



ZENITH BANK (GHANA) LIMITED

UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

	2022	2021
	GH¢'000	GH¢'000
Interest income	713,956	693,763
Interest expense	(191,835)	(230,287)
Net interest income	522,121	463,476
Fee and commission income	123,957	71,511
Fee and commission expense	(13,168)	(10,450)
Net fee and commission income	110,789	61,061
Net trading income	64,066	(42,082)
Net income - financial instruments carried at fair value	5,106	16,611
Other income	5,602	10,038
Net trading and other income	74,774	(15,433)
Revenue	707,684	509,104
Impairment loss on financial assets	(24,490)	(11,000)
Personnel expenses	(130,337)	(94,012)
Depreciation and amortization	(19,560)	(15,720)
Other expenses	(130,168)	(87,791)
Profit before income tax	403,129	300,581
Income tax expense	(88,869)	(98,199)
Profit after tax attributable to equity holders of the Bank	314,260	202,382
Other comprehensive income (net of income tax)	-	-
Total comprehensive income attributable to equity holders of the bank	314,260	202,382
Earnings per share - Basic & Diluted	0.08	0.05

UNAUDITED STATEMENT OF CASH FLOWS

	2022	2021
	GH¢'000	GH¢'000
Profit before tax	403,129	300,581
<i>Adjustments for:</i>		
Depreciation and amortization	19,560	15,720
Net impairment loss on financial assets	24,490	11,000
Net interest income	(522,121)	(463,476)
(Profit)/loss on disposal of property, plant and equipment	(1,975)	25
Fair value changes recognised in profit or loss	(5,106)	16,611
	(82,023)	(119,540)
<i>Changes in:</i>		
Investments (other than securities)	(645,402)	(334,521)
Non-pledged trading assets	64,027	(15,116)
Pledged trading assets	484,804	(280,035)
Investment securities	(452,784)	674,336
Loans and advances to customers	(602,092)	(117,132)
Other assets	(44,477)	(8,290)
Deposits from customers	1,980,389	188,701
Deposits from banks and non-bank financial institutions	(1,340)	27,052
Other liabilities	(496,202)	364,133
	204,900	379,619
Interest received	713,956	693,763
Interest paid	(191,835)	(230,287)
Corporate taxes paid	(84,196)	(95,182)
Net cash flow generated from operating activities	811,217	747,913
Cash flow from investing activities		
Acquisition of property, plant and equipment	(25,664)	(10,115)
Proceeds from disposal of property, plant and equipment	3,025	284
Acquisition of intangible assets	(6,311)	(3,198)
Net cash flow used in investing activities	(28,950)	(13,029)
Cash flow from financing activities		
Net changes in Borrowings	(54,475)	(109,846)
Dividend paid	(152,000)	(122,762)
Finance Lease Payments	(5,317)	(7,256)
Net cash flow used in financing activities	(211,792)	(239,864)
Net increase in cash and cash equivalents	570,475	495,020
Balance at 1 January	1,162,515	1,096,820
	1,732,990	1,591,840
Effect of exchange rate fluctuations on cash and cash equivalents held	(6,422)	(4,269)
Cash and cash equivalents at 30 September	1,726,568	1,587,571

UNAUDITED STATEMENT OF FINANCIAL POSITION

	2022	2021
	GH¢'000	GH¢'000
Assets		
Cash and bank balances	2,081,360	1,625,030
Non-pledged trading assets	42,663	113,213
Pledged trading assets	233	543,836
Investment securities	4,966,765	4,151,437
Investments (other than securities)	712,344	510,598
Loans and advances to customers	2,100,992	1,174,336
Property, plant and equipment	270,612	268,983
Intangible assets	10,744	6,581
Current tax receivable	10,610	-
Deferred tax assets	25,281	17,903
Other assets	238,230	141,149
Total assets	10,459,834	8,553,066
Liabilities		
Borrowings	100,061	179,233
Deposits from customers	8,371,470	5,987,967
Deposits from banks and non-bank financial institutions	17,960	48,413
Current tax payable	4,935	-
Other liabilities	236,640	791,680
Deferred tax liabilities	12,370	9,358
Total liabilities	8,743,436	7,016,651
Equity		
Stated capital	400,000	400,000
Statutory reserve	444,899	389,873
Credit risk reserve	13,031	33,022
Retained earnings	858,468	713,520
Total equity	1,716,398	1,536,415
Total equity and liabilities	10,459,834	8,553,066

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

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	-	-	-	314,260	314,260
Dividend paid	-	-	-	(152,000)	(152,000)
Transfers	-	(6,408)	-	6,408	-
Balance at 30 September 2022	400,000	13,031	444,899	858,468	1,716,398
Balance at 1 January 2021	400,000	33,384	389,873	633,538	1,456,795
Profit for the period	-	-	-	202,382	202,382
Dividend paid	-	-	-	(122,762)	(122,762)
Transfers	-	(362)	-	362	-
Balance at 30 September 2021	400,000	33,022	389,873	713,520	1,536,415

DISCLOSURES	SEPT 2022	SEPT 2021
Capital Adequacy Ratio (%)	39.03	43.86
Common Equity Tier 1 Ratio (%)	37.03	41.86
Leverage Ratio (%)	10.78	12.80
Non-performing loans to gross loans (%)	3.35	7.58
Loan loss provision (%)	4.00	3.82
Liquid Ratio (%)	76	150
Off-balance sheet exposures (GH¢' million)	2,071	1,409
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	288

Freda Duplan
(Chairperson)

Henry Chinedu Onwuzurigbo
(Managing Director/CEO)