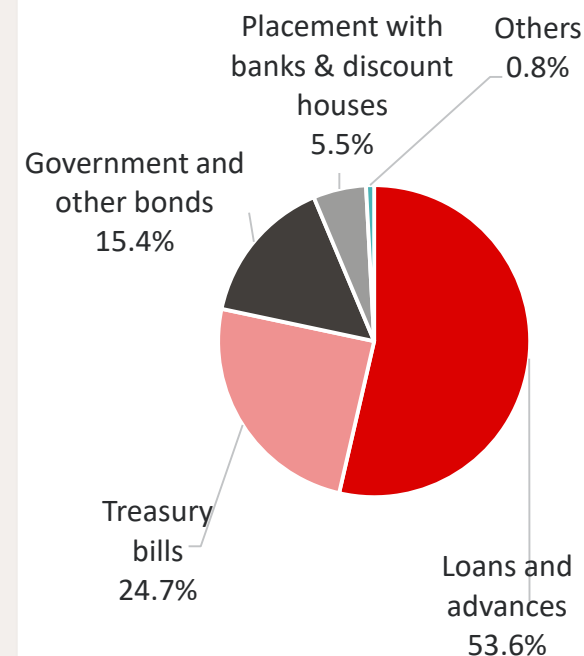
## Interest Income

### H1 2020



N'million	H1 2020	H1 2019	YoY
Loans and advances	128,367	115,043	12%
Treasury bills	28,383	53,039	-46%
Government and other bonds	39,519	32,950	20%
Placement with banks & discount houses	16,654	11,775	41%
Others	4,031	1,794	125%
<b>Total</b>	<b>216,954</b>	<b>214,601</b>	<b>1%</b>

### H1 2019

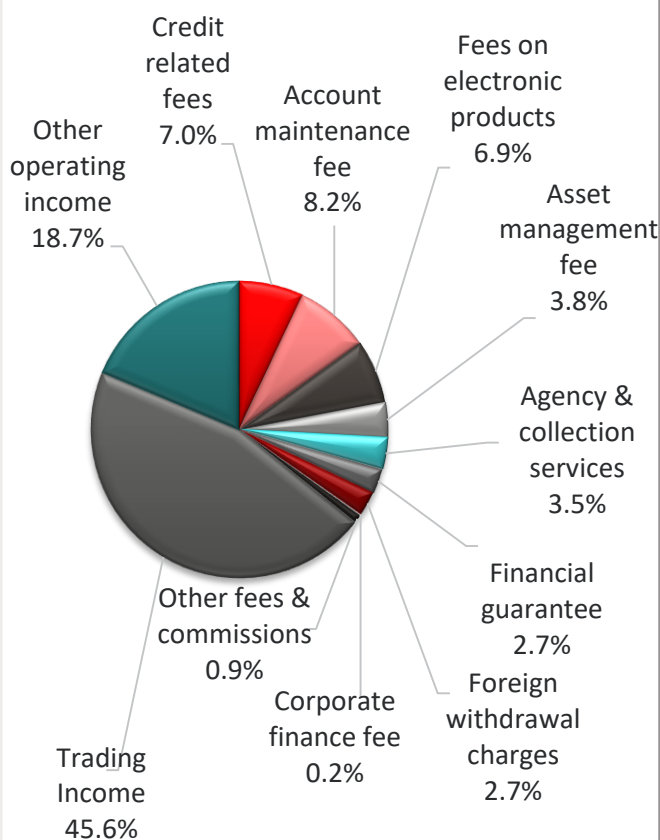




# Revenue Base: Non-Interest Income (NII) Diversification

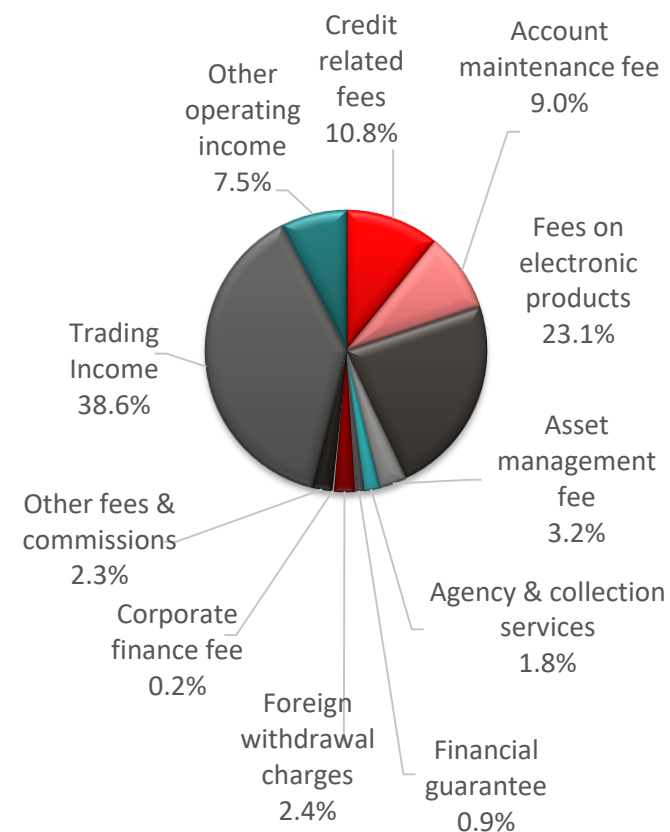
- Sustained growth in non-Interest Income which grew by 6% YoY.

## H1 2020



N'million	H1 2020	H1 2019	YoY
Credit related fees	9,063	12,684	-29%
Account maintenance fee	10,525	10,577	0%
Fees on electronic products	8,937	27,076	-67%
Asset management fee	4,856	3,756	29%
Agency & collection services	4,473	2,162	107%
Financial guarantee	3,454	1,088	217%
Foreign withdrawal charges	3,466	2,754	26%
Corporate finance fee	223	286	-22%
Other fees & commissions	1,154	2,687	-57%
<b>Total fees &amp; commission income</b>	<b>46,151</b>	<b>63,070</b>	<b>-27%</b>
Fees and commission expense	-12,648	-7,255	74%
<b>Net fee &amp; commission income</b>	<b>33,503</b>	<b>55,815</b>	<b>-40%</b>
Trading Income	58,832	45,101	30%
Other operating income	24,151	8,814	174%
<b>Net non- interest income</b>	<b>116,486</b>	<b>109,730</b>	<b>6%</b>

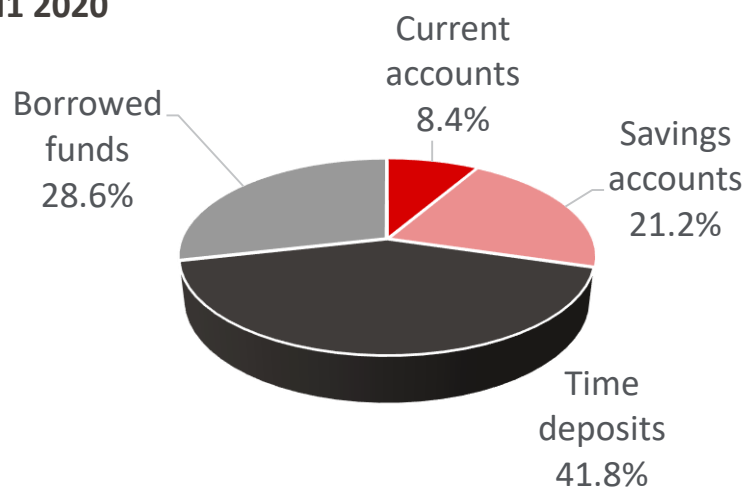
## H1 2019



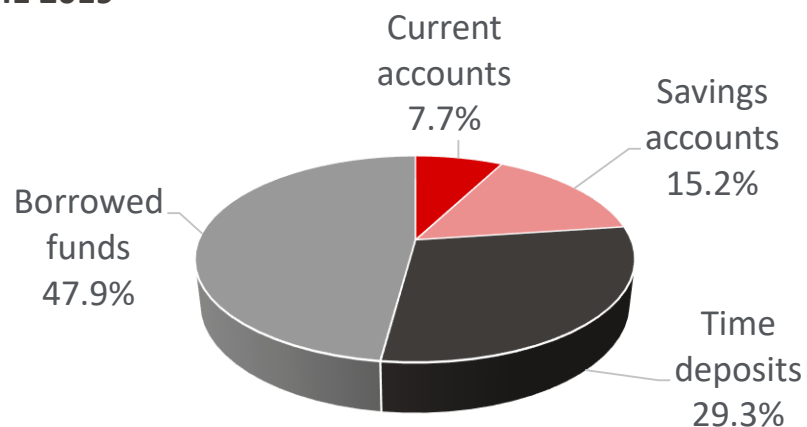
# Interest Expense: Funding Cost Optimization

## Interest Expenses

### H1 2020



### H1 2019



- Interest expense declined by 17% YoY as a result of rebalancing of deposit mix and the declining yield environment.

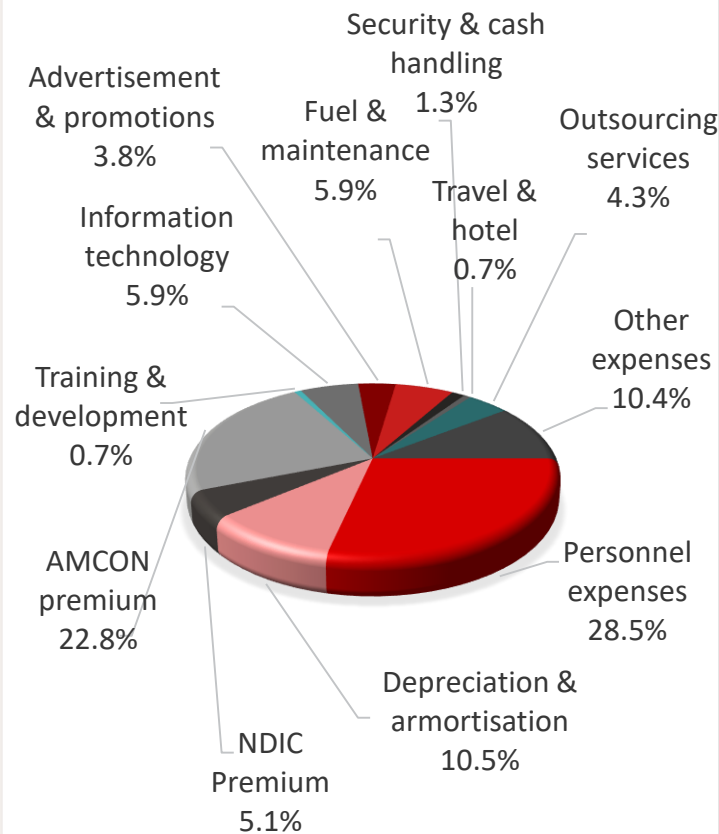
N'million	H1 2020	H1 2019	YoY
Current accounts	5,007	5,521	-9%
Savings accounts	12,622	10,954	15%
Time deposits	24,913	21,088	18%
Borrowed funds	17,003	34,523	-51%
<b>Total</b>	<b>59,545</b>	<b>72,086</b>	<b>-17%</b>

# Continuous Implimentation of Cost-Reduction Strategies.

- Total operating expense grew by 7% YoY in H1 2020 due to inflationary pressure and foreign currency denominated expenses (exchange rate movement).

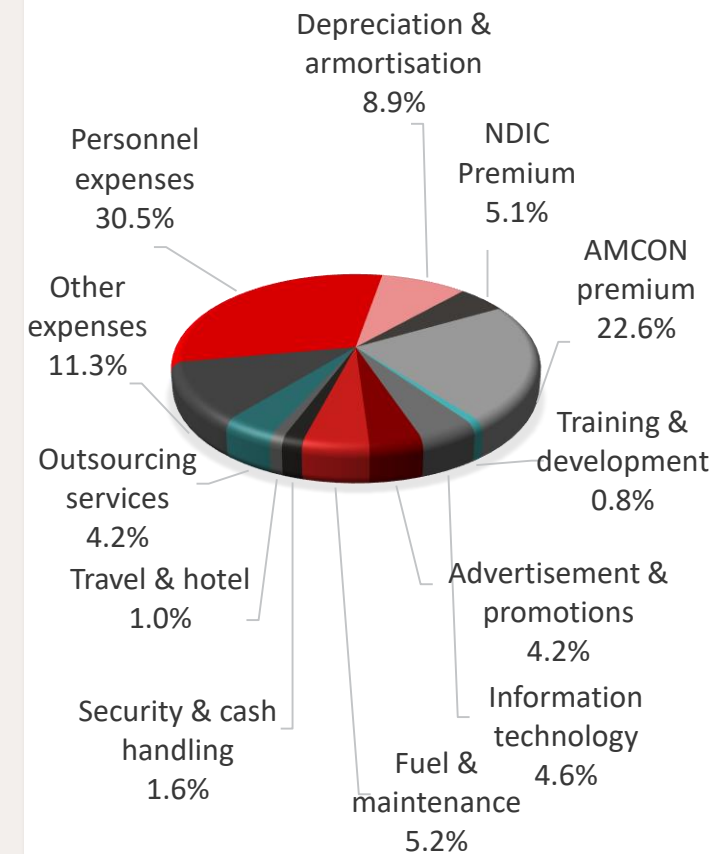
## Total Operating Expenses

### Q1 2020



N'million	H1 2020	H1 2019	YoY
Personnel expenses	38,868	38,725	0%
Depreciation & amortisation	14,249	11,305	26%
NDIC Premium	6,910	6,449	7%
AMCON premium	30,948	28,654	8%
Training & development	940	1,038	-9%
Information technology	8,069	5,816	39%
Advertisement & promotions	5,160	5,323	-3%
Fuel & maintenance	8,031	6,592	22%
Security & cash handling	1,815	2,061	-12%
Travel & hotel	950	1,278	-26%
Outsourcing services	5,825	5,311	10%
Other expenses	14,083	14,281	-1%
<b>Total</b>	<b>135,848</b>	<b>126,833</b>	<b>7%</b>

### H1 2019



# Balance Sheet – Assets

- Robust balance sheet - well positioned to take on growth opportunities when the economy begins to recover.

(N'million)	Group Jun-20	Group Dec-19	YTD Change	Group Jun-19
Cash and balances with central banks	1,706,452	936,278	82.26%	769,455
Treasury bills	837,113	991,393	-15.56%	1,006,717
Assets pledged as collateral	316,982	431,728	-26.58%	517,429
Due from other banks	854,713	707,103	20.88%	857,376
Derivative assets	100,934	92,722	8.86%	65,709
Loans and advances	2,624,367	2,305,565	13.83%	1,801,833
Investment securities	774,493	591,097	31.03%	557,485
Deferred tax assets	12,438	11,860	4.87%	11,846
Other assets	150,018	77,395	93.83%	126,113
Property and equipment	186,827	185,216	0.87%	167,881
Intangible assets	15,777	16,497	-4.36%	16,752
<b>Total Assets</b>	<b>7,580,114</b>	<b>6,346,854</b>	<b>19.43%</b>	<b>5,898,596</b>

# Balance Sheet – Liabilities & Equity

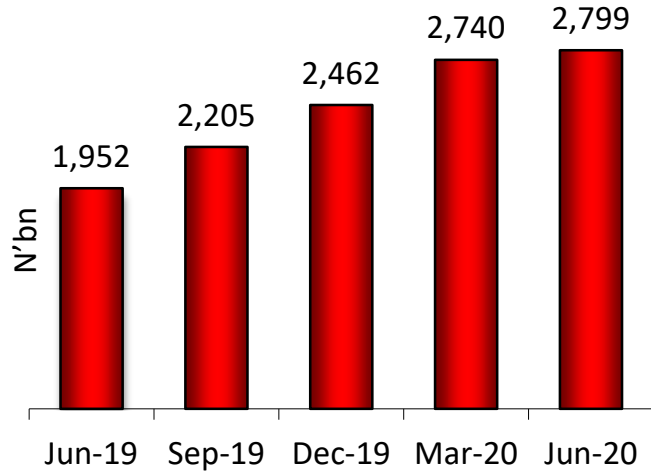
- Assets are largely funded by deposits with a strong capital base providing buffer for further growth.

(N'million)	Group	Group	YTD	Group
	Jun-20	Dec-19	Change	Jun-19
<b>Liabilities</b>				
Customers deposits	4,904,998	4,262,289	15.08%	3,810,025
Derivative liabilities	40,858	14,762	176.78%	6,685
Current income tax payable	14,818	9,711	52.59%	14,525
Deferred income tax liabilities	-	-	-	23
Other liabilities	786,443	363,764	116.20%	256,076
On-lending facilities	389,567	392,871	-0.84%	398,393
Borrowings	412,788	322,479	28.00%	412,264
Debt securities issued	41,664	39,092	6.58%	181,091
<b>Total liabilities</b>	<b>6,591,136</b>	<b>5,404,968</b>	<b>21.95%</b>	<b>5,079,082</b>
<b>Equities and reserves</b>				
Share capital	15,698	15,698	0.00%	15,698
Share premium	255,047	255,047	0.00%	255,047
Retained earnings	420,195	412,948	1.75%	314,695
Other reserves	297,177	257,439	15.44%	233,378
Non-controlling interest	861	754	14.19%	696
<b>Total shareholders' equity</b>	<b>988,978</b>	<b>941,886</b>	<b>5.00%</b>	<b>819,514</b>

# Sustained Assets & Liabilities Match

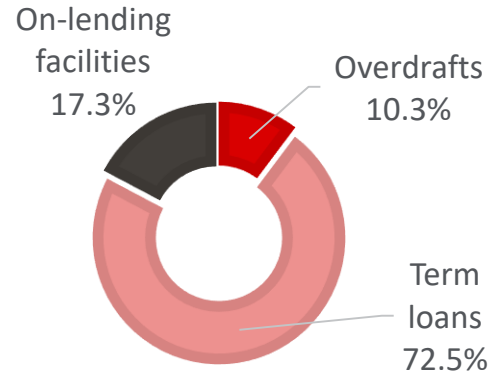
- The 15.1% growth in customers' deposits in H1 2020 is a reflection of the increasing confidence in the Zenith brand.

## Gross Loans

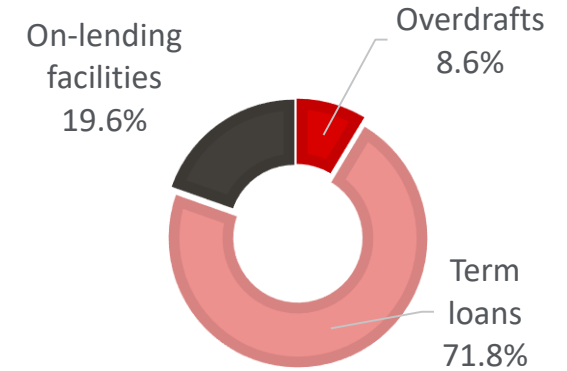


## Loans & Advances

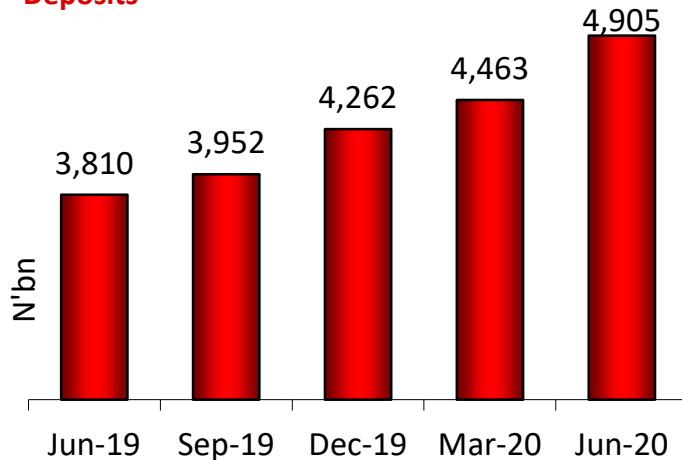
### H1 2020



### FYE 2019

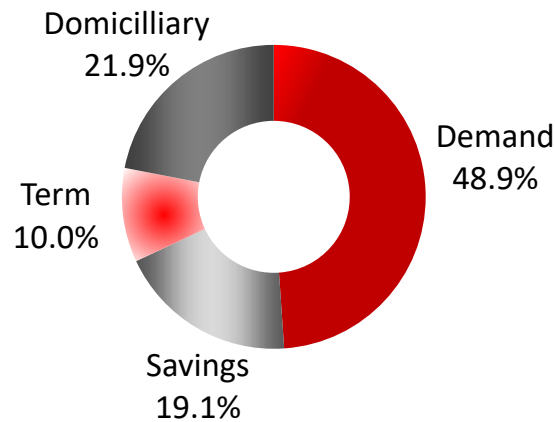


## Deposits

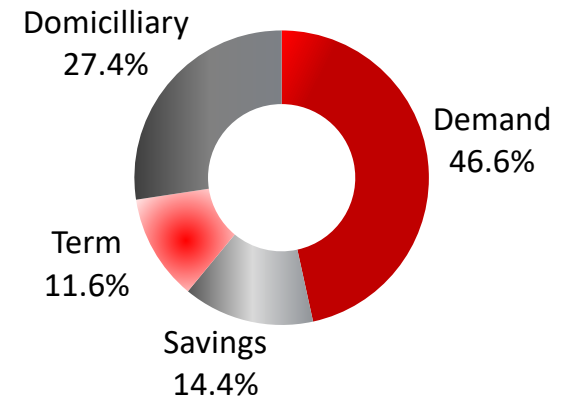


## Deposit Mix

### H1 2020



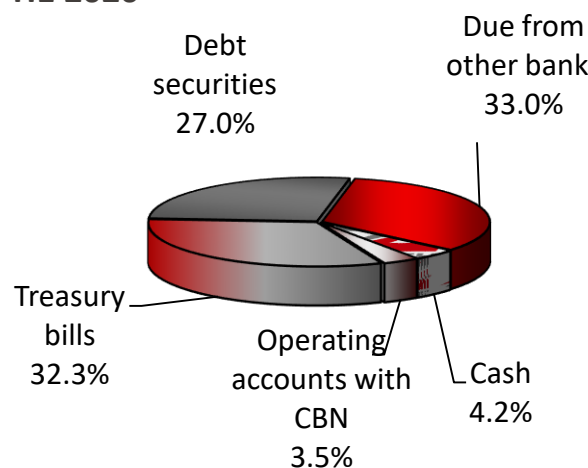
### FYE 2019



# Continued Market Dominance - Strong Liquid Asset Base & Funding Mix

- High quality balance sheet with diversified funding sources.

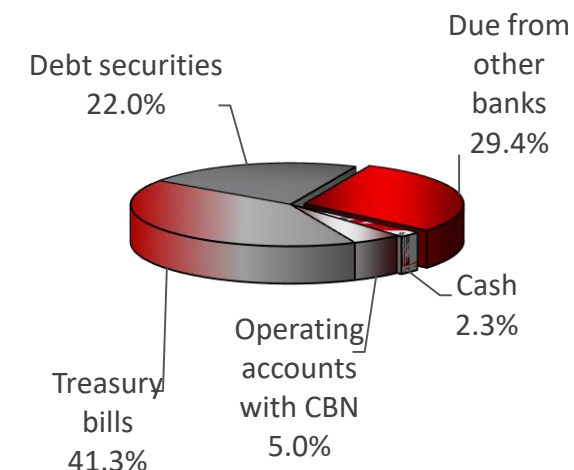
H1 2020



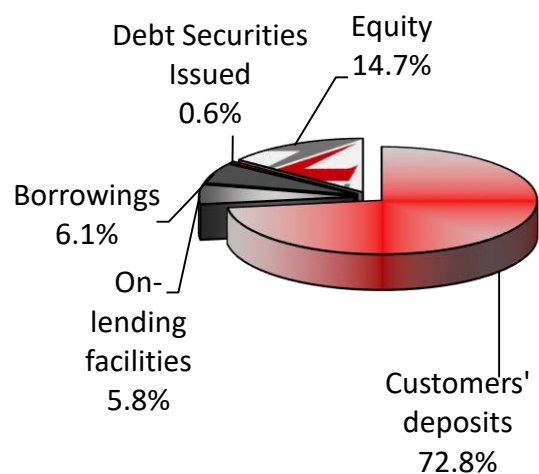
## Liquid Assets

N'million	H1 2020	FYE 2019	YTD
Cash	108,371	55,255	96%
Operating accounts with CBN	90,592	120,073	-25%
Treasury bills	837,113	991,393	-16%
Debt securities	700,921	527,968	33%
Due from other banks	854,713	707,103	21%
<b>Total</b>	<b>2,591,710</b>	<b>2,401,792</b>	<b>8%</b>

FYE 2019



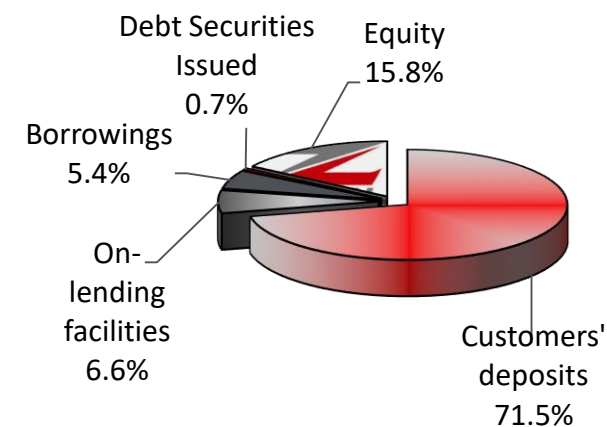
H1 2020



## Funding Mix

N'million	H1 2020	FYE 2019	YTD
Customers' deposits	4,904,998	4,262,289	15%
On-lending facilities	389,567	392,871	-1%
Borrowings	412,788	322,479	28%
Debt Securities Issued	41,664	39,092	7%
Equity	988,978	941,886	5%
<b>Total</b>	<b>6,737,995</b>	<b>5,958,617</b>	<b>13%</b>

FYE 2019



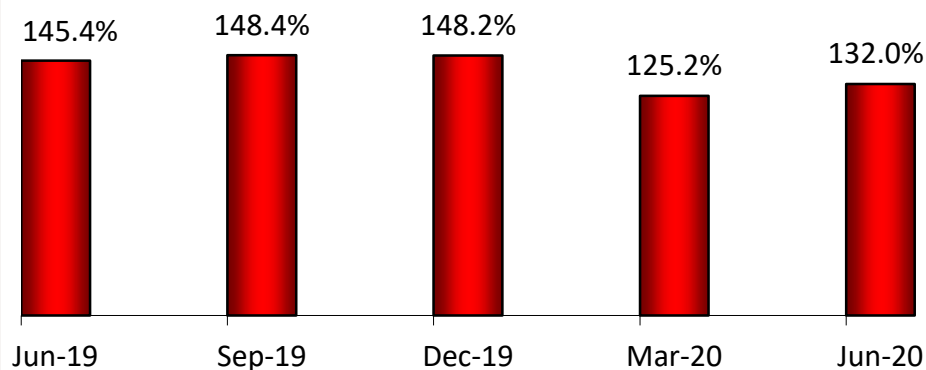
The background image shows an offshore oil rig at sea. A large, dark pipe is in the foreground, supported by a structure. The rig has multiple levels, cranes, and a central tower. The sun is visible on the left side of the image, creating a bright glow. A red horizontal bar is overlaid on the left side of the image, containing the text "Risk Management".

# Risk Management

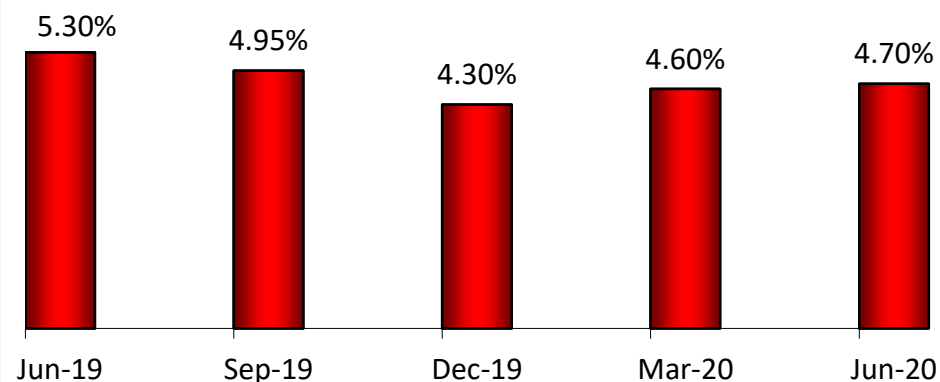


# Healthy Risk Assets Portfolio

## NPL Coverage Ratio



## NPL Ratio



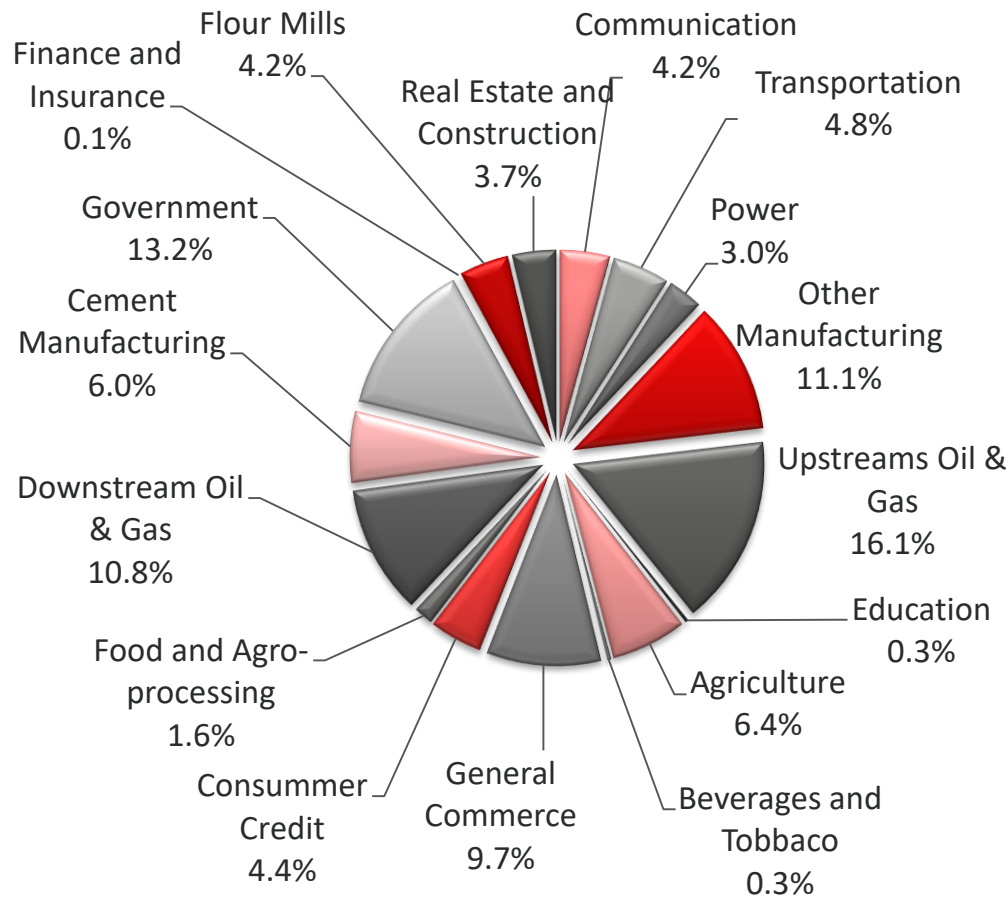
## Credit Risk Management Amidst Covid-19

- Engaging our customers in key sectors of the economy to better understand their current challenges and provide effective and bespoke actions to alleviate their hardships while preserving shareholders' funds.
- Deployment of tools and models to recalibrate and measure the impact of Covid-19 on our loan books.
- Creating innovative mitigants to further protect us from downside risk on the loan books.
- Providing critical support to our loan customers to help them navigate through the challenges posed by the pandemic.
- Continuous adoption of a complete and integrated approach to risk management that is driven from the Board level to the operational activities of the bank.

# Focused Risk Management via Portfolio Diversification

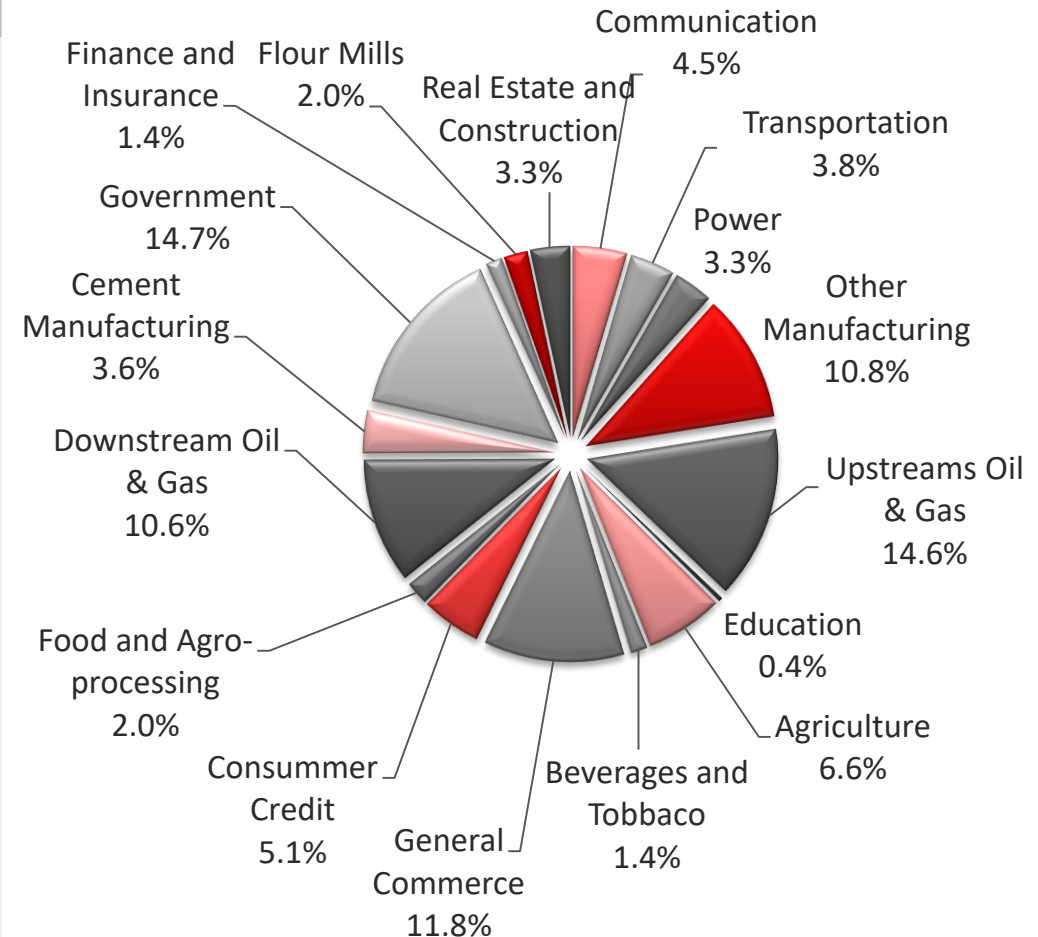
- Well diversified loan portfolio across sectors supports asset quality.

## Loans by Sector – H1 2020



Gross Loans – ₦2.80 Trillion

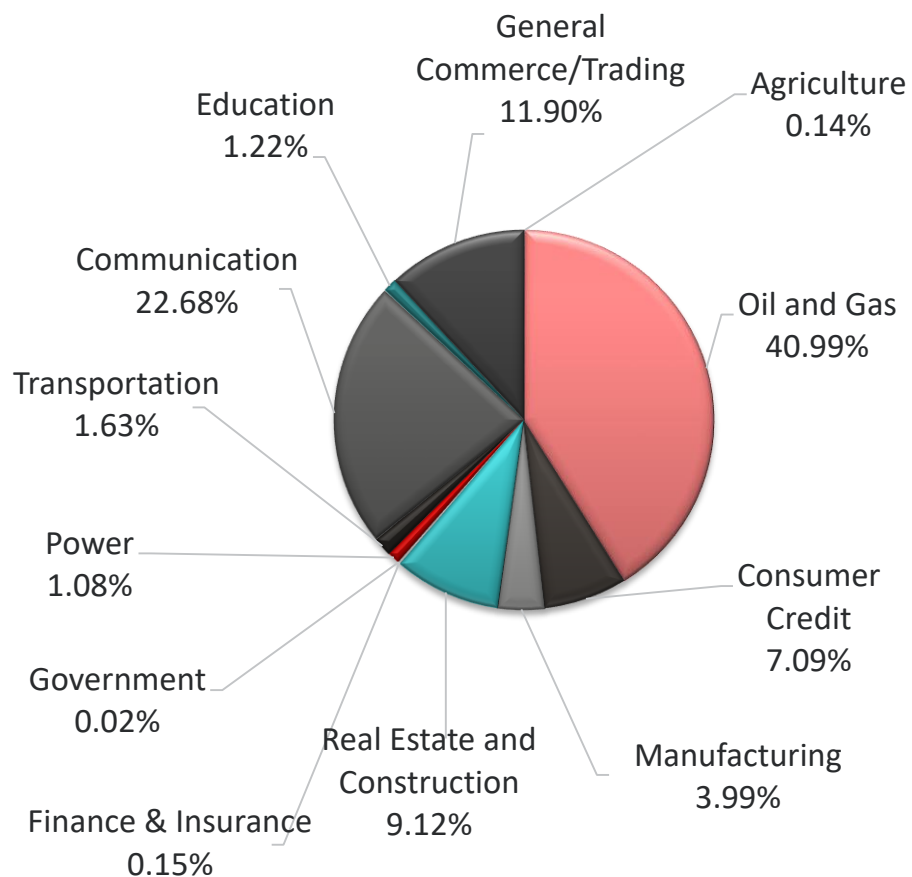
## Loans by Sector – FYE 2019



Gross Loans – ₦2.46 Trillion

# NPL by Sectors

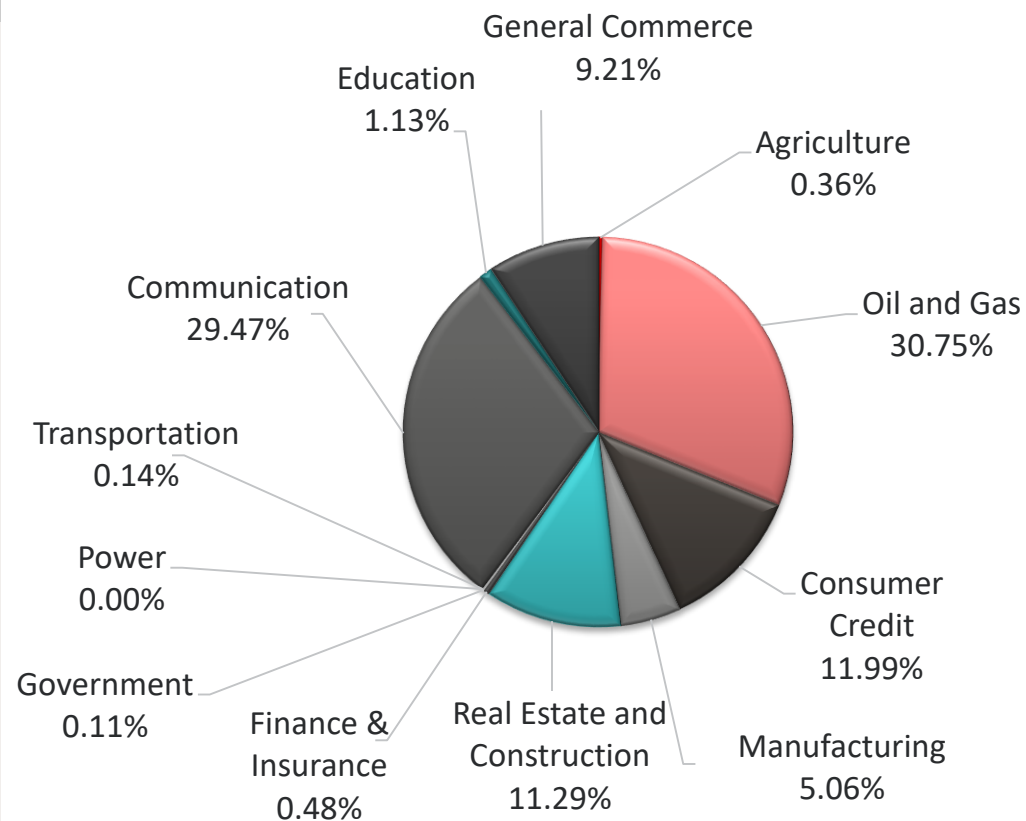
H1 2020



Total NPLs – ~~₹~~132.52 Billion

NPL Ratio – 4.7%

FYE 2019



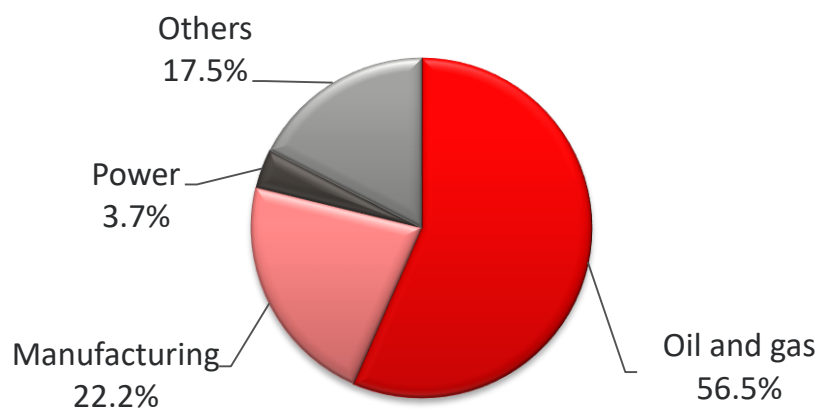
Total NPLs – ~~₹~~105.8 Billion

NPL Ratio – 4.3%

# Foreign Currency Loans & Restructured Loans

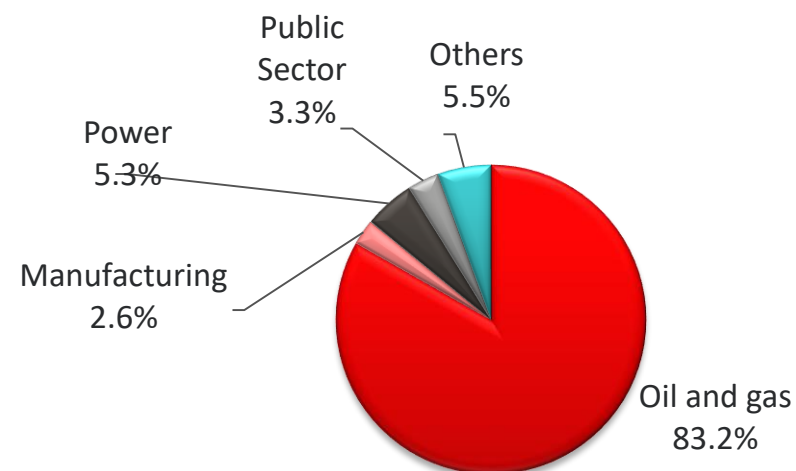
## Foreign Currency Loans – H1 2020

USD loans by sector	US\$' m	N'm	% to US\$ loans	% to Gross loans
Oil and gas	1,708	660,601	56.54%	23.60%
Manufacturing	672	259,956	22.25%	9.29%
Power	113	43,808	3.75%	1.56%
Others	528	204,006	17.46%	7.29%
<b>Total US\$ loans</b>	<b>3,021</b>	<b>1,168,371</b>	<b>100.00%</b>	<b>41.74%</b>



## Cumulative Restructured Loans – H1 2020

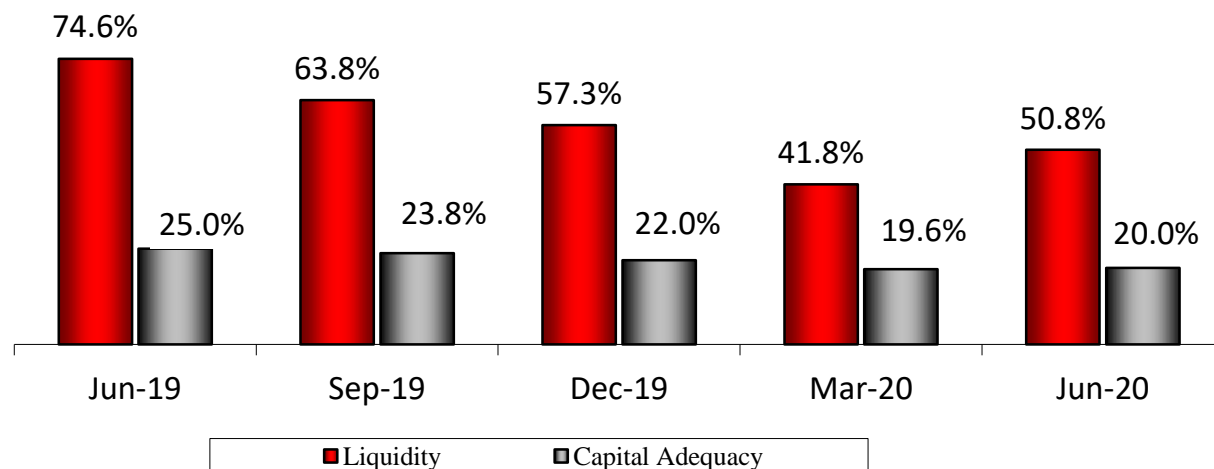
Restructured Loans by sector	N'm	% to Restructured loans	% to Gross loans
Oil and gas	413,159	83.25%	14.76%
Manufacturing	13,112	2.64%	0.47%
Power	26,121	5.26%	0.93%
Public Sector	16,396	3.30%	0.59%
Others	27,527	5.55%	0.98%
<b>Total restructured loans</b>	<b>496,315</b>	<b>100.00%</b>	<b>17.73%</b>



# Strong Capitalisation

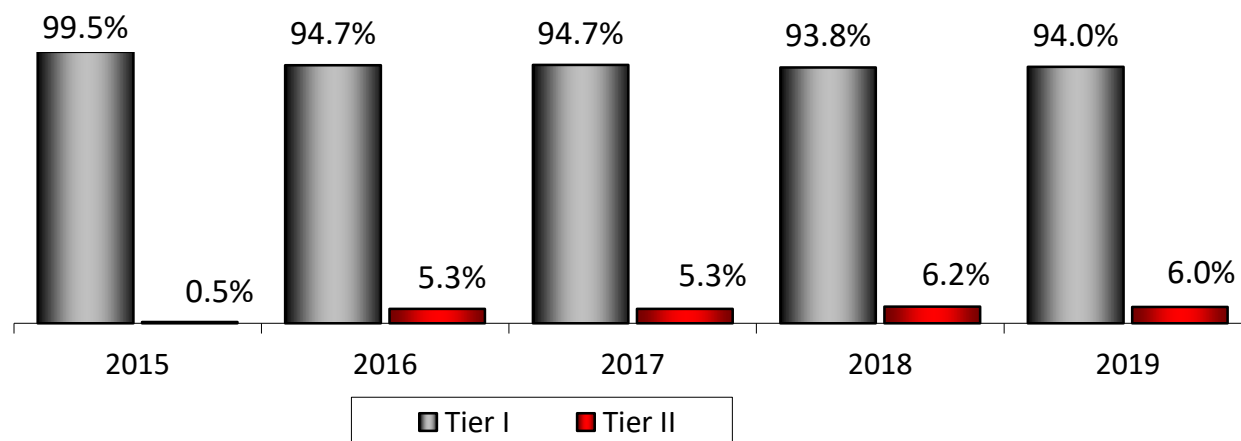
- Solid and high-quality capital position provides room for further growth.

## Liquidity & Capital Adequacy

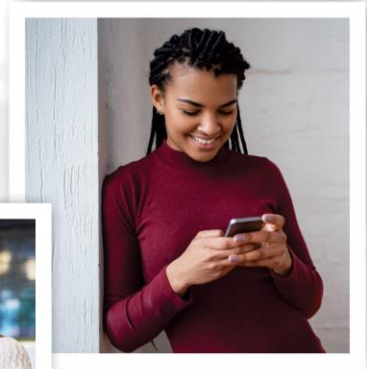
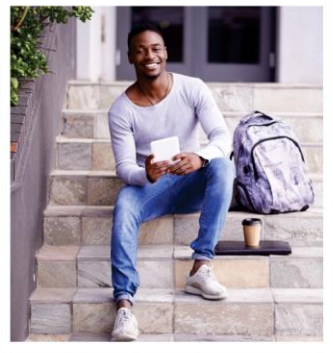


Capital and liquidity ratios – well above regulatory requirements of 30% for Liquidity and 15% for Capital Adequacy Ratio.

## Capital Mix



Capital base – predominantly made up of Tier 1 (core capital) which consists of share capital and reserves.



# Business Segments Performance & Subsidiary Review

# Performance – By Business Segments

- Continuous diversification and improved profitability across core business segments.
- Contribution of retail segment to gross revenue increased from 11.0% to 12.1% YoY.

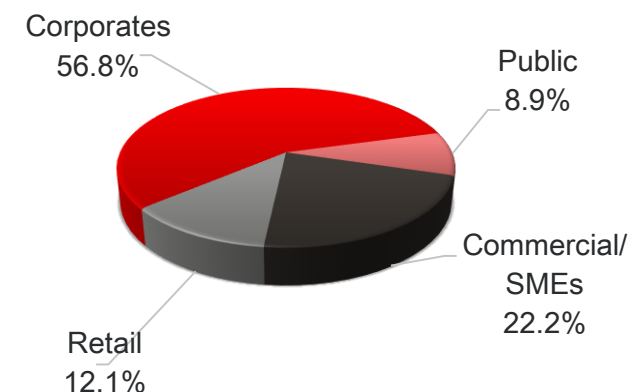
## 6 Months Ended June 2020

(¥million)

	Corporates	Public	Commercial/ SMEs	Retail	Consolidated
<b>Total revenue</b>	<b>196,731</b>	<b>30,648</b>	<b>76,678</b>	<b>42,030</b>	<b>346,087</b>
Total expenses	(135,678)	(20,196)	(53,573)	(22,516)	(231,964)
Profit before tax	61,052	10,451	23,105	19,514	114,124

## Gross Revenue

H1 2020

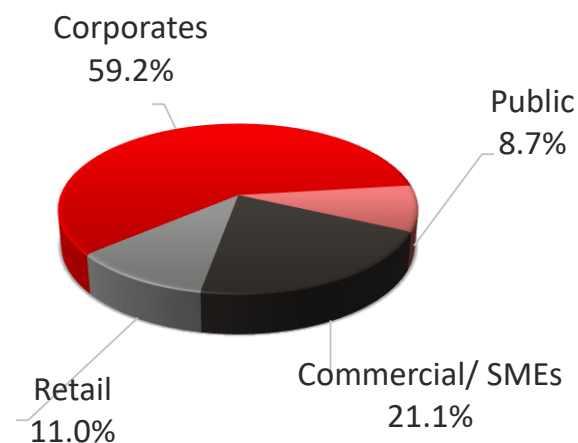


## 6 Months Ended June 2019

(¥million)

	Corporates	Public	Commercial/ SMEs	Retail	Consolidated
<b>Total revenue</b>	<b>196,341</b>	<b>28,790</b>	<b>69,986</b>	<b>36,469</b>	<b>331,586</b>
Total expenses	(136,344)	(18,692)	(47,280)	(17,593)	(219,909)
Profit before tax	59,998	10,098	22,705	18,876	111,677

H1 2019

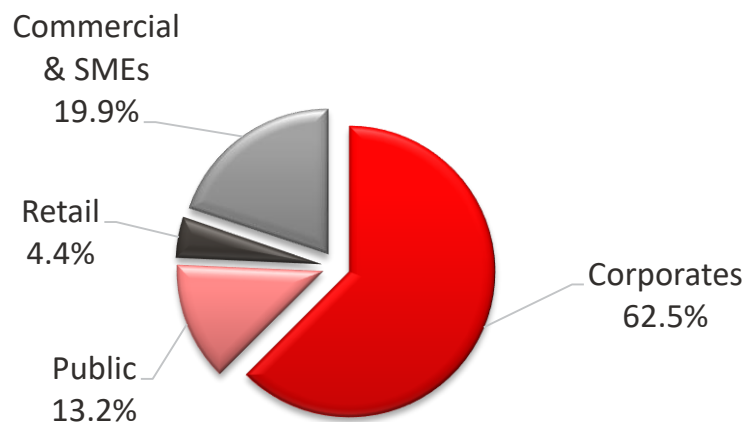


# Loans & Deposits – By Business Segments

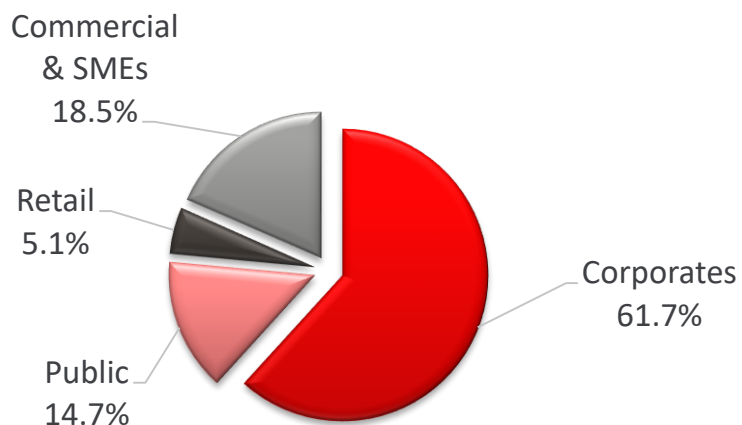
- Our intense retail drive continues to impact positively on our deposit growth and mix as the contribution of retail deposits to total deposits grew from 26.0% to 31.8% YTD while total deposits grew by 15% in the same period.

## Gross Loans

### H1 2020 Gross Loans – ~~₹~~2.80 Trillion

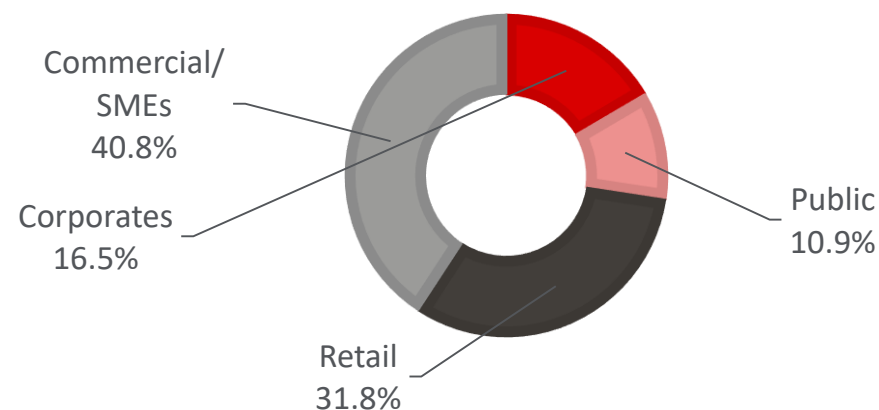


### FYE 2019 Gross Loans – ~~₹~~2.46 Trillion

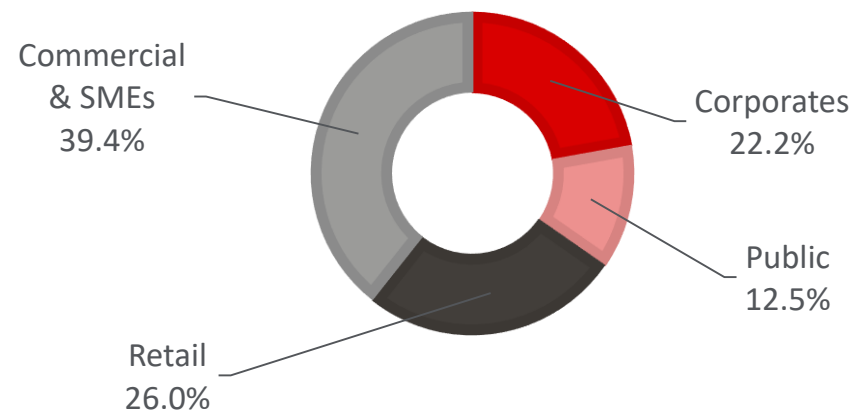


## Total Deposit

### H1 2020 Total Deposits – ~~₹~~4.90 Trillion



### FYE 2019 Total Deposits – ~~₹~~4.26 Trillion



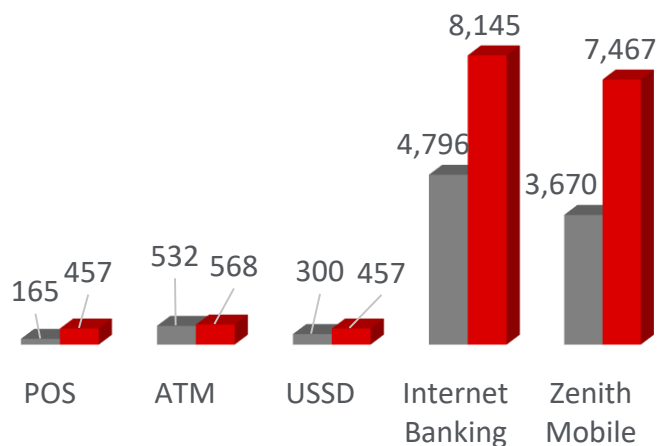


# Electronic Banking Products Performance.

## Value of Electronic Product Transactions

	H1 2020	H1 2019	YoY
Total Transaction Value (N'bn)	17,094	9,463	81%

### Performance by Channels

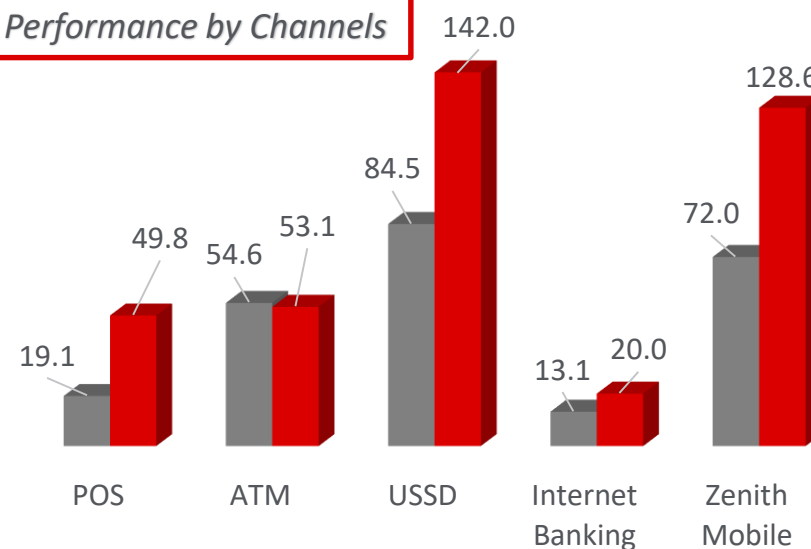


■ Value (N'bn) - Jan. 2019 to Jun. 2019  
 ■ Value (N'bn) - Jan. 2020 to Jun. 2020

## Volume of Electronic Product Transactions

	H1 2020	H1 2019	YoY
Total Transaction Volume (million)	393.5	243.3	62%

### Performance by Channels



■ Volume (million) - Jan. 2019 to Jun. 2019  
 ■ Volume (million) - Jan. 2020 to Jun. 2020

## Agency Banking

The bank launched its Agency Banking in June 2019 and has experienced impressive growth in both value and volume of transactions.

- ✓ Transaction Value (Jun. to Dec. 2019) - **N56.2bn**
- ✓ Transaction Value (Jan. to Jun. 2020) - **N226.0bn**

- ✓ Transaction Volume (Jun. to Dec. 2019) - **7.5m**
- ✓ Transaction Volume (Jan. to Jun. 2020) - **22.1m**

## The Bank and its Subsidiaries

### Zenith Bank Plc. (Parent)

Established: 1990  
 Branches: 390  
 2020 H1 PBT: ₦93.6Bn  
 Total deposits: ₦4,086Bn  
 Total assets: ₦6,484Bn  
 ROE: 23%  
 Staff strength: 6,521

### Zenith Pension

Established: 2005  
 Branches: 2  
 Zenith ownership: 99%  
 2020 H1 PBT: ₦4.2Bn  
 Custody assets: ₦4,542Bn  
 Total assets: ₦25Bn  
 ROE: 29%  
 Staff strength: 106

### Zenith Nominee

Established: 2018  
 Branches: 1  
 Zenith ownership: 99%  
 2020 H1 PBT: ₦145M  
 Custody assets: ₦718Bn  
 Total assets: ₦2Bn  
 ROE: 13%  
 Staff strength: 7

### Gambia

Established: 2009  
 Zenith ownership: 99.96%  
 Branches: 6  
 2020 H1 PBT: ₦367M  
 Total deposits: ₦16Bn  
 Total assets: ₦22Bn  
 ROE: 11%  
 Staff strength: 139

### Ghana

Established: 2005  
 Zenith ownership: 98.07%  
 Branches: 28  
 2020 H1 PBT: ₦15.2Bn  
 Total deposits: ₦274Bn  
 Total assets: ₦459Bn  
 ROE: 26%  
 Staff strength: 701

### Sierra Leone

Established: 2008  
 Zenith ownership: 99.99%  
 Branches: 7  
 2020 H1 PBT: ₦690M  
 Total deposits: ₦13Bn  
 Total assets: ₦25Bn  
 ROE: 23%  
 Staff strength: 157

### United Kingdom

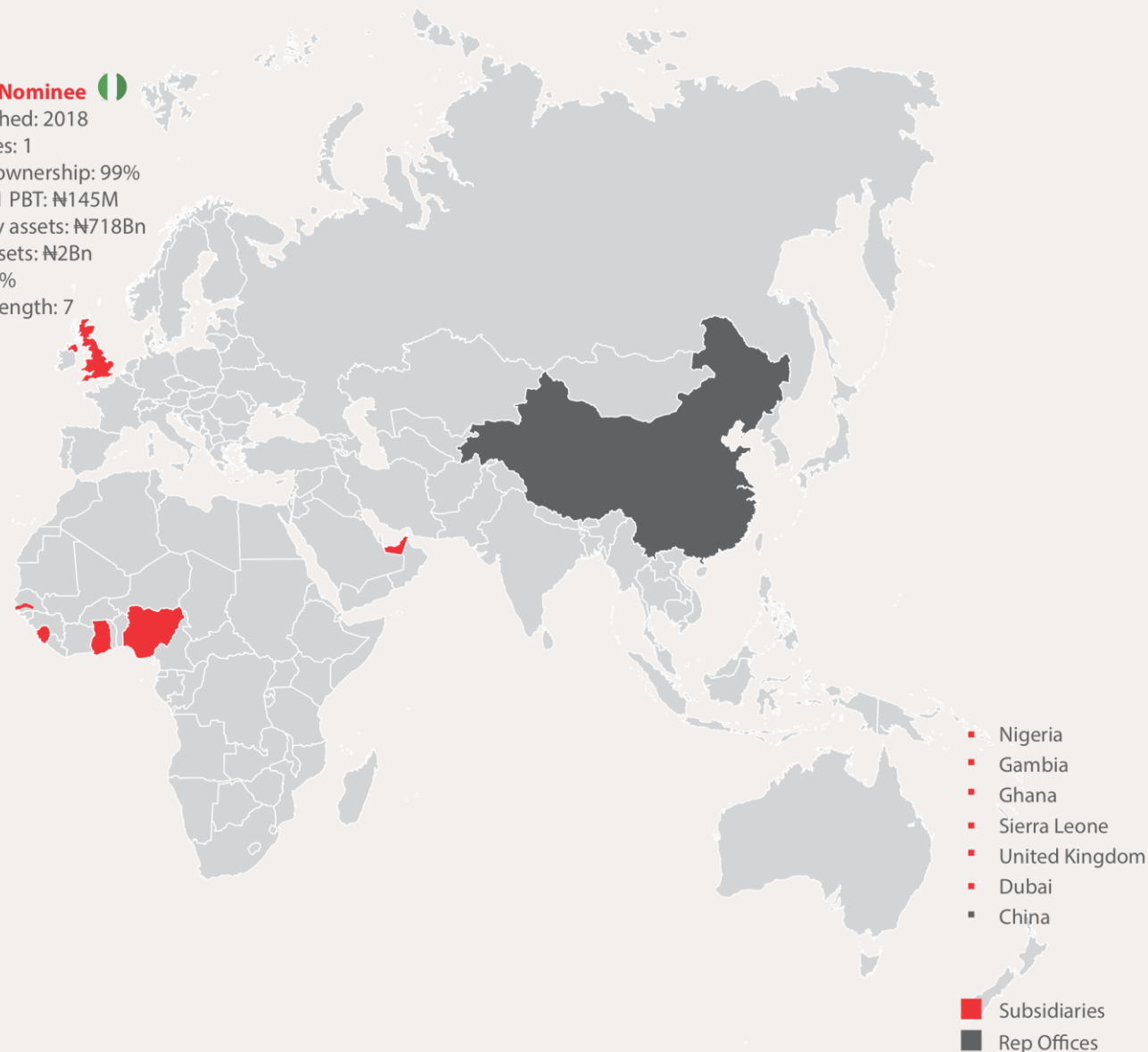
Established 2007  
 Zenith ownership: 100%  
 Branches: 2  
 2020 H1 PBT: ₦3.9Bn  
 Total deposits: ₦517Bn  
 Total assets: ₦730Bn  
 ROE: 7%  
 Staff strength: 134

### UAE

Branch of Zenith UK  
 Established 2016  
 1 branch

### China

Representative Office  
 Established 2011



# Performance by Geography

- Subsidiaries' contributions to total revenue increased from 14.0% in H1 2019 to 15.3% in H1 2020, increasing revenue diversification by geography.

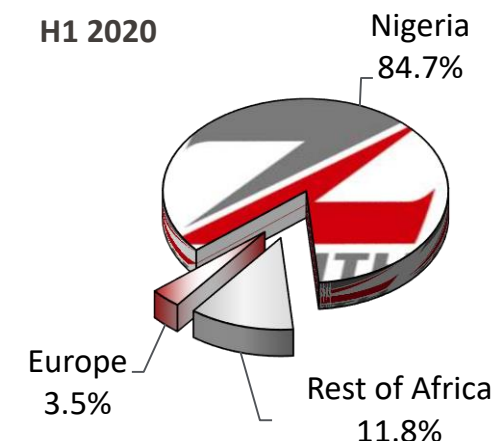
## 6 Months Ended June 2020

(₦'million)

	Nigeria	Rest of Africa	Europe	Eliminations	Consolidated
<b>Total Revenue</b>	<b>296,983</b>	<b>41,328</b>	<b>12,282</b>	<b>(4,505)</b>	<b>346,088</b>
Total expense	(199,021)	(25,072)	(8,376)	505	(231,964)
Profit before tax	97,962	16,256	3,906	(4,000)	114,124
Tax	(4,320)	(5,261)	(717)	-	(10,298)
Profit after tax	93,642	10,995	3,189	(4,000)	103,826

## Gross Revenue

H1 2020

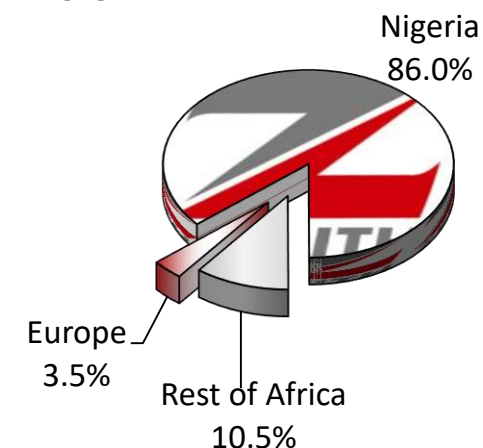


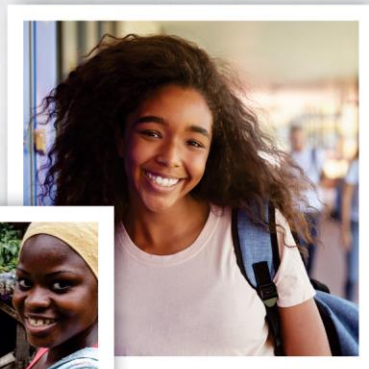
## 6 Months Ended June 2019

(₦'million)

	Nigeria	Rest of Africa	Europe	Eliminations	Consolidated
<b>Total revenue</b>	<b>289,583</b>	<b>35,277</b>	<b>11,678</b>	<b>(4,952)</b>	<b>331,586</b>
Total expense	(194,132)	(21,586)	(5,143)	952	(219,909)
Profit before tax	95,451	13,691	6,535	-4,000	111,677
Tax	(17,340)	(4,398)	(1,057)	-	(22,795)
Profit after tax	78,111	9,293	5,478	(4,000)	88,882

H1 2019





# Strategy & Outlook

# Strategies for Driving our Vision

1

Compete aggressively for market share, but focus on high quality assets 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.

2

Delivering superior service experience to all clients and customers

- The Bank accomplishes this strategy by:
- Use of robust digital platform.
- Consistent focus and investment in attracting and keeping quality people.
- Employing cutting edge technology.
- Deploying excellent customer service.

3

Effective Risk Management

- Entrenched strong risk management and corporate governance practices.
- Value preservation is absolutely important.

4

Treasury Management

- We are taking advantage of our liquidity in Naira and foreign currencies to optimize our yields in the FX and money markets.

5

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.

6

Retail and Digital Footprint

- Deepen retail market penetration by leveraging on our digital platforms.
- Continue to create innovative solutions to grow market share.
- Increase the volume of our transactions within the digital space

# Our Key Growth Target Sectors

## Driving Profitability with our Competitive Advantages

### Identified Growth Sectors

- Retail/SMEs
- Agriculture
- Healthcare/Pharmaceuticals
- Infrastructure
- Manufacturing
- Petrochemicals
- Real Estate and Construction
- Service Industry
- Telecoms
- Transportation and General Commerce

### Competitive Advantage

- Strong capital and liquidity
- Strong brand
- Robust risk management framework
- Extensive branch network
- Robust ICT and digital channels
- Well motivated staff force
- Excellent customer services

# Guidance for FYE 2020

	FYE 2020 Guidance	6 Months - H1 2020 Achieved	FYE 2019 Achieved
PBT	₦253.0Bn	₦114.1Bn	₦243.3Bn
Effective Tax Rate	12.0%	9.0%	14.2%
PAT	₦222.6Bn	₦103.8Bn	₦208.8Bn
ROAE	22.0%	21.5%	23.8%
ROAA	3.3%	3.0%	3.4%
NIM	8.5%	9.0%	8.2%
Cost of Funds	3.0%	2.2%	3.0%
Cost of Risk	2.0%	1.8%	1.1%
Cost to Income	48.0%	54.3%	48.8%
Deposit Growth	10.0%	15.1%	15.5%
Loan Growth	10.0%	13.7%	22.1%
Loan to Deposit (Group)	58.0%	57.1%	57.8%
Loan to Deposit (Bank)	69.0%	66.1%	68.1%
Capital Adequacy	20.0%	20.0%	22.0%
Liquidity Ratio	55.0%	50.8%	57.3%
NPL	4.8%	4.7%	4.3%
NPL Coverage	150.0%	132.0%	148.2%

# Thank You

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