



ZENITH BANK (GHANA) LIMITED

UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2020

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

	2020	2019
	GH¢'000	GH¢'000
Interest income	210,193	174,668
Interest expense	(71,230)	(65,967)
Net interest income	138,963	108,701
Fee and commission income	22,278	20,048
Fee and commission expense	(1,983)	(1,727)
Net fee and commission income	20,295	18,321
Net trading income	1,538	19,092
Net income - financial instruments carried at fair value	(11,202)	6,529
Other income	1,102	877
Net trading and other income	(8,562)	26,498
Revenue	150,696	153,520
Impairment loss on financial assets	(1,500)	3,446
Personnel expenses	(26,266)	(39,837)
Depreciation and amortization	(5,657)	(4,959)
Other expenses	(24,354)	(24,784)
Profit before income tax	92,919	87,386
Income tax expense	(29,392)	(21,375)
Profit after tax attributable to equity holders of the Bank	63,527	66,011
Other comprehensive income (net of income tax)	-	-
Total comprehensive income attributable to equity holders of the bank	63,527	66,011
Earnings per share - Basic & Diluted	0.02	0.02

UNAUDITED STATEMENT OF FINANCIAL POSITION

	2020	2019
	GH¢'000	GH¢'000
Assets		
Cash and cash equivalents	911,630	797,699
Non-pledged trading assets	268,067	158,833
Pledged trading assets	224,900	232,959
Investment securities	3,500,761	3,166,508
Investments (other than securities)	195,696	569,961
Loans and advances to customers	613,624	728,516
Property, plant and equipment	250,763	242,795
Intangible assets	3,899	2,665
Deferred tax assets	8,780	8,990
Other assets	60,897	24,987
Total assets	6,039,017	5,933,913
Liabilities		
Borrowings	166,388	1,083,481
Deposits from customers	4,258,131	3,464,793
Deposits from banks and non-bank financial institutions	72,740	19,479
Current tax payable	-	17,061
Other liabilities	351,780	405,526
Deferred tax liabilities	7,783	5,523
Total liabilities	4,856,822	4,995,863
Equity		
Stated capital	400,000	400,000
Statutory reserve	305,341	243,724
Credit risk reserve	25,313	22,237
Retained earnings	451,541	272,089
Total equity	1,182,195	938,050
Total equity and liabilities	6,039,017	5,933,913

UNAUDITED STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Credit risk reserve	Statutory reserve	Retained Earnings	Total Equity
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 January 2020	400,000	25,313	305,341	388,014	1,118,668
Profit for the period	-	-	-	63,527	63,527
Balance at 31 March 2020	400,000	25,313	305,341	451,541	1,182,195
Balance at 1 January 2019	400,000	22,237	243,724	206,240	872,201
Changes on initial application of IFRS 16:					
- Increase in depreciation charge	-	-	-	(162)	(162)
Restated balance at 1 January 2019	400,000	22,237	243,724	206,078	872,039
Profit for the period	-	-	-	66,011	66,011
Balance at 31 March 2019	400,000	22,237	243,724	272,089	938,050

UNAUDITED STATEMENT OF CASH FLOWS

	2020	2019
	GH¢'000	GH¢'000
Profit before tax	92,919	87,386
<i>Adjustments for:</i>		
Depreciation and amortization	5,657	4,959
Net impairment on financial assets	1,500	(3,447)
Net interest income	(138,962)	(108,701)
Profit on disposal of property, plant and equipment	-	(105)
Fair value changes recognised in profit or loss	11,202	(6,529)
	(27,684)	(26,436)
<i>Changes in:</i>		
Investments (other than securities)	343,222	297,215
Non-pledged trading assets	44,619	(46,761)
Pledged trading assets	(27,061)	(23,851)
Investment securities	(183,979)	(639,720)
Loans and advances to customers	34,626	4,568
Other assets	10,158	21,902
Deposits from customers	(198,925)	248,544
Deposits from banks and non-bank financial institutions	36,491	(7,229)
Other liabilities	67,098	141,203
	98,565	(30,563)
Interest received	210,193	174,669
Interest paid	(71,230)	(65,967)
Corporate taxes paid	(4,400)	(17,592)
Net cash flow generated from operating activities	233,128	60,546
Cash flow from investing activities		
Acquisition of property, plant and equipment	(4,573)	(2,334)
Proceeds from disposal of property, plant and equipment	-	175
Acquisition of intangible assets	(77)	(948)
Net cash flow used in investing activities	(4,650)	(3,107)
Cash flow from financing activities		
Net changes in Borrowings	(535,430)	100,581
Finance Lease Payments	(1,321)	-
Net cash flow (used in) / generated from financing activities	(536,751)	100,581
Net (decrease)/increase in cash and cash equivalents	(308,273)	158,020
Balance at 1 January	1,129,590	1,213,467
	821,317	1,371,487
Effect of exchange rate fluctuations on cash and cash equivalents held	(9,383)	(508)
Cash and cash equivalents at 31 March	811,934	1,370,979



ZENITH BANK (GHANA) LIMITED

UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2020

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Reporting entity

Zenith Bank (Ghana) Limited (the Bank) is a limited liability company incorporated and domiciled in Ghana. The registered office is Zenith Heights, No. 31 Independence Avenue, PMB CT 393, Accra. The Bank is a subsidiary of Zenith Bank Plc, a bank incorporated in the Federal Republic of Nigeria.

Basis of accounting

These unaudited financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants, Ghana (ICAG), and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

Functional and presentation currency

These unaudited financial statements are presented in Ghana Cedi, which is the Bank's functional currency.

Use of judgements and estimates

In preparing these unaudited financial statements, management has made judgements, estimates and assumptions that affect the application of the Bank's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Basis of measurement

These unaudited financial statements have been prepared on a historical cost basis except for the following material items:

Items	Measurement Basis
• Non-derivative financial instruments at fair value through profit or loss/ pledged and non pledged trading assets	Fair value

Significant accounting policies

The principal accounting policies applied in the preparation of these unaudited financial statements are consistent with the accounting policies applied in the audited financial statements of the bank for the year ended December 31, 2019. These policies have been consistently applied to all the years presented, unless otherwise stated.

Risk Management

The Bank's activities expose the business to certain risks. The Bank has exposure to the following types of risks:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

These risks are managed professionally and in a targeted manner. The Bank's risk management policies are established to identify and analyse risks faced by the Bank, set appropriate risks limits and controls as well as monitor these risks and adherence to established policies. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered by the Bank.

Quantitative Disclosures

Disclosures	March 2020	March 2019
Capital Adequacy Ratio (%)	34.63	32.50
Common Equity Tier 1 Ratio (%)	32.65	30.50
Leverage Ratio (%)	14.63	12.72
Non-performing loans to gross loans (%)	10.55	12.96
Loan loss provision (%)	5.29	10.37
Liquid Ratio (%)	125	179
Off-balance sheet exposures (GH¢' million)	957	677
Default in statutory liquidity (Number of times)	Nil	Nil
Sanctions for Default in statutory liquidity (GH¢' 000)	Nil	Nil
Other Regulatory Penalties (GH¢' 000)	60	-

Signed
Anthony Akindele Ogunranti
(Managing Director/CEO)

Signed
Freda Duplan
(Chairman)

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