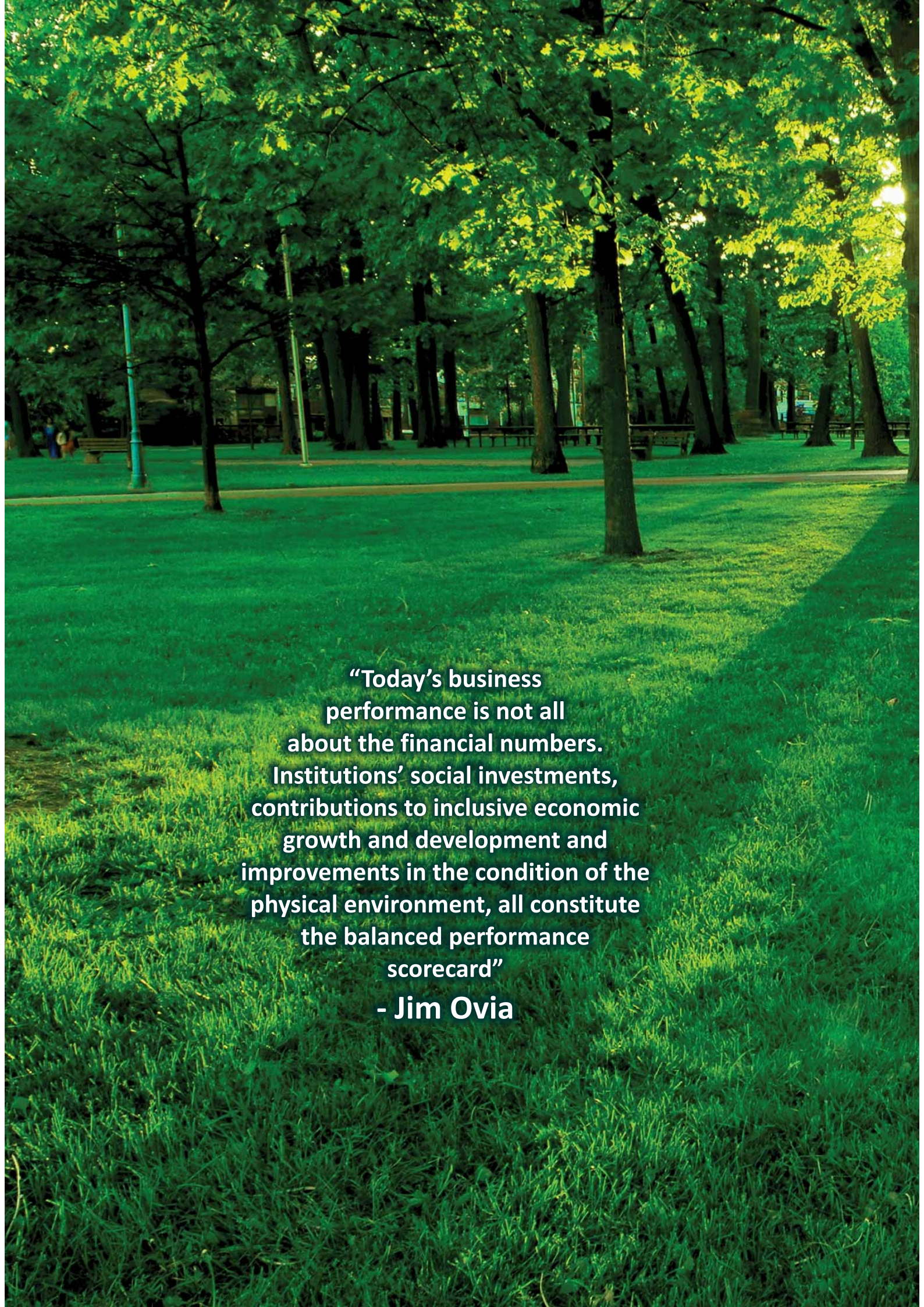


NURTURING

PEOPLE • PLANET • PROFIT

2015 Sustainability Report



A photograph of a park with many trees and a grassy field. The trees are tall and have dense green foliage. The grass is a vibrant green. In the background, there are some benches and a path. The overall scene is peaceful and natural.

**“Today’s business
performance is not all
about the financial numbers.
Institutions’ social investments,
contributions to inclusive economic
growth and development and
improvements in the condition of the
physical environment, all constitute
the balanced performance
scorecard”**

- Jim Ovia

Nurturing People, Planet, Profit



**SUSTAINABLE
DEVELOPMENT**



contents

Overview

- 3 about this report
- 4 executive summary
- 6 chairman's statement
- 8 group md/ceo's statement

11 About Zenith Bank

- 12 our corporate profile
- 14 organisational structure
- 17 our business focus
- 23 products services and delivery channels
- 26 ethics and integrity

31 Our Stakeholders

- 32 engagement with stakeholders
- 40 managing stakeholders concerns and grievances

45 Our Footprints

47 Economic

- 48 economic performance
- 50 indirect economic impacts
- 53 stimulating the real sector for sustainable growth
- 57 market presence
- 58 procurement practices
- 59 regulatory compliance

61 Environment

- 65 energy efficiency
- 67 emissions
- 70 transport
- 71 paper management
- 73 water management
- 73 effluents and wastes
- 75 suppliers' environmental assessment
- 75 our products, services and the environment
- 77 compliance and environmental grievance mechanisms
- 77 overall

79 Social

- 82 employment and labour relations
- 86 occupational health and safety
- 87 training and education
- 89 diversity and equal opportunity
- 92 equal remuneration for women and men

95 Human Rights

- 96 business investments
- 97 non-discrimination
- 97 forced or compulsory labour
- 97 suppliers' human rights assessments

101 Society

- 102 local communities
- 104 anti-corruption
- 105 compliance and social responsibility
- 105 supplier assessment for impact on society
- 107 grievance mechanism for impact on society

109 Product Responsibility

- 110 product and service labelling
- 111 achieving financial inclusion through product offering
- 114 marketing communication
- 114 customer privacy
- 115 compliance with products and service offering regulations

117 Nigerian Sustainable Banking Principles

118 our NSBP scorecard

129 Conclusion

131 External Assurance Report

132 GRI-G4 Content Index Data Table

140 Contact Information





About This Report

Zenith Bank's Sustainability Report 2015 ('Nurturing Our People, Planet, Profit') covers our economic, social and environmental activities and performance from January 1 to December 31, 2015. It complements our audited Annual Financial Report & Statements, 2015.

... a balanced review of our sustainability performance in 2015, analyzing our ecological, social, ethical and economic footprints on the societies where we carry out our business activities.

The report is written 'in accordance' with the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines at Core level.

It provides a balanced review of our sustainability performance in 2015, analyzing our ecological, social, ethical and economic footprints on the societies where we carry out our business activities. It also examines our engagement with key stakeholders; the gaps in the actualization of our sustainability goals; and our strategic plans for improving on our overall performance in the years ahead.

The report also covers the Bank's approaches to tackling issues identified by our stakeholders as material during the year under review. It details where we are in our sustainability journey, and where we plan to be in five to ten years.

The report is written in compliance with the GRI-G4 General and Specific Standards disclosure guidelines; disclosures on management approach to sustainability implementation (DMA); and financial services sector specific disclosures. The GRI-G4 content index is also included in the report.

It is an integrated report that takes cognizance of our progress in the different sustainability principles we are committed to by choice or by regulatory obligation, including principles and standards of the United Nation's Global Compact (UNGC); United Nation's Environment Program Finance Initiative (UNEP-FI); International Labor Organization (ILO); International Finance Corporation (IFC); ISO2600; the Organization for Economic Cooperation and Development (OECD); and the Central Bank of Nigeria's Sustainable Banking Principles (NSBP).

The report is significant as it marks the baseline in the reporting of our sustainability progress.

PricewaterhouseCoopers conducted limited independent external assurance on the report using the International Standard on Assurance Engagements (ISAE) 3000 (Revised). The external assurance procedure included on-site visits, interviews with relevant KPI managers and verification of related documents and data.

The background of the page is a photograph of a modern bank lobby. A large, curved wall made of reflective panels is the focal point, with the Zenith Bank logo prominently displayed in the center. The logo consists of a stylized 'Z' in blue and red, with the word 'ZENITH' in blue capital letters below it. In the foreground, there is a wooden reception desk. The floor is polished and reflects the surrounding environment.

Executive Summary

As we progress in our vision of building a globally competitive brand that would exceed the financial services expectations of current and future generations, we remain increasingly mindful of our sustainable banking obligations and responsibilities. We understand that leapfrogging into the next generation of our business strategy would require a stronger commitment to the improvement of the quality of our physical environment and the overall wellbeing of our critical stakeholders.

Our sustainability journey had been propelled in the last decade by our commitments to the UN Global Compact (UNGC), the United Nations Environment Programme's Financial Institutions Statement on the Environment & Sustainable Development (UNEP FI), the Central Bank of Nigeria's Sustainable Banking Principles (NSBP), the IFC Performance Standards, ISO26000, and the newly unveiled Sustainable Development Goals.

2015 was a particularly difficult year nationally and globally, especially owing to the dramatic tumble in the demand for, and prices of commodities, and slowing growth in the traditional economic expansion hotspots. But Zenith Bank was quick to rise up to the challenge, leveraging its quality people, technology, products and service delivery to achieve better than expected performance. However, our assessment of our performance in the year under review goes way beyond the impressive profit margin we recorded. How effectively we engaged our key stakeholders, the economic value we created, and how positively we impacted our social and physical environments, are all parts of our balanced performance scorecard. We will continue to pay priority attention to the opinions and concerns raised by our critical stakeholders and ensure that we do not grow our business at their expense.

The turbulent economic situation in 2015 was a wakeup call to sharpen our focus on funding projects and initiatives that would drive activities and growth in the real sector of the economy and support job creation. We estimate that at least 100,000 jobs were created from our strategic investments and financing, and the economic

values we created in the year under review. In our social investments, we also targeted projects that would meet the most pressing needs of host communities and the larger society in line with the outcomes of our engagements with key stakeholders.

We consider ourselves a devoted partner in the global fight against global warming, deforestation, drought, harmful emissions, biodiversity loss, wasteful production and consumption practices, and other threats to humans and the physical environment.

We also remain committed to the sustainable growth and development of the Nigerian economy; the overall progress of the populace; and the physical wellbeing of the earth. As a leading financial services institution, we understand and are committed to playing our role towards infrastructure development, youth and women empowerment, economic diversification, capacity building and inclusive growth and development. We understand our responsibility in ensuring that our products, investments and business activities do not constitute environmental harm. We will continue to work with our partners, investees and other third party associates to ensure that they understand and comply with relevant environmental policies, laws and regulations.

In our sustainability journey, we understand that there are still several gaps to fill, especially in the capture, documentation, measurements and monitoring of our different environmental footprints. But we are committed to achieving significant improvement in these areas in the next five to 10 years, using 2015 as our baseline.

In the years ahead, we will continue to imbibe the tenets of good corporate citizenship; human rights protection; resource efficiency; respect for the wellbeing of our colleagues, host communities and the physical environment.

We will continue to pay priority attention to the opinions and concerns raised by our critical stakeholders and ensure that we do not grow our business at their expense.



We will ensure that we leave our business environment better than we met it, by diligently reviewing our operations and decisions to minimize and mitigate our negative footprints and improve on the positive ones. In doing this, we understand our obligation to carry along all key stakeholders, especially third party business partners, investees, contractors, vendors and service providers whose activities could indirectly exacerbate our business footprints.

We will leverage our position as a leading African brand to support the aspirations of government towards eradicating extreme poverty and creating new jobs. We will continuously improve on our business policies and processes and adopt global best practices in energy consumption, paper usage, waste management and resource utilization.

As we forge ahead in our sustainability journey, we will continue to build on those competitive advantages that had transformed us from being merely one among about 120 banks in Nigeria as at 1990 to becoming the most profitable, the biggest in Tier-1 Capital, and Africa's seventh largest financial institution.





Jim Ovia, CON

Chairman, Zenith Bank Plc

Chairman's Statement

In spite of the tough and stormy global and national economic terrain in 2015, the Zenith Bank Group, year-on-year, grew its profit after tax by six percent; gross earnings by seven percent; shareholders' fund by eight percent; and total assets by 10 percent. This is perhaps a leading industry performance among our peers and a feat worth celebrating.

Beyond the numbers

2015 was a highly significant year for Zenith Bank. It marked twenty-five years of our corporate existence. And the many firsts and milestones we have achieved are largely attributable to our commitment to creating and sustaining stakeholders' value. Our growth and performance goes way beyond the positive financial numbers. Our definition of the 'business bottom-line' is shifting away from the traditional understanding of profit and growth, towards a balanced scorecard that takes cognizance of our social investments, contributions to inclusive economic growth and development and improvements in the condition of our physical environment.

Zenith Bank has embraced this much more balanced scorecard in rating its overall perfor-

Embracing a sustainable banking culture is inevitable for the Zenith brand. It is the sure route towards achieving our goal of becoming the first choice bank for the present and future generations.

mance and achievements, in line with our commitments to sustainable development. The value we create for our colleagues, customers, shareholders, investors, vendors, government, host communities and the larger economy, now informs our assessment of the balanced progress we are making as a leading African brand. Embracing a sustainable banking culture is inevitable for the Zenith brand. It is the sure route towards achieving our goal of becoming the first choice bank for the present and future generations.

Focus on people, planet, profit

Our business operations and policies are increasingly being propelled by our commitment to the triple-bottom line – people, planet, profit. Our people include our colleagues, customers, shareholders, investors, business partners, communities and the larger society. Our planet refers to the earth's flora and fauna and all its natural resources and endowments. For us, profit means not just our financial performance as a for-profit institution, but also, the economic value we create for our internal and external stakeholders. We understand that



tainable banking principles. As a brand that is being positioned to be the first choice bank for current and future generations, we understand that this cannot be achieved in isolation of a thriving economy, a flourishing social system, a healthy physical environment and well engaged stakeholders.

Engaging our valued stakeholders

Our business decisions and practices are targeted at ensuring the optimal satisfaction of our colleagues, customers, investors, communities and other stakeholders. We understand that the strategic investments we make in our colleagues help us to continue to retain the best brains, which gives us competitive advantage; strengthens our business returns and competences and increases value for our other shareholders.

Our stakeholders are the reason why we are in business and the reason why we will remain a competitive brand for generations to come. It is for this reason that our colleagues, customers, investors and host communities remain our critical partners and assets. We have identified them as our business enablers and the engine room of our sustainable growth and progress. We are mindful of the symbiotic and mutually benefiting relationship we share and understand our responsibility in ensuring that our business decisions are not taken at their detriment. Therefore, soliciting their constant feedback, listening to their views and exceeding their expectations remain our key business strategy.

We have remained proactive in improving on our existing channels of stakeholder engagement and devising new ones in line with evolving socio-economic, environmental and regulatory realities.

We remain dedicated to the con-

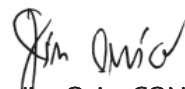
tinuous overhaul of our Corporate Sustainability and Responsibility policies and practices to reflect global best practices in stakeholder engagement.

Supporting inclusive economic growth

As a leading player in the African financial services sector, and a responsible corporate citizen, we understand the critical importance of our role in stimulating increased economic activities, job creation, infrastructure development, economic diversification, women and youth empowerment, capacity building, extreme poverty eradication and overall economic growth and development.

This is why we welcome the Sustainable Development Goals (SDGs) and are now building the new global initiative into our business processes and practices. We also remain a dedicated government partner in their different policies and initiatives geared towards improving the living conditions of the citizenry and achieving inclusive growth and prosperity.

We are moving into 2016 and beyond with the resolve to remain a leading African brand, committed to the socio-economic wellbeing of our people; a cleaner, greener planet; increased investments in our communities; and enhanced returns for our shareholders and investors.


Jim Ovia, CON
Chairman

stakeholders who are fulfilled, an economy that is thriving, and a planet that is healthy are antidotes for our enhanced business growth and sustainability. This is why we consistently target exceeding stakeholders' expectations and outperforming our own set goals. And this business focus and strategy has continued to pay off owing to the quality of our people, technology and service.

As we reposition our brand towards exceeding the financial services expectations of future generations, we will hold on firmly to our winning formula – outstanding and dedicated workforce, state-of-the-art technology and unsurpassed customer service delivery.

The best of businesses are only as productive as the condition of the social, economic and physical environment where they operate. No business thrives in isolation of the wellbeing of its critical stakeholders. This growing awareness informs the passion with which Zenith Bank has embraced sus-



Peter Amangbo

Group Managing Director/CEO, Zenith Bank Plc

Group MD/CEO's Statement

Achieving a balanced performance scorecard means for us, integrating environmental and social considerations into our measurement scale, and looking beyond just profit. It also entails imbibing global best practices in our business policies and practices and ensuring that our entire value chain are carried along in our sustainability journey.

Weighing our footprints

We understand that it is not just what we do, but how we do it, and the impact of our every business decision and operation on our stakeholders and the larger planet. In the fully globalized and digitized environment where we now operate, the spillover effect of every business action could be massive. This is why we have become increasingly diligent in the choices we make and the decisions we take.

We are aware that as a leading business entity, our footprints could worsen or improve the condition of our physical environment. We have therefore invested in initiatives and innovations that would reduce our carbon emissions, waste generation, paper usage, energy consumption, and water usage. We have observed that these are material to our business operations and could

Achieving a balanced performance scorecard means for us, integrating environmental and social considerations into our measurement scale, and looking beyond just profit.

have harmful consequences on the environment if not properly managed and mitigated.

The global problem of climate change remains of critical concern to us, especially since we operate in an environment that is highly vulnerable to high rate of pollution, desertification, drought, deforestation, oil spillages and gas flaring. As a major lender to the oil and gas, agriculture, real estate, telecommunications and the extractive sectors, entrenching the culture of sustainability and carrying all our stakeholders along is a compelling task. We remain committed to ensuring that our business activities do not result in natural resource depletion and overall environmental degradation. We will continue to work with our clients and partners to ensure that environmental laws and regulations are observed in our entire value chain.

Leveraging effective feedback for enhanced performance

The bedrock of our strength has been our stakeholders – our colleagues who toil with us; our customers who give us the privilege of serving them; our shareholders and investors who believe in us; our local communities that provide us with the conducive environment and good



Closing observed gaps

We recognize that we have some work to do, especially in the area of sustainability data management, measurement of environmental footprints and effective monitoring of environmental and social risks along our entire value chain, particularly our third party business partners. We are however laying a strong foundation towards closing these observed gaps. Our goal is to record significant, measurable improvements in these areas in the next five to ten years, using 2015 as our baseline.

We understand that sustainability is a continuous journey towards improved stakeholders' relations, corporate governance, responsible products and business practices, care for our local communities and considerations for the wellbeing of the physical environment. We are resolved to continue this all-important journey with our board of directors, executive management, staff members and all external stakeholders, on board.

As a major lender in an oil-dependent, low income economy confronted with a historic oil price slump, the challenge before us in the coming years would be how to leverage public and private sector partnerships for a more diversified economy, improved infrastructure development, thriving productive sector, enhanced job creation, extreme poverty eradication and overall sustainable economic growth.

Becoming the globally competitive brand we aspire to be requires us to think, decide and act responsibly and sustainably. For us, sustainability goes beyond a regulatory requirement, it is the springboard to the future we desire.



Peter Amangbo
Group MD/CEO

neighborliness we need to excel; and our governments and regulators who have established the overall institutional and legal framework for us to thrive.

Our people remain our biggest asset. We have increasingly invested in the empowerment of our colleagues, especially through trainings and capacity building, competitive wages and family-friendly policies, empowering them to attain their full career potential and preparing them for life beyond their current employment.

In 2015, we opened up new channels of engagement with our stakeholders – colleagues, customers, investors and shareholders, host communities, suppliers and vendors, regulators and the media, eliciting feedback and addressing their concerns. We reviewed our employee handbook to address some key issues raised by our colleagues and created various portals in our internet and intranet through which we give our stakeholders a voice in our business decisions and actions.

For us, sustainability goes beyond a regulatory requirement, it is the springboard to the future we desire.





About ZENITH BANK





Our Corporate Profile

Zenith Bank Plc (the parent company of the Zenith Bank Group) is a Nigerian commercial bank with international authorization that allows us to operate our subsidiaries overseas.

Zenith Bank is one of Nigeria's strongest and most respected brands. In 2015, we were rated by the Bankers' Magazine (UK) as Nigeria's largest bank (in Tier-1 Capital) and the seventh biggest bank in Africa. We are also rated among the world's 300 biggest banks. Our strategy has been anchored on continued investment in quality people, state-of-the-art technology and excellent customer service delivery. The combined intellectual capital and commitment of our staff, management and Board have molded Zenith into the world-class institution that it is today.

From inception, Zenith Bank clearly set out to distinguish itself in the banking industry through its service quality, drive for a unique customer experience and the caliber of its customer base. Our growth is driven principally by a strategic business focus, commitment to quality service, close attention to risks management, excellent shareholders' returns and a conservative business model.

The bank's main service delivery channels remain its branches which currently stand at about 358. The brand has become synonymous with leadership in Information and Communication Technology (ICT) and innovative banking and is an industry leader in the

offering of electronic banking services, such as ATM, POS Terminals, Internet banking and mobile/telephone banking services, amongst others. Our offices are located in prime business and commercial cities in each State of the Federation and they are easily accessible to all the Central Bank of Nigeria's clearing offices and zones around the country.

Over the last ten years, Zenith Bank has remained a tier 1 bank despite the prevailing economic and operational circumstances. The bank has efficiently deployed its competitive advantages of excellent customer service, size, brand name, branch network and customer reach, stable management, well-motivated workforce, strong capital and liquidity base in order to effectively compete in the Nigerian banking landscape.

Our Strengths

- Innovation
- Good financial performance
- Stable and dedicated management team
- Highly skilled and motivated workforce
- Leadership in the use of Information and Communication Technology
- Strategic service delivery points
- Good asset quality

Our Vision

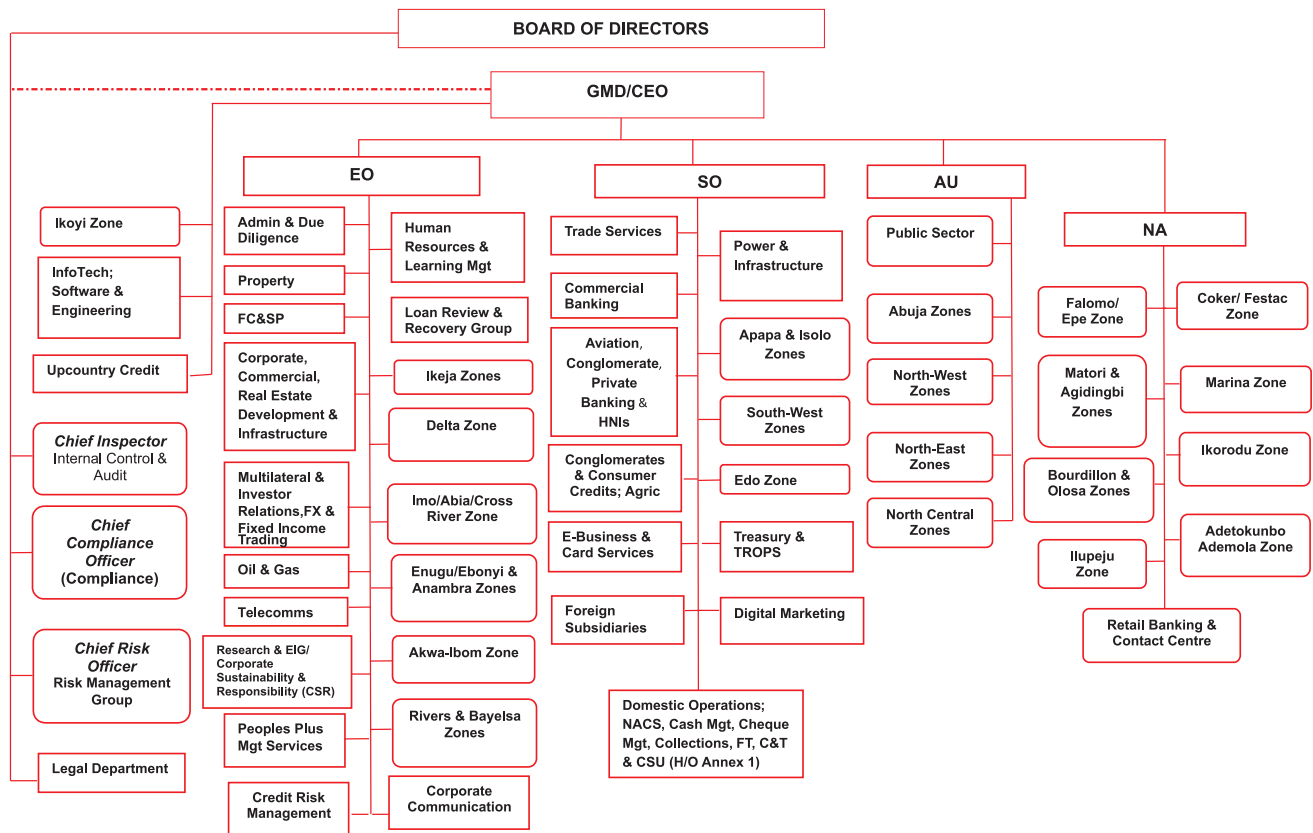
"To build the Zenith brand into a reputable international financial institution recognized for innovation, superior customer service and performance while creating premium value for all stakeholders".







ZENITH BANK PLC ORGANISATIONAL STRUCTURE



Vision Mission & Values





Our Mission

"To establish a presence in all major economic and financial centers in Nigeria, Africa and indeed all over the world, creating premium value for all stakeholders"

Our Core Values

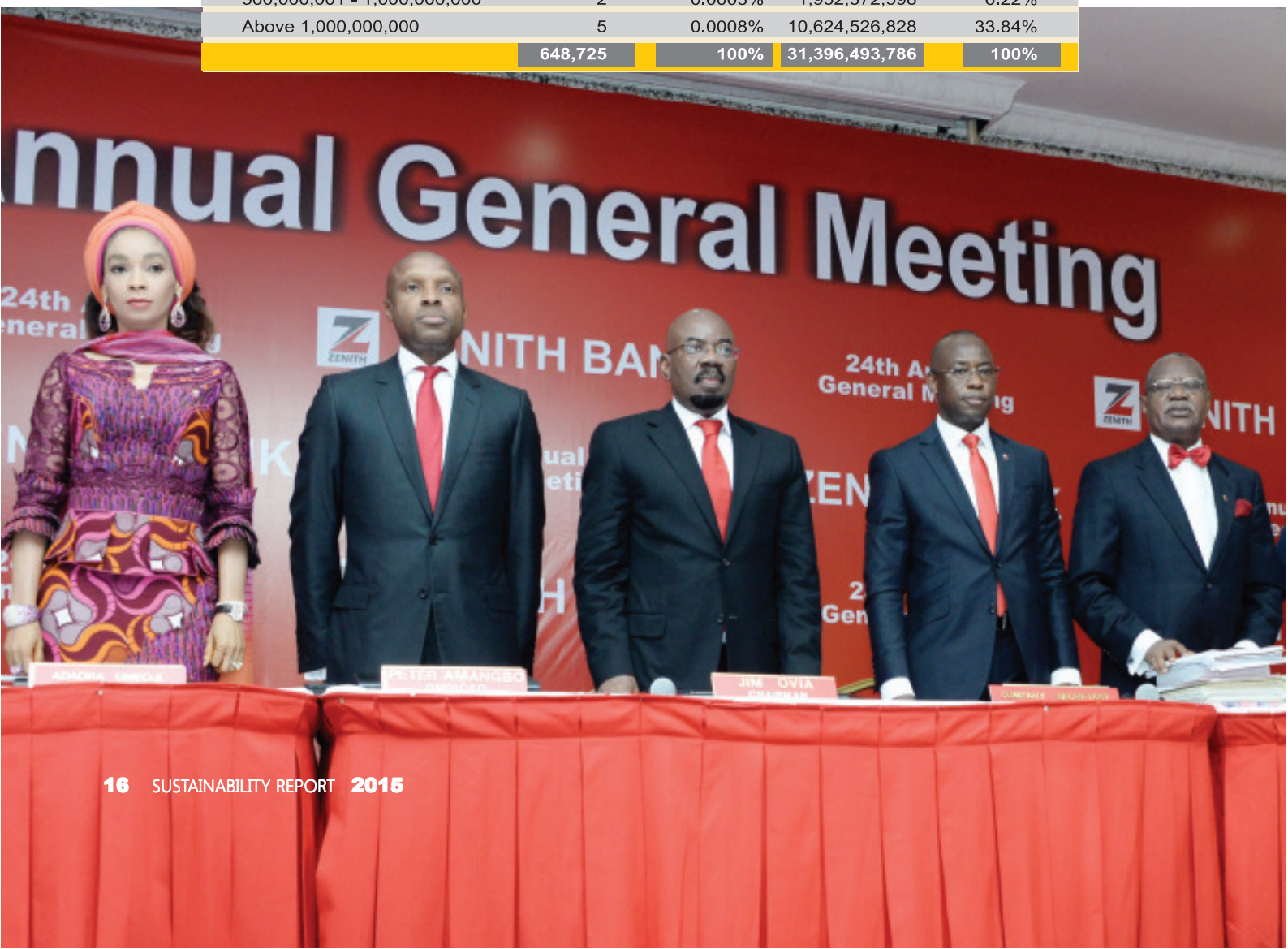
- Integrity
- Professionalism
- Excellence

- Ethics
- Commitment
- Transparency
- Service
- Equity

Our Ownership Structure

The shareholding pattern of the Bank as at 31 December, 2015 is as stated below:

Ownership Structure				
Share Range	No. of Shareholders	Percentage of Shareholders (%)	Number of Holdings (%)	Percentage Holdings (%)
1 - 9, 999	542,350	83.6025%	1,636,659,160	5.21%
10,000 - 50,000	84,456	13.0188%	1,725,324,949	5.50%
50,001 - 1,000,000	20,895	3.2209%	3,170,851,377	10.10%
1,000,001 - 5,000,000	739	0.1139%	1,550,729,345	4.94%
5,000,001 - 10,000,000	126	0.0194%	867,539,144	2.76%
10,000,001 - 50,000,000	102	0.0157%	2,180,505,063	6.95%
50,000,001 - 100,000,000	24	0.0037%	1,753,365,976	5.58%
100,000,001 - 500,000,000	26	0.0040%	5,934,619,346	18.90%
500,000,001 - 1,000,000,000	2	0.0003%	1,952,372,598	6.22%
Above 1,000,000,000	5	0.0008%	10,624,526,828	33.84%
	648,725	100%	31,396,493,786	100%



Our Board of Directors and Ownership Interest

As at year end 2015, we had 10 members constituting our Board of Directors following the retirement of two non-executive directors in March 2015. The direct interests of directors in the issued share capital of Zenith Bank Plc as recorded in the register of directors shareholding and/or as notified by the directors for the purposes of sections 275 and 276 of the Companies and Allied Matters Act and the listing requirements of the Nigerian Stock Exchange is as follows (See table):

Our Board of Directors			
Name	Designation	Number of Shareholding	
		31 Dec 2015	31 Dec 2014
Mr. Jim Ovia, CON.	Chairman / Non-Executive Director	2,946,199,395	2,946,199,395
Mr. Peter Amangbo	Group Managing Director/CEO	5,000,000	5,000,000
Sir Steve Omojor	Non-Executive Director	4,768,836	4,466,036
Mr. Babatunde Adejwon	Non Executive Director	3,752,853	3,752,853
Alhaji Baba Tela	Non Executive Director / Independent	250,880	250,880
Dr Haruna Usman Sanusi	Non-Executive Director/ independent *	-	-
Prof. Chukuka Enwemeka	Non-Executive Director	127,137	127,137
Mr. Jeffrey Efeyini	Non-Executive Director	541,690	541,690
Chief (Mrs) Chinyere Asika	Non-Executive Director / Independent *	95,757	95,757
Ms. Adaora Umeoji	Executive Director	26,620,141	23,620,141
Mr. Ebenezer Onyeagwu	Executive Director	2,500,000	2,000,000
Mr. Oladipo Olusola	Executive Director	2,000,000	1,877,600
* Retired from the board effective March 26, 2015.			

Our Business Focus

In October 2010, the Central Bank of Nigeria (CBN) issued a directive prohibiting Nigerian banks from holding interests in non-banking subsidiaries, except pension and custodian services. It however gave banks the option of restructuring into a holding company if they wish to continue their interest in non-banking subsidiaries. Zenith Bank opted to operate as a commercial bank only, with authorization to operate

foreign subsidiaries. As a result, the Bank now focuses and channels its resources only to its core corporate and retail banking activities, international subsidiary businesses and its pension and custodian services business.

a. Corporate and retail banking services

Our corporate and retail banking services business provides a broad range of banking products and services to a diverse group of corporations, financial institutions, investment funds, governments and individuals.

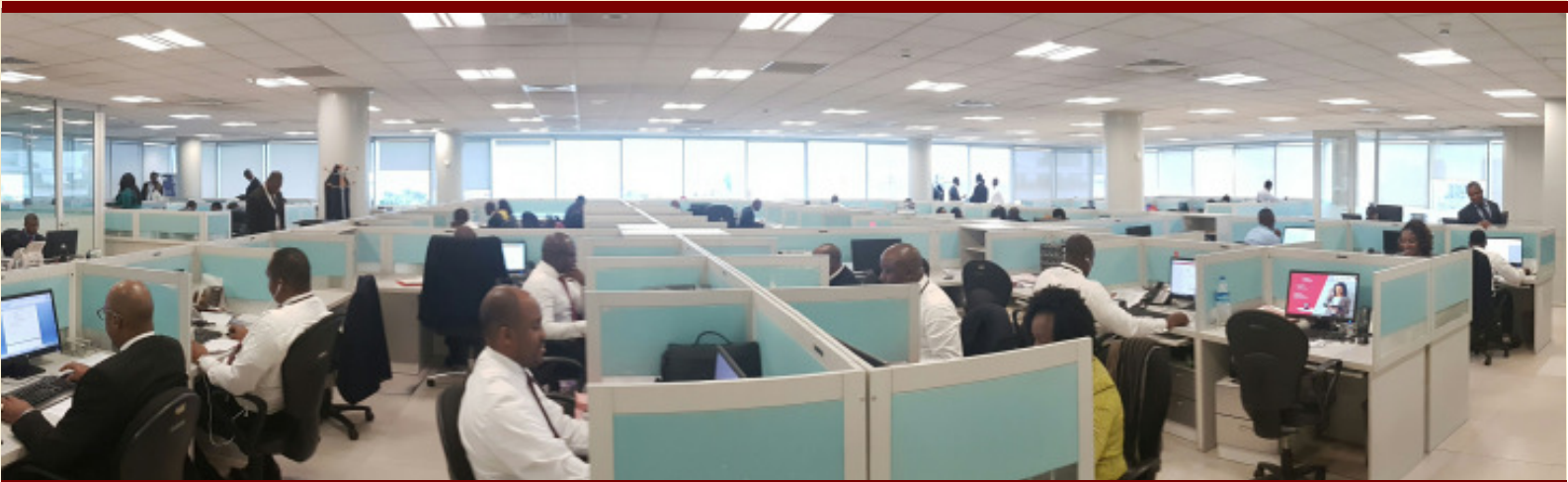
These business activities are conducted through the following business units:

- Institutional and investment banking
- Corporate banking
- Retail banking
- Public sector banking

The Institutional and Investment Banking Unit

(the "IIBU") manages the Group's business relationship with other banks, financial institutions, multilateral agencies, securities houses, insurance companies, asset management companies and other non-bank finance companies, private equity and venture funds.





The Corporate Banking Strategic Business

(CBSBU) offers a wide range of services to multinationals, large local conglomerates and corporate clients with the following sub-units:

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

The Retail Banking Unit (the "RBU") focuses on all small and medium enterprises (SMEs), commercial businesses and consumer businesses which comprise of personal current and savings accounts customers and all unincorporated entities (such as societies, clubs, churches, mosques, amongst others). The Group's deposit liability creation efforts aim to win and retain a collection of retail businesses. Services offered include savings and transactional accounts, mortgages, personal loans, debit cards and credit cards. Loans and advances in the forms of overdrafts, import finance lines, term loans and leases are extended to the RBU customers, especially those involved in the sales and distributions of fast moving consumer goods and key distributors to major manufacturing companies.

The Group offers a wide range of generic banking services and products to meet the needs of the customers in this sub-sector. These include various lending and deposit products such as working capital lines (overdraft, invoice discounting,

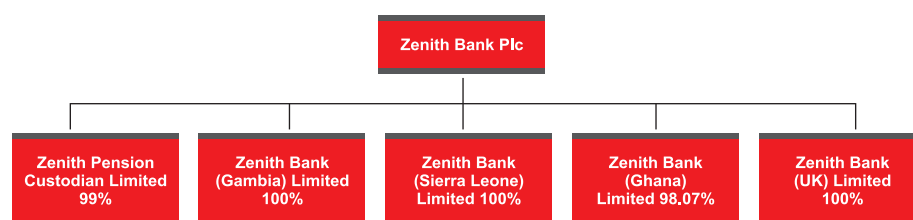
invoice/contract financing, stock financing, amongst others), lease finance lines, Bonds and Guarantee lines, current account, domiciliary accounts and fixed deposit accounts. Ancillary services rendered to this sub-sector include local drafts issuance, local inter/intra bank funds transfers, payroll services, bill payments, safe custody, duty/tax payments, remittances, and so on. The massive deployment of ATM and POS terminals across the network in recent times is to effectively service this segment of the market.

The personal banking products and services range from standard to specialized savings, current domiciliary

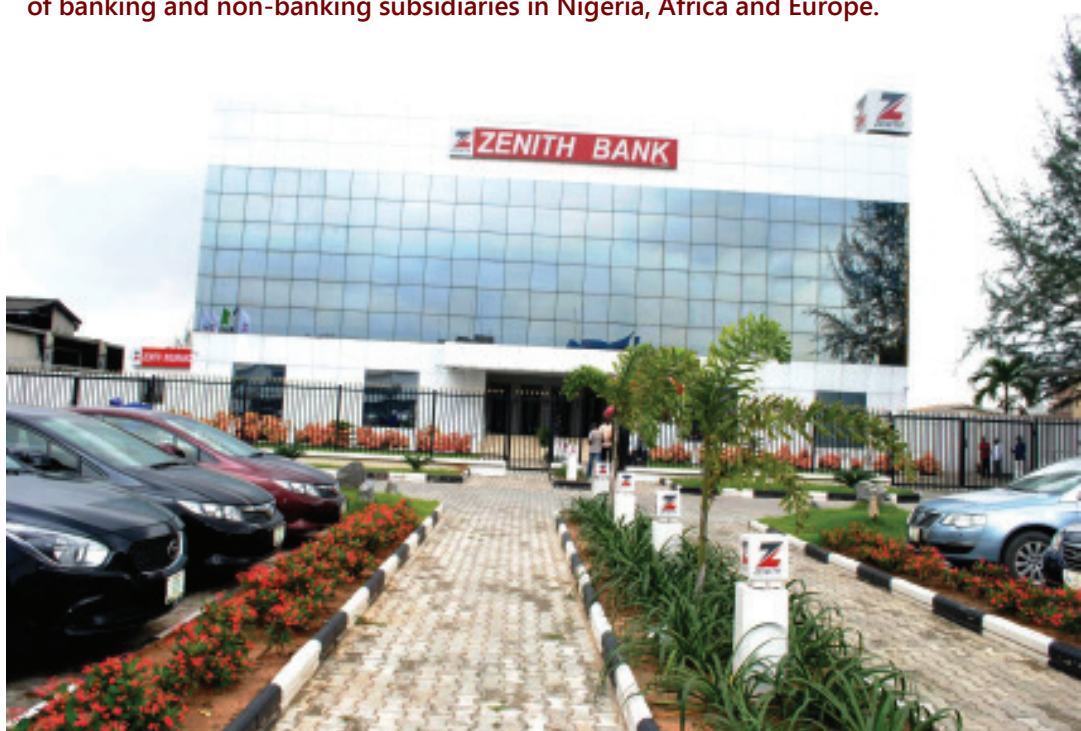
and investment accounts modified to meet the needs of individuals in different strata of the society. Examples of such specialized products are the Zenith Children Accounts (ZECA), Zenith Mutual Funds Account, among others.

The sub-group also offers credit products, including personal loans, advances, mortgages, asset finance, small business loans, and credit cards. E-business products offered include internet banking and mobile banking.

The Public Sector Group (PSG) provides services to meet the banking needs of all tiers of government (federal, state and local governments), ministries, departments and agencies, not-for-profit organizations, embassies and foreign missions. The focus of the PSG business is all institutions operating under the



Zenith Bank is part of the Zenith Group with controlling interest in a number of banking and non-banking subsidiaries in Nigeria, Africa and Europe.





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

b. Overseas subsidiaries

Zenith Bank is part of the Zenith Group with controlling interest in a number of banking and non-banking subsidiaries in Nigeria, Africa and Europe. The Group's overseas subsidiaries carry out banking operations, providing traditional banking products and services tailored to meet the needs of those customers who are either located in countries where the subsidiaries are based or who have a business presence in such locations. The following chart shows the subsidiaries' structure of the Group as at the end of the 2015 financial year.

Each of the Group's overseas subsidiaries acts as intermediary between the financially surplus and deficit units in their locations, offering a wide range of products and services to attract deposits and extend loans and advances. The following are specific services provided by the Group's overseas subsidiaries:

Zenith Bank UK Limited ("Zenith UK") leverages trade and investment flows between Nigeria and Europe to provide intermediary banking services which include post shipment finance, back to back letters of credit, standby letters of credit and contract guarantees. Zenith UK also provides facilities for working capital and capital expenditure directly to Nigerian borrowers through participation in syndicated loans.

The subsidiary acts as the contact point for correspondent banking relationships with Nigerian and other West African banks by providing facilities for letter of credit confirmation and treasury products. The operational mandate of Zenith UK also enables it to source deposits from institutions such as parastatals, corporate and institutional counterparties to support its funding needs. Through effective treasury management, Zenith UK trades in fixed income instruments which include government and institutional bonds and certificates of deposit. Zenith UK also has a wealth management unit which is dedicated to offering long term investment advisory and wealth management solutions to its customers.

Zenith Bank (Ghana) Limited, Zenith Bank (Sierra Leone) Limited and Zenith Bank (The Gambia) Limited (the "West African Subsidiaries"), are the Group's banking subsidiaries within the West African sub-region which provide compre-





hensive trade services to major global corporations and medium sized enterprises operating in the region.

In the years ahead, our expansion within the African continent will be propelled by the planned integration of African economies under the proposed African Union (AU), which provides a unique opportunity for the bank to build a strong banking franchise based on its size, experience, local and regional expertise.

The Economic Community of West African States (ECOWAS) initiative would be another important propeller of our continuous expansion within the continent. And this would be further driven by the number of small to medium-sized banks operating in the ECOWAS and African region that require correspondent banking services, trade finance and related services. Zenith Bank has a competitive advantage to serve these institutions based on the depth of its experience and expertise.

Our foreign subsidiaries will be positioned to target companies that have trade partners in Nigeria and other locations where we have business presence. This approach is aimed at encouraging cross border marketing and the routing of a portion of their international trade transactions

Our foreign subsidiaries will be positioned to target companies that have trade partners in Nigeria and other locations where we have business presence.

through the Zenith Bank Group's network. The challenge here will be to demonstrate to the local companies that their relationship with Zenith Bank in their country and in other countries where we operate, will be mutually beneficial.

The lending businesses in all our subsidiaries will focus primarily on international trade and export trade transactions. It will involve discounting international trade bills for companies and also providing short-term credits to financial institutions that are using the bank as their correspondent bank.

c. Pension and custodial services

The Group's pension custodian services business is conducted through Zenith Pension Custodians Limited ("Zenith Pensions") which offers pension management and custodian services to pension funds administrators (PFAs). As at



31 December, 2015, total funds under its custody amounted to approximately N1,998 billion. Zenith Pensions has 77 funds under its custody, shared among five open pension fund administrators and three closed pension funds administrators. The main service offerings provided by Zenith Pensions include collecting pension contributions, paying beneficiaries from their respective retirement savings accounts, safekeeping of assets, managing real estate assets of the funds under its custody and the settlement of transactions in financial investments such as equities, bonds and treasury bills. Zenith Pensions also provides administrative and recordkeeping services to the funds under its custody.

In addition to our expanding foreign subsidiaries, we remain committed to consolidating our position as a leading financial services provider in Nigeria. Our Nigerian branch network has expanded exponentially, from about 100 in 2004 to about 358 as at December 2015.

In managing our different local and international business units, and our products and services offerings, we have continuously improved on our stakeholders' engagement policies and practices, soliciting feedback and addressing

their concerns. We ensure that we observe the corporate laws and regulations in the different societies where we operate, benchmarking global best practices in our customers, employees, investors and communities' relations.

Our Strategic Objectives

The strategic objective of Zenith Bank remains the continuous improvement of its capacity to meet stakeholders' changing needs, sustained excellent service delivery and consistent growth in a volatile business environment. This we plan to achieve through:

- Continuous investment in branch network and business expansion, thus bringing quality banking services closer to our existing and potential customer base
- Continuous investment in and deployment of state-of-the-art technology and ICT platform
- Employing and retaining the best personnel available
- Continuous investment in training and re-training of our personnel
- Maintaining and reinforcing our core customer service delivery charter



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- Sustaining strong profitability and ensuring adequate Return on Equity (ROE)
- Remaining conservative but innovative
- Sustaining a strong balance sheet size with adequate liquidity and capital base
- Sustaining our brand and premium customer services
- Cautious and synergistic global expansion
- Remaining customer service focused
- Continuous emphasis on use of technology as a competitive tool
- Continuous considerations for and mitigation of the social, economic and environmental impacts of our business decisions and actions on the communities where we operate
- Maintaining strong risk management and corporate governance practices
- Maintaining open channels of engagement with key stakeholders and continuously striving to surpass their expectations

Our Branches, Subsidiaries and Business Offices

Federal Republic of Nigeria banking operations	358
Federal Republic of Nigeria off-site locations	163
Federal Republic of Nigeria Non-banking operations	1
Republic of Ghana	25
United Kingdom	2
Sierra Leone	4
The Gambia	4
South Africa Representative Office	1
China Representative Office	1
Zenith UK Dubai Branch	1

- Continuous enhancement of our processing and systems platforms to deliver new capabilities and improve operational efficiencies and economies of scale
- Maintaining strong risk management and corporate governance culture
- Ensuring proper pricing of our products and services and overall products responsibility
- Continuously delivering superior and tailor-made service experience to all our customers at all times, and in all regions where we operate

Products, Services and Delivery Channels

The Zenith Bank Group provides its services through a variety of channels, including its network of branches and ATMs across the various locations where it operates; electronically, through its internet and mobile banking platforms; as well as through point of sale terminals. The Group aims to continue to develop and expand the channels through which it provides convenient services to customers.

As at December 31, 2015, the Group had a total of 393 branches. The Group's branch network is spread across Nigeria, other countries in Africa where it operates (Sierra Leone, Gambia and Ghana) as well as two branches in the United Kingdom. The Group also has representative offices in South Africa and China. All branches are linked to the Group's IT system through V-SAT. Both wide area networks and local area networks are used to connect and integrate all the Group's branches and business centres. As at December 31, 2015, the geographical spread of the Group's branch network is highlighted in table.

As at December 31, 2015, the Group also had approximately 163 off-site locations, strategically situated in various commercial centers around Nigeria in addition to its network of branches. These off-site locations comprise small business offices such as kiosks, which are located in airports, university campuses, large shopping malls, or the premises of core customers of the Group, strictly for cash collection purposes.

The Group has a total of 1,268 of Automated Teller Machines (ATMs) with 1,206 in Nigeria, 54 in Ghana, 4 in the Gambia and 4 in Sierra





Leone. The machines are mounted in branches and strategic locations such as airports, university campuses, large shopping malls and premises of large manufacturing firms employing large numbers of workers. Due to collaboration and shared services arrangements with other banks, ATM cards issued by members of the Group are accepted by the ATMs of other institutions. The Group also collaborates with other card issuing agencies to offer internationally recognized cards, such as MasterCard and Visa, in different currencies.

The Group's range of internet and mobile banking products and services offer customers, services such as collections and remittances of bills (including utility bills), real time internet banking, purchase of mobile phone airtime, funds transfers, cheques requisitions and confirmations, balance enquiries and statement services. Specific electronic products offered by the Group include:

- **Corporate i-Bank** - a secure online solution that allows corporate customers to carry-out banking transactions on the internet;
- **Zenith Payroll (Branch i-Bank)** - automates the (end to end) payroll process of customers and eliminates the manual processes involved in the generation of monthly payroll, while also remitting funds electronically to staff accounts. The platform provides database backup, payroll reports, customization option, secure payment authorization and salary payments;
- **Xpath (Customized Branch Collections)** - allows customers to collect or receive remittance from their key distributors and customers through any branch of the Group. The platform also enables customers to capture specific information relating to their account. Other features of the product include the provision of electronic receipts, PIN Vending and direct integration;
- **Internet Banking** - a real-time solution that provides customers with access to their account 24 hours a day, 7 days a week via the internet;
- **EazyMoney** - a mobile banking service which enables customers to carry out various banking transactions using their mobile phones. Some of the banking transactions that can be performed via the mobile banking platform include card balance enquiry, card to-card transfers, airtime purchase, bill payments, funds transfers to accounts held with the Group as well as those with other banks, and local money transfers;
- **Global Pay** - a convenient, flexible and secure platform for receiving payments through the internet. This platform accepts multi-currency transactions and also provides online transaction monitoring capabilities; and





- **Electronic Multicard** - this product enables merchants to receive payments from customers when they use a bank card issued either by the Group or other institutions recognized by our platform. It enables merchants to accept payments after banking hours, provides online transaction monitoring, alternative mode of payment, and can be customized to capture specific data.

Cards and E-Solutions

Zenith Bank blazed the trail in digital banking in Nigeria, scoring several firsts in the deployment of Information and Communication Technology (ICT) infrastructure to create innovative products that meet the needs of its teeming customers. The bank is verifiably a leader in the deployment of various technology banking channels and has become synonymous with state-of-the-art banking solutions.

We continually enhance our processes and systems plat-

Zenith Bank blazed the trail in digital banking in Nigeria, scoring several firsts in the deployment of Information and Communication Technology (ICT) infrastructure to create innovative products that meet the needs of its teeming customers.

forms to deliver new capabilities, improve operational efficiencies and achieve economies of scale, leveraging our unparalleled competitive advantage in delivering superior ICT and e-solutions.

The bank has excelled in its provision of an array of electronic banking channels in line with the current trend of e-commerce. Zenith Bank offers customers an array of cards to choose from. Each card is designed by a team of innovative, in-house staff to meet the specific needs of our diverse customers. These cards ensure ease of payments and are trusted by our customers and merchants globally. Our card products include:

- Debit naira Standard Card product
- Debit USD Standard Card product
- MasterCard Naira Prepaid
- Aspire Debit Card Products
- Credit Naira Cards (Classic, Gold and Platinum)
- Credit USD Card (Classic, Gold and Platinum)
- Co-operate Standard debit product
- Debit Gold & Platinum Premium Card products
- Easysave Card Products (Classic, Premium and Plus)



As a major financial services institution, gaining the trust and confidence of our clients, stakeholders and the general public is of critical importance to us. In the last 25 years of our corporate existence, we have succeeded in building a brand that is synonymous with good ethics, integrity and professionalism.

We remain committed to promoting good corporate governance and best practices in the conduct of our business to engender public trust and ultimately

Zenith Bank believes that effective governance, controls and compliance are essential in maximizing shareholder value. We therefore act with the highest standards of integrity and honesty in all our operations, to ensure that customers can entrust their business to us with unwavering confidence.

The professional image of Zenith Bank is directly linked to the way each employee behaves. So all employees are expected to maintain high standards of professional

At Zenith Bank, we are committed to safeguarding our reputation. And we ensure that employees at all levels are trained on business ethics, integrity and professionalism. We have put structures in place that reward outstanding ethical behavior.

- Query



- Formal written warning
- With-holding of annual salary increment
- Suspension
- Termination
- Dismissal

We encourage employees at all levels, and indeed, all stakeholders to use our different engagement channels to report any breach of our ethical standards that could jeopardize the reputation of the Zenith brand. Reports can be made anonymously, via the bank's whistle blowing portal on our intranet, or directly. No matter the form of report, investigations will be conducted discreetly and the source kept confidential, subject to any legal constraints.

It is the responsibility of all employees to promptly communicate suspicious conducts, or possible violation of laws, regulations or ethical standards, to any or all of the following, until the issue is appropriately addressed:

1. A supervisor
2. Chief Compliance Officer
3. Human Resources department

The bank prohibits retaliatory action against any individual for raising legitimate concerns or questions regarding ethics, discrimination or harassment, or for reporting suspected violations.

Also, we ensure that the disciplinary measures we have put in place for noncompliance are fair, impartial, transparent and known to all our employees.

In 2015, 18 employees were dismissed for breach of bank's ethics and values and the incidences were reported to the Central Bank of Nigeria (CBN).

We are committed to dealing fairly and professionally with our customers, suppliers, competitors and employees. This is why we have consistently elicited positive rankings in corporate governance and professional ethics in States where we operate. The Bank's recent listing on the Premium Board of the Nigerian Stock Exchange (NSE) is an indication of our performance in this regard. The Bank also recently won the award of "the Best Corporate Governance Bank in Nigeria 2015" at the Global Banking and Financial Review Awards 2015.

We will continue to sustain this feat and continuously reappraise our processes to ensure that our business practices conform with the highest global standards at all times.

Analysis of Fraud and forgeries in 2015 and level of Employees' involvement							
Nature of Fraud	2015				2014		
	No.	% Loss	Actual Loss to the Bank (N) Jan-Dec 2015		No.	% Loss	Actual Loss to the Bank (N) Jan-Dec 2014
ATM/Electronic fraud	24	-	-	-	11	1	470,000
Staff Perpetrate	5	78	155,727,899	-	1	29	14,040,299
Impersonation	4	-	-	-	1	-	50,000
Stolen/Forged Instrument	8	16	31,482,925	-	1	23	11,048,570
Internet Banking	80	3	5,328,712	-	23	35	17,070,354
Others	90	4	7,983,900	-	8	12	5,990,048
Total	211	100	200,523,436	-	45	100	48,669,272

We encourage employees at all levels, and indeed, all stakeholders to use our different engagement channels to report any breach of our ethical standards that could jeopardize the reputation of the Zenith brand.









Employees



Customers



Investors



Suppliers



Host Communities



Media



Regulators



Government





Our STAKEHOLDERS

In the financial year 2015, we continued to build on existing efforts at ensuring the availability of effective, up-to-date and transparent channels of stakeholder engagement, through which we elicit and receive feedbacks that would enable us pursue and achieve our common goals.





Engagement with stakeholders

Our stakeholders are those entities that have direct or indirect impact on the attainment of our corporate goals and objectives; and whose social, economic and environmental wellbeing we also impact, directly or indirectly.

Our stakeholders are those entities that have direct or indirect impact on the attainment of our corporate goals and objectives; and whose social, economic and environmental wellbeing we also impact, directly or indirectly. Our key stakeholders are our employees, customers, shareholders and investors, government and regulators, host communities, suppliers and vendors, and the media.

We are aware that our stakeholders will not always see things from our own perspective and may in fact disagree with some of our business decisions and actions. That is why effective engagement is critical, providing us a continuous platform to keep feeling their pulse and ensuring that we are guided by what they think or say. We understand that becoming the competitive global financial institution that we aspire to be will depend on how effectively we engage these stakeholders and the extent to which their views, observations and concerns are put into consideration in the business decisions and actions we take.

In the financial year 2015, we continued to build on existing efforts at ensuring the availability of ef-

fective, up-to-date and transparent channels of stakeholder engagement, through which we elicit and receive feedbacks that would enable us pursue and achieve our common goals. We launched several new platforms through which we engaged our internal and external stakeholders, including the rebranding of our social media presence for increased interaction with the youthful population, which is increasingly important to our business strategy. We also worked extensively on our intranet portals to significantly improve feedback from, and interactions with our internal stakeholders.

In addition to our business strategies, goals and objectives, feedback from our internal and external stakeholders was another factor that significantly influenced the outcome of our sustainability materiality assessment in 2015.

The table below summarizes issues of concern to our stakeholders and our strategies for addressing them in the year under review.



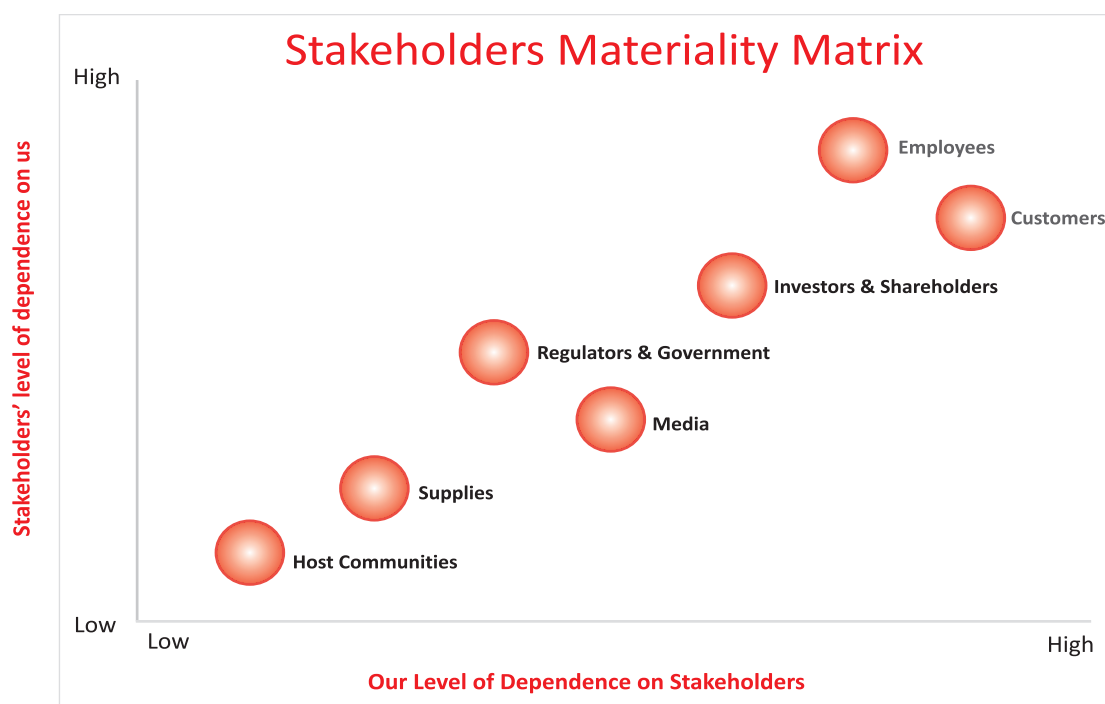
Highlights of our 2015 Stakeholders Engagements

Stakeholders	Key Concerns	Management Strategies
Employees	<ul style="list-style-type: none"> ▪ Remuneration ▪ Promotions ▪ Trainings and development ▪ Work/life balance 	<ul style="list-style-type: none"> ▪ We constantly review our remuneration package to make us competitive and able to attract, employ and retain the best brains in the industry ▪ There are clear compensation structures in place and excellent performance is satisfactorily rewarded to motivate the workforce and encourage enhanced productivity bank wide ▪ Excluding our in-house computer based trainings which hold all year round for all categories of employees, in 2015, a total of 6,098 (inclusive of 6,286 active permanent staff, 263 exited staff and 51 staff seconded to various subsidiaries) out of 6,600 employees were trained over a period of 151,036 cumulative hours. This number represents 92 percent of our total workforce. ▪ The bank is working on strict enforcement of its official working hours and putting social facilities in place towards improving work/life balance for our employees

Stakeholders	Key Concerns	Management Strategies
Customers	<ul style="list-style-type: none"> ▪ Access to lending and financing ▪ Transparency in charges ▪ ATM Dispense error and network hitches ▪ BVN registration hitches ▪ Lending rate negotiation ▪ Customer experience 	<ul style="list-style-type: none"> ▪ We ensure strict business ethics and professionalism in our service delivery and comply with all regulations guiding products pricing ▪ We use state-of-the-art technology to deliver superior customer service experience and respond to the changing needs of our customers. ▪ We have put requisite applications in place to ensure auto-reversal of debits in cases of dispense errors and network malfunction.
Investors	<ul style="list-style-type: none"> ▪ Financial performance ▪ Return on investments 	<ul style="list-style-type: none"> • We continue to ensure optimal shareholders' returns and experience. Some of our strategies in this regard include commitment to enhanced profitability, strategic brand expansion and resource efficiency
Regulators and government	<ul style="list-style-type: none"> ▪ Banking reforms, effective risk management and systemic risk prevention ▪ lending to the domestic economy (especially SMEs and the real sector) ▪ Infrastructure financing ▪ Anti-corruption ▪ Financial Inclusion 	<ul style="list-style-type: none"> • We are committed to upholding good corporate governance and citizenship practices at all times; ensuring full compliance with regulatory expectations and operating within the ambit of the law • We are committed to supporting government's efforts at improving the socio-economic condition of the citizenry, especially the low-income groups and small and medium scale businesses

Stakeholders	Key Concerns	Management Strategies
Regulators and government		<ul style="list-style-type: none"> • We remain a strong government partner in the quest to achieve inclusive economic growth and development, diversified channels of foreign exchange earnings and the development and patronage of Nigeria's local content • We actively support governments' and regulators' efforts at ensuring the financial inclusion of the economically disadvantaged groups
Host Communities	<ul style="list-style-type: none"> ▪ Environmental and social footprints ▪ Youth (un)employment and capacity building ▪ Local content 	<ul style="list-style-type: none"> ▪ We are ensuring that the way we do business reflects broader societal and environmental considerations ▪ We continually adopt innovations and invest in facilities and infrastructure that would enable us significantly reduce our negative environmental footprints ▪ We continue to invest in the wellbeing of our host communities, providing needed facilities, creating employment opportunities, supporting employability initiatives, and deliberately sourcing our supplies and items locally
Suppliers	<ul style="list-style-type: none"> ▪ Payment cycle ▪ Adherence to signed SLAs ▪ E&S risks considerations 	<ul style="list-style-type: none"> • Though at a highly competitive 10-14 days, we remain committed to further shortening our payment cycle to meet the yearnings of our suppliers, vendors and contractors. Our payment structures are being reviewed to achieve this, with focus on improved automation of the processes

Stakeholders	Key Concerns	Management Strategies
Suppliers		<ul style="list-style-type: none"> We will continuously enforce all service level agreements reached with our vendors to ensure E&S compliance, quality of products supplied and efficiency of services delivered
Media	<ul style="list-style-type: none"> Effective feedback Social Media presence 	<ul style="list-style-type: none"> We value the critical role played by the conventional and social media as the fourth estate of the realm. We understand that effective engagement with them improves our brand equity, reach and acceptability. We will continue to build on existing strong ties with the media and improve on our social media presence towards achieving our strategic marketing and brand recognition goals







Channels & Frequency of Stakeholders' Engagements

Stakeholders	Methods/Channels of Engagement	Frequency of Engagement
Employees	<p>Using diverse communication channels, Zenith Bank ensures that employees are informed on matters that concern them. Formal and informal channels are employed using appropriate two-way feedback mechanism. We routinely communicate with our employees and give them the opportunity to share their ideas, questions and concerns through channels, including:</p> <ul style="list-style-type: none"> • GMD/CEO Address • Management/ Heads of Operations' Meetings Briefings • Heads of Operations Seminar • Monthly Performance Reviews • Trainings • Intranet • Customer Service Operations Seminar • Zenith Business Summit • Zenith Business Forum 	<ul style="list-style-type: none"> • Annually • Weekly • Bi-Annually • Monthly • Continuously • Continuously • Annually • Quarterly • Quarterly
Customers	<p>Zenith Bank is committed to delivering superior and tailor-made service experience to its customers at all times. As such, we take customers' feedback very seriously as we are always exploring new approaches to serving them better. We have diverse channels through which we solicit and respond to customers' feedback about our products, services and conducts, including :</p> <ul style="list-style-type: none"> • Communication by e-mails/ SMS • Branch network • Promo, Adverts on Media • Relationship Managers' Visits • Customers' Satisfaction Surveys • Zenith Direct, a dedicated 24/7 Customer Service Centre • Social media channels such as Facebook, Twitter, Instagram, amongst others. 	<ul style="list-style-type: none"> • Continuously • Daily • As the need arises • Continuously • Continuously • 24/7 • Continuously





Stakeholders	Methods/Channels of Engagement	Frequency of Engagement
Investors/Shareholders	<p>Zenith Bank remains committed to delivering superior returns to our valued investors/shareholders. To achieve this, we reach out to them through various channels, including:</p> <ul style="list-style-type: none"> • Financial Announcements • Investors' Conference calls • Investors Bulletin/presentations • Annual General Meetings • Extraordinary General Meetings • Dedicated Investors' relations Desk 	<ul style="list-style-type: none"> • Quarterly • Bi-Annually • Quarterly • Annually • As the need arises • Continuously
Regulators & Government	<p>As a responsible corporate citizen, Zenith Bank ensures strict compliance with relevant laws, rules and standards issued by the industry regulators and law enforcement agencies. We adhere to market conventions, guiding principles and codes of practices promoted by industry associations and also in line with our internal business policies. Also, we actively engage our regulators on a wide range of issues that may impact our business at the local, state and federal levels, through:</p> <ul style="list-style-type: none"> • Pre-examination meetings • One-on-one consultations • Email exchanges and Letters • Periodic meetings to address issues that arise during the course of engagement • Phone Calls • Compliance Reporting • Performance reports (audited & unaudited) 	<ul style="list-style-type: none"> • As the need arises • As the need arises • Continuously • As the need arises • Continuously • As the need arises • Annually & quarterly
Host Communities	<p>We engage with our host communities to better understand their concerns and build mutually benefitting relationships. We also work closely with them in determining CSR projects that would best meet their most pressing socioeconomic needs and expectations. We coordinate these engagements through variety of channels, including:</p> <ul style="list-style-type: none"> • Corporate Social Responsibility fora • Strategic Collaborations • Town hall meetings • Community development Committees 	<ul style="list-style-type: none"> • As the need arises • Continuously • As the need arises • As the need arises



Stakeholders	Methods/Channels of Engagement	Frequency of Engagement
Suppliers	<p>It is our belief that a mutually advantageous relationship with our suppliers enhances the value of the products and services we get from them and our service delivery to our customers. We engage with numerous suppliers that provide us with goods and services through:</p> <ul style="list-style-type: none"> • Letters and phone calls • Supplier management processes • Meetings • A dedicated Desk • On-site visits and inspections 	<ul style="list-style-type: none"> • Continuously • Continuously • As the need arises • Continuously • As the need arises
Media	<p>The conventional and Social Media are increasingly important to the actualization of our business goals and prospects. We engage with them using:</p> <ul style="list-style-type: none"> • Media briefings • Press releases • Results announcements • Senior Management Interviews • electronic portals and official website 	<ul style="list-style-type: none"> • As the need arises • As the need arises • As the need arises • As the need arises • As the need arises

Effective engagement with our internal and external stakeholders avails us the opportunity to share ideas that support our decision-making processes in the overall interest of all those that have a stake in our business. We understand that our relationship with key stakeholders must be well established, strategic and based on open, continuous and participatory engagement so as to deepen our understanding of their expectations and map out the best way of exceeding them.

Effective engagement with our internal and external stakeholders avails us the opportunity to share ideas that support our decision-making processes in the overall interest of all those that have a stake in our business.

In 2016 and beyond, we hope to further improve on our channels of engagement with our stakeholders. We are working on re-launching a more robust live chat on our internet as part of our strategies in this regard. This should be live before end 2016.

Managing stakeholders' concerns and grievances

While our internal policies are targeted at conflicts prevention, our relations with diverse stakeholders at times generate unavoidable friction and differences in opinion. At such instances, we are committed to ensuring prompt and effective resolution of issues and complaints.

For our employees, the top engagement issues in the year under review were on remuneration packages, promotions, trainings and development and work-life balance. For inves-

tors and shareholders, the major issues were the need for continuous improvement in our return on equity and access to performance reports. For regulators, banking sector reform and systemic risk, enhanced lending to the domestic economy, especially SMEs and the real sector, infrastructure financing, momentum on ongoing anti-corruption war, and the need for increased focus on financial inclusion and literacy were top on the engagement agenda.

Our engagements with host communities were mostly focused on social investments and ameliorating observed negative environmental footprints. One of the material issues with our host communities in 2015 was the concerns expressed by some landlords at Samuel Adedoyin Street, behind our corporate head office. Their concerns centered on incidences of indiscriminate parking and the emergence of street vendors who are leveraging our corporate presence in the community to market their wares. We are currently working with relevant Lagos State





agencies such as the Kick Against Indiscipline (KAI) and the Lagos State Waste Management Agency (LAWMA), to address the incidences of street trading and the poorly managed effluence and waste in some parts of the neighborhood.

To address the issue of street parking in some neighboring streets, we are building an ultra-modern, 600-capacity parking lot in the community to cater for the parking needs of our employees and business visitors. The project will be completed by second quarter, 2016.

In 2015, the major complaints received from customers were on dispense errors arising from failed ATM, Web and POS transactions. Other complaints bothered on bank rates and charges, access to lending and financing, Biometrics Verification Number (BVN) registration hitches, and incidences of employees' misconducts. Specifically, the bank received a total of 212 complaints from customers in 2015 out of which 208 were successfully resolved. Five unresolved complaints were escalated to the CBN for intervention. 60 unresolved issues were brought forward from previous years, bringing the total number of unresolved complaints to 64.

The Bank's target is to ensure that all complaints are resolved promptly as much as possible, and avoid carrying over any complaint into the following financial year. We plan to achieve near zero unresolved complaints from stakeholders in the next 5 years.

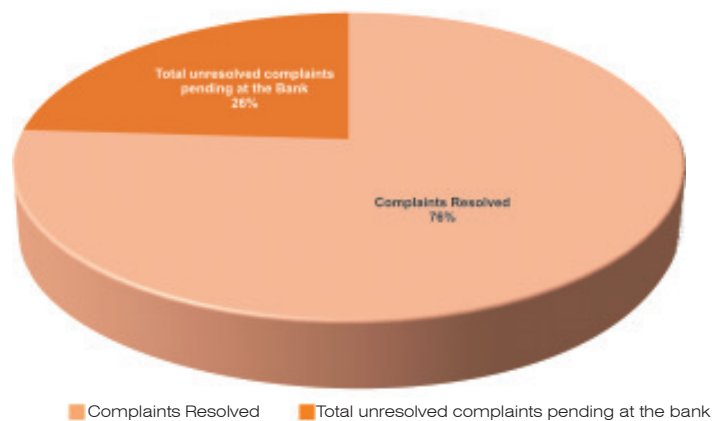
Zenith Bank views complaints and grievances as learning curves and effective feedback that compel us to serve our stakeholders better. They are also useful tools for measuring our customers' satisfaction with our product and service delivery. The Bank is committed to looking into every complaint critically with a view to resolving them amicably, while also leveraging the feedback for improved stakeholders' management.

Summary of Customers' Complaints in 2015

Description	Number
Pending complaint (Brought Forward)	60
Received Complaints	212
Resolved Complaints	208
Unresolved Complaints escalated to CBN for Intervention	5
Unresolved Complaints pending with the Bank (Carried Forward)	59
Total Unresolved Complaints C/F	64

Zenith Bank views complaints and grievances as learning curves and effective feedback that compel us to serve our stakeholders better. They are also useful tools for measuring our customers' satisfaction with our product and service delivery.

COMPLAINTS RESOLVED IN 2015







Economic



Human Rights



Environment



Product Responsibility



Social



Society





Our FOOTPRINTS

The best of businesses are only as productive as the condition of the social, economic and physical environment where they operate. No business thrives in isolation of the wellbeing of its critical stakeholders.







ECONOMIC



At Zenith Bank, we are focused on creating economic value for our stakeholders – colleagues, customers, shareholders and investors, the local communities and the larger society.



Economic performance

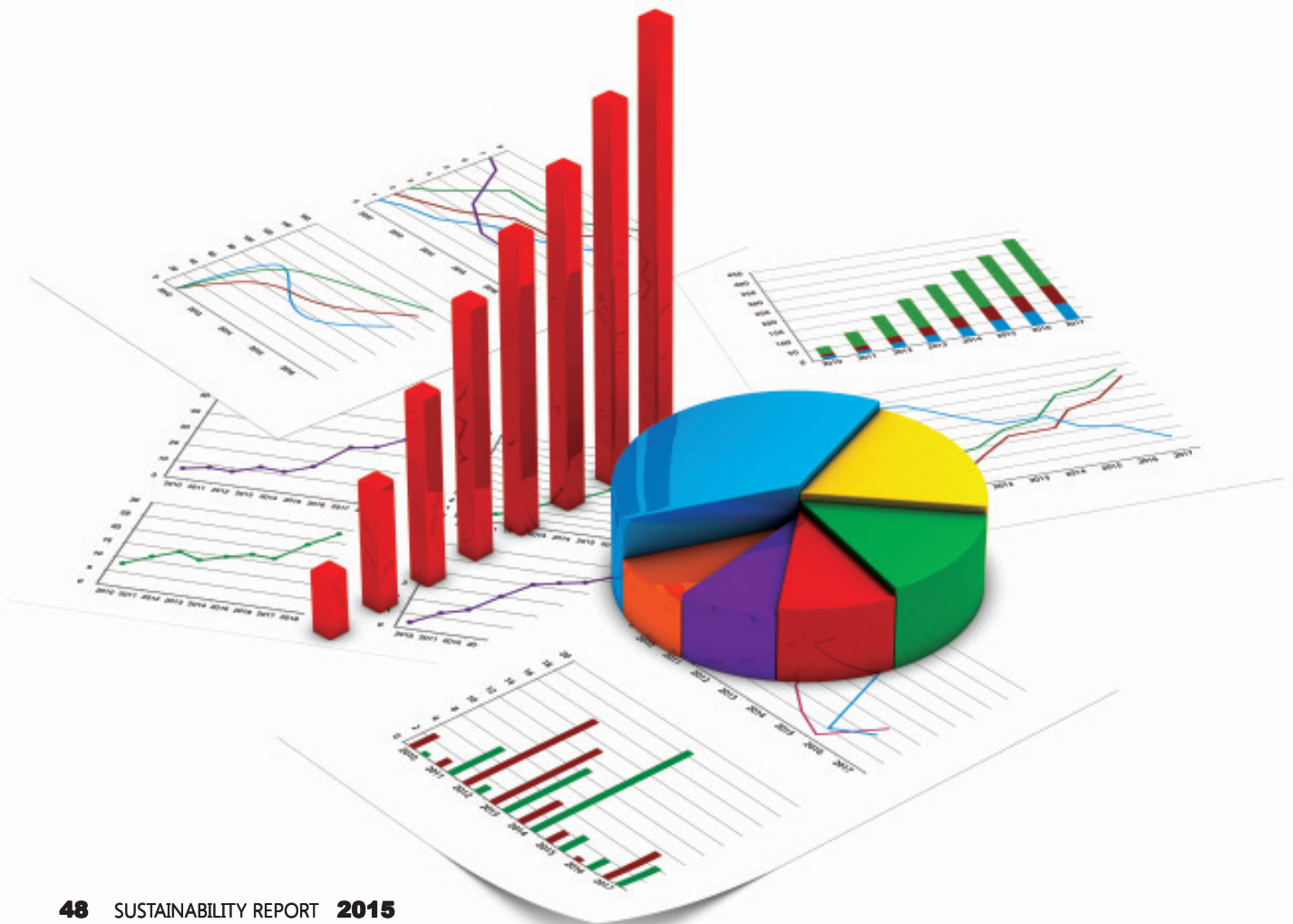
Despite the turbulent economic terrain in the financial year 2015, Zenith Bank grew its gross earnings from N403 billion in 2014 to N432 billion in 2015, a 7.2 percent growth rate.

At Zenith Bank, we are focused on creating economic value for our stakeholders – colleagues, customers, shareholders and investors, the local communities and the larger society.

Despite the turbulent economic terrain in the financial year 2015, Zenith Bank grew its gross earnings from N403 billion in 2014 to N432 billion in 2015, a 7.2 per-

cent growth rate. Profit after tax increased by 4.9 percent, from N99 billion in 2014 to N105 billion in 2015. Total assets also grew from N3.76 trillion in 2014 to N4 trillion in 2015, representing a 6.4 percent growth.

We have also sustained superior growth in net assets which increased by 7.6 per cent to N594 billion in 2015, from N552 billion in 2014. This has positioned the bank as one of the biggest financial institutions in Africa.





ZENITH BANK PLC

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

SUMMARY FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present the summary financial information of Zenith Bank Plc and its subsidiary companies (together the "Group") for the year ended 31 December 2015. These summary financial information are derived from the full financial statements for the year ended 31 December 2015 and are not the full financial statements of the Group and the Bank. The full financial statements, from which these summary financial information were derived, will be delivered to the Corporate Affairs Commission within the required deadline. The Bank's Auditors issued an unqualified audit opinion on the full financial statements for the year ended 31 December 2015 from which these summary financial information were derived.

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	Group 2015	Group 2014	Bank 2015	Bank 2014
<i>In millions of Naira</i>				
Gross earnings	432,535	403,343	396,653	372,015
Interest and similar income	348,179	313,422	317,419	285,171
Interest and similar expense	(123,597)	(106,919)	(114,936)	(99,439)
Net interest income	224,582	206,503	202,483	185,732
Impairment charge for financial assets	(15,673)	(13,064)	(11,091)	(12,392)
Net interest income after impairment charge for financial assets	208,909	193,439	191,392	173,340
Fee and commission income	60,904	70,512	50,313	60,825
Trading income	18,150	15,877	17,884	15,865
Other income	5,302	3,532	11,037	10,154
Share of profit of associates	228	138	-	-
Depreciation of property and equipment	(9,188)	(9,087)	(8,472)	(8,417)
Amortisation of intangible assets	(1,239)	(728)	(1,129)	(704)
Personnel expenses	(67,522)	(72,320)	(62,428)	(67,848)
Operating expenses	(89,928)	(81,567)	(83,377)	(75,366)
Profit before income tax	125,616	119,796	115,220	107,849
Income tax expense	(19,953)	(20,341)	(16,436)	(15,370)
Profit after tax	105,663	99,455	98,784	92,479
Other comprehensive income:				
Items that will never be reclassified to profit or loss:				
Fair value movements on equity instruments	(1,752)	2,549	(1,752)	2,549
Items that are or may be reclassified to profit or loss:				
Foreign currency translation differences for foreign operations	637	3,282	-	-
Effective portion of changes in fair value of cash flow hedges	-	(2,771)	-	-
Related tax expense	-	760	-	-
Other comprehensive income for the year, net of tax	(1,115)	3,820	(1,752)	2,549
Total comprehensive income for the year	104,548	103,275	97,032	95,028

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Group 2015	Group 2014	Bank 2015	Bank 2014
<i>In millions of Naira</i>				
Assets				
Cash and balances with central banks	761,561	752,580	735,946	728,291
Treasury bills	377,928	295,397	330,900	253,414
Assets pledged as collateral	265,051	151,746	264,320	151,746
Due from other banks	272,194	506,568	266,894	470,139
Derivative assets	8,481	17,408	8,481	16,896
Loans and advances	1,989,313	1,729,507	1,849,225	1,580,250
Investment securities	213,141	200,079	150,724	92,832
Investment in subsidiaries	-	-	33,003	33,003
Investment in associates	530	302	90	90
Deferred tax assets	5,607	6,449	5,131	6,333
Other assets	22,774	21,455	21,673	19,393
Property and equipment	87,022	71,571	81,187	69,531
Intangible assets	3,240	2,202	2,753	1,901
Total assets	4,006,842	3,755,264	3,750,327	3,423,819
Liabilities				
Customers' deposits	2,557,884	2,537,311	2,333,017	2,265,262
Derivative liabilities	384	6,073	384	6,073
Current income tax payable	3,579	10,042	2,534	7,709
Deferred income tax liabilities	19	-	-	-
Other liabilities	205,062	289,858	212,636	272,726
On-lending facilities	286,881	68,344	286,881	68,344
Borrowings	258,862	198,066	268,111	198,066
Debt securities issued	99,818	92,932	99,818	92,932
Total liabilities	3,412,489	3,202,626	3,203,381	2,911,112
Capital and reserves				
Share capital	15,698	15,698	15,698	15,698
Share premium	255,047	255,047	255,047	255,047
Retained earnings	200,115	183,396	160,408	150,342
Other reserves	122,900	97,945	115,793	91,620
Attributable to equity holders of the parent	593,760	552,086	546,946	512,707
Non-controlling interest	593	552	-	-
Total shareholders' equity	594,353	552,638	546,946	512,707
Total liabilities and equity	4,006,842	3,755,264	3,750,327	3,423,819

The Group's operating costs increased from N81.5 billion in 2014 to N89.9 billion in 2015, representing a 10.3 percent growth. Also, profit before tax increased by five percent to N125 billion in 2015, from N119 billion recorded in the 2014 financial year. Profit after tax grew 6 percent, from N99.4 billion in 2014 to about N105.7 billion in 2015. Highlights of the Group's operating results (extract) for the year under review are tabulated in the diagram.

A five year comparison of our economic value creation shows a 58 percent increase in tax payments to government, from N12.610 billion as at 2010 to N19.953 billion in 2015. Also,

from N34.1 billion as at 2010, employees received salaries and benefits valued at N67.5 billion, representing a 98 percent rise within the five-year period.

In the year under review, the Bank added 180 new employees to its workforce while our diverse economic and social investments created an estimated 100,000 new jobs.

In addition, the Group created a total net value of N203.5 billion in direct and indirect economic benefits in 2015. Shareholders received direct benefits valued at N54.944 billion in dividend payments, a 400 percent rise from the N11.303 billion paid out in 2010. Providers of capital enjoyed the highest economic value of N107.3 bil-

lion, being interest paid on funds. Vendors, suppliers, and local service providers received economic value of N87.1 billion.

The economic benefits we generated and distributed to our stakeholders in 2015 are outlined below.

As we continue to improve on our economy of scale and resource efficiency in the years ahead, we foresee a significant increase in the economic value created for our stakeholders. We anticipate stable growth in our gross earnings, from N396 billion in 2015 to about N519 billion by 2019, representing a 31 percent growth. Similarly, total deposit liabilities and total assets in 2019 are projected to rise to N4.03 tril-



lion and 6.2 trillion, respectively, up from N2.3 trillion and N3.7 trillion in 2015. We also expect our Profit before tax to rise to N134 billion by the end of financial year 2019.

As at year end 2015, the Group's total loans and advances was N1,884,941,000,000, representing 8.7 percent of the N21,612,500,000,000 aggregate domestic credit to the economy, as reported by the Central Bank of Nigeria in its fourth quarter 2015 economic report.

Indirect economic impacts

In our business investments and lending activities, we are mindful of the need to boost economic growth and development, create wealth, alleviate poverty and generate employment opportunities for the over 15 million Nigerian youths that are actively seeking employment.

ZENITH BANK'S 5-YEAR INCREASE IN ECONOMIC VALUE CREATED (2010 - 2015)					
	2010		2015		5-YEAR % INCREASE
	NAIRA (BILLION)	*US DOLLARS (MILLION)	NAIRA (BILLION)	*US DOLLARS (MILLION)	
PAYROLL EXPENSES	34,180	229.13	67,520	339.21	98.00
TAXES	12,610	84.53	19,953	100.24	58.00
DIVIDEND	11,303	75.77	56,513	283.91	400.00
GROSS EARNINGS	192,488	1,290.39	432,535	2,173.00	125.00
PROFIT AFTER TAX	37,414	250.81	105,663	530.84	182.00
TOTAL ASSET	1,895,027	12,703.81	4,006,842	20,129.83	111.00

*Exchange rate is calculated at N149.17/US\$1 for 2010; and N199.05/US\$1 for 2015

Our corporate philanthropy in 2015 also focused on empowering our communities economically and supporting government's efforts at delivering sustainable growth and development to the people. Overall, the bank expended N923 million (US\$4.6 million {@ N199.05/US\$1}) on donations and corporate philanthropy in 2015. Our communities' investments and donations is projected to rise to N1.3 billion (an estimated US\$5.2 million {@N250/US\$1}) by 2019.

Even for profit oriented projects, priority is given to those that would deliver direct or indirect benefits for households, small and medium

Value Added Statement

In millions of Naira

	31 Dec 2015	31 Dec 2015 %	31 Dec 2014	31 Dec 2014 %
Group				
Gross income	432,535		403,343	
Interest expense				
- Local	(107,344)		(91,722)	
- Foreign	(16,253)		(15,197)	
	(308,938)		(296,424)	
Impairment charge for financial assets	(15,673)		(13,064)	
	293,265		283,360	
Bought-in materials and services				
- Local	(87,106)		(78,835)	
- Foreign	(2,594)		2,594	
Value added	(203,565)	100	(201,931)	100
Distribution				
Employees				
Salaries and benefits	67,522	37	72,320	36
Government				
Income tax	19,953	10	20,341	10
Retained in the Group				
Replacement of property and equipment/intangible assets	10,427	5	9,815	5
To pay proposed dividend	56,513	28	54,943	27
Profit for the year (including statutory, small scale industry and noncontrolling interest)	49,150	24	44,512	22
Total Value Added	203,565	100	201,931	100

Value added represents the additional wealth which the company has been able to create by its own employees efforts

VALUE-ADDED FORECAST- 2016 - 2019						
	2015 ACTUAL		2016	2017	2018	2019
Economic Value Generated and Distributed						
Direct Economic Value Generated (EVG)	=N= (millions)		=N= (millions)	=N= (millions)	=N= (millions)	=N= (millions)
Revenue	396,653	100%	437,023	476,611	519,703	566,228
Economic Value Distributed (EVD)						
Operating costs:						
Depreciation & Amortization	9,601	2%	10,912	11,981	13,155	14,445
Operating Expenses	82,454	21%	97,402	104,199	111,470	118,123
Interest Expense	98,849	25%	110,580	132,069	156,589	169,538
Impairment charge for credit losses	11,091	3%	17,387	14,906	12,925	13,184
Employee Wages & Benefits:	62,428	16%	72,195	78,548	85,461	92,981
Payment to providers of capital (a):						
Interest on Borrowed Funds	16,087	4%	17,724	19,330	21,078	22,964
Community Investments (Donations):	923	0.23%	1,017	1,109	1,209	1,318
PROFIT BEFORE TAX	115,220	29%	109,806	114,469	117,816	133,677
Payment to Government (Tax):	16,436	4%	16,471	17,170	17,672	20,052
PROFIT AFTER TAX	98,784	25%	93,335	97,298	100,143	113,625
Payment to providers of capital (b):						
Proposed Dividend	56,513	57%	53,396	55,663	57,291	65,003
Economic Value Retained [A-{B(i) to (vi)}]	42,271	11%	39,939	41,635	42,853	48,622

The infrastructural and economic development of Nigeria is of great priority to us. This is because we understand that as a profit-oriented institution, we can only grow as much as our wider economic environment allows.

scale businesses, women owned businesses, youths, infrastructure development, energy generation, economic diversification and job creation. We prioritize economic sectors with the greatest potential to improve the condition and wellbeing of the larger economy and bring development closer to the people.

The infrastructural and economic development of Nigeria is of great priority to us. This is because we understand that as a profit-oriented institution, we can only grow as much as our wider economic environment allows. It is in our best interest that the Nigerian economy and other economies where we operate, grow sustainably. And we are mindful of our role in making this happen. The Bank's approach is to assist gov-



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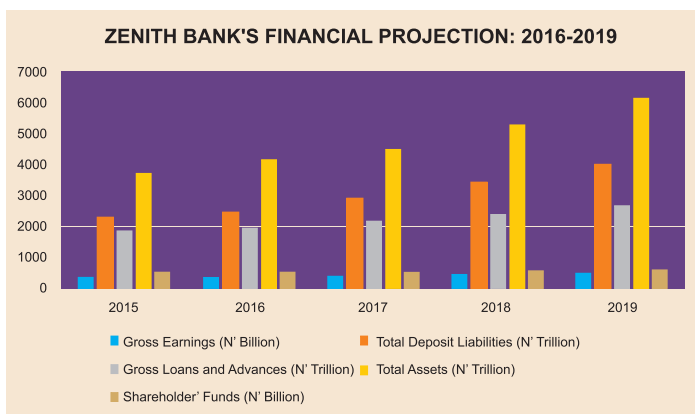


ernment at diversifying the economy through active funding and investments in the real sector of the economy such as agriculture, power, manufacturing, solid minerals, industries and construction. We are committed to lending towards the development of the productive sector of the economy, and participate actively in the disbursement of various intervention funds launched by the Central Bank of Nigeria towards developing targeted sectors.

We estimate that our real sector financing and investment activities in 2015 created over 100,000 new Jobs. These included N39.6 billion to promote agricultural development; N444 billion credit towards the manufacturing sector; over N105 billion for real estate and construction development; and N55.7 billion for power projects financing.

In addition, we invested N7.7 billion on educational projects and N2 billion on public utilities. We advanced N81.7 billion towards the transport sector and a massive N464.9 Billion for general commerce, amongst others. These sectorial lending have created employment opportunities and wealth for several households in the different communities where we operate, and also added value to gov-

We estimate that our real sector financing and investment activities in 2015 created over 100,000 new Jobs. These included N39.6 billion to promote agricultural development; N444 billion credit towards the manufacturing sector; over N105 billion for real estate and construction development; and N55.7 billion for power projects financing.



ernments, shareholders and investors, customers and the larger society.

Our investments in key sectors of the economy in 2015 are detailed in the table.

the construction of rubber footwear manufacturing line, among others.

In the Power Sector, we invested over N55.7 billion to jump start the sluggish manufacturing sector and sup-

Lending to the Economic Sectors in 2015					
S/N	SECTOR	2015		2014	
		31-Dec		31-Dec	
		(N'm)	As % OF TOTAL LOANS	(N'm)	As % OF TOTAL LOANS
1	Agriculture	39,698	2%	82,453	4%
2	Oil and gas	337,006	18%	383,416	20%
3	Consumer Credit	2,729	0%	10,578	1%
4	Manufacturing	444,585	24%	290,205	15%
5	Real estate and construction	105,450	6%	100,439	5%
6	Finance and Insurance	81,404	4%	32,928	2%
7	Government	250,751	13%	151,383	8%
8	Power	55,753	3%	52,874	3%
9	Other public utilities	-	0%	25	0%
10	Transportation	47,750	3%	75,445	4%
11	Communication	106,678	6%	146,947	8%
12	Education	7,741	0%	4,652	0%
13	General Commerce	405,396	22%	80,759	4%
14	Others	-	0%	193,477	0%
	Gross Loans	1,884,941	100%	1,605,581	85%

Stimulating the real sector for sustainable growth

2015 was a remarkable year for the Nigerian economy. The drastic drop in commodities prices, especially crude oil, once again re-echoed the need to diversify the country's sources of foreign exchange earnings. The current shortage in foreign exchange has also thrown up the urgent need to develop local industries and promote locally manufactured goods through effective import substitution policies.

Consequently, the importance we attach to the development of the country's manufacturing sector is reflected in our total loan advances of N444 billion into the sector in 2015, representing 24 percent of our total loans for the year.

We provided medium term credit for the acquisition of plant and machinery towards the construction of an ultra-modern synthetic polythene bag factory. We lent about N2.69 billion for

port the privatization and economic diversification goal of the Government. This investment has improved the social well-being of Nigerians, created thousands of new jobs and promoted economic productivity.

In 2015, we facilitated the growth of SMEs with N2.8 billion credit to that sector. N139 million was advanced to twenty-six (26) small and medium scale enterprises with the aim of promoting entrepreneurship, creating jobs and enhancing the income of households. Also, Zenith Bank in partnership with the United States Agency for International Development (USAID) provided mortgage facilities for low and middle income earners in Nigeria.

The country is estimated to require a minimum of N56 trillion to bridge its 17 million housing units deficit. At Zenith, we are committed to playing our role in closing this huge gap. In 2015, we advanced over N109.6 billion for the construction of homes and business complexes, including the construction of the Lekki-Epe expressway, reclamation and provision of infrastructure at Shoreline Estate, among others. We invested N1.31 billion for the



construction of (50) units of residential houses at Olive Estate, Agodi, Oyo State.

In a bid to encourage import substitution, we invested N3.18 billion and \$252 million in financing the construction of 2.5 (metric tonnes per annum) cement production line and the acquisition of plant and machinery.

To facilitate export and international







ZENITH BANK PLC						
FINANCIAL PROJECTION FOR THE PERIOD 2016 - 2019						
	2014	2015	2016	2017	2018	2019
FINANCIAL SUMMARY	Actual	Actual	Projected	Projected	Projected	Projected
	N'm	N'm	N'm	N'm	N'm	N'm
Gross Earnings	372,015	396,653	437,023	476,611	519,703	566,228
Interest & Similar Income	285,171	317,419	385,220	420,336	458,082	499,216
Interest & Similar Expenses	99,439	114,936	128,304	151,399	177,667	192,502
Net Interest Income	185,732	202,483	256,916	268,937	280,415	306,714
Impairment charge for credit losses	12,392	11,091	17,387	14,906	12,925	13,184
Net interest income after impairment charge	173,340	191,392	239,528	254,031	267,489	293,530
Net Fees & Commission Income	76,690	68,197	47,735	51,743	56,563	61,530
Other Incomes	10,154	11,037	4,068	4,531	5,059	5,482
Operating Income	260,184	270,626	291,331	310,306	329,111	360,542
Operating Expenses	152,335	155,406	181,525	195,837	211,295	226,865
Profit before Tax	107,849	115,220	109,806	114,469	117,816	133,677
Total Deposit Liabilities	2,265,262	2,333,017	2,497,554	2,947,114	3,477,595	4,037,836
Gross Loans & Advances	1,605,581	1,884,941	1,980,672	2,205,436	2,443,004	2,701,710
Total Assets	3,423,819	3,750,327	4,202,628	4,541,807	5,359,332	6,198,068
Shareholders' Funds	512,707	546,946	567,230	597,809	630,151	664,242
Number of Accounts	2,110,936	2,850,434	3,534,538	4,064,719	4,674,427	5,375,591
Number of Branches (Group)	396	397	401	409	420	433
EPS	2.95	3.15	2.97	3.10	3.19	3.62
Loan to Deposit Ratio*	71%	72%	79%	75%	70%	67%
Cost to Income Ratio	68%	71%	75%	76%	77%	76%

trade towards economic diversification, we financed the completion of the Ofon Phase 2 Project and the Phase 4B of port facilities' development at Onne Port Complex with about US\$40 million credit line.

To further propel the fast growing ICT and Telecommunications sector, we invested about US\$75.5 million and N107.5 billion, respectively, towards enhancing telecommunications infrastructure, especially in rural areas, and improved network quality. These investments have also supported improved efficiencies in key industries such as agriculture, trade and commerce, among others. Our investments in Telecommunications also propelled the opening of new outlets in this sector and created new job opportunities for the unem-

These investments have also supported improved efficiencies in key industries such as agriculture, trade and commerce, among others.

ployed while also enhancing data penetration in some selected cities such as Port Harcourt, Lagos and Abuja.

We also funded several oil and gas projects in the year under review, including US\$140 million and N362 billion credits advanced with the aim of delivering the following socioeconomic benefits:

- Improved indigenous participation in the Oil & Gas Upstream sub-sector
- Enhanced implementation of the Federal Government Gas Master Plan
- Importation of refined petroleum products for enhanced product availability
- Enhanced oil exploration and production activities to improve sector output, create jobs and enhance income for households

- in local communities
- Community development through partnerships between Oil Exploration and Production Companies and local communities

We also supported government's economic diversification drive with the lending of about N42 billion to the Agriculture sector. This included N13 billion credit to finance the acquisition of property, plant and equipment for the construction of a green field fertilizer plant with a capacity of 2.6 million metric tons of urea per annum. The fertilizer project will create at least 6,500 jobs.

The Bank's lending to the Agricultural sector impacted the local communities by providing employment opportunities; developing local markets (farm gates) and increasing trade and commerce.

The Bank invested in the production of palm kernel oil and cake for export and local consumption purposes. We also invested towards the production of oil palm, tomato, rice, sesame and fruit Juice.

The Bank's lending to the Agricultural sector impacted the local communities by providing employment opportunities; developing local markets (farm gates) and increasing trade and commerce. These investments also led to the construction of access roads; skills and knowledge transfer; provision of potable water; establishment of healthcare centers and cottage hospitals; provision of free agricultural extension services to host communities, amongst others.

Market presence

Zenith Bank is a leading African brand with strong global aspirations. We understand that taking our brand image seriously is a first step towards garnering the trust and respect of our customers and prospects. And so we are mindful of how our market presence comes across to all key stakeholders and indeed, the general public. We are committed to adopting the best global practices in all our processes, policies and practices; and this is what we want to be known for.

Zenith Bank is an equal opportunity employer that is strongly committed to ensuring good employee management





2015 Permanent New Hires by Age Group/Gender			
Age group/gender	Female	Male	Total
20 - 30	81	83	164
31 - 40	4	12	16
41 & Above	-	-	-
Total	85	95	180

Zenith Bank's Active Permanent Workforce by Gender (Percentage)				
Male	Female	Total	Male	female
3294	2992	6286	52%	48%

We pay highly competitive wages to all employees in all the countries where we operate. We promote gender equality and provide equal opportunities for all employees to thrive.

and labour practices. We understand that this is the only way we can continue to attract, employ and retain the best talents that our industry has to offer. This has been, perhaps our biggest competitive edge.

We pay highly competitive wages to all employees in all the countries where we operate. We promote gender equality and provide equal opportunities for all employees to thrive. As at December 31, 2015, we had in our employment 3,294 male and 2,992 female, representing 52 percent and 48 percent of our total workforce, respectively.

In our remuneration and minimum wage, there is no gender disparity. Our net entry level wage as at end 2015 was N1,868,998/annum, significantly higher than the Federal Government's minimum wage of N216,000 per annum (or N18,000/month) according to the provisions of the National Minimum Wage (Amendment) Act, 2011. The ratio of our entry level wage to government's minimum wage is 8.6 to 1.

Zenith Bank's wage is the same for all employees on the same level, irrespective of region and gender.

Procurement practices

In 2015, our vendors, suppliers, contractors and local service providers received economic value of N87.1 billion, up from N78.4 billion in 2014 and representing a whopping 22 percent of our gross earnings. As a leading financial services institution, our corporate procurements remain robust and significant to our operations since they impact, directly or indirectly, the quality of our products and services.

As part of our procurement policies, we give priority to the patronage



of local suppliers in all the locations where we operate. This is one of our ways of giving back to our host communities and adhering to the country's local content regulations. This in turn, has significant benefits for the economy, creating direct and indirect jobs, generating income and economic empowerment for households, helping in the fight against inequality and extreme poverty and boosting activities across various sectors of the economy.

And to ensure timely, quality service delivery and value for money, Service Level Agreements (SLAs) are signed with all major service providers.

We also ensure regular interaction with contractors to enable us track trends, spot emerging risks and establish appropriate controls. In our procurement practices:

- Over 80 percent of the total procurement budget is committed to locally sourced materials gotten through local suppliers. These materials include cement, steel, woods, paints, among others

- 'Local' means all resources both human and material that can be sourced within the Federal Republic of Nigeria

- 'Significant location' of operation' means all the operational activities covered within the 36 States of Nigeria and the Federal Capital Territory (FCT)

ICT facilities and equipment constitute a significant part of our procurements. Our procurement policy encourages a leaning towards patronage of local IT vendors, guided by laid down service level agreements. We have a tender committee that oversees the selection of our IT vendors.

In our procurement procedures, we prioritize excellent product quality, service delivery and after sales support. We ensure cost effective-

ness by applying our procurement and expense policies, which control spending limits in all our branches and business locations. We also conduct price intelligence and assist our branches to get value for money.

Regulatory compliance

As we carry out our business and financial activities with our different stakeholders, we are mindful of the need to ensure strict compliance with all relevant laws and regulations. When unavoidably, instances of violation(s) of operational regulations do occur, we ensure prompt and effective reparation.

In 2015, the bank paid a total fine of N60,100,000.00 for various economic related regulatory infringements.

As we carry out our business and financial activities with our different stakeholders, we are mindful of the need to ensure strict compliance with all relevant laws and regulations.

Financial Regulatory Infringements and Fines in 2015

Imposed on the bank for infraction arising from risk examination on December 31, 2014	N2,000,000.00
Penalty for late rendition of fraud and forgeries returns in February 2015	N2,000,000.00
Fraudulent NIBBS instant pay (NIP) from account in Enterprise Bank to Valluci Properties Ltd	N10,000,000.00
Penalty imposed for late rendition of returns of CDL	N4,000,000.00
Penalty imposed for AML/CFT spot check exception	N4,000,000.00
Penalty for TSA deadline exception	N4,000,000.00
Penalty for late rendition of returns	N100,000
Penalty in relation to reporting of public sector deposit	N32,000,000.00
Penalty for failure to implement auditor's recommendation contained in management letter	N2,000,000.00
Total	N60, 100,000.00







ENVIRONMENT



As a responsible corporate citizen, Zenith Bank is committed to the wellbeing of its physical environment.



We are conscious of the emergent global concerns about environmental sustainability and have chosen to embrace the clean earth principles.

Environment

As a responsible corporate citizen, Zenith Bank is committed to the wellbeing of its physical environment.

We understand that environmental abuse and natural resource depletion portend danger for current and future generations. While we are mindful of the direct environmental impact of our business operations, we also recognize that as a major financial services institution that funds projects in virtually all sectors of the economy, we could, through our investments and partnerships have indirect negative influence on the physical environment. We see it as our corporate social responsibility

to preempt, avert and mitigate these negative footprints.

Zenith Bank is a fast growing brand with presence in Nigeria, Africa and Europe. Our goal is to become a global brand that could compete effectively with major financial institutions around the world. But we know that this vision will not be realizable if we do not embrace sustainable business practices. This is why we are now inculcating sustainability into our everyday operations and decision making processes. One of our priorities in this regard is to carry out periodic reviews of our processes to identify those with significant negative environmental impacts and mitigate them as efficiently



economy, we understand that our environmental footprint could be huge if we do not put the necessary preventives and mitigants in place. Our branches are mandated to undergo periodic environmental impact assessment in line with existing regulations, and to obtain the necessary certificates of compliance.

As we pursue our business expansion goals, we will continue to insist on efficiency, adherence to laid down environmental laws and regulations and the adoption of global best practices in products and service delivery.

We are currently putting in place a framework for identifying and implementing practical and measurable green building design features. We are adopting the glass curtain walling system in several of our buildings, as against solid block walls. This is to reduce the overall weight of the building while also ensuring enhanced appearances. In addition, the introduction of ramp access for the physically challenged people in our society has made our buildings more accessible and customer friendly. While very few of our outlets currently has this facility, our plan is to achieve 50 percent coverage

by 2020 and 100 percent by 2025.

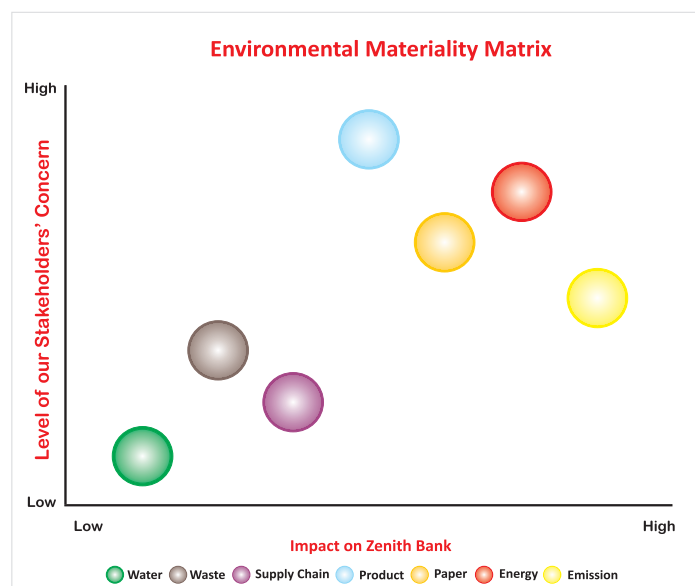
As a financial services institution, our direct environmental impact is considerably limited. The most material environmental footprints arising from our direct business operations include energy consumption (fossil and non-fossil) and the attendant release of greenhouse gas emissions. Our paper consumption and waste generation are also moderately important. However, we realize that our products, especially investments and project financing, could constitute even greater environmental challenges. This is because we play in virtually all sectors of the economy, including oil and gas, construction and real estate, telecommunications, agriculture, mining and quarrying, among others. And activities resulting from these funding and investments could leave behind considerable environmental footprints.

To address the issue of third parties' footprints, the Bank has introduced environmental and social (E&S) risk management framework which guide all major business decisions. In addition to our investees, we are currently expanding this dragnet to include our vendors, suppliers and contractors. Our

as possible.

We are conscious of the emergent global concerns about environmental sustainability and have chosen to embrace the clean earth principles. Our goal is to transform our banking operation into one that delivers low carbon emissions, energy efficiency, natural resource preservation, protection of biodiversity and the earth's flora and fauna. We are dedicated to conducting our business activities in an environmentally friendly manner.

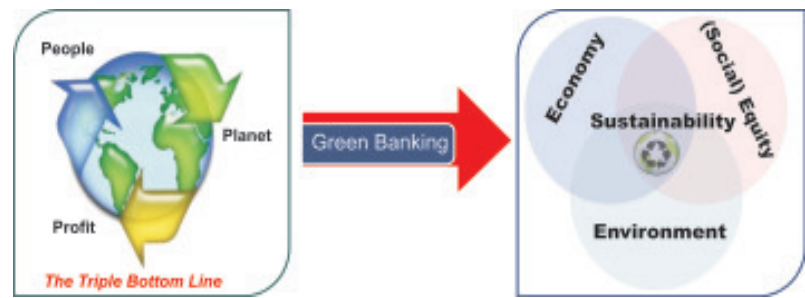
With our widespread reach of over 500 branches and business outlets in Nigeria, coupled with our different investments in diverse sectors of the





major investees, business partners and service providers are also being educated on our environmental and social risks policies as they apply to third party relationships and the penalties for default. While we may be constrained in our capacity to enforce our E&S policies on third parties, we however reserve the right to terminate such relationships in proven cases of outright violation of applicable laws and regulations on human rights and the environment.

As a responsible brand, Zenith Bank is taking appropriate steps to ensure compliance with globally acceptable business principles as recommended by the United Nations Environment Programme Finance Initiatives (UNEP-FI); the Equator Principles; IFC Performance Standards on Environmental and Social Sustainability; the Central Bank of Nigeria's Sustainable Banking Principles; among others. We are committed to pro-



moting *Green Banking* and *Lending* practices in all our major business transactions.

We are shifting our business focus from the traditional bottom line to one that emphasizes the Triple Bottom Line – People (society), Planet (environment) and Profit (economy). And we are already beginning to see the reward in this approach. In the financial year 2015, Zenith Bank did not suffer any financial or non-financial loss resulting from breach of environmental regulations.

Carbon Management Strategies and Targets



Environmental Impact Management Strategies

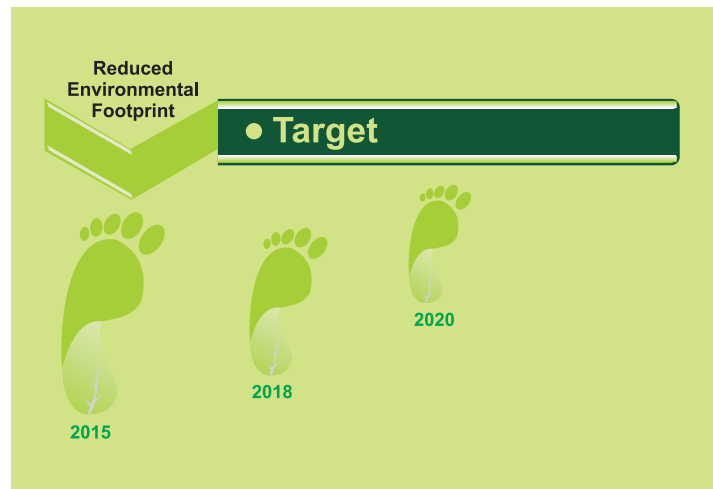
Energy efficiency

As a major financial services institution, energy is highly material to our business operations. Our major source of energy is the national electricity grid. However, this is highly supplemented by the use of fossil-powered generators, owing to unstable power supply in the country.

Besides the high cost of fossil fuel, we are aware of its environmental harm. The burning of fossil fuel remains one of the highest source of greenhouse gas emission with the attendant global warming and climate change implications. The Bank is therefore committed to mitigating this risk by running energy efficient operations bank wide.

As an emerging global brand, Zenith Bank is committed to limiting its overall negative environmental footprints.

Using 2015 as our base year, our goal is to cut emission by 20 percent by 2020.



To this end, we have adopted energy efficiency policies and environmentally responsible practices across our branch network. The target is to reduce our total energy consumption by 20 per cent by 2020 and further down to 40 percent by 2025. As part of measures to achieve this target, we plan to shut down business operations in our branches and head office two hours earlier than we currently do. From our recent cost/benefit analysis, this will save for us, up to 8-13 percent of our current energy consumption.





Our Environmental Impact Management Plans and Strategies

Issues	Management Plan and Strategy (2015-2025)
Energy	
Renewable energy	<ul style="list-style-type: none"> • Transit to the use of more renewable energy sources for our business operations bank wide • Introduce solar energy in all our branches in place of fossil fuel currently used by our power generators
Energy efficiency	<ul style="list-style-type: none"> • Retrofit all our branches with LED energy saving bulbs • Implement a shut down time for our Head Office and branches • Install eco-friendly, energy efficient air conditioners bank wide • Ensure reduced energy consumption
Emissions	
Carbon emissions	<ul style="list-style-type: none"> • Use inverters to power all our ATMs • Invest in banking infrastructure that promote 100 percent, end-to-end transaction processing to reduce customers' commute time • Increase and improve on our staff bus fleet and encourage more employees to use them • Encourage carpooling/sharing among staff living in the same locality • Phase out the use of diesel-powered vehicles • Implement travel control measures for employees • Make active use of internal, remote communication tools – Lync Exchange, Lync Video conferencing, Interactive Voice Response (IVR) and VOIP calls to reduce commute time • Transit to the use of energy efficient (hybrid and electronic) cars.
Paper Management	
	<ul style="list-style-type: none"> • Bank wide recycling and reuse of papers • Shredding of used papers • Enhanced automation of processes and workflow to achieve reduced paper usage • Establish e-archiving for our transaction tickets and documents • Use electronic communication and e-distribution channels • Consistently improve on our e-payment and e-product delivery channels • Prioritize reduction in the consumption of paper
Product and Services	
Mitigating products and projects' environmental impact	<ul style="list-style-type: none"> • Integration of Environmental and Social Risk considerations and conditions into all major credit and investment considerations • Effective environmental impact assessment practices on all major internal and third party projects
Supply-Chain	
Selection Processes	<ul style="list-style-type: none"> • Effective screening of vendors, suppliers and contractors using E&S considerations • Full implementation of eco-friendly procurement policies
Awareness Creation	<ul style="list-style-type: none"> • Educate our vendors, contractors and suppliers on , and encourage them to imbibe sustainable business practices • Sever relationship with vendors that are not willing to embrace eco-friendly practices
Environmental and Social Risk (E&S) Assessment	<ul style="list-style-type: none"> • Evaluating environmental impact of all major projects before investment decisions are taken • Periodic documentary evaluation to ensure compliance with environmental laws • Unscheduled visits to vendors' project sites to evaluate processes • Effective, continuous assessment and monitoring
Water	
Usage	<ul style="list-style-type: none"> • Use of sensor controlled tap heads in all our restrooms • Installation of water-efficient cisterns in our lavatories
Recycling	<ul style="list-style-type: none"> • Purification and recycling of effluent water

Our Environmental Impact Management Plans and Strategies

Waste Management

- Auctioning of depreciated items to staff through bidding processes
- Reduce, reuse, recycle
- Adopt effective waste measurement and progress monitoring processes
- Ensure environmentally friendly waste management practices

Bio-wastes

- Implement selective waste collection and differentiation policy
- Evaluate and monitor the e-waste management practices of relevant contractors and vendors, including government authorized waste collectors and recyclers
- Ensure global best practices in e-waste management

We are also retrofitting our light fittings with energy saving LED bulbs and fluorescents as part of our energy optimization plans. Currently, 37 percent of Zenith Bank branches no longer use modular fittings with high wattage bulbs and fluorescents. Our goal is to ensure that up to 60 percent of our branches are retrofitted for energy saving light fittings by 2017 and 100 percent by 2020.

Plans are also in place to install eco-friendly, energy efficient air conditioners. We have installed gas power gen-

erating sets in our Head office, with plans to replicate this in all branches. In addition to saving cost, this will also reduce the level of carbon emissions and noise pollution.

Emissions

As an emerging global brand, Zenith Bank is committed to limiting its overall negative environmental footprints. Using 2015 as our base year, our goal is to cut emission by 20 percent by 2020. We hope to achieve this by in-

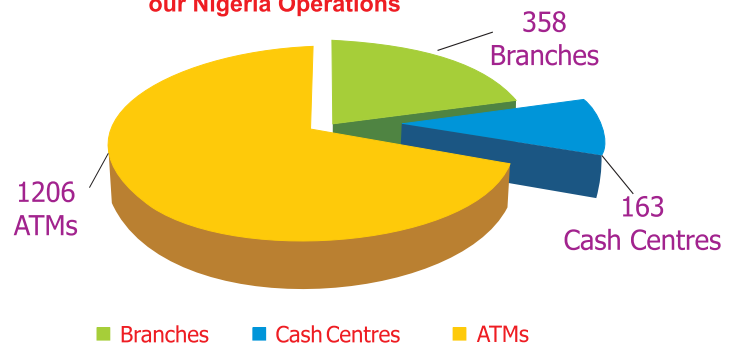
creasing the use of renewable energy in our energy mix, upgrading our business processes for enhanced efficiency, deploying energy efficient technologies, and ensuring that we effectively capture, measure and monitor emissions from all business offices and subsidiaries.

Zenith Bank since inception has been a technology-savvy brand. We have pioneered the use of several banking technologies in our industry and will continue to use state-of-the-art solutions to deliver optimal, customized





Key Emission Outlet in our Nigeria Operations



banking experience and products offering.

Importantly, we have been able to use technology to significantly reduce the commute time for millions of our customers, as they are able to meet their banking needs without needing to visit our banking halls. Some of the electronic channels we offer in this regard include internet banking, mobile banking, ATMs, POSs, among others.

But while they have reduced commute time for cus-

tomers, which also means reduction in co2 emissions, these banking tools also generate their own emissions, coupled with the challenge of e-waste management. We will therefore continue to invest in new technologies that deliver on scalability, energy efficiency, and low emissions.

Our goal is to power these different technology-driven banking platforms using up to 70 percent renewable energy by 2025. And we made significant progress in this regard in 2015. Our 1,206 Automated Teller Machines (ATMs) are now

Zenith Bank's Key Emission Points & Remedial Strategies

Emission Channels	Management Strategy	Status/Target Date
Vehicles	● Migrate to the use of low carbon, hybrid and energy-efficient vehicles	● 2025
	● Phase out all diesel-powered vehicles from our fleet	● 2025
Electricity Generators	● Patronize only low emission, energy-efficient and noise proof electricity generators	● 2020
	● Completely phase out use of generators as soon as Nigeria's electricity generation and distribution improves	● 2025
	● Partner with independent power producers (IPP) to generate own renewable energy	● 2025
Computer Accessories	● Implement the use, re-use and recycle policies	● Ongoing



Zenith Bank's Key Emission Points & Remedial Strategies

Emission Channels	Management Strategy	Status/Target Date
Air conditioners	● Use energy efficient air conditioners	● Ongoing
ATMs	● Use renewable energy sources to power our ATMs	● Ongoing
Masts	● Reduce unnecessary demands	● Ongoing
	● Completely migrate to energy efficient, low emission communication towers	● Ongoing
Electronic Wastes	● Adopt global best practices in e-waste management	● Ongoing
	● Adopt use, re-use and recycle approach	● Ongoing
Inverters/Batteries	● Migrate to renewable energy powered inverters	● Ongoing
	● Adopt use, re-use and recycle policies	● Ongoing

generally powered by Inverters. But these Inverters are still mostly charged using fossil-run generators whenever there is no power supply from the national grid. As at end 2015, only 10.8 percent of ATMs in our branches used solar powered energy for this purpose. By 2020, we hope to increase this to 30 percent, and 70 percent by 2025.

Also, we have commenced the replacement of all our 13-20kva generators on Night Loads with Hybrid solar panels. The goal is to migrate up to 70 percent of our branches and business premises to renewable energy sources by 2025.

Transport

The largest share of our emission is generated through transportation and business travel. This comes directly from our pool cars, official cars for management staff, departmental vehicles and staff buses; or indirectly from staff vehicles, customer's commutes to our business locations, contractors' and vendors' travels to our business locations, amongst others.

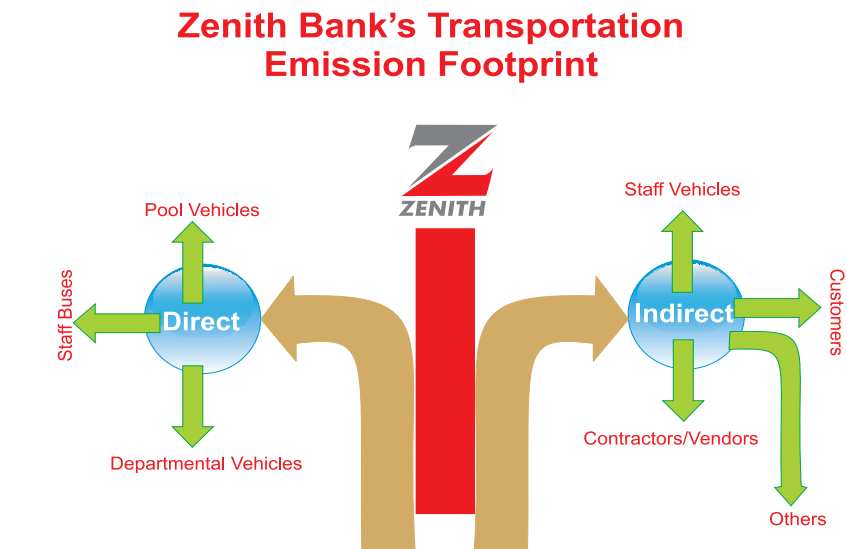
To mitigate this impact, the Bank ensures regular servicing of our vehicles. This preventive maintenance helps avoid emis-



sions resulting from incomplete combustions. We also ensure strict compliance with our four-year vehicle depreciation and replacement policy as part of efforts to mitigate high emissions.

Similarly, we have implemented process automation and widespread adoption of state-of-the-art technologies that enable us communicate remotely with stakeholders. This has reduced the need for face-to-face communication and therefore, the commute time. As part of our Green House Gas (GHG) control practices, we have flagged off several initiatives aimed at:

- Increasing the quality and quantity of our staff buses and encouraging more employees to use them
- Encouraging carpooling and sharing among staff living in the same locality
- Phasing out official vehicles (staff buses and trucks) that use diesel as they tend to emit more CO₂
- Leveraging technology to reduce travel time through video conferencing, video calls, among others



- Using energy-efficient and low emission hybrid vehicles

We will continuously invest in energy-efficient technologies, new infrastructure and robust software applications that would enable us communicate remotely with key stakeholders. We will continue to build on our existing multimedia applications, such as

Lync Video Conferencing; Microsoft Office Communicator (OCS); IBM Sametime; among others, to enhance seamless, off-site communication.

Paper management

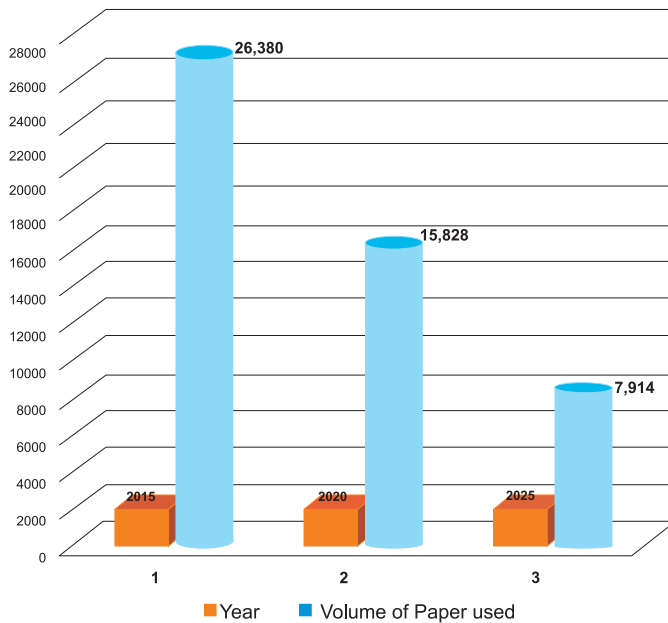
In 2015, Zenith Bank Plc used 26,380kg of A4 papers in its Head Office alone. This consumption rate is indicative of the huge stationaries cost across the 358 branches of the Bank. Our sustainable paper and printing policy specifies processes that reduce the use of paper in general, and the need to ensure shredding and recycling of residues. To cut our operating costs and environmental footprint, we have initiated a paper management system aimed at reducing bulk printouts. The target is to reduce paper usage bank wide by 40 per cent in 2020 and 70 percent in 2025. Processes are already being put in place to achieve this goal.

To significantly reduce internal resource consumption, Zenith Bank recently updated its electronic archiving platform and e-distribution channels. With e-archiving, we digitize our vital documents and store them electroni-



We encourage electronic communication and documents retrieval between employees, customers and other stakeholders. E-communication and distribution channels reduce the need for and number of printouts.

Head Office Paper Consumption Reduction Plan (Kg)



cally. This e-storage system is more efficient, cost effective, and enables us comply with the stipulated record keeping duration required by regulatory authorities. It further provides secure storage with controlled access and easy retrievals.

We encourage electronic communication and documents retrieval between employees, customers and other stakeholders. E-communication and distribution channels reduce the need for and number of printouts. Our information databases are also hosted on the intranet for global access by all staff (including locations outside Nigeria). This has significantly reduced the need to print documents and the consequent environmental clutter caused by physical paper storage.

In 2015, automation of several of our procedures and processes were successfully completed. Some of these include 100 percent automated *call over* of posted transactions; automated clearing of other banks' instruments; automation of fixed deposit and Treasury Bills modules; fixed assets management; customs duties payments processing and account statements printing, among others. Furthermore, we are in the process of upgrading the automation of our administrative processes to enable us capture, store, measure and monitor our environmental footprints more efficiently.



While we are concerned about our resource usage, we are also mindful of the need to reduce that burden on our customers. To this end, virtually all our products have been migrated to electronic platforms that enable our customers initiate and consummate their transactions remotely, reducing their need to print or commute.

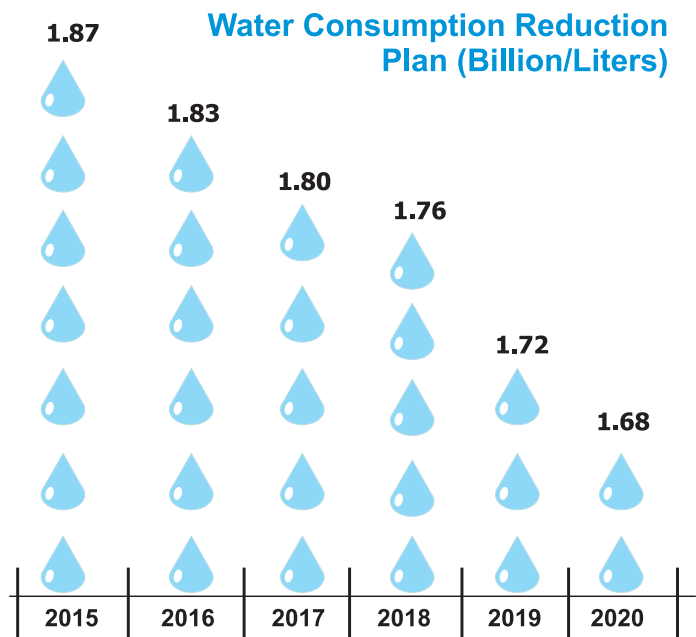
In adherence to global best practices, recycling and re-use of materials is now actively enforced in our banking operations. Our policies promote shredding of used papers in accordance with ISO 27001 standards. Paper wastes generated within the different departments are shredded and the residues are sent to central collation centers for proper disposal and recycling. By 2017, we aim to introduce centralized printing services and double-sided copying, to further reduce paper consumption while also saving costs.

Water management

Availability of fresh and potable water is increasingly becoming a global challenge. At Zenith Bank, we understand the dire implications of this. We also appreciate the need to preserve and replenish the earth's natural water supply. Minimizing industrial water consumption is one of the ways of resolving the global water crisis. And as a responsible corporate citizen, we are committed to water preservation by inspiring change in users' behavior, retrofitting business offices with water saving equipment, and strengthening our water recycling mechanisms.

Our water is primarily sourced from boreholes, given that water supply from government owned corporations is epileptic. In a bid to conserve water, the Bank has installed motion sensor faucets in our Head Office restrooms as well as water-efficient cisterns in the lavatories. Dual-flush toilets have also been introduced in some of our branches and are gradually being rolled out in toilets and restrooms bank wide.

Our policies effectively enforce water efficiency practices, with the aim of achieving 10 percent reduction in consumption by 2020. One of our strategies is to create awareness through training on the environmental implications of water wastages and contaminations, as well as the benefits of water conservation practices.



Our estimated water usage in 2015 was about 1.87 billion liters. Our target is to reduce this by 187 million liters by the year 2020, which is an average of 37 million liters reduction per annum. We are committed to deploying more accurate measuring tools for assessing our progress by 2018.

Effluents and wastes

Waste generation is an integral part of every business, including ours. But it is our responsibility to manage our wastes responsibly. As a financial services institution, much of our waste include fully depreciated and unserviceable items such as automobiles, computers and accessories, generators, air conditioners, construction wastes, among others. As an environmentally friendly brand, we understand that we can significantly reduce the wastes



we generate through more efficient use of assets and resources. We are also committed to the sustainable waste management principle of “Reduce, Reuse and Recycle, to lessen our environmental impact in this regard.

Zenith Bank disposes fully depreciated items like vehicles, computers, generators and air conditioners through a bidding process exclusively reserved for staff, in line with our reuse policy. In all the states where we operate, we have waste management contracts with State owned or privately run waste management agencies. In Lagos State for example where we have our

Waste generation is an integral part of every business, including ours. But it is our responsibility to manage our wastes responsibly.

Head office and the majority of our business offices, we use the services of the Lagos Waste Management Authority (LAWMA) for this purpose. This agency is currently responsible for the classification, measurement, and disposal of wastes generated by the Bank. LAWMA has adopted recycling as an effective, more environmentally friendly substitute for landfill and dumping. The agency's Clean Development Mechanism (CDM) initiative is in accordance with the United Nations Framework Convention on Climate Change (UNFCCC). Furthermore, we monitor our contracted waste disposal agencies to ensure that our wastes, and especially the electronic wastes, are disposed in line with stan-

dard recycling regulations.

Because of its potential to negatively impact the physical environment, and also in order to protect our employees and the larger society from the ensuing health hazards, sustainable e-waste management has been of utmost concern to the Bank. While we are still working on improving our waste management and measurement policies, our ultimate goal is to achieve 20 percent reduction in the amount of wastes generated by 2020.

In the coming years, one of the E&S preconditions we plan to introduce in our third party business relationships will be the presentation of wastes disposal certificates obtained from relevant wastes and environmental management authorities. This is to ensure that wastes generated by these businesses are



In 2015, over 80 percent of the total procurement budget of the Bank was committed to locally sourced materials procured through local suppliers.

responsibly disposed and managed. Going forward, this would guide our business decisions and relationships with vendors, investees and other business partners.

Suppliers environmental assessment

To meet our diverse operational needs, we consistently source for products and services from different vendors. We build mutually benefitting relationships with our suppliers and other service providers and encourage them to adopt environmentally friendly policies.

Our procurement department has mapped out a supply chain management strategy with extensive focus on mitigating the social and environmental risks inherent in our business dealings with vendors. Our selection process is rigorous and includes stringent assessment procedures based on product type, business size, location and potential risks.

To improve environmental and social responsibility in our value chain, we

have integrated the UNGC's basic pillars (human rights, labor, environment, and anti-corruption) into our supply chain assessment and monitoring practices.

In 2015, over 80 percent of the total procurement budget of the Bank was committed to locally sourced materials procured through local suppliers. We consider this a crucial policy because it affords us an opportunity to empower local businesses. But also, very significantly, it enables us to cut travel time in products sourcing and delivery, thereby reducing greenhouse gas emissions.

We hope to further strengthen sustainable practices in our supply chain by setting clearly defined expectations and putting structures in place to enforce and monitor them. Our strategy is to develop a green supply chain policy anchored on well communicated baseline performance targets. This will provide us a common framework for evaluating and monitoring progress over time.

2015 has been adopted as our base year in sustainability reporting. We understand that challenges remain in collecting, measuring and reporting data on our overall environmental footprints. We are committed to deploying the basic requisite tools that would enable us capture, measure and monitor our footprints more efficiently within the next three years.

Our products, services and the environment

While some of our service delivery channels have the tendency to impact the environment, our major influence as a financial services institution comes from third parties – our project finance, lending and investment activities. These financial products and services

SUPPLY CHAIN





cut across clients and projects in diverse sectors, including environmentally sensitive ones such as Agriculture, Oil & Gas, Power & Infrastructure, Mining, Real Estate and Construction, among others. We are aware of the inherent environmental challenges posed by projects in these sectors, and take proactive steps to minimize and mitigate them. We also understand that it is our corporate responsibility to enlighten our clients and project partners on existing laws and regulations in this regard, and to ensure their compliance with our E&S policies.

As one of our strategies in this regard, in 2015 we deployed and trained sustainability champions in all the departments of the Bank to fully integrate sustainability consciousness into our daily operations and decision making. We have updated our credit and risk management procedures and policies to cover more of our lending and investment activities and also, to ensure more effective monitoring. We are currently reviewing all our products, services and processes with a view to achieving 70 percent alignment with standard sustainability principles by 2020.

Overall

We specifically targeted some environmentally friendly projects for funding and investment in the year under review. These included the multimillion dollar completion of the Ofon phase 2 project, designed to stop gas flaring and reduce greenhouse gas emissions by half, and also to deepen local content in Nigeria's oil and gas sector. To promote the culture of recycling and re-use of waste materials, we financed the multibillion naira acquisition of a furnace for the smelting of scrap into billet at the Ikorodu Industrial Estate, Lagos. In 2015, we continued with the landscaping and beautification of our

physical environment. In addition to the 'green ambience' we have maintained at our Ajose Adeogun Road, Victoria Island since 2007, in December we decorated the road with spectacular Christmas lightings and animations that added extra glamour to the yuletide season and the celebrations of thousands of Lagos residents and tourists from within and outside the country.

In the years ahead, we will focus especially on financing environmental and clean energy projects, including renewable energy, recycling, among other initiatives that would positively impact the wellbeing of our physical environment.

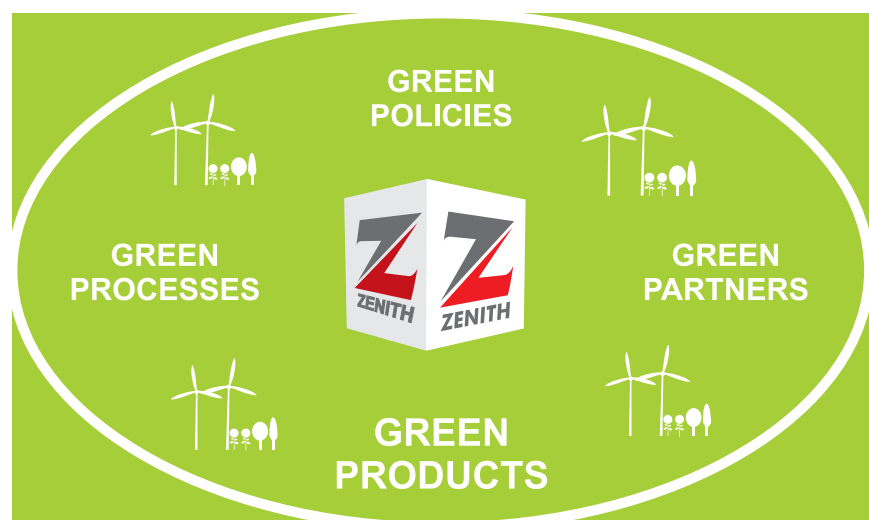
Compliance and environmental grievance mechanisms

We are conscious of the fact that the discharge of our corporate functions

and responsibilities could sometimes trigger disagreements with host communities and other key stakeholders. At Zenith, swift reparation is one of our fourteen service creeds, and effective conflict resolution is a required skill in our daily relations with stakeholders. It is an ingrained corporate culture to accept complaint as an important feedback and resolve same promptly.

The Bank has consistently improved on its relationship with stakeholders and provided effective channels for them to air their grievances. In addition to our 24/7 customer care unit, departmental heads are always accessible to all stakeholders. Complaints hotlines are also displayed conspicuously in our business locations and there are dedicated staff that are empowered to make restitutions and address concerns. As a result of these practices, Zenith Bank has always managed all environmental issues amicably and to the satisfaction of relevant stakeholders. Consequently, the Bank was not fined by regulatory authorities for any environmental infringement in 2015.

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SOCIAL



Zenith Bank is a leading financial services brand. Our size, brand equity, reputation and financial status bestow on us significant social responsibilities towards our stakeholders and the larger society.







LABOR PRACTICES AND DECENT WORK

Zenith Bank is a leading financial services brand. Our size, brand equity, reputation and financial status bestow on us significant social responsibilities towards our stakeholders and the larger society. We understand that our success is not for us alone, but for all interested parties. We are mindful of the fact that our society and the economy where we carry out our business activities should benefit from our corporate existence. We are committed to, not just creating economic value, but also leaving behind positive environmental footprints and improving the wellbeing of peoples around us, including employees, customers, investors, service providers and of course, our host communities.

Employment and labor relations

Our people are our most valuable assets. At Zenith Bank, this is not a cliché, it is who we are. Our business strategy is anchored on People, Technology and Service. We recognize our employees as vital to our long-term performance and business continuity. When our employees are motivated, they perform optimally, drive our business strategies, engage our customers and other stakeholders effectively, and deliver on the Bank's service promise. Our employee relations policies and practices are geared towards:

- attracting, motivating and retaining a highly talented

pool of people from diverse backgrounds and with professional skills that guarantee premium services to our customers

- building an inclusive merit-driven work environment where everyone is valued and motivated to bring out their best



Active Permanent Employees by Locations (Regions)			
REGION/GENDER	Female	Male	Total
North	680	869	1549
East	214	308	522
South	415	415	830
West	1683	1702	3385
Total	2992	3294	6286

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- creating a workplace culture that is characterized by inclusion and behaviors that are free from discrimination, harassment and bullying
- establishing a robust, on-the-job training and development program that helps every individual to acquire the technical and leadership skills needed for their career growth and development
- promoting the well-being of our employees
- creating an environment that allows every individual

New Hires and Turnover: January to December, 2015		
MONTH	NEW HIRES	EXITS
JANUARY	0	20
FEBRUARY	0	28
MARCH	39	20
APRIL	1	23
MAY	0	19
JUNE	0	23
JULY	2	29
AUGUST	0	32
SEPTEMBER	18	26
OCTOBER	2	15
NOVEMBER	116	10
DECEMBER	2	18
TOTAL	180	263

2015: Employee Turnover by Age Group, Gender and Region		
Age Group	Total	Rate (%)
20-30	68	25.86
31-40	166	63.12
41-Above	29	11.03
TOTAL EXITS	263	

Gender	Total	Rate (%)
FEMALE	111	42.21
MALE	152	57.79
TOTAL EXITS	263	

Region	Number	Rate (%)
NORTH	36	13.69
SOUTH	64	24.33
EAST	67	25.48
WEST	96	36.50
TOTAL EXITS	263	









to get involved in and give back to their communities

We accord these commitments serious priority, with the understanding that our long-term sustainable success is hinged on the talented individuals that make up our workforce.

To retain the best brains, Zenith Bank recruits, develops, and rewards talented individuals. Our new employees usually resume into a robust orientation (onboarding) program. Here, they are formally welcomed and the culture and values of Zenith Bank are inculcated in them in a warm and cordial environment, before they are deployed to their various departments and branches. The orientation program provides a smooth and seamless transition for new employees. At our state-of-the-art training facility, all aspects of banking, and Zenith Bank's processes, procedures and policies are taught to new employees. The orientation program also places special emphasis on the ethics, rules, and regulations in the banking sector.

On labour relations, Zenith Bank complies with all applicable laws, rules and regulations of the countries in which it operates. These include sovereign state legislations on collective agreements, bargaining and freedom of association. We respect employees' right to form, join or not to join labour unions without fear of reprisal, intimidation or harassment. Where employees are represented by a legally recognised union, we are committed to establishing constructive dialogue with their chosen representatives. The Bank is also committed to bargaining in good faith with employees and/or their representa-

tives. We work with our employees to seek solutions that best align their interests with those of the Bank.

While we currently do not have an enterprise-wide policy mandating a *minimum notice period regarding significant operational changes*, we ensure that any decision that may affect the working life and jobs of employees is made after in-depth considerations. Significant plans of operational changes that could impact the wellbeing of employees are communicated to them in a timely manner before the actions are taken. Through our diverse feedback channels, employees are encouraged to communicate their views and opinions on matters that concern them. Zenith Bank remains committed to complying with all applicable labor laws and regulations in the different markets where it operates. Where there is no legal minimum notice period in place, we attempt to provide notice at the earliest practicable time.

In 2015, a total of 263 employees exited our workforce, which constituted about 4.2 percent of the total active staff strength. We will continue to improve on our working conditions and remuneration packages to ensure that we attract and retain the best talents.

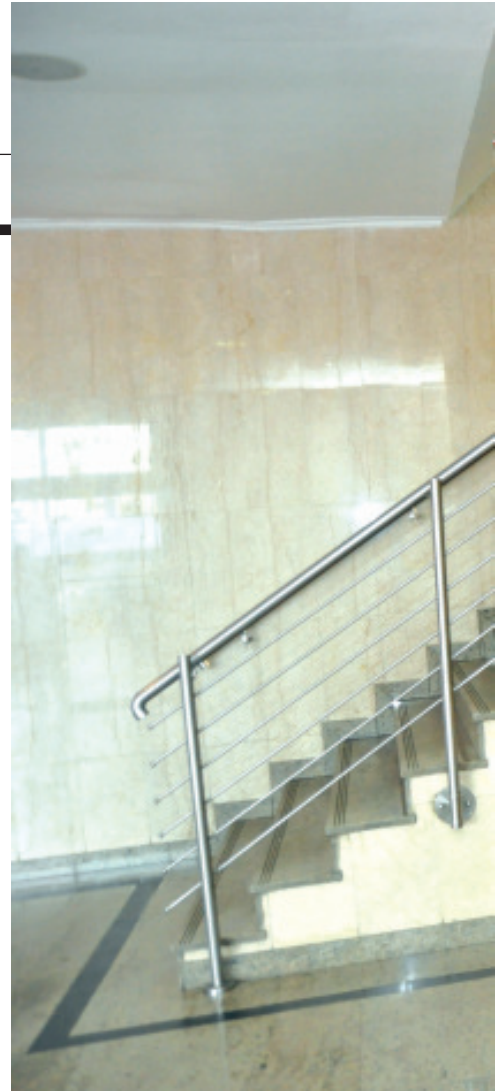
Occupational health and safety

The health and safety of our people in the workplace is the responsibility of the Bank as well as the employees. Zenith Bank provides and maintains safe premises, machinery, systems and processes for the workplace. We enforce strict health and safety rules and practices at the work environment; and these are reviewed and tested regularly for effectiveness. Employees are encouraged to take reasonable care of themselves and others by observing all health and safety policies and promptly reporting potential health and other hazards to supervisors or designated safety officers.

Fire prevention and fire-fighting equip-

ment are installed at strategic locations within the Bank's premises, while occasional fire drills are conducted to create awareness amongst employees on emergency response techniques. We also have Health and Safety Policy documents that clearly define the Bank's safety procedures and practices. These policy documents are deployed on our intranet for easy access to all staff. Employees are encouraged to familiarize themselves with the instructions and procedures, such as the location of fire extinguishers in their work area as well as fire exits and assembly points.

To promote occupational health and safety, the Bank also has a Workplace Safety Management Committee in place that, among other functions, conducts periodic safety and emergency preparedness drills within the office environment. Every year, our employees undergo Fire Prevention



"We will enjoy
GREATER OPPORTUNITIES
 to build a better professional environment where
 individual MEMBERS OF STAFF
 will be empowered to contribute their
creative best."
 — Jim Ovia

tion and promoting healthy nutrition and workout habits among our employees.

Training and education

At Zenith, excellent service delivery is a key priority. And we understand that this can only be provided by a workforce that is highly trained, skilled, competent and motivated to attain their full potential. This is what our training programs are designed to achieve. We are conscious of the fact that attracting and retaining talented and committed employees with the requisite skills set in the dynamic financial services sector requires continuous training. For us, training and development is a continuous process of improving individual performance and competence. Training serves as a vehicle

and Safety Management trainings to enhance their safety consciousness and emergency responses.

In conjunction with the Lagos State Fire Service, we have also trained some of our employees to the level of Fire Marshals to enable them evacuate staff and customers in cases of emergency and create safety awareness. As at year end 2015, the Bank had 40 trained Fire Marshals. At every point in time, each wing of the head office building has a minimum of two Fire Marshals on duty. We plan to extend this practice to our branches and business offices in the coming years.

The Bank also operates both Group Personal Accident and the Workmen's Compensation Insurance covers for the benefit of its employees. We retain top-

2015 Employees Training Expenses

1.	In-plant/In-House/ Zonal programs	N370,687,075.06
2.	Online Courses (Amortized yearly)	N4,620,000
3.	External (local) programs	N15,611,050.07
4.	Offshore program (SM & below)	N76,904,014.40
5.	Offshore/ In-plant programs (AGM-GM)	N179,814,538.90
6.	Offshore/External programs (Directors)	N37,054,578.25

Total **N684,691,256.68**

class private hospitals where medical services are provided for staff and their immediate families at the Bank's expense.

In 2015, our Human Resources department commenced the routine communication of useful health tips via email to help employees live healthier, and encourage work/life balance. This initiative is targeted at disease preven-

for the development and transfer of requisite skills with the aim of building an empowered, knowledgeable and experienced workforce.

We therefore strive to offer to our employees, opportunities that enhance their professional growth and development, and assist them to attain their full potential and live their career dreams. Our trainings can be informal/



on-the-job (at unit/department level), or formal (classroom or computer based via the Learning Management Online (LMO) module). Employees are encouraged to avail themselves of every opportunity presented via any of these training platforms to acquire relevant skills.

Following the outcome of team engagements and on-the-job assessments, Line Managers are responsible for identifying the training needs of their team members and this feedback is built into employees' training plans. Employees are subsequently nominated to attend both locally and internationally organized courses relevant to their job functions. In accordance with the Bank's policy of continuous development, requisite training facilities are provided in all our training centers.

Excluding our in-house computer based trainings which hold all year round for all categories of employees, in 2015, a total of 6,098 (inclusive of 6,286 active permanent staff, 263 exited staff and 51 staff seconded to various subsidiaries) out of 6,600 employees were trained over a period of 151,036 cumulative hours. This number represents 92 percent of our total workforce.

In addition, a total of 750 employees out of 6,286 active permanent staff were trained (over a period of 17,721 cumulative hours) on Sustainable Business Principles and Practices in 2015, representing 12 percent of the total workforce. This was designed to create awareness on green business practices and develop needed skills and capacity in our implementation of sustainable banking.

The number of training activities is calculated per

Our training feedback mechanism revealed that a significant number of employees that attended our different trainings during the year rated the sessions as "extremely useful."

individual employee, as against per training sessions. This means that even for an individual employee that may have undergone more than one training type during the review period, the trainings are summed up as one.

Our training feedback mechanism revealed that a significant number of employees that attended our different trainings during the year rated the sessions as "extremely useful." As was our objective with the



sustainability trainings, most of the participants reported that the sessions increased their knowledge of environmental and social risks in banking operations and effective ways of mitigating them.

In the year under review, we spent six hundred and eighty four million, six hundred and ninety one thousand, two hundred and fifty six naira and sixty eight kobo (N684,691,256.68; about US\$3.441 million) on online, local and international training programs for all categories of staff.

Diversity and equal opportunity

Zenith Bank is an equal opportunity employer and adheres strictly to the principle of meritocracy and fairness. We understand that a diverse workforce confers competitive advantage on our brand, and so achieving this edge is part of the Bank's operational strategy. Zenith Bank is commit-

ted to promoting diversity and building a work community where everyone is respected for their distinctive skills, experiences and perspectives. Our employees come from diverse educational, professional and cultural backgrounds, bringing with them a wealth of experience that encourages continuous social learning from mixing and inter-cultural interactions.

All decisions relating to recruitment, career advancement, compensation, benefits, and training are based solely on individual's qualifications, merit and our business needs.

As a leading African brand with over 6,000 permanent employees, we understand the importance of upholding the principle of diversity in our workforce. The Bank demonstrates full respect for human rights and upholds the highest standard of ethical and professional behaviors in the workplace. Our Employee Code of Conduct lays out guiding principles for appropriate workplace practices, professional and

personal conduct, in line with global principles and charters on human rights.

The bank is fully committed to providing equal employment opportunity, fair employment practices and upholding non-discrimination laws. Consequently, discrimination against individual and group of employees on the basis of gender, family status, ethnicity, nationality, race or religion by another employee or group, is prohibited.

Zenith Bank values a work environment where diversity is embraced and employee differences are valued and respected.

The Bank maintains a policy of giving fair considerations to the application for employment tendered by persons with permanent or temporary physical challenges. Our policy prohibits discrimination against persons with disabilities in recruitment, training and career development. In the event that a member of staff becomes disabled while in our employment, efforts are made to ensure that their employment continues and that they continue to fit into the Bank's working environment.

As at year-end 2015, we had a total of three persons with physical disabilities in our employment, representing 0.05 percent of the workforce.

In the years ahead, we will continue to provide equal opportunities for all candidates based strictly on merit, irrespective of the candidates' physical (dis)abilities, ethnicity, religion or gender. We will continue to improve on the accessibility of our business premises to persons with disabilities and provide a barrier-free environment for them. By 2025, our goal is to ensure that all our branches and business locations are fitted with ramps, elevators, platform lifts, stairs, railings and handrails, entrances, doors and rest rooms that are customized for the convenience of persons with disabilities.







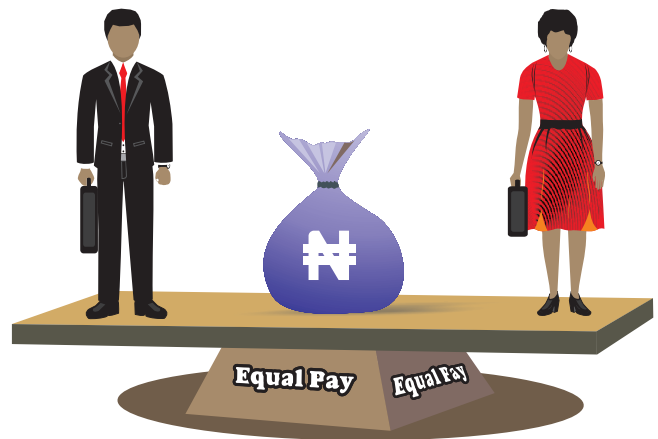


Equal remuneration for women and men

Zenith Bank has male and female gender representation in its workforce. The Bank offers equal remuneration for men and women who are at the same level and for work of equal value, as set out in the Equal Remuneration Convention of the International Labor Organization (ILO). We also have a policy of non-discrimination against women during pregnancy and after childbirth. Our female em-

ployees are entitled to maternity leave for a period of 12 weeks or 60 working days with full pay, in accordance with the local employment laws in Nigeria. On resumption from maternity leave, nursing mothers are entitled to early closing time for another 12 weeks.

In compliance with all relevant human rights and labor laws, the Bank ensures equality in employee management. All staff in the organization receive the same remuneration across the same level, irrespective of gender or region of operations. Recruitment is carried out without prejudice and with respect for the human



At Zenith Bank, we have built an inclusive work environment where everyone is valued and can succeed strictly based on merit and requisite competences.

rights of all the parties involved. Employees have equal access to training and career advancement without any form of discrimination. Female staff are represented at all levels of management. At Zenith Bank, we have built

Total Staff Distribution by Gender

2,992



3,294

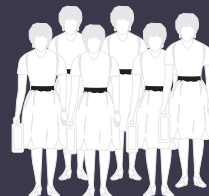


6,286



Total number of active permanent staff

48%



Proportion of female gender

52%



Proportion of male gender



AGMs & Above (Distribution by Gender)		
GENDER	Total	%
FEMALE	23	30
MALE	55	70
Total	74	100

an inclusive work environment where everyone is valued and can succeed strictly based on merit and requisite competences. Our 48:52 female/male employees ratio as at year end 2015 attests to our commitment to providing an equal platform for all employees to thrive.

In the management cadre (from the level of Assistant Manager to Executive Director), the male gender constitute 59 percent while the female gender constitute 41 percent. From the level of Manager to Senior Manager, 36.36 percent are female and 63.64 percent are male.

Among our top management cadre (which is made up of employees from the level of Assistant General Managers up to Executive Directors), 70 percent are male while 30 percent are female.

We are committed to a continuous improvement on this ratio. In this regard, the Bank is currently implementing a female mentoring initiative designed to identify talented women employees who have distinguished themselves over the years and have demonstrated immense leadership potentials. They are assigned to mentors at the top echelon of the Bank (General Man-

Managers & Senior Managers (Distribution by Gender)			
	FEMALE	MALE	TOTAL
SM	53	111	164
MGR	79	120	199
TOTAL	132	231	363
%	36.36%	63.64%	100%

Assistant Managers & above (Distribution by Gender)			
GENDER	Total	%	
FEMALE	618	41	
MALE	877	59	
Total	1495	100	

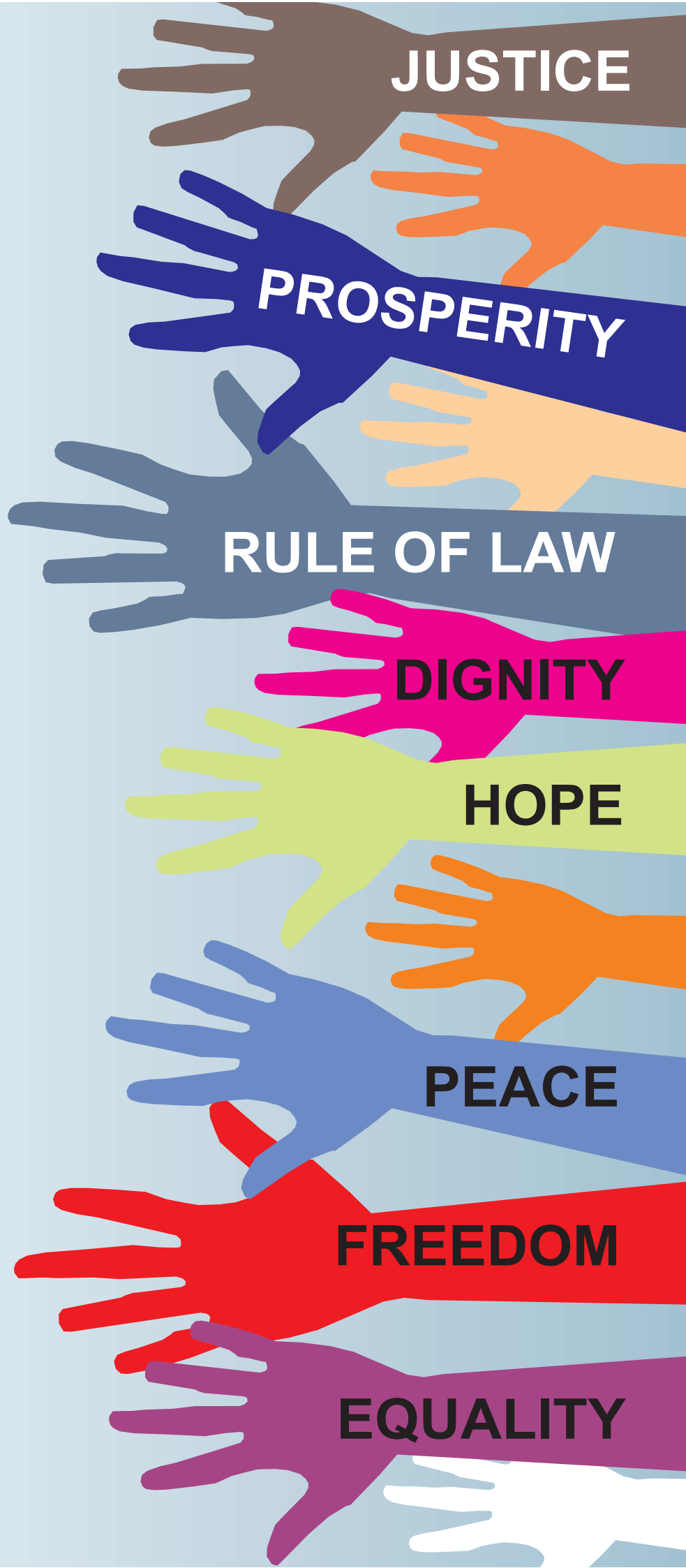
AGE GROUP	Total		
Under 30	-		
30 - 50	1471		
Over 50	24		
Total	1495		

REGION/GENDER	Female	Male	Total
North	135	212	347
East	41	63	104
South	85	104	189
West	357	498	855
Total	618	877	1495

ager to Executive Director Level) with a view to grooming them for executive management positions within the Bank and its subsidiaries, right up to the board level.

Also, in fulfilment of the Banker's Committee's Recommendation on Women Economic Empowerment, the Bank organizes a minimum of one female leadership training program annually with a view to maximizing the career potential of female employees with high leadership potential.

FUNDAMENTAL HUMAN RIGHTS



JUSTICE

PROSPERITY

RULE OF LAW

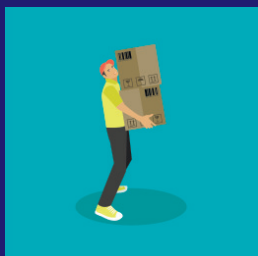
DIGNITY

HOPE

PEACE

FREEDOM

EQUALITY



HUMAN RIGHTS



As an emerging global financial institution, we understand the importance of protecting human rights in all our business transactions.



Business investments

As an emerging global financial institution, we understand the importance of protecting human rights in all our business transactions. We are aware of the reputational risk that could arise from a poor handling of human rights issues in our business operations. This is why our Human Rights Policy clearly identifies the importance of creating awareness on, and training all categories of employees on human rights issues and best practices. Plans are in place to introduce Human Rights into our training curriculum from the 2016 financial year.

However, to identify, prevent and mitigate adverse human rights impacts, we have already integrated human rights considerations (land, labour, child rights, health and safety of workers and communities, rights of indigenous people, among others) into our Environmental and Social Risks (E&S) due diligence processes and our Global Reputational Risk Framework.

We also have in place a Management Global Credit Committee responsible for reviewing the entire credit and investment portfolio of the Bank with a

view to screening them for environmental and social risks considerations. The Committee conducts periodic, on the spot assessments of the Bank's projects and investments and ensures adequate monitoring of clients' implementation

Headquarters of the International Labour Office, Geneva



Non-discrimination

In all our business transactions and dealings with internal and external stakeholders, we abhor all forms of discrimination on the basis of gender, color, tribe or ethnicity, religion, marital status or physical challenges. Our Human Rights Policy clearly defines these standards and lays down strict penalties for violations. We also encourage our business partners, service providers and investees to embrace non-discriminatory policies in their business operations.

Forced or compulsory labor

In accordance with international labor standards as spelt out in the International Labor Organization (ILO) Forced Labor Convention (2014), Zenith Bank does not condone the use of forced or compulsory labor in its operations or those of its clients or suppliers. We abhor and strongly condemn the use of child labor, and strictly enforce this

policy as a precondition in our lending and investment decisions. We will continue to improve on internal policies and structures aimed at strengthening and monitoring compliance in our dealings with third parties across our entire value chain.

Suppliers' human rights assessment

Our suppliers, vendors and contractors are service providers through which we acquire the products and services we need for our business operations. Zenith Bank purchases all goods and services with considerations for fair pricing, quality of goods and services, and E&S considerations. Effort is made to prioritize the patronage of local suppliers while also leveraging the Bank's buying power with the goal of delivering value to our customers and shareholders. The Bank is committed to ensuring that suppliers and service providers adhere to all applicable Human Rights standards, including our Human Rights Policy.

of, and compliance with agreed environmental and social risks terms and conditions, including protection of human rights in the entire value chain.









SOCIETY



The wellbeing of our local communities is of critical importance to us. We clearly understand the symbiotic relationship we share, as we can impact their wellbeing as much as they can impact the actualization of our corporate goals.



Local communities

The wellbeing of our local communities is of critical importance to us. We clearly understand the symbiotic relationship we share, as we can impact their wellbeing as much as they can impact the actualization of our corporate goals. We therefore strive to ensure a harmonious, win-win relationship with them. Our strategy has been to listen to their views on how we can be better, value-adding neighbors to one another; engage them more constructively on issues that are important to both parties; provide them with solution-based goods and services; and ensure that our social investments in the communities are in line with the outcome of effective engagements and a thorough understanding of their most pressing needs.

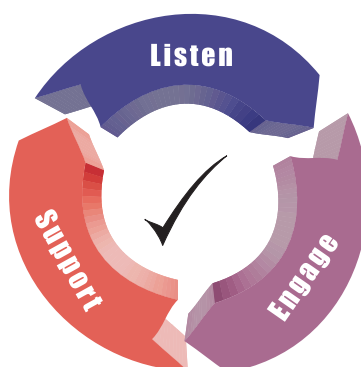
The Bank encourages a synergetic relationship with host communities. We respect the fundamental human rights of our local people and accept their views and concerns as valuable stakeholders' feedback that could guide our business decisions and actions. This strategy of engagement has ensured that we achieve a peaceful environment for our business to thrive while also catering for the social, economic and environmental wellbeing of our communities.

In order to mitigate environmental and social risks associated with the conduct of our projects

and business activities, we carry out environmental impact assessments prior to the execution of any major project. We ensure effective engagement to determine the extent of impact (positive and, or negative) the project could have on the target communities.

Our social investments in host communities in the year under review were mostly in the form of corporate philanthropy, which entails donating funds, time and material resources towards specific community empowerment initiatives as well as providing public infrastructure and facilities needed to satisfy the yearnings of

Our Community Relations Strategy



the local populace. In 2015, we invested sizeable funds towards various States security projects, ensuring that security apparatuses are strengthened and better equipped to serve the local communities more effectively. We also supported several educational, youth, women and career development initiatives, as well as public health care projects.

Overall, a total of N923 million (US\$4.6 million) was invested in diverse CSR projects in 2015, representing about 0.87 percent of our profit after tax for that year.

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CSR projects and initiatives in 2015 by areas of focus

Area of Focus	Amount	Beneficiaries/Purpose
Health	N84,540,157.00	Renovation of Iga-Idunganran Community Healthcare Centre; provision of ICT equipment for Umuahia Medical Centre; donation to Down Syndrome Foundation
Education	N112,071,050.00	Donation towards Building Project at the Lagos Business School (LBS); installation of 500kva power generating set at Queens' College, Lagos; donation towards security trust fund at Babcock University; donation of Computers to St. Finbarr's College Akoka
Sports	N95,000,000.00	Title sponsorship of the Zenith National Women Basketball League, in conjunction with the Nigeria Basketball Federation; Jersey Sponsorship of the Warri Wolves FC; sponsorship of the Nigerian Football Federation (NFF)
Government/ Public Infrastructure	N389,125,000.00	Donation of 35 Toyota Hilux Security Vans to Abia, Adamawa, Imo and Taraba States; donation towards the Lagos State Security Trust Fund; rehabilitation of the Jigawa State Biometric data system
Youth & Women Empowerment	N113,769,725.00	Donation towards "She-needs-a-roof initiative"; donation made to the Women for Change Development Initiative; donation of a fully equipped ICT Centre, Agbor
Events	N105,950,000.00	Sponsorship of the Seyi Akinwumi Charity cocktail; Easter celebrations show in Warri hosted by Brownhill Company; sponsorship of the Chinese Independence celebrations 2015; sponsorship of the ThisDay 2015 Award
Others	N22,544,068.00	
TOTAL	923,000,000.00	



Some Specific CSR Projects and Beneficiaries in 2015

Beneficiary	Amount	Purpose
States' Security Trust Fund	N100,000,000.00	Support for, and equipping of security apparatuses and training of security personnel in Lagos State
Zenith National Women Basketball League sponsorship (Nigeria Basketball Federation, NBBF)	N30,000,000.00	Promoting the game of basketball among the female gender
The Down Syndrome Foundation	N1,000,000.00	Support for children with special needs
Save a Child's Heart Foundation Nigeria	N3,000,000.00	Medical intervention and support for a child's heart surgery
Musical Society of Nigeria	N9,000,000.00	Support for African arts and creativity
Nigerian Football Federation (NFF)	N50,000,000.00	Support for the development of Nigerian football
Warri Wolves Football Club, Delta State	N15,000,000.00	Support for career development in sports
University of Nigeria, Nsukka, Enugu State	N9,400,000.00	Construction of borehole to meet the need for potable water within the school community
Iga-Idunganran Healthcare Centre, Lagos State	N24,000,000.00	Upgrade and re-equipping of the facility to meet the primary healthcare needs of residents of the Lagos Island
35 Toyota Hilux Vans	N262,725,000.00	Beneficiaries include Abia State Government, Adamawa State Government, Imo State Government and Taraba State Government, towards enhancing security patrol and general communities' safety
Queens College, Lagos	N14,848,300.00	Procurement and installation of 500kva noise-proof, energy efficient electricity generating set within the school community

The Bank's philanthropic and commercial investments in the year under review created immense value for local communities, increased commercial activities in major cities across the country, generated thousands of new jobs, enhanced household income and boosted overall productivity in the economy.

Anti-corruption

In the year under review, we conducted various checks on our banking processes and procedures with the view of strengthening systems' security and plugging observed vulnerabilities that could hinder our anti-corruption drive. This necessitated the acquisition of a new banking software which is currently

being deployed. Some of our staff are currently undergoing trainings within and outside the country preparatory to the launching of the new software.

As part of our prevention strategies, we encourage whistleblowing to deter would-be fraudsters. We also ensure adequate anti-corruption training for all categories of staff on quar-



terly basis, with emphasis on evolving fraud tactics to watch out for. In 2015, a total of 4,048 employees which represents 61 percent of our 6,600 employees (inclusive of 6,286 active permanent staff, 263 exited staff and 51 staff seconded to subsidiaries) were sent on diverse anti-corruption training. The Bank's executive management

and board members also participated in anti-corruption and anti-fraud related trainings.

Furthermore, the bank is in the process of organizing trainings on anti-corruption for its key business partners. The plan is to kick-start this initiative from the next financial year.

Compliance and social responsibility

Our interactions with the society and diverse social investments in the year under review were guided by strict compliance with all laws and regulations governing such activities in the different countries where we operate. In this regard, we did not suffer any monetary or non-monetary sanctions and fines in 2015.

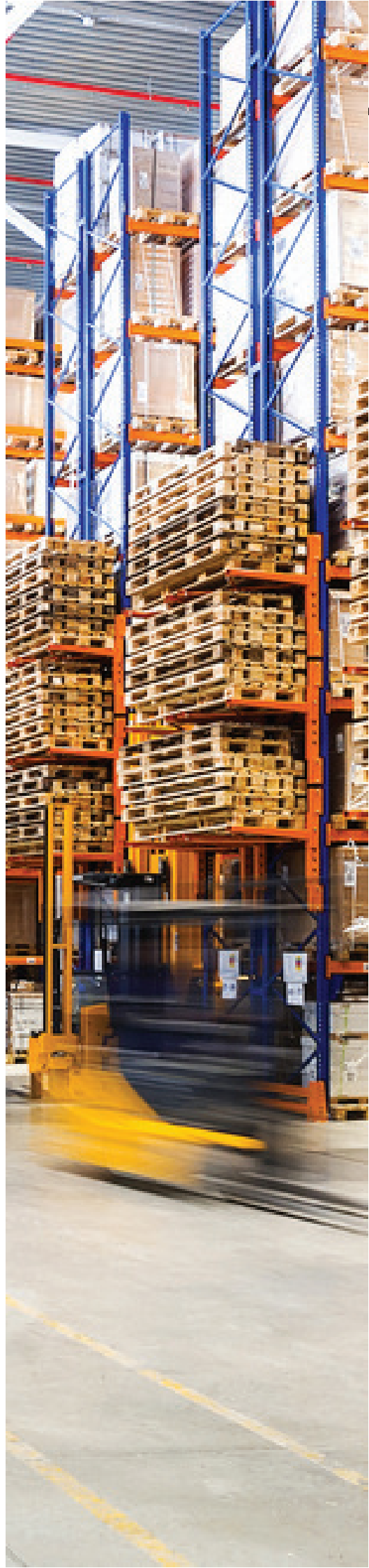
Supplier assessment for impacts on society

At Zenith Bank, we engage multiple suppliers for our every product and service need. As part of our due diligence practices, we have put in place an effective KYV (know-your-vendor) policy and strictly enforce our Service Level Agreements (SLAs), especially for major transactions. While we respect the third party status of our suppliers and contractors, we are however mindful that their business relationship with us could result in social and environmental reputational damage to our brand. Therefore, in addition to documented SLAs, we engage in unscheduled visits to sites and offices of our key suppliers



While we respect the third party status of our suppliers and contractors, we are however mindful that their business relationship with us could result in social and environmental reputational damage to our brand.





and vendors to carry out first hand assessment of their business procedures. This is to ensure that they operate within acceptable social and environmental laws and regulations. This strategy enables us to track trends, spot emerging risks and establish appropriate boundaries and interventions. In 2015, all key suppliers were screened to determine their social and environmental impact on the society. Due diligence assessments were carried out and vendors were rated according to the quality of their services, ability to produce durable and environmentally friendly goods, and the speed of delivery (as specified in the Service Level Agreement).

As we keep enhancing our sustainability performance, we will engage our suppliers even more proactively with a view to pruning out the weak links in our entire value chain. Our goal is to extend our existing Service Level Agreement to all our major suppliers by 2018. We are also now developing a Supplier Code of Conduct (SCoC) that would be served to all our contractors and vendors. This would

Our goal is to extend our existing Service Level Agreement to all our major suppliers by 2018. We are also now developing a Supplier Code of Conduct (SCoC) that would be served to all our contractors and vendors.

spell out acceptable environmental, human rights, labor and diversity management practices. It will also obligate our supplies to adhere to set standards, obtain their products from renewable and responsible sources, and through environmentally friendly processes. Our plan is to set up periodic assessment models to ensure compliance. By 2020, we plan to have communicated our SCoC to, and enlightened all our vendors and contractors about its terms and conditions.

Grievance mechanism for impacts on society

While we remain committed to maintaining good neighborliness with, and value creation for our host communities and the larger society, we understand that there will always be differences in opinion which could at times engender complaints. We ensure an open channel of communication between us and our communities and create multiple avenues through which we could discuss and address the concerns raised at every point in time. Heads of Operations and Managers in all our business offices and branches are empowered to accept and address complaints from our communities. If the issues could not be resolved at this level, they are escalated to the regional offices, and ultimately to the corporate head office. Contact details of our 24/7 feedback mechanism, ZenithDirect, and other complaints hotlines are displayed conspicuously in our banking halls, websites, ATMs, among others. In addition, our Corporate Sustainability and Responsibility Department has a mandate to escalate communities' grievances to the attention of executive management for effective resolution.

*966#

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PRODUCT RESPONSIBILITY



As a deposit money bank, the products and services we offer are predominantly financial in nature and we are committed to offering them in the most responsible manner.



Product and service labelling

As a deposit money bank, the products and services we offer are predominantly financial in nature and we are committed to offering them in the most responsible manner. But we ensure that we offer these services responsibly and in compliance with all existing laws and regulations.

Our products are designed to meet the needs of the different segments of the market that we serve. In the last twenty-five years of our corporate existence, we have, through the strategic deployment of quality people and state-of-the-art banking technology, redefined customer service standards. We remain committed to ensuring that our products are delivered with the

highest possible standards and with maximum positive impact on our customers and the larger society.

We consistently invest in innovative solutions that would enable us deliver world class customer experience. We also ensure the availability of diverse, technology-driven channels of service delivery for the convenience of our customers and clients.

In 2015, we operated from 358 branches; 163 off-site locations; 1,268 Automated Teller Machines (ATM); over 20,000 Point of Sale (POS) machines; and our internet and mobile banking platforms. Through these channels, our customers

Our products are designed to meet the needs of the different segments of the market that we serve.



In 2015, we operated from 358 branches; 163 off-site locations; 1,268 Automated Teller Machines (ATM); over 20,000 Point of Sale (POS) machines; and our internet and mobile banking platforms. Through these channels, our customers banked with us in their own terms, enjoying competitive pricing, convenience, and product and service offerings guided by strict ethical rules.

banked with us in their own terms, enjoying competitive pricing, convenience, and product and service offerings guided by strict ethical rules.

(See a full report on our different products and services in our corporate profile section).

As a responsible corporate entity, we understand that it is our responsibility to ensure that our products and services and the methods of marketing or delivering them, do not constitute economic, social or environmental harm to our customers, stakeholders and the larger society.

Zenith Bank has consistently come out tops in the KPMG Customer Satisfaction Index (CSI) across all segments. The CSI is based on a survey of retail, SME and corporate/commercial customers of Nigerian banks. Zenith Bank has clearly distinguished itself in the banking industry through superior service quality, unique customer experience and sound financial indices.

Achieving financial inclusion through innovative product offering

As a major stakeholder in the Nigerian financial services landscape, we support efforts to promote financial inclusion and literacy. We see this as a responsibility we owe the unbanked population. We have taken steps to reduce the preponderance of adults without access to suitable financial products and explore opportunities to promote financial literacy.

At Zenith Bank, the overall goal of our financial literacy strategy is to assist the attainment of financial independence and stability through the empowerment of citizens with knowledge of various types of financial products and services available. We aspire to connect the informal, unbanked community to the mainstream financial sector using products and ser-

Retail Products & Services	Corporate Products	E-Banking Products
Current Account	Corporate Account	Internet Banking
Savings Account	Fixed Deposits	
Domiciliary Account	Call Deposits	Online Bill Payment
Zenith Children's Account	IRAs	AlertZ
Fixed Deposits	FGN Bonds	
Call Deposits	Treasury Bills	Corporate Internet Banking (ADPS Plus)
IRAs	NIBSS	Automated Cheque Writing
FGN Bonds	Corporate Banking	
Treasury Bills	Investment Banking	Automated Payroll
NIBSS	Zenith Funds	Trade Alertz
Zenith Mortgage Loans		Swift Pay
Zenith Bureau de Change Cards		Merchant Services
Local Money Transfer		
Western Union Money Transfer		



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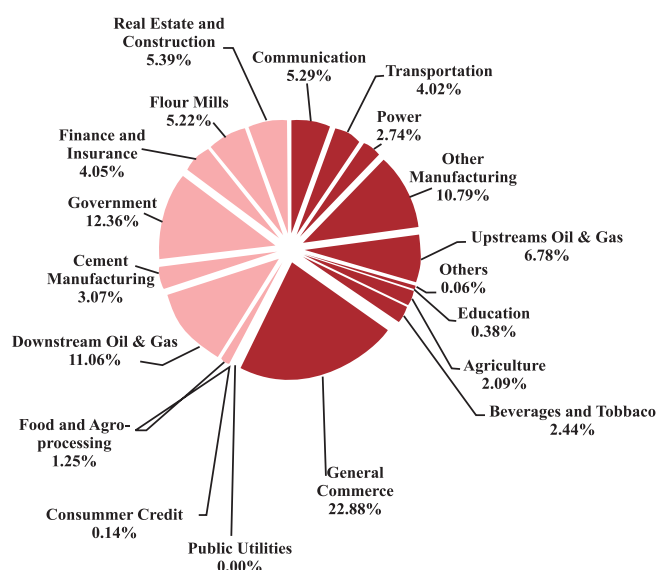


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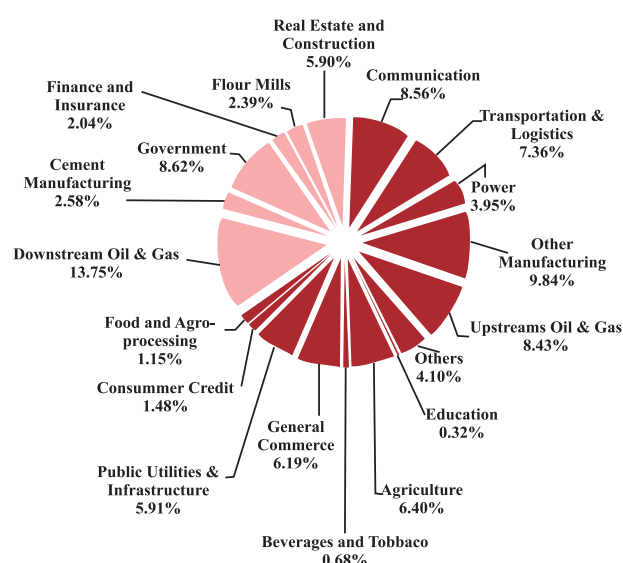
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zenithdirect@zenithbank.com

Loans by Sector - 2015

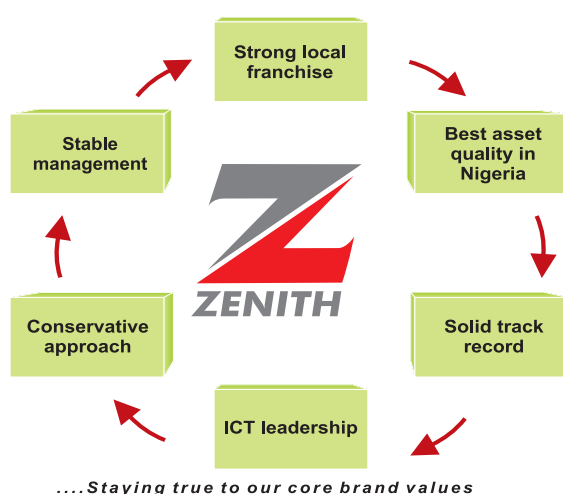


Gross Loans - N2.03tn

Loans by Sector - 2014



Gross Loans - N1.76tn



vices that are user friendly, accessible, functional, solution-oriented and affordable.

We realize that some groups are disadvantaged with respect to access to financing and financial services. Available Data has shown that women, persons with disability, low income groups, and people in rural areas have limited or no access to financial services. In 2015, we focused on developing products that are designed to meet the observed needs of these segments of the economy. To this end, we increased our focus on the retail market in compliance with the Central Bank of Nigeria's (CBN) strategy to reach the unbanked population. To meet the needs of the retail customers more effectively, the bank rolled out several prod-

ucts in addition to its already existing banking products and services.

Our Unstructured Supplementary Service Data (USSD) product introduced within the year offers convenient, fast, and secure way to access bank accounts and perform banking transactions via non-smartphone and without internet connectivity. This service is available to all individual account holders with any feature phones that run on the GSM platform. With the USSD banking, we plan to meet the financial service needs of over 30 million adult nigerians that are currently financially excluded.

Some of the products that we have developed to support the financial inclusion initiative include:

- Zenith Children's Account (ZECA; designed for children below the age of 18)
- Zenith Integrated Student Account (ZISA)
- Aspire Account
- EasySave Classic Accounts
- EasySave Premium Account
- EasyMoney- Mobile Phone enabled
- Agent Banking
- Zenith Mobile Banking
- Zeca account
- Aspire Account (designed for students and individuals of age 18 – 34years)
- Zenith Mobile App

Our e-solutions provide self-access to banking activities that makes banking attractive for the low income segment



As a leading financial services provider, we consider information security as top business priority. We maintain strict confidentiality on customers' data and information in line with existing laws and global best practices.

of the economy. Through our mobile banking products, we plan to gain customers who did not previously use banking services. With Nigeria's tele-density now at over 100 percent, the bank is leveraging mobile phones as key financial inclusion enabler. And we expect to significantly reduce the country's unbanked population within the next five years.

During the period under review, 70,717 EazySave Classic Account and 18,940 EazySave Premium Account were opened. With the introduction of our EazySave Classic and Premium Accounts, individuals can open accounts with minimal KYC requirement.

We will continue to expand our network of ATMs, POSs, branches and business offices throughout Nigeria to maintain our position as a leading e-solutions brand that supports government's financial inclusion strategy.

Marketing communication

Zenith Bank uses a full range of marketing communication tools to create a formidable corporate presence using local and international channels. In its marketing communications, the Bank ensures best practices and fully complies with all necessary guidelines and regulations on advertising, promotions and sponsorships.

The Bank sponsors a variety of events and initiatives designed to positively impact the socioeconomic interests of our stakeholders while also ensuring our brand visibility. Some of our sponsored initiatives in the year under review

include the annual Zenith National Women Basketball League. 2015 marked the eleventh year of this sponsorship which is in partnership with the Nigeria Basketball Federation (NBBF). The initiative is targeted at empowering the female gender and helping them build gainful career in sports. The League, and several other events we sponsored in 2015 provided us a good platform to showcase our brand and market our products and services.

In 2015, we also actively leveraged the social media (Facebook, Twitter, Google+, Instagram, YouTube, among others) to receive feedback from stakeholders and market our products and services.

We ensure that we comply with all rules and regulations guiding events sponsorships, branding, marketing and social media engagements in the different countries where we operate.

Customers' privacy

As a leading financial services provider, we consider information security as top business priority. We maintain strict confidentiality on customers' data and information in line with existing laws and global best practices. Our commitment to the highest standard of integrity and professionalism has earned us customers' trust and confidence while helping us to maximize stakeholders' value. This we have achieved by putting in place and enforcing good governance practices, effective internal controls and compliance

with existing industry rules and regulations.

Conscious of the negative impact the misconducts of employees could have on the Bank's reputation, we ensure that every job function has operational manuals and handbooks that clearly define the acceptable, professional relationships that should exist between employees and customers, colleagues, suppliers and all stakeholders.

We consistently invest in resources and new processes that would enable us serve our customers more efficiently, and this entails expert management of customer data and information.

In 2015, Zenith Bank became the first company in Nigeria to achieve, at once, three certifications from the British Standards Institution (BSI). The Bank attained the BSI certifications for Information Security Management System, ISO/IEC 27001:2013; IT Service Management System, ISO/IEC 20000-1:2011; and Business Continuity Management System, ISO 22301:2012. The Bank's commitment to these international standards stemmed from its resolve to deepen customer experience through greater information security, an efficient IT management system, and a robust business continuity plan, all targeted at protecting the information and investments of our valued customers, investors, and other stakeholders in an increasingly unpredictable business environment.

The Bank remains committed to promoting good corporate governance and best practices in the conduct of its business activities.

Compliance with products and service offering regulations

The Bank remains committed to promoting good corporate governance and best practices in the conduct of its business activities. This is because we believe that good corporate governance engender public trust and ultimately ensures that we meet and exceed the expectations of all stakeholders. Zenith Bank has built a good reputation for itself as a Corporate Governance compliant bank. In 2015, the Nigerian Stock Exchange (NSE) listed the bank on the Premium Board of the Exchange, in recognition of our commitment to excellence and global best practices. The Bank also recently won the award of "the Best Corporate Governance Bank in Nigeria 2015" at the Global Banking and Financial Review Awards 2015. We will continue to improve on this performance and continuously reappraise our business processes to ensure conformity with best global standards at all times.

During the period under review, the Bank complied with the provisions of codes of corporate governance which it subscribes to, including the Central Bank of Nigeria (CBN) Code of Corporate Governance for Banks in Nigeria (2014) and the Securities and Exchange Commission (SEC) Code of Corporate Governance.

In the year under review, there were no compliance failures or breach of laws and regulations concerning our product and service deliveries.







NIGERIAN SUSTAINABLE BANKING PRINCIPLES (NSBP)

Our sustainability journey started in year 2000 with the establishment of our Zenith Philanthropy unit, charged with the responsibility of identifying, implementing and managing our social investments and relationships in host communities.





Today, we have not only integrated sustainability principles into our CSR, we are actually striving to incorporate the concept into everything we do. And our decade and half experience in community engagement and development has been very handy in this regard.



Our NSBP Scorecard

Our sustainability journey started in year 2000 with the establishment of our Zenith Philanthropy unit, charged with the responsibility of identifying, implementing and managing our social investments and relationships in host communities. As global awareness on sustainable development becomes prevalent, the Bank has been quick to realize the benefits of sustainability to its core business. Today, we have not only integrated sustainability principles into our CSR, we are actually striving to incorporate the concept into everything we do. And our decade and half experience in community engagement and development has been very handy in this regard.

In the last decade, we have committed to several global sustainability principles geared towards the social, economic and environmental wellbeing of our society. These include the IFC's Performance Standards, the World Bank Group Environmental, Health and Safety Guidelines, the

As a responsible corporate citizen, Zenith Bank remains committed to actualizing the developmental objectives of these principles.

United Nations Universal Declaration of Human Rights (UDHR), the United Nations Environment Programme Finance Initiative (UNEP FI), and the United Nations Global Compact (UNGC), among others.

In 2014, the Central Bank of Nigeria and all chief executives of Nigerian banks, committed to the implementation of the Nigerian Sustainable Banking Principles (NSBP). By January 2015, all banks operating in the country were expected to have commenced the implementation of the nine principles in their business operations.

As a responsible corporate citizen, Zenith Bank remains committed to actualizing the developmental objectives of these principles. Our newly developed sustainability policy, strategy and framework has entrenched the Nigerian Sustainability Banking Principles (NSBP) into the DNA of our business. The table below outlines our progress in NSBP implementation in the financial year 2015.



NSBP PRINCIPLES	DEFINITION	OUR PROGRESS
PRINCIPLE 1.	Managing environmental and social risks in our business decisions.	<p>As a major financial services provider, Zenith Bank's investments and lending cut across virtually all sectors of the economy, including oil and gas, real estate and construction, mining and solid minerals, agriculture, among others.</p> <p>In line with the provisions of the NSBP, our lending policies have been redesigned to ensure that facilities are not extended to companies that: have no proper pollution control methods; engage in illegal activities; involve in manufacturing and selling of arms, or engage in forced or child labor and other forms of human rights violations.</p> <p>Zenith Bank has in place an Environmental and Social Management System (ESMS) that guides its E&S risks analysis in its relations with borrowers. We take measures to avoid, mitigate and minimize the risks identified. The ESMS of the Bank is based on the Equator Principles, the IFC Performance Standards, among other global sustainability principles.</p> <p>In 2015, our ESMS was the basic driver of the conscious risk decisions we took and the approach adopted in credit evaluations. We now make it a point of duty to identify and mitigate the E&S risks in all major, environmentally sensitive projects/companies we finance.</p> <p>Our goal is to expand our E&S risks dragnet to cover all major projects, irrespective of the sector, by 2020; and to all projects, major and minor, by 2025. We also plan to improve on the techniques deployed, and progress in compliance evaluations and monitoring within these periods.</p>
PRINCIPLE 2.	Managing the bank's own environmental and social footprints.	<p>As a financial institution, Zenith Bank's direct environmental impact occur through transportation and business travel, as well as our day to day operations, product development and service delivery activities. These include construction and maintenance of buildings, use of electronic gadgets such as ATMs, air conditioners, computers and accessories, servers, electricity generators, amongst others. Other noteworthy areas of impact include water use and waste generation. The Bank also bears a burden on outsourced technical activities carried out on its behalf. An example is in the provision of network links, construction activities and advertising.</p>



NSBP PRINCIPLES	DEFINITION	OUR PROGRESS
		In 2015, the Bank adhered to all required regulations in outsourcing these services as the solutions providers and suppliers of equipment and tools were requested to obtain the necessary licenses and comply with relevant environmental laws and regulations.
PRINCIPLE 3.	Safeguarding Human Rights in our Business Operations and Activities	<p>Zenith Bank upholds human rights in its business operations and activities, including its dealings with employees, host communities, suppliers, vendors, contractors and other third-parties. The Bank remains committed to the protection of human rights in the workforce and will continue to provide a level playing field, giving equal platform for all to thrive. We recognize the need to promote a diverse workforce as a means to attracting top-flight talent and enhancing our competitive advantage. We also recognize that a diversified workforce brings together a pool of robust experiences and capabilities that are as unique as every individual that makes up the labor force. Zenith Bank is an equal opportunity employer that does not condone any form of discrimination in its workforce and in its relations with external parties on the basis of race, color, religion, gender, (dis)ability and marital status.</p> <p>Zenith Bank has developed and disseminated a Code of Conduct that clearly defines how employees relate with themselves and stakeholders within the business environment. All employees, contractors, agents, consultants and other business partners are expected to conform to conducts in accordance with the United Nations Universal Declaration of Human Rights (UDHR).</p>
PRINCIPLE 4.	Promoting women's economic participation/empowerment through our Business Activities.	Zenith Group promotes women's economic empowerment through a gender inclusive workplace culture. In our business operations, we seek to provide products and services designed specifically for women. As testament to our belief in female empowerment, the bank consciously takes steps to ensure that women continue to have access to deserving opportunities within the organization. The female gender make up 48 percent of our total workforce and 41 percent of the management cadre (that is, from Assistant Manager to Executive Director).



NSBP PRINCIPLES	DEFINITION	OUR PROGRESS
PRINCIPLE 4 (Cont'd)	Promoting women's economic participation/empowerment through our Business Activities.	<p>Zenith Bank is also implementing a female mentoring initiative. In this program, talented female employees who have distinguished themselves over the years and have demonstrated immense leadership potentials are assigned mentors at the top echelon of the Bank (General Manager to Executive Director level). This is with a view to grooming them for executive management positions within the Bank and its subsidiaries, right up to the board level. Also, in fulfilment of the Bankers' Committee's Recommendation on Women Economic Empowerment, the Bank organizes a minimum of one female leadership training annually with a view to maximizing the career potential of female employees with high leadership potential.</p> <p>In the coming years, Zenith Bank will create working plans that are flexible so as to assist working mothers maximize their career with the bank while also meeting the demands of motherhood and the home front. Flexi plans do not imply reduced working hours for career mothers. Rather, it allows them to build their working hours around a convenient schedule, while the total, cumulative hours worked remains the same for all employees.</p> <p>In the last eleven years, Zenith has empowered female participation in sports with its title sponsorship of the Zenith National Female Basketball League. Several of the beneficiaries of this initiative now ply their basketball trade in different teams and leagues in the United States and Europe.</p> <p>The Bank will consider partnerships with relevant non- profit Organizations, to target promising women entrepreneurs and design products that will effectively meet their Business needs.</p>



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NSBP PRINCIPLES	DEFINITION	OUR PROGRESS
PRINCIPLE 5.	Promoting financial inclusion of community and groups with limited access to the formal financial sector.	<p>As a key stakeholder in the Nigerian financial services landscape, Zenith Bank supports efforts at promoting financial inclusion and literacy. We see this as a responsibility we owe to the un-banked public. We have taken steps to reduce the preponderance of adults without access to suitable financial products and explore opportunities to promote financial literacy among the disadvantaged groups.</p> <p>The overall goal of our financial literacy strategy is to assist in the attainment of financial independence and stability. We are committed to empowering the financially excluded groups with information and knowledge on the various types of financial products and services that are available. In 2015, the Bank developed several retail products to support this initiative, such as the Zenith Children's Account (ZECA), Zenith Integrated Student Account (ZISA), Aspire Account, EazySave Accounts (Classic & Premium), EazyMoney, Mobile Phone enabled, Agent Banking, and Zenith Mobile Banking.</p> <p>Furthermore, we have developed and deployed strategic e-banking products and platforms that would enable us reach out remotely to existing and potential customers. Our e-banking products have been redesigned to meet our Financial Inclusion Strategy. These products attract customers who do not previously use banking services by providing them easy access to banking services, especially through their mobile telephones. This is in accordance with the CBN's National Financial Inclusion Strategy (NFIS).</p>
PRINCIPLE 6.	Meeting the imperatives for good governance, transparency and accountability.	<p>The Bank has established an E&S governance structure in support of its sustainable banking policies and practices. This details clear roles, lines of responsibility, and processes for assessing, categorizing and managing our environmental risks.</p> <p>To further strengthen our governance structure and bring it at par with global best practices, the Bank is currently working towards institutionalizing a standalone Sustainability Department, and a Board-level Sustainable Banking Governance Committee to oversee and drive our Sustainable Banking goals and objectives.</p>



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NSBP PRINCIPLES	DEFINITION	OUR PROGRESS
PRINCIPLE 7.	Supporting capacity building through our Business Activities and Operations.	<p>In the last couple of years, Zenith Bank has conducted several E&S introductory training programs for various categories of employees, especially those in key business units. A course, “Introduction to Green Business and Sustainability” has also been deployed in our Learning Management Portal, and is compulsory for all categories of staff, from entry level to executive management level. A tailor-made, classroom Sustainable Banking training is also being worked out for senior and executive management staff of the bank, as well as board members.</p> <p>Towards the end of the 2015 financial year, we nominated sustainability champions in all the departments of the bank, to act as sustainability models and drivers for their different business units. Plans were also put in place to ensure that these champions are given the requisite sustainability training and capacity building by early 2016, to enable them meet set expectations.</p> <p>In 2015, we also developed a sustainability portal on the intranet for the specific purpose of creating awareness on E&S issues and disseminating information relating to the Banks E&S governance, policies and processes.</p>
PRINCIPLE 8.	Promoting collaborative partnership to accelerate sector progress.	<p>Zenith Bank is a member of the United Nations Environment Program Finance Initiative (UNEP-FI) and the United Nations Global Compact (UNGC). We continue to foster local and international partnerships towards accelerated growth and penetration of sustainable practices in the financial services sector. The Bank played an active role in the development of ‘Nigeria Sustainable Banking Principles’ in collaboration with other financial institutions. We are also a Member of the NSBP Implementation Steering Committee.</p> <p>Other partnerships and the collaborative initiatives we have forged towards sustainable development include: Compliance with building codes and environmental criteria in the construction and management of properties used as business facilities. The construction and maintenance of roads and other facilities in host communities. Numerous Youth Empowerment initiatives.</p>

NSBP PRINCIPLES	DEFINITION	OUR PROGRESS
PRINCIPLE 9.	Reporting	<p>As a signatory to the Nigerian Sustainable Banking Principles (NSBP), Zenith Bank remains fully committed to sustainability reporting.</p> <p>We have complied with the CBN's request for one-off reports on the NSBP. In 2015, we also complied with the bi-annual NSBP implementation reporting.</p> <p>In the last two financial years, in addition to our CSR report, we have also published our sustainable banking report, as part of our annual audited financial report.</p> <p>In 2015, we will be publishing our first global, integrated, Standalone Sustainability Report, using the Global Reporting Initiative (GRI-G4) principles and guidelines.</p>

Sustainable economic, environmental and social practices are easy concepts to sell to any discerning, forward-looking business. This is because they offer innovative, win-win solution that no progressive business should ignore.





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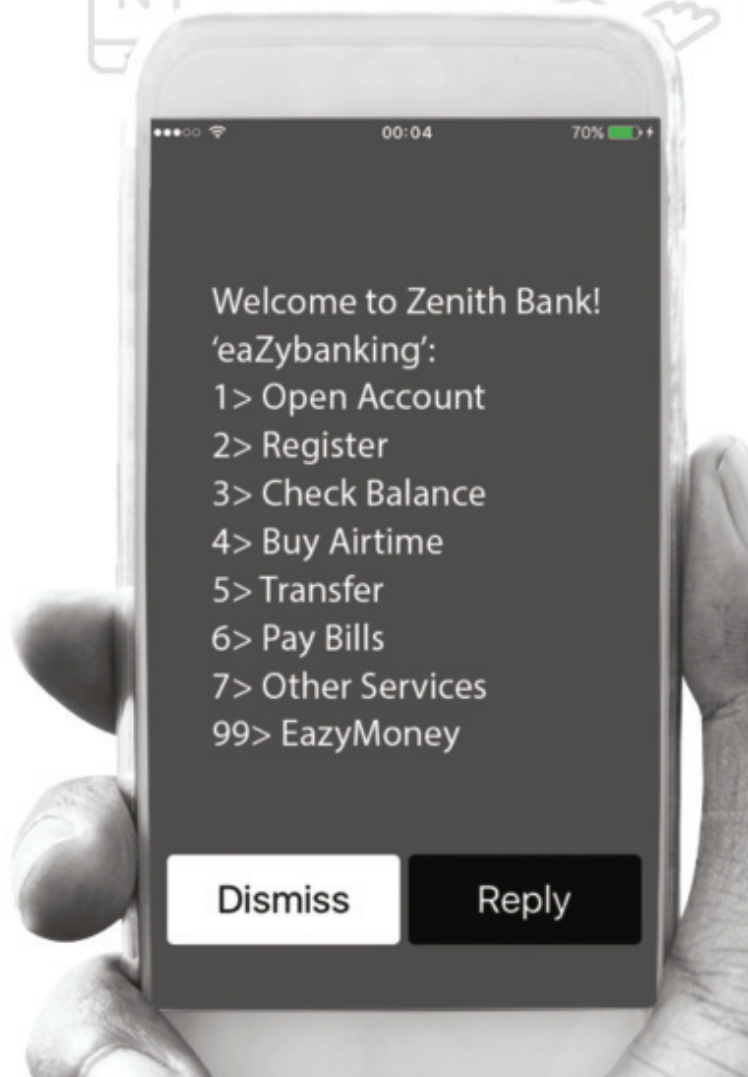
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CONCLUSION

We are moving into 2016 and beyond with the resolve to remain a leading African brand, committed to the socio-economic wellbeing of our people; a cleaner, greener planet; increased investments in our communities; and enhanced returns for our shareholders and investors.



Conclusion

The journey to achieving a better managed global environment is the responsibility of all stakeholders. As a responsible corporate citizen, we cannot shy away from this obligation. While we have only just officially begun the reporting of our progress in this regard, we are committed to ensuring that sustainable banking becomes “our way of business” within the shortest possible timeframe.

The many ‘firsts’ we have recorded in the first 25 years of our corporate existence were not handed to us on a platter. From inception we instituted ethical structures, excellence-driven processes and insistence on exceptional performance; and these have brought us this far within a relatively short space of time.

We plan to bring this culture of exceptional performance to bear in our sustainability journey. As a brand that is be-

ing positioned to outlive generations, we must already begin to look beyond now, and way into the future, to gauge what it holds and how we can remain relevant for generations to come.

Sustainable economic, environmental and social practices are easy concepts to sell to any discerning, forward-looking business. This is because it offers an innovative, win-win solution that no progressive business should ignore.

Embracing a sustainable business culture is our way of investing in our own corporate future. Our profitability, competitiveness, (future) relevance and sustainability are hinged on the socioeconomic and ecological wellbeing of the market where we play. Because no business can perform better than the overall social, economic and physical condition of the environment where it operates, we will continue to nurture our people, planet and profit, in the best interest of our business and all our stakeholders.

Embracing a sustainable business culture is our way of investing in our own corporate future. Our profitability, competitiveness, (future) relevance and sustainability are hinged on the socioeconomic and ecological wellbeing of the market where we play.



External Assurance Report From PricewaterhouseCoopers

We have been engaged by the Directors of Zenith Bank Plc (the "Bank") to perform an independent limited assurance engagement in respect of Selected Sustainability Information reported in the Bank's Sustainability Report for the year ended 31 December 2015 (the "Report"). This report is produced in accordance with the terms of our contract with the Bank dated 4 July 2016.

Independence, Quality Control and Expertise

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our engagement was conducted by a multi-disciplinary team of health, safety, environmental and assurance specialists with extensive experience in sustainability reporting.

Scope and Subject Matter

The subject matter of our engagement and the related level of assurance that we are required to provide are as follows:

Limited assurance

The following Selected Sustainability Information in the Report was selected for an expression of limited assurance as related to Zenith Bank Plc:

We refer to this information as the "Selected Sustainability Information for Limited Assurance" which is also referred to as the "Selected Sustainability Information".

We have carried out work on the data reported for 2015 only and have not performed any procedures with respect to earlier periods or any other elements included in the 2015 Sustainability Report and, therefore, do not express any conclusion thereon. We have not performed work in respect of future projections and targets.

Respective responsibilities of the Directors of Zenith Bank Plc and PricewaterhouseCoopers

The Directors are responsible for selection, preparation and presentation of the Selected Sustainability Information in accordance with 'Core' criteria set out on [page 3] of the Report and the Global Reporting Initiative's (GRI) G4 guidelines, collectively referred to as the "Reporting Criteria", and in compliance with principles and standards of the United Nation's Global Compact (UNGC); United Nation's Environment Program Finance Initiative (UNEP-FI), International Labour Organization (ILO), International Finance Corporation (IFC), ISO26000, the Organization for Economic Cooperation and Development (OECD) and the Central Bank of Nigeria's Sustainable Banking Principles (NSBP).

The Directors are also responsible for designing, implementing and maintaining internal controls, as they determine necessary, to enable the preparation of the Selected Sustainability Information that are free from material misstatements, whether due to fraud or error.

Our responsibility is to form an independent conclusion, based on our limited assurance procedures, on whether anything has come to our attention to indicate that the Selected Sustainability Information has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This report, including the conclusion, has been prepared solely for the Directors

Focus Area	Key Performance Indicators (KPIs)	Sub-heading in the Sustainability Report	Page
Social	1) Donations and charitable gifts - Naira amount	Indirect Economic Impacts Local Communities	50-51 102-104
Economic	2) Total number of employees with disabilities - number of employees and % of total employees	Diversity and Equal Opportunities	89
	3) Customer complaints for the year ended - number of complaints and Naira amount claimed	Managing Stakeholders' Concerns and Grievances	40-42
	4) Total employees by gender - number and percentage	Market Presence, Employment and Labour Relations	57-58 82-86
	5) Total Board and top management staff - number and percentage	Our Board of Directors and Ownership Interest	17
	6) Analysis of fraud and forgeries returns - number and Naira amount	Ethics and Integrity	27
	7) Employee training and development - Naira spend amount	Training and Education	87
	8) Employee training and development - number of people trained and percentage of total employees	Training and Education	87-88
	9) Employee turnover rate - percentage	Employment and Labour Relations	82-86
	10) Employees who have undergone training on fighting/combating financial crime - percentage of total employees	Anti-Corruption	104-105



of the Bank as a body, to assist them in reporting on the Bank's sustainable development performance and activities.

We permit the disclosure of this Report for the year ended 31 December 2015, to enable the Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the Report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors and the Bank for our work or this report, except where the terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits and Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and that we plan and perform the assurance engagement to obtain limited assurance on the Selected Sustainability Information as per the terms of our engagement.

Our work included examination, on a test basis, of evidence relevant to the Selected Sustainability Information. It also included an assessment of the significant estimates and judgements made by the Directors in the preparation of the Selected Sustainability Information. We planned and performed our work so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence on which to base our conclusion in respect of the Selected Sustainability Information.

Our limited assurance procedures primarily comprised:

- *Discussions with the Bank's staff primarily responsible for matters on sustainability*
- *Interviews with primary process owners (key management staff) across departments including Learning Management, Internal Control and Audit, Human Resources and Legal.*
- *Understood and evaluated the key controls put in place by the management.*
- *Reviewed documented policies, reports and supporting information for relevant management assertions.*
- *Examined the sustainability report in relation to the findings from our assurance engagement and provided recommendations for improvements.*

The procedures selected depend on our judgment, including the assessment of the risk of material misstatement of the Selected Sustainability Information, whether due to fraud

or error. In making those risk assessments, we consider internal control relevant to the Bank's preparation of the Selected Sustainability Information in order to design procedures that are appropriate in the circumstances. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining, calculating, sampling and estimating such information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability.

Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time.

Conclusion

On the selected key performance indicators on which we are required to express limited assurance, based on the results of our limited assurance procedures, nothing has come to our attention that causes us to believe that the Selected Sustainability Information for the year ended 31 December 2015 were not prepared, in all material respects, in accordance with GRI G4 Guidelines.

Other Matters

The maintenance and integrity of the Bank's website is the responsibility of the Directors. Our procedures did not involve consideration of these matters and accordingly we accept no responsibility for any changes to either the information in the Report or our independent assurance report that may occur when uploaded on the website.

For: **PricewaterhouseCoopers**

05 August 2016

Ifori Layegue

Associate Director
FRC/2013/ICAN/00002989

GRI-G4 CONTENT INDEX DATA TABLE

GENERAL STANDARD DISCLOSURES			
G4 Indicator and DMA	Description of Disclosure	Comments	Page Number
STRATEGY AND ANALYSIS			
G4-1	Statement from the most senior decision-makers	Chairman's Statement	6-7
		GMD/CEO's Statement	8-9
ORGANIZATIONAL PROFILE			
G4-3	Name of the organization.	ZENITH BANK	Cover Page
G4-4	Primary brands, products and services	Our Business Focus	17-22
		Our Products, Services and Delivery Channels	23-25
G4-5	location of the Organization’s Headquarters	Contact Information	140
G4-6	The names and number of countries where the organization has significant operations	Our Products, Services and Delivery Channels	19,23
G4-7	Nature of ownership and legal form.	Our Corporate Profile	12-13, 16-17
G4-8	Markets served	Our Products, Services and Delivery Channels	23-25, 106-109
G4-9	Scale of the organization size	Our Corporate Profile	12-13, 16-17, 19
G4-10	Employees' Data	Market Presence	55-56
		Employment and labor Relations	78-80
G4-11	Percentage of total employees covered by collective bargaining agreements.	Employment and labor Relations	80
G4-12	Organization’s supply chain.	Suppliers Environment Assessment	73
G4-13	Organizational changes during the reporting period	Our Board of Directors	17
		GMD/CEO's Letter to Shareholders (Zenith Bank 2015 Group Annual Report)	20-21
G4-14	How precautionary approach or principle is addressed by the organization.	Environment	60-75
		Occupational Health and Safety	80-81
		Managing Stakeholders’ Concerns and Grievances	40-42
G4-15	Subscription to externally developed economic, environmental and social charters or principles.	About This Report	3
		Executive Summary	4
G4-16	Membership associations	About This Report	3
		Executive Summary	4
		Our NSBP Scorecard	118
		Nigerian Sustainable Banking Principle	126



G4 Indicator and DMA	Description of Disclosure	Comments	Page Number
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	Entities included in the financial statements	Economic Performance	49
		Zenith Bank’s 2015 Audited Financial Report	50-56
G4-18	Process for defining report boundaries and content	About This Report	3
		Engagement with Stakeholders	32-37
G4-19	Material aspects included in the report	About This Report	3
		Executive Summary	4-5
		Engagement with Stakeholders	36
		Environment	63
G4-20	Descriptions of material aspect boundaries within the organization	About This Report	3
		Executive Summary	5
		Engagement with Stakeholders	36
		Environment	63
G4-21	Descriptions of material aspect boundaries outside the organization	Our Stakeholders' Materiality Matrix	36
		Environment	63
G4-22	Any restatements of information provided in previous reports	There are no restatements of information provided in previous reports	
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	There are no significant changes from previous reporting periods in the Scope and Aspect Boundaries.	
STAKEHOLDER ENGAGEMENT			
G4-24	List of stakeholder groups engaged	Engagement with Stakeholders	32-36
G4-25	Basis for identification and selection of stakeholders	Stakeholders' Materiality Matrix	36
G4-26	Approach to stakeholder engagement	Engagement with Stakeholders	32-36, 38-40
G4-27	Topics raised during stakeholder engagements	Engagement with Stakeholders;	32-36
		Managing Stakeholder Concerns and Grievances	40,42
REPORT PROFILE			
G4-28	Reporting Period	January 1, to December 31, 2015	
G4-29	Date of most recent report	First time adoption of GRI Sustainability Reporting standards and guidelines.	
G4-30	Reporting cycle	Annual	
G4-31	Report contact	Contact Information	140
G4-32	The G4 ‘in accordance’ option chosen;	Core	
	GRI Content Index	GRI Content Index Data Table	133-139
	External Assurance Report	Independent Assurance Statement	131

G4 Indicator and DMA	Description of Disclosure	Comments	Page Number
G4-33	Policy regarding report assurance	PricewaterhouseCoopers carried out an independent external assurance on this report (Independent Assurance Statement)	131
		About This Report	3
GOVERNANCE			
G4-34	Governance structure of the organization	Zenith Bank Plc Organizational Structure	14
ETHICS AND INTEGRITY			
G4-56	Organization’s values, principles, standards and norms of behavior	Ethics and Integrity	26-27
		Our Core Values	16
SPECIFIC STANDARD DISCLOSURES			
Standard Disclosure	Description	Comments	Page Number
CATEGORY: ECONOMIC			
ASPECT: ECONOMIC PERFORMANCE			
G4-DMA	Generic Disclosures on Management Approach	Zenith Bank’s 2015 Audited Financial Report	16-21, 50
		Economic	47-48
G4-EC1	Direct economic value generated and distributed	Economic Performance	48-57
ASPECT: MARKET PRESENCE			
G4-DMA	Generic Disclosures on Management Approach	Market Presence	57-58
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Market Presence	58
ASPECT: INDIRECT ECONOMIC IMPACTS			
G4-DMA	Generic Disclosures on Management Approach	Indirect Economic Impacts	50
G4-EC7	Development and impact of infrastructure investments and services supported	Indirect Economic Impacts	50-53, 56-57
ASPECT: PROCUREMENT PRACTICES			
G4-DMA	Generic Disclosures on Management Approach	Our Environmental Impact Management Plans and Strategies	66-67
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	Procurement Practices	58-59



G4 Indicator and DMA	Description of Disclosure	Comments	Page Number
CATEGORY: ENVIRONMENTAL			
ASPECT: ENERGY			
G4-DMA	Generic Disclosures on Management Approach	Our Environmental Impact Management Plans and Strategies	66-67
G4-EN6	Reduction of energy consumption	Energy Efficiency	65
ASPECT: EMISSIONS			
G4-DMA	Generic Disclosures on Management Approach	Our Environmental Impact Management Plans and Strategies	66-67
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Emissions	67-71
ASPECT: EFFLUENTS AND WASTE			
G4-DMA	Generic Disclosures on Management Approach	Our Environmental Impact Management Plans and Strategies	66-67
G4-EN23	Total weight of waste by type and disposal method	Effluents and Wastes	73-75
ASPECT: PRODUCTS AND SERVICES			
G4-DMA	Generic Disclosures on Management Approach	Our Products, Services and the Environment	75, 77
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Our Products, Services and the Environment	75, 77
ASPECT: COMPLIANCE			
G4-DMA	Generic Disclosures on Management Approach	Compliance and Environmental Grievance Mechanisms	77
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Compliance and Environmental Grievance Mechanisms	77
ASPECT: TRANSPORT			
G4-DMA	Generic Disclosures on Management Approach	Our Environmental Impact Management Plans and Strategies	66
		Transport	70-71
G4-EN30	Significant environmental impacts of transporting products and materials for the organization's operations, and transporting members of the workforce.	Our Environmental Impact Management Plans and Strategies	66
		Transport	70-71
ASPECT: OVERALL			
G4-DMA	Generic Disclosures on Management Approach	Overall	77
G4-EN31	Total environmental protection expenditures and investments by type	Overall	77

G4 Indicator and DMA	Description of Disclosure	Comments	Page Number
ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN			
G4-DMA	Generic Disclosures on Management Approach	Equal remuneration for women and men	92-93
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Equal remuneration for women and men	92-93
SUB-CATEGORY: HUMAN RIGHTS			
ASPECT: INVESTMENT			
G4-HR2	Total hours of employee training on human rights policies or procedures.	Business Investments	96
ASPECT: NON-DISCRIMINATION			
G4-DMA	Generic Disclosures on Management Approach	Non-Discrimination	97
G4-HR3	Total number of incidents of discrimination and corrective actions taken	Equal remuneration for women and men	92
		Diversity and equal opportunity	89
		Non-Discrimination	97
ASPECT: FORCED OR COMPULSORY LABOR			
G4-DMA	Generic Disclosures on Management Approach	Forced or Compulsory labor	97
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor.	Forced or Compulsory labor	97
ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT			
G4-DMA	Generic Disclosures on Management Approach	Suppliers’ Human Rights Assessment	97
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Suppliers’ Human Rights Assessment	97
SUB-CATEGORY: SOCIETY			
ASPECT: LOCAL COMMUNITIES			
G4-DMA	Generic Disclosures on Management Approach	Local communities	102-104
G4-SO1	Local community engagement, development programs and impact assessments.	Local communities	102-104
ASPECT: ANTI-CORRUPTION			
G4-DMA	Generic Disclosures on Management Approach	Anti-Corruption	104-105
G4-SO4	Communication and training on anti-corruption policies and procedures	Anti-Corruption	104-105



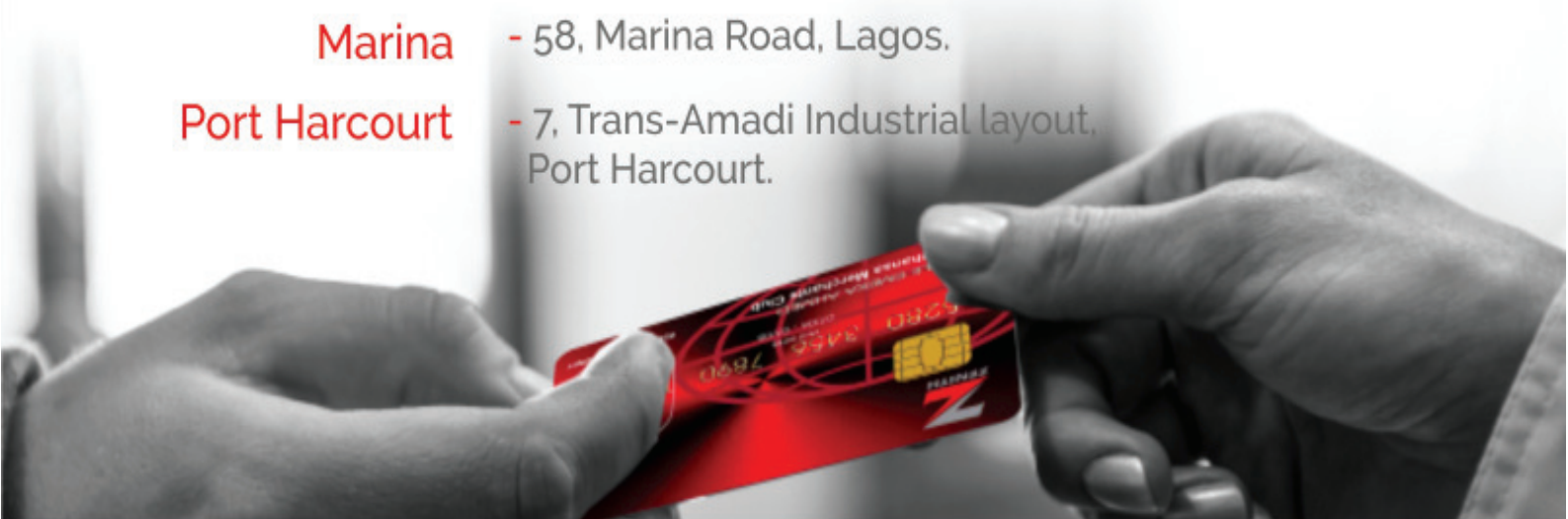
G4 Indicator and DMA	Description of Disclosure	Comments	Page Number
ASPECT: COMPLIANCE			
G4-DMA	Generic Disclosures on Management Approach	Compliance and Social Responsibility	105
G4-SO8	Significant fines and non-monetary sanctions in 2015	Compliance and Social Responsibility	105
ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY			
G4-DMA	Generic Disclosures on Management Approach	Supplier assessment for impacts on society	105-106
G4-SO9	New suppliers screened using criteria for impacts on society	Supplier assessment for impacts on society	105-106
ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY			
G4-DMA	Generic Disclosures on Management Approach	Grievance mechanism for impacts on society	107
G4-SO11	Grievances about impacts on society filed through formal grievance mechanisms during the reporting period	Grievance mechanism for impacts on society	107
SUB-CATEGORY: PRODUCT RESPONSIBILITY			
ASPECT: PRODUCT AND SERVICE LABELING			
G4-DMA	Generic Disclosures on Management Approach	Product and service labelling	110-111
G4-PR5	Results of surveys measuring customer satisfaction	Product and service labelling	110-111
ASPECT: MARKETING COMMUNICATIONS			
G4-DMA	Generic Disclosures on Management Approach	Marketing Communication	114
G4-PR7	Marketing communication and regulations	Marketing Communication	114
ASPECT: CUSTOMER PRIVACY			
G4-DMA	Generic Disclosures on Management Approach	Customers' Privacy	114-115
G4-PR8	Complaints regarding breaches of customer privacy and losses of customer data	Customers' Privacy	114-115
ASPECT: COMPLIANCE			
G4-DMA	Generic Disclosures on Management Approach	Compliance with products and service offering regulations	115
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Compliance with products and service offering regulations	115

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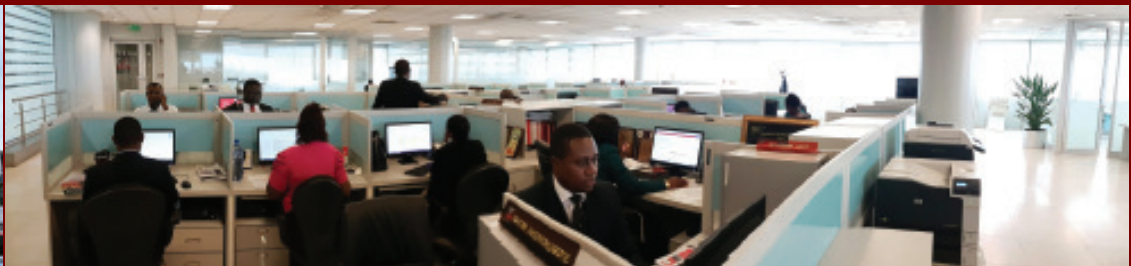
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