



ZENITH BANK (GHANA) LIMITED

UNAUDITED FINANCIAL STATEMENTS FOR HALF YEAR ENDED JUNE 30, 2020

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

	2020	2019
	GH¢'000	GH¢'000
Interest income	413,156	346,807
Interest expense	(128,952)	(125,381)
Net interest income	284,204	221,426
Fee and commission income	42,544	40,330
Fee and commission expense	(4,297)	(3,515)
Net fee and commission income	38,247	36,815
Net trading income	86,421	66,718
Net income - financial instruments carried at fair value	18,710	11,165
Other income	2,222	1,446
Net trading and other income	107,353	79,329
Revenue	429,804	337,570
Impairment loss on financial assets	(37,547)	(1,753)
Personnel expenses	(72,882)	(72,810)
Depreciation and amortization	(11,072)	(10,004)
Other expenses	(86,822)	(51,729)
Profit before income tax	221,481	201,274
Income tax expense	(52,592)	(42,750)
Profit after tax attributable to equity holders of the Bank	168,889	158,524
Other comprehensive income (net of income tax)	-	-
Total comprehensive income attributable to equity holders of the bank	168,889	158,524
Earnings per share - Basic & Diluted	0.04	0.04

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	-	-	-	168,889	168,889
Balance at 30 June 2020	400,000	25,313	305,341	556,903	1,287,557
Balance at 1 January 2019	400,000	22,237	243,725	206,240	872,202
Changes on initial application of IFRS 16:					
- Increase in depreciation charge	-	-	-	(163)	(163)
Restated balance at 1 January 2019	400,000	22,237	243,725	206,077	872,039
Profit for the period	-	-	-	158,524	158,524
Balance at 30 June 2019	400,000	22,237	243,725	364,601	1,030,563

UNAUDITED STATEMENT OF CASH FLOWS

	2020	2019
	GH¢'000	GH¢'000
Profit before tax	221,481	201,274
<i>Adjustments for:</i>		
Depreciation and amortization	11,072	10,004
Net impairment on financial assets	37,547	1,753
Net interest income	(284,204)	(221,426)
Profit on disposal of property, plant and equipment	-	119
Fair value changes recognised in profit or loss	(18,710)	(11,165)
	(32,814)	(19,441)
<i>Changes in:</i>		
Investments (other than securities)	327,826	325,063
Non-pledged trading assets	201,600	16,376
Pledged trading assets	(75,354)	8,407
Investment securities	(653,956)	(1,136,230)
Loans and advances to customers	(21,077)	(19,190)
Other assets	(9,544)	16,998
Deposits from customers	236,030	132,107
Deposits from banks and non-bank financial institutions	36,979	(14,063)
Other liabilities	14,655	73,861
	24,345	(616,112)
Interest received	413,156	346,807
Interest paid	(128,952)	(125,381)
Corporate taxes paid	(26,600)	(41,634)
Net cash flow from / (used in) operating activities	281,949	(436,320)
Cash flow from investing activities		
Acquisition of property, plant and equipment	(6,472)	(5,818)
Proceeds from disposal of property, plant and equipment	-	15,460
Acquisition of intangible assets	(562)	(1,550)
Net cash flow (used in) / from investing activities	(7,034)	8,092
Cash flow from financing activities		
Net changes in borrowings	(502,388)	42,355
Finance lease payments	(4,402)	-
Net cash flow (used in) / from financing activities	(506,790)	42,355
Net decrease in cash and cash equivalents	(231,875)	(385,873)
Balance at 1 January	1,129,590	1,213,467
	897,715	827,594
Effect of exchange rate fluctuations on cash and cash equivalents held	(5,193)	13,834
Cash and cash equivalents at 30 June	892,522	841,428

UNAUDITED STATEMENT OF FINANCIAL POSITION

	2020	2019
	GH¢'000	GH¢'000
Assets		
Cash and cash equivalents	1,047,874	911,990
Non-pledged trading assets	111,086	95,695
Pledged trading assets	273,193	200,701
Investment securities	3,991,238	3,410,075
Investments (other than securities)	211,092	329,368
Loans and advances to customers	669,327	750,952
Current tax receivable	77	-
Property, plant and equipment	248,788	225,674
Intangible assets	3,773	2,876
Deferred tax assets	8,780	8,991
Other assets	79,519	29,891
Total assets	6,644,747	5,966,213
Liabilities		
Borrowings	199,430	1,025,256
Deposits from customers	4,693,086	3,539,649
Deposits from banks and non-bank financial institutions	73,228	12,645
Current tax payable	-	14,393
Other liabilities	383,663	338,184
Deferred tax liabilities	7,783	5,523
Total liabilities	5,357,190	4,935,650
Equity		
Stated capital	400,000	400,000
Statutory reserve	305,341	243,725
Credit risk reserve	25,313	22,237
Retained earnings	556,903	364,601
Total equity	1,287,557	1,030,563
Total equity and liabilities	6,644,747	5,966,213



ZENITH BANK (GHANA) LIMITED

UNAUDITED FINANCIAL STATEMENTS FOR HALF YEAR ENDED JUNE 30, 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	June 2020	June 2019
Capital Adequacy Ratio (%)	36.94	31.59
Common Equity Tier 1 Ratio (%)	34.94	29.59
Leverage Ratio (%)	13.58	12.41
Non-performing loans to gross loans (%)	9.24	12.91
Loan loss provision (%)	9.51	10.64
Liquid Ratio (%)	125	179
Off-balance sheet exposures (GH¢' million)	920	617
Default in statutory liquidity (Number of times)	Nil	Nil
Sanctions for Default in statutory liquidity (GH¢' 000)	Nil	Nil
Other Regulatory Penalties (GH¢' 000)	Nil	Nil

Signed
Akindele A. Ogunranti
(Managing Director/CEO)

Signed
Freda Duplan
(Chairperson)

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