



ZENITH BANK (GHANA) LIMITED

UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2022

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME		
	2022	2021
	GH¢'000	GH¢'000
Interest income	439,878	453,143
Interest expense	(110,339)	(147,418)
Net interest income	329,539	305,725
Fee and commission income	73,402	46,749
Fee and commission expense	(6,782)	(6,714)
Net fee and commission income	66,620	40,035
Net trading income	41,357	(9,503)
Net income - financial instruments carried at fair value	(654)	16,345
Other income	2,207	1,966
Net trading and other income	42,910	8,808
Revenue	439,069	354,567
Impairment loss on financial assets	(16,490)	(10,000)
Personnel expenses	(84,634)	(62,822)
Depreciation and amortization	(12,784)	(9,981)
Other expenses	(78,764)	(58,777)
Profit before income tax	246,397	212,987
Income tax expense	(56,130)	(76,426)
Profit after tax attributable to equity holders of the Bank	190,267	136,561
Other comprehensive income (net of income tax)	-	-
Total comprehensive income attributable to equity holders of the bank	190,267	136,561
Earnings per share - Basic & Diluted	0.05	0.03

UNAUDITED STATEMENT OF CASH FLOWS		
	2022	2021
	GH¢'000	GH¢'000
Profit before tax	246,397	212,987
<i>Adjustments for:</i>		
Depreciation and amortization	12,784	9,981
Net impairment loss on financial assets	16,490	10,000
Net interest income	(329,539)	(305,725)
Loss on disposal of property, plant and equipment	-	80
Fair value changes recognised in profit or loss	654	(16,345)
	(53,214)	(89,022)
<i>Changes in:</i>		
Investments (other than securities)	(233,559)	59,572
Non-pledged trading assets	98,363	(46,954)
Pledged trading assets	417,342	(129,161)
Investment securities	(82,628)	473,623
Loans and advances to customers	(272,695)	(56,364)
Other assets	30,849	326
Deposits from customers	700,418	(134,190)
Deposits from banks and non-bank financial institutions	(2,764)	17,059
Other liabilities	(370,861)	149,198
	231,251	244,087
Interest received	439,878	453,143
Interest paid	(110,339)	(147,418)
Corporate taxes paid	(56,130)	(61,909)
Net cash flow generated from operating activities	504,660	487,903
Cash flow from investing activities		
Acquisition of property, plant and equipment	(9,787)	(6,010)
Proceeds from disposal of property, plant and equipment	818	177
Acquisition of intangible assets	(1,909)	(1,996)
Net cash flow used in investing activities	(10,878)	(7,829)
Cash flow from financing activities		
Net changes in Borrowings	(154,536)	(27,735)
Dividend paid	(86,771)	(122,762)
Finance Lease Payments	(4,147)	(4,692)
Net cash flow used in financing activities	(245,454)	(155,189)
Net increase in cash and cash equivalents	248,329	324,882
Balance at 1 January	1,162,515	1,096,820
	1,410,844	1,421,705
Effect of exchange rate fluctuations on cash and cash equivalents held	(62,733)	(5,710)
Cash and cash equivalents at 30 June	1,348,110	1,415,995

UNAUDITED STATEMENT OF FINANCIAL POSITION		
	2022	2021
	GH¢'000	GH¢'000
Assets		
Cash and bank balances	1,613,060	1,317,926
Non-pledged trading assets	8,327	145,051
Pledged trading assets	67,695	392,962
Investment securities	4,836,366	4,540,844
Investments (other than securities)	300,501	116,505
Loans and advances to customers	1,771,595	1,103,568
Property, plant and equipment	270,807	259,433
Intangible assets	7,644	6,311
Current tax receivable	10,610	-
Deferred tax assets	25,281	17,903
Other assets	162,904	163,708
Total assets	9,074,790	8,064,211
Liabilities		
Borrowings	-	261,344
Deposits from customers	7,091,499	5,665,076
Deposits from banks and non-bank financial institutions	16,536	38,420
Current tax payable	-	11,500
Other liabilities	361,981	607,919
Deferred tax liabilities	12,370	9,358
Total liabilities	7,482,386	6,593,617
Equity		
Stated capital	400,000	400,000
Statutory reserve	444,899	389,873
Credit risk reserve	26,346	37,965
Retained earnings	721,159	642,756
Total equity	1,592,404	1,470,594
Total equity and liabilities	9,074,790	8,064,211

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 2022	400,000	19,439	444,899	689,799	1,554,137
Profit for the period	-	-	-	190,267	190,267
Dividend paid	-	-	-	(152,000)	(152,000)
Transfer to credit risk reserve	-	6,907	-	(6,907)	-
Balance at 30 June 2022	400,000	26,346	444,899	721,159	1,592,404
Balance at 1 January 2021	400,000	33,384	389,873	633,538	1,456,795
Profit for the period	-	-	-	136,561	136,561
Dividend paid	-	-	-	(122,762)	(122,762)
Transfer to credit risk reserve	-	4,581	-	(4,581)	-
Balance at 30 June 2021	400,000	37,965	389,873	642,756	1,470,594

NOTES TO THE UNAUDITED 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

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).

3. Functional and presentation currency

These unaudited 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

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

6. 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, 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. Dividends

The Bank declared and paid dividend of GH¢152 million (June 2021:GH¢122.7 million) for the year ended December 31, 2021.

DISCLOSURES	JUNE 2022	JUNE 2021
Capital Adequacy Ratio (%)	47.93	50.95
Common Equity Tier 1 Ratio (%)	45.93	48.95
Leverage Ratio (%)	13.90	14.90
Non-performing loans to gross loans (%)	3.95	6.88
Loan loss provision (%)	4.32	3.80
Liquid Ratio (%)	76	135
Off-balance sheet exposures (GH¢' million)	1,683	1,302
Default in statutory liquidity (Number of times)	Nil	Nil
Sanctions for Default in statutory liquidity (GH¢' 000)	Nil	Nil
Other Regulatory Penalties (GH¢' 000)	60	168

Freda Duplan
(Chairperson)

Henry Chinedu Onwuzurigbo
(Managing Director/CEO)