



ZENITH BANK (GHANA) LIMITED

UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2019

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

	2019 GH¢	2018 GH¢
Interest income	346,806,493	330,552,545
Interest expense	(125,380,733)	(137,389,229)
Net interest income	221,425,760	193,163,316
Fee and commission income	40,330,141	53,525,860
Fee and commission expense	(3,514,819)	(3,064,500)
Net fee and commission income	36,815,322	50,461,360
Net trading income	66,717,668	20,326,104
Net income - financial instruments carried at fair value	11,164,960	(2,919,333)
Other income	1,446,496	4,324,488
Net trading and other income	79,329,124	21,731,259
Revenue	337,570,206	265,355,935
Impairment loss on financial assets	(1,752,926)	(4,184,611)
Personnel expenses	(72,809,598)	(43,052,133)
Operating lease expenses	-	(3,273,751)
Depreciation and amortization	(10,004,193)	(8,865,583)
Other expenses	(51,729,346)	(52,483,587)
Profit before income tax	201,274,143	153,496,270
Income tax expense	(42,750,000)	(49,736,885)
Profit after tax attributable to equity holders of the Bank	158,524,143	103,759,385
Other comprehensive income (net of income tax)	-	-
Total comprehensive income attributable to equity holders of the bank	158,524,143	103,759,385
Earnings per share - Basic & Diluted	0.08	0.05

UNAUDITED STATEMENT OF FINANCIAL POSITION

	2019 GH¢	2018 GH¢
Assets		
Cash and cash equivalents	911,989,512	642,736,246
Non-pledged trading assets	95,695,012	191,654,387
Pledged trading assets	200,701,303	-
Investment securities	3,410,075,050	3,876,700,380
Investments (other than securities)	329,367,804	181,165,275
Loans and advances to customers	750,952,309	769,637,459
Property, plant and equipment	225,674,156	187,812,065
Intangible assets	2,875,535	2,222,199
Deferred tax assets	8,991,208	2,989,920
Other assets	29,890,827	34,750,820
Total assets	5,966,212,716	5,889,668,751
Liabilities		
Borrowings	1,025,255,714	1,656,966,080
Deposits from customers	3,539,649,149	3,310,334,462
Deposits from banks and non-bank financial institutions	12,644,958	35,167,508
Current tax payable	14,393,484	12,994,036
Other liabilities	338,183,662	62,665,356
Deferred tax liabilities	5,523,274	-
Total liabilities	4,935,650,240	5,078,127,442
Equity		
Stated capital	400,000,000	400,000,000
Statutory reserve	243,723,706	202,661,113
Credit risk reserve	22,237,382	19,476,467
Retained earnings	364,601,388	189,403,729
Total equity	1,030,562,476	811,541,309
Total equity and liabilities	5,966,212,716	5,889,668,751

UNAUDITED STATEMENT OF CASH FLOWS

	2019 GH¢	2018 GH¢
Profit after tax	158,524,143	103,759,385
<i>Adjustments for:</i>		
Depreciation and amortization	10,004,193	8,865,583
Net impairment loss on financial assets	1,752,926	4,184,611
Net interest income	(221,425,760)	(193,163,316)
Loss / (profit) on disposal of property, plant and equipment	119,407	(221,105)
Asset write-off	-	33,600
Tax expense	42,750,000	49,736,885
Fair value changes recognised in profit or loss	(11,164,960)	2,919,333
	(19,440,051)	(23,885,024)
<i>Changes in:</i>		
Investments (other than securities)	325,063,053	588,155,418
Non-pledged trading assets	16,376,331	(79,976,714)
Pledged trading assets	8,407,239	-
Investment securities	(1,136,230,202)	(1,366,237,003)
Loans and advances to customers	(19,190,436)	35,039,295
Other assets	16,997,880	147,384,489
Borrowings	42,355,021	1,303,778,193
Deposits from customers	132,107,123	(163,081,747)
Deposits from banks and non-bank financial institutions	(14,062,655)	588,489
Other liabilities	73,860,952	13,281,658
	(573,755,745)	455,047,054
Interest received	346,806,493	330,552,545
Interest paid	(125,380,733)	(137,389,229)
Corporate taxes paid	(41,634,032)	(44,074,460)
Net cash flow (used in) / from operating activities	(393,964,017)	604,135,910
Cash flow from investing activities		
Acquisition of property, plant and equipment	(5,818,395)	(11,080,988)
Proceeds from disposal of property, plant and equipment	15,460,351	949,937
Acquisition of intangible assets	(1,549,717)	(562,288)
Net cash flow from/ (used in) investing activities	8,092,239	(10,693,339)
Net (decrease) / increase in cash and cash equivalents	(385,871,777)	593,442,571
Balance at beginning	1,213,466,976	1,865,113,701
	827,595,199	2,458,556,272
Effect of exchange rate fluctuations on cash and cash equivalents held	13,834,444	(9,152,946)
Cash and cash equivalents at 30 June	841,492,643	2,449,403,326

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ZENITH BANK (GHANA) LIMITED

UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2019

UNAUDITED STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Credit risk reserve	Statutory reserve	Retained Earnings	Total Equity
Balance at 1 January 2019	400,000,000	22,237,382	243,723,706	206,239,793	872,200,881
Changes on initial application of IFRS 16:					
- Increase in depreciation charge	-	-	-	(162,548)	(162,548)
Restated balance at 1 January 2019	400,000,000	22,237,382	243,723,706	206,077,245	872,038,333
Profit for the period	-	-	-	158,524,143	158,524,143
Balance at 30 June 2019	400,000,000	22,237,382	243,723,706	364,601,388	1,030,562,476
Balance at 1 January 2018	122,021,496	14,948,358	150,781,421	459,583,785	747,335,060
Changes on initial application of IFRS 9:					
- Increase in impairment provisioning	-	-	-	(38,166,321)	(38,166,321)
Restated balance at 1 January 2018	122,021,496	14,948,358	150,781,421	421,417,464	709,168,739
Profit for the period	-	-	-	103,759,385	103,759,385
Transactions and transfers					
Transfers for the period	277,978,504	4,528,109	51,879,692	(334,386,305)	-
Transaction Cost	-	-	-	(1,386,815)	(1,386,815)
Net transfers and transactions	277,978,504	4,528,109	51,879,692	(335,773,120)	(1,386,815)
Balance at 30 June 2018	400,000,000	19,476,467	202,661,113	189,403,729	811,541,309

NOTES TO THE FINANCIAL STATEMENTS

Reporting entity

Zenith Bank (Ghana) Limited (the Bank) is a bank incorporated in Ghana. The address of the Bank's registered office is Zenith Heights, No. 31 Independence Avenue, PMB CT 393, Accra.

Basis of accounting

These unaudited financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 1963 (Act 179) 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

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 Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

Except as indicated below, 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, 2018. These policies have been consistently applied to all the years presented, unless otherwise stated.

Changes in accounting policies

On January 01, 2019, the Bank adopted IFRS 16 - Leases as issued by the IASB on January 13, 2016. The adoption of IFRS 16 resulted in changes to the Bank's accounting policies with regard to the recognition and measurement of leases. The Bank has elected not to restate its comparative financial statements as permitted by the transitional provisions for IFRS 16.

Risk Management

The Bank's activities expose the business to 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	2019	2018
Capital adequacy ratio (%)	33.68	28.19
Capital adequacy ratio per Capital Requirements Directive (CRD) (%)	31.59	-
Non-performing loans to gross loans (%)	12.91	18.17
Loan loss provision (%)	10.64	9.80
Liquid Ratio (%)	179	265
Off-balance sheet exposures (GH¢ million)	617	885
Common Equity Tier 1 Ratio (%)	29.59	-
Leverage Ratio (%)	12.41	-

Defaults in statutory liquidity and accompanying sanctions

	June 2019	June 2018
a) Default in statutory liquidity	Nil	Nil
b) Sanctions	Nil	Nil

Signed
Henry Oroh
(Managing Director/CEO)

Signed
Dr. Mary Chinery-Hesse
(Chairman)