



ZENITH BANK (GHANA) LIMITED

UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

	2019 GH¢	2018 GH¢
Interest income	559,579,855	521,451,403
Interest expense	(215,437,637)	(211,175,164)
Net interest income	344,142,218	310,276,239
Fee and commission income	60,502,219	72,906,521
Fee and commission expense	(5,643,498)	(4,732,798)
Net fee and commission income	54,858,721	68,173,723
Net trading income	87,118,018	32,641,237
Net income - financial instruments carried at fair value	592,777	(19,510,704)
Other income	7,109,631	7,689,070
Net trading and other income	94,820,426	20,819,603
Revenue	493,821,365	399,269,565
Impairment loss on financial assets	(10,311,727)	(15,084,230)
Personnel expenses	(108,981,437)	(64,625,378)
Operating lease expenses	-	(4,910,348)
Depreciation and amortization	(15,254,915)	(13,375,559)
Other expenses	(70,947,815)	(85,580,111)
Profit before income tax	288,325,471	215,693,939
Income tax expense	(64,125,000)	(68,336,885)
Profit after tax attributable to equity holders of the Bank	224,200,471	147,357,054
Other comprehensive income (net of income tax)	-	-
Total comprehensive income attributable to equity	224,200,471	147,357,054

UNAUDITED STATEMENT OF FINANCIAL POSITION

	2019 GH¢	2018 GH¢
Assets		
Cash and cash equivalents	976,596,088	210,012,932
Non-pledged trading assets	271,890,399	132,817,789
Pledged trading assets	182,163,253	-
Investment securities	3,392,574,350	4,193,796,033
Investments (other than securities)	341,939,368	231,035,338
Loans and advances to customers	728,987,813	729,940,861
Property, plant and equipment	231,544,162	184,683,855
Intangible assets	3,203,026	2,130,638
Deferred tax assets	8,991,208	2,989,920
Other assets	47,433,751	24,647,607
Total assets	6,185,323,418	5,712,054,973
Liabilities		
Borrowings	769,099,054	1,506,079,745
Deposits from customers	3,939,971,375	3,249,374,872
Deposits from banks and non-bank financial institutions	36,249,240	23,454,281
Current tax payable	10,610,166	12,802,438
Other liabilities	327,631,505	65,196,576
Deferred tax liabilities	5,523,274	-
Total liabilities	5,089,084,614	4,856,907,912
Equity		
Stated capital	400,000,000	400,000,000
Statutory reserve	271,748,765	202,661,113
Credit risk reserve	30,424,468	16,229,851
Retained earnings	394,065,571	236,256,097
Total equity	1,096,238,804	855,147,061
Total equity and liabilities	6,185,323,418	5,712,054,973

UNAUDITED STATEMENT OF CASH FLOWS

	2019 GH¢	2018 GH¢
Profit after tax	224,200,471	147,357,054
<i>Adjustments for:</i>		
Depreciation and amortization	15,254,915	13,375,559
Net impairment loss on financial assets	10,311,727	15,084,230
Net interest income	(344,142,218)	(310,276,239)
Loss / (profit) on disposal of property, plant and equipment	123,929	(221,105)
Asset write-off	-	33,600
Income Tax expense	64,125,000	68,336,885
Unrealised gains on other financial instruments	-	(14,784,044)
Fair value gain/(loss) on trading assets	(592,777)	19,510,704
	(30,718,953)	(61,583,356)
<i>Changes in:</i>		
Investments (other than securities)	312,491,489	538,285,355
Non-pledged trading assets	(159,819,056)	(21,140,116)
Pledged trading assets	26,945,289	-
Investment securities	(921,932,778)	(2,548,523,115)
Loans and advances to customers	4,096,195	84,727,650
Other assets	(545,044)	157,487,702
Borrowings	(213,801,639)	1,152,891,858
Deposits from customers	532,429,349	(224,041,337)
Deposits from banks and non-bank financial institutions	9,541,628	(11,124,738)
Other liabilities	63,308,795	15,621,280
	(378,004,725)	(917,398,817)
Interest received	559,579,855	460,099,704
Interest paid	(215,437,637)	(156,840,944)
Corporate taxes paid	(66,792,350)	(62,866,058)
Net cash flow used in operating activities	(100,654,857)	(677,006,115)
Cash flow from investing activities		
Acquisition of property, plant and equipment	(9,083,798)	(12,122,651)
Proceeds from disposal of property, plant and equipment	207,935	229,129
Acquisition of intangible assets	(1,549,717)	(811,128)
Net cash flow used in investing activities	(10,425,580)	(12,704,650)
Net decrease in cash and cash equivalents	(111,080,437)	(689,710,765)
Balance at beginning	1,213,466,976	2,543,942,082
Effect of exchange rate fluctuations on cash and cash equivalents held	1,102,386,539	1,854,231,317
	32,679,876	5,553,286
Cash and cash equivalents at 30 September	1,135,066,415	1,859,784,603

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ZENITH BANK (GHANA) LIMITED

UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

UNAUDITED STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Credit risk reserve	Statutory reserve	Retained Earnings	Total Equity
	GH¢	GH¢	GH¢	GH¢	GH¢
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	-	-	-	224,200,471	224,200,471
Transactions & Transfers					
Transfers for the period	-	8,187,086	28,025,059	(36,212,145)	-
Balance at 30 September 2019	400,000,000	30,424,468	271,748,765	394,065,571	1,096,238,804
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	-	-	-	147,357,054	147,357,054
Transactions and transfers					
Transfers for the period	277,978,504	1,281,493	51,879,692	(331,139,689)	-
Transaction Cost	-	-	-	(1,378,732)	(1,378,732)
Net transfers and transactions	277,978,504	1,281,493	51,879,692	(332,518,421)	(1,378,732)
Balance at 30 September 2018	400,000,000	16,229,851	202,661,113	236,256,097	855,147,061

NOTES TO THE UNAUDITED 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, 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

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 1, 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 (%)	29.15	32.62
Common Equity Tier 1 Ratio (%)	27.15	30.62
Leverage Ratio (%)	11.43	10.29
Non-performing loans to gross loans (%)	22.90	14.50
Loan loss provision (%)	11.49	5.47
Liquid Ratio (%)	161	243
Off-balance sheet exposures (GH¢' million)	994	768

Defaults in statutory liquidity and accompanying sanctions

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

Signed
Anthony Akindele Ogunranti
(Managing Director/CEO)

Signed
Dr. Mary Chinery-Hesse
(Chairman)