



ZENITH BANK (GHANA) LIMITED

SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

	2021	2020
	GH¢'000	GH¢'000
Interest income	949,052	849,155
Interest expense	(308,074)	(271,017)
Net interest income	640,978	578,138
Fees and commission income	100,690	89,289
Fees and commission expense	(13,119)	(9,455)
Net fees and commission income	87,571	79,834
Net trading income	(84,272)	53,209
Net income - financial instruments carried at fair value	(18,918)	19,414
Other income	11,825	1,591
Net trading and other income	(91,365)	74,214
Operating income	637,184	732,186
Impairment loss on financial assets	(27,971)	(14,308)
Personnel expenses	(129,781)	(133,795)
Depreciation and amortization	(21,528)	(21,528)
Other expenses	(123,589)	(95,682)
Profit before income tax	334,204	466,873
Income tax expense	(114,099)	(128,747)
Profit after tax attributable to equity holders of the Bank	220,105	338,126
Other comprehensive income (net of income tax)	-	-
Total comprehensive income attributable to equity holders of the Bank	220,105	338,126
Earnings per share - Basic & Diluted	0.06	0.08

SUMMARY STATEMENT OF FINANCIAL POSITION

	2021	2020
	GH¢'000	GH¢'000
Assets		
Cash and bank balances	1,714,699	1,489,323
Non-pledged trading assets	106,690	98,097
Pledged trading assets	485,037	263,801
Investment securities	4,488,707	4,505,323
Investments (other than securities)	66,942	176,077
Current tax receivable	10,611	3,017
Derivative financial instruments	-	31,175
Loans and advances to customers	1,498,900	1,057,205
Property, plant and equipment	168,837	162,001
Intangible assets	8,201	5,928
Right of use assets	96,608	91,871
Deferred tax assets	25,281	17,903
Other assets	193,753	132,859
Total assets	8,864,266	8,034,580
Liabilities		
Derivative financial Instruments	31,861	-
Deposits from banks and non-bank financial institutions	19,300	21,361
Deposits from customers	6,391,081	5,799,266
Borrowings	154,536	289,079
Other liabilities	600,476	365,093
Lease liabilities	100,505	93,629
Deferred tax liabilities	12,370	9,358
Total liabilities	7,310,129	6,577,786
Equity		
Stated capital	400,000	400,000
Statutory reserve	444,899	389,873
Credit risk reserve	19,439	33,384
Retained earnings	689,799	633,537
Total equity	1,554,137	1,456,794
Total equity and liabilities	8,864,266	8,034,580

SUMMARY STATEMENT OF CASH FLOWS

	2021	2020
	GH¢'000	GH¢'000
Profit before tax	334,204	466,873
Adjustments for:		
Depreciation and amortization	21,639	21,528
Net impairment loss on financial assets	27,971	14,308
Net interest income	(640,978)	(578,138)
Loss on disposal of property, plant and equipment	25	-
Unrealised exchange difference on borrowings	3,106	(7,783)
Fair value changes recognised in profit or loss	(18,918)	(19,414)
	(235,115)	(102,626)
Changes in:		
Investments (other than securities)	57,708	326,126
Non-pledged trading assets	(8,593)	214,589
Pledged trading assets	(221,236)	(65,962)
Investment securities	(93,422)	(1,010,857)
Mandatory cash reserve	(20,467)	(153,141)
Loans and advances to customers	(452,769)	(408,955)
Other assets	(60,894)	(62,884)
Deposits from customers	563,034	1,342,210
Deposits from banks and non-bank financial institutions	(2,061)	(14,888)
Other liabilities	(279,502)	75,917
	(194,314)	242,155
Interest received	954,406	849,155
Interest paid	(262,538)	(271,017)
Corporate taxes refund received	-	7,265
Corporate taxes paid	(126,059)	(121,266)
Net cash flow generated from operating activities	371,495	603,666
Cash flow from investing activities		
Acquisition of property, plant and equipment	(21,726)	(14,949)
Proceeds from disposal of property, plant and equipment	254	-
Acquisition of intangible assets	(4,885)	(3,763)
Net cash flow used in investing activities	(26,357)	(18,712)
Cash flow from financing activities		
Finance lease payments	(8,225)	(5,291)
Dividend paid	(122,762)	-
Drawdown on borrowings	402,417	224,394
Repayment on borrowings	(549,285)	(643,695)
Net cash flow used in financing activities	(277,855)	(424,592)
Net increase in cash and cash equivalents	67,283	160,362
Balance at beginning	1,096,820	936,574
Cash and cash equivalents at 31 December	1,164,103	1,096,936
Effect of exchange rate fluctuations on cash and cash equivalents held	(1,589)	(116)
Cash and cash equivalents at 31 December	1,162,515	1,096,820

SUMMARY STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2021	Stated Capital	Statutory Reserve	Credit Risk Reserve	Retained Earnings	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 January 2021	400,000	389,873	33,384	633,537	1,456,794
Profit for the year	-	-	-	220,105	220,105
Total comprehensive income	-	-	-	220,105	220,105
Regulatory and other reserve transfers					
Transfer from credit risk reserve	-	-	(13,945)	13,945	-
Transfer to statutory reserve	-	55,026	-	(55,026)	-
Net transfers to reserves	-	55,026	(13,945)	(41,081)	-
Dividend paid to equity holders	-	-	-	(122,762)	(122,762)
Net transactions with owners	-	-	-	(122,762)	(122,762)
Balance at 31 December 2021	400,000	444,899	19,439	689,799	1,554,137
Year ended 31 December 2020					
Balance at 1 January 2020	400,000	305,341	25,313	388,014	1,118,668
Profit for the year	-	-	-	338,126	338,126
Total comprehensive income	-	-	-	338,126	338,126
Regulatory and other reserve transfers					
Transfer to credit risk reserve	-	-	8,071	(8,071)	-
Transfer to statutory reserve	-	84,532	-	(84,532)	-
Net transfers to reserves and transactions with owners	-	84,532	8,071	(92,603)	-
Balance at 31 December 2020	400,000	389,873	33,384	633,537	1,456,794

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

1. 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 37 Independence Avenue, PMB CT 393, Accra. The Bank commenced universal banking operations in September 2005 and operates under the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). The Bank is a subsidiary of Zenith Bank Plc, a bank incorporated in the Federal Republic of Nigeria.

2. Basis of accounting

The Bank's 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).

3. Functional and Presentation currency

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

4. Use of judgements and estimates

In preparing these summary 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.

5. Basis of measurement

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

6. Significant accounting policies

The principal accounting policies applied in the preparation of these summary financial statements are consistent with the accounting policies applied in the audited financial statements of the Bank for the year ended 31 December, 2021. These policies have been consistently applied to all the years presented, unless otherwise stated.

7. 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.

8. Quantitative Disclosures

	2021	2020
Capital adequacy ratio (%)	45.09	43.17
Common Equity Tier 1 Ratio (%)	45.09	43.17
Leverage Ratio (%)	14.72	15.19
Non-performing loans to gross loans (%)	4.40	6.15
Loan loss provision (%)	4.56	3.27
Liquid Ratio (%)	122	136
Off-balance sheet exposures (GH¢' million)	1,780	1,195
Default in statutory liquidity	Nil	Nil
Sanctions (default in statutory liquidity)	Nil	Nil
Sanctions - regulatory breaches (GH¢'000)	288	Nil

9. Corporate social responsibilities

The Bank spent a total of GH¢974,627 (2020: GH¢ 1,572,000) on corporate social responsibilities during the year. These are mainly in the form of educational scholarship for needy children and sponsorships of the Ghana Black Stars and major social events.

REPORT OF THE DIRECTORS

The Directors in submitting to the shareholders the summary financial statements of the Bank for the year ended 31 December 2021 report as follows:

Directors' Responsibility Statement

The Bank's directors are responsible for the preparation of the financial statements that give a true and fair view of Zenith Bank (Ghana) Limited's financial position at 31 December 2021, and of the profit or loss and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act, 2019 (Act 992), and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). In addition, the directors are responsible for the preparation of this directors' report. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the Bank's ability to continue as a going concern and have no reason to believe the business will not be a going concern.

Financial results

Highlights of the financial results of the Bank for the year ended 31 December 2021 are set out below:

31 December	2021	2020
	GH¢'000	GH¢'000
Profit before tax is	334,204	466,873
from which is deducted tax of	(114,099)	(128,747)
giving a profit after tax for the year of	220,105	338,126
less net transfer to statutory reserve fund and other reserves of	(41,081)	(92,603)
leaving a balance of	179,024	245,523
less dividend paid of	(122,762)	-
to which is added a balance brought forward on retained earnings of	633,537	388,014
leaving a balance of	689,799	633,537

In accordance with Section 34(1)(b) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), an amount of GH¢55,026,124 (2020: GH¢84,531,709) was transferred to the statutory reserve fund from profit for the year, bringing the cumulative balance on the statutory reserve fund to GH¢444,898,488 (2020: GH¢389,872,709) at the year end.

Dividends

The Directors recommend the payment of a dividend of GH¢0.038 per share amounting to GH¢152,000,000 for the year ended 31 December 2021. A dividend of GH¢0.03 per share amounting to GH¢122,762,000 was recommended and paid for the year ended 31 December 2020.

Directors' Interest

No director had a material interest at any time during the year, in any contract of significance, other than a service contract with the Bank.

Auditor

The auditor, PricewaterhouseCoopers, will continue in office in accordance with Section 139 (5) of the Companies Act, 2019 (Act 992) and Section 81 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

Approval of the Financial Statements

The financial statements of the Bank were approved by the Board of Directors on 11 February 2022 and were signed on their behalf by:

Freda Duplan
(Chairperson)

Anthony Akindele Ogunranti
(Managing Director/CEO)

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF ZENITH BANK (GHANA) LIMITED

Our opinion

In our opinion, the accompanying summary financial statements of Zenith Bank (Ghana) Limited (the "Bank"), are consistent, in all material respects, with the audited financial statements of the Bank for the year ended 31 December 2021, on the basis described in the notes.

The summary financial statements

The Bank's summary financial statements derived from the audited financial statements for the year ended 31 December 2021 comprise:

- the summary statement of financial position as at 31 December 2021;
- the summary statement of profit or loss and other comprehensive income for the year then ended;
- the summary statement of changes in equity for the year then ended;
- the summary statement of cash flows for the year then ended; and
- the related notes to the summary financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards, the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The audited financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 11 February 2022. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the audited financial statements of the current period.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements on the basis described in the notes.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

The engagement partner on the audit resulting in this independent auditor's report is Michael Asiedu-Antwi (ICAG/P/1138).

PricewaterhouseCoopers (ICAG/F/2022/028)
Chartered Accountants
Accra, Ghana
21 March 2022



An African bank providing global banking services.

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West Africa • Middle East • Far East • Europe



With **40** business locations in GHANA + A digital presence across the country.

Bank safe...
Use our electronic banking channels.

