



# ZENITH BANK (GHANA) LIMITED

## UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2021

### UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

	2021	2020
	GH¢'000	GH¢'000
Interest income	231,802	210,193
Interest expense	(72,735)	(71,230)
<b>Net interest income</b>	<b>159,067</b>	<b>138,963</b>
Fee and commission income	22,972	22,278
Fee and commission expense	(2,730)	(1,983)
<b>Net fee and commission income</b>	<b>20,242</b>	<b>20,295</b>
Net trading income	(12,601)	1,538
Net income - financial instruments carried at fair value	6,052	(11,202)
Other income	1,186	1,102
<b>Net trading and other income</b>	<b>(5,363)</b>	<b>(8,562)</b>
<b>Revenue</b>	<b>173,946</b>	<b>150,696</b>
Impairment loss on financial assets	(7,500)	(1,500)
Personnel expenses	(30,143)	(26,266)
Depreciation and amortization	(4,852)	(5,657)
Other expenses	(30,446)	(24,354)
<b>Profit before income tax</b>	<b>101,005</b>	<b>92,919</b>
Income tax expense	(28,636)	(29,392)
<b>Profit after tax attributable to equity holders of the Bank</b>	<b>72,369</b>	<b>63,527</b>
<b>Other comprehensive income (net of income tax)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to equity holders of the bank</b>	<b>72,369</b>	<b>63,527</b>
<b>Earnings per share - Basic &amp; Diluted</b>	<b>0.02</b>	<b>0.02</b>

### UNAUDITED STATEMENT OF FINANCIAL POSITION

	2021	2020
	GH¢'000	GH¢'000
<b>Assets</b>		
Cash and cash equivalents	1,284,998	911,630
Non-pledged trading assets	87,837	268,067
Pledged trading assets	288,423	224,900
Investment securities	4,751,565	3,500,761
Investments (other than securities)	115,570	195,696
Loans and advances to customers	1,079,647	613,624
Property, plant and equipment	253,243	250,763
Intangible assets	5,396	3,899
Current tax receivable	3,017	1,077
Deferred tax assets	17,903	8,780
Other assets	118,974	59,820
<b>Total assets</b>	<b>8,006,573</b>	<b>6,039,017</b>
<b>Liabilities</b>		
Borrowings	433,190	166,388
Deposits from customers	5,492,545	4,258,131
Deposits from banks and non-bank financial institutions	48,135	72,740
Other liabilities	494,183	351,780
Deferred tax liabilities	9,358	7,783
<b>Total liabilities</b>	<b>6,477,411</b>	<b>4,856,822</b>
<b>Equity</b>		
Stated capital	400,000	400,000
Statutory reserve	389,872	305,341
Credit risk reserve	37,965	25,313
Retained earnings	701,325	451,541
<b>Total equity</b>	<b>1,529,162</b>	<b>1,182,195</b>
<b>Total equity and liabilities</b>	<b>8,006,573</b>	<b>6,039,017</b>

### 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 2021	400,000	33,384	389,872	633,537	1,456,793
Profit for the period	-	-	-	72,369	72,369
Transfer to credit risk reserve	-	4,581	-	(4,581)	-
<b>Balance at 31 March 2021</b>	<b>400,000</b>	<b>37,965</b>	<b>389,872</b>	<b>701,325</b>	<b>1,529,162</b>
Balance at 1 January 2020	400,000	25,313	305,341	388,014	1,118,668
Profit for the period	-	-	-	63,527	63,527
<b>Balance at 31 March 2020</b>	<b>400,000</b>	<b>25,313</b>	<b>305,341</b>	<b>451,541</b>	<b>1,182,195</b>

### UNAUDITED STATEMENT OF CASH FLOWS

	2021	2020
	GH¢'000	GH¢'000
Profit before tax	101,005	92,919
<i>Adjustments for:</i>		
Depreciation and amortization	4,852	5,657
Net impairment on financial assets	7,500	1,500
Net interest income	(159,067)	(138,962)
Fair value changes recognised in profit or loss	(6,052)	11,202
	<b>(51,762)</b>	<b>(27,684)</b>
<i>Changes in:</i>		
Investments (other than securities)	60,507	343,222
Non-pledged trading assets	10,260	44,619
Pledged trading assets	(24,622)	(27,061)
Investment securities	(195,007)	(183,979)
Loans and advances to customers	(22,442)	34,626
Other assets	13,885	10,158
Deposits from customers	(306,722)	(198,925)
Deposits from banks and non-bank financial institutions	26,774	36,491
Other liabilities	66,635	67,098
	<b>(422,494)</b>	<b>98,565</b>
Interest received	231,802	210,193
Interest paid	(72,735)	(71,230)
Corporate taxes paid	(28,636)	(4,400)
<b>Net cash flow (used in) / generated from operating activities</b>	<b>(292,063)</b>	<b>233,128</b>
<b>Cash flow from investing activities</b>		
Acquisition of property, plant and equipment	(469)	(4,573)
Acquisition of intangible assets	(225)	(77)
<b>Net cash flow used in investing activities</b>	<b>(694)</b>	<b>(4,650)</b>
<b>Cash flow from financing activities</b>		
Net changes in Borrowings	144,111	(535,430)
Finance Lease Payments	(2,143)	(1,321)
<b>Net cash flow generated from / (used in) financing activities</b>	<b>141,968</b>	<b>(536,751)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(150,789)</b>	<b>(308,273)</b>
Balance at 1 January	1,096,820	1,129,590
	946,031	821,317
Effect of exchange rate fluctuations on cash and cash equivalents held	(5,017)	(9,383)
<b>Cash and cash equivalents at 31 March</b>	<b>941,014</b>	<b>811,934</b>



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# ZENITH BANK (GHANA) LIMITED

## UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2021

### 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, 2020. 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 2021	March 2020
Capital Adequacy Ratio (%)	47.29	34.63
Common Equity Tier 1 Ratio (%)	45.29	32.65
Leverage Ratio (%)	15.11	14.63
Non-performing loans to gross loans (%)	6.37	10.55
Loan loss provision (%)	3.84	5.29
Liquid Ratio (%)	149	125
Off-balance sheet exposures (GH¢' million)	1,207	957
Default in statutory liquidity (Number of times)	Nil	Nil
Sanctions for Default in statutory liquidity (GH¢' 000)	Nil	Nil
Other Regulatory Penalties (GH¢' 000)	168	-

Signed  
Anthony Akindele Ogunranti  
(Managing Director/CEO)

Signed  
Freda Duplan  
(Chairman)

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