

ZENITH BANK (GHANA) LTD

SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023



SUMMARY STATEMENT OF COMPREHENSIVE INCOME

	2023	2022
	GHC'000	GHC'000
Interest income	1,378,663	1,061,427
Interest expense	(364,870)	(343,759)
Net interest income	1,013,793	717,668
Fee and commission income	225,006	176,208
Fee and commission expense	(29,459)	(20,427)
Net fee and commission income	195,547	155,781
Net trading income	332,656	156,749
Net income from other financial instruments carried at fair value	433	4,977
Other income	53,121	13,765
Net trading and other income	386,210	175,491
Operating income	1,595,550	1,048,940
Impairment loss on financial assets	(109,351)	(1,193,674)
Personnel expenses	(211,740)	(178,405)
Depreciation and amortization	(32,379)	(26,921)
Other expenses	(219,691)	(204,524)
Profit / (loss) before income tax	1,022,389	(554,584)
Income tax (expense) / income	(346,288)	134,814
Profit / (loss) after tax attributable to equity holders of the Bank	676,101	(419,770)
Other comprehensive income, net of tax	-	-
Total comprehensive income attributable to equity holders	676,101	(419,770)
Earnings per share-Basic & Diluted	0.17	(0.10)

SUMMARY STATEMENT OF FINANCIAL POSITION

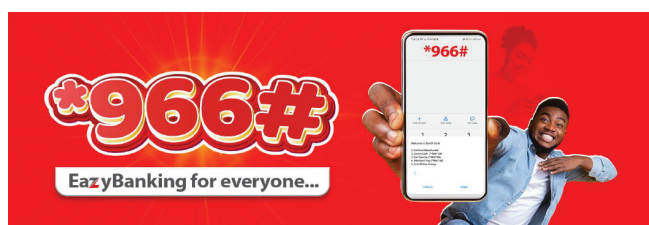
	2023	2022
	GHC'000	GHC'000
Assets		
Cash and bank balances	4,175,590	2,963,202
Non-pledged trading assets	-	15,271
Pledged trading assets	-	1,951
Investment securities	5,845,900	3,419,839
Investments (other than securities)	252,161	400,699
Derivative financial assets	433	-
Current tax receivable	220,608	11,799
Loans and advances to customers	2,246,982	1,856,211
Property, plant and equipment	254,352	187,232
Intangible assets	14,073	9,917
Right-of-use assets	96,479	94,671
Deferred tax assets	113,421	325,018
Other assets	643,500	373,761
Total assets	13,863,499	9,659,571
Liabilities		
Derivative financial liabilities	-	1,617
Deposits from banks and non-bank financial institutions	39,247	17,907
Deposits from customers	11,702,523	8,408,201
Borrowings	170,422	-
Other liabilities	155,070	124,712
Lease liabilities	119,108	108,678
Deferred tax liabilities	18,661	16,089
Total liabilities	12,205,031	8,677,204
Equity		
Stated capital	400,000	400,000
Statutory reserve	529,411	444,899
Credit risk reserve	-	9,704
Retained earnings	729,057	127,764
Total equity	1,658,468	982,367
Total equity and liabilities	13,863,499	9,659,571

SUMMARY STATEMENT OF CASH FLOW

	2023	2022
	GHC'000	GHC'000
Profit / (loss) before tax	1,022,389	(554,584)
<i>Adjustments for:</i>		
Depreciation and amortization	32,379	26,921
Net impairment loss on financial assets	109,351	1,193,674
Net interest income	(1,013,793)	(717,668)
Profit on disposal of property, plant and equipment	(32)	(2,177)
Unrealised exchange difference on borrowings	-	28,460
Unrealised exchange difference on cash and banks	15,227	(87,293)
Fair value changes recognised in profit or loss	(433)	(4,977)
Modification Gain on investment securities	(43,250)	-
	121,838	(117,644)
<i>Changes in:</i>		
Investments (other than securities)	148,538	-
Non-pledged trading assets	15,271	91,419
Pledged trading assets	1,951	483,086
Investment securities	(475,970)	65,244
Mandatory cash reserve	(612,985)	(508,437)
Loans and advances to customers	(438,684)	(381,110)
Other assets	(269,739)	(180,008)
Deposits from banks and non-bank financial institutions	21,340	(1,393)
Deposits from customers	3,281,733	2,000,339
Other liabilities	(422)	(488,163)
	1,792,871	963,333
Interest received	1,446,108	977,567
Interest paid	(352,271)	(326,978)
Corporate taxes refund received	9,381	7,109
Corporate taxes paid	(352,727)	(169,501)
Net cash flow generated from operating activities	2,543,362	1,451,530
Cash flow from investing activities		
Acquisition of property, plant and equipment	(90,373)	(37,281)
Proceeds from disposal of property, plant and equipment	616	3,613
Acquisition of intangible assets	(9,808)	(6,331)
Net cash flow used in investing activities	(100,020)	(39,999)
Cash flow from financing activities		
Finance lease payments	(12,292)	(8,355)
Dividend paid	-	(152,000)
Drawdown on borrowings	506,642	-
Derivative liabilities	(2,050)	(30,244)
Repayment on borrowings	(340,274)	(184,527)
Net cash flow generated from/(used in) financing activities	152,026	(375,126)
Net increase in cash and cash equivalents	2,595,368	1,036,405
Balance at beginning	2,286,213	1,162,515
Effect of exchange rate fluctuations on cash and cash equivalents held	4,881,581	2,198,920
Cash and cash equivalents at 31 December	4,866,354	2,286,213

SUMMARY STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023	Stated	Statutory	Credit Risk	Retained	Total
	Capital	Reserve	Reserve	Earning	Equity
	GHC'000	GHC'000	GHC'000	GHC'000	GHC'000
Balance at 1 January	400,000	444,899	9,704	127,764	982,367
Profit for the year	-	-	-	676,101	676,101
Total comprehensive income	-	-	-	676,101	676,101
Regulatory and other reserve transfers					
Transfer from credit risk reserve	-	-	(9,704)	9,704	-
Transfer to statutory reserve	-	84,512	-	(84,512)	-
Net transfers to reserves	-	84,512	(9,704)	(74,808)	-
Balance at 31 December	400,000	529,411	-	729,057	1,658,468
Year ended 31 December 2022					
Balance at 1 January	400,000	444,899	19,439	689,799	1,554,137
Loss for the year	-	-	-	(419,770)	(419,770)
Total comprehensive income	-	-	-	(419,770)	(419,770)
Regulatory and other reserve transfers					
Transfer from credit risk reserve	-	-	(9,735)	9,735	-
Transfer to statutory reserve	-	-	-	-	-
Net transfers to reserves	-	-	(9,735)	9,735	-
Transactions with owners					
Dividend paid to equity holders	-	-	-	(152,000)	(152,000)
Net transactions with owners	-	-	-	(152,000)	(152,000)
Balance at 31 December	400,000	444,899	9,704	127,764	982,367



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ZENITH BANK (GHANA) LTD

SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023



NOTES TO THE SUMMARY FINANCIAL STATEMENTS

1. Reporting entity

Zenith Bank (Ghana) Ltd (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 financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) with the IAS 29 Directive issued 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 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

These summary financial statements have been prepared on a historical cost basis except for the following material items:

Items	Measurement
<ul style="list-style-type: none"> Non-derivative financial instruments at fair value through profit or loss Pledged trading assets Non-pledged trading assets 	Fair Value

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 2023. 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

DISCLOSURES	2023	2022
Capital Adequacy Ratio (%)	29.0	36.0
Common Equity Tier 1 Ratio (%)	29.0	36.0
Leverage Ratio (%)	13.1	13.8
Non-performing loans to gross loans (%)	1.0	3.8
Loan loss provision (%)	3.8	4.6
Liquid Ratio (%)	90	74
Off-balance sheet exposures (GH¢ million)	1,309	1,619
Default in statutory liquidity (Number of times)	Nil	Nil
Sanctions for Default in statutory liquidity (GH¢'000)	Nil	Nil
Other Regulatory Penalties (GH¢'000)	61	60

9. Corporate social responsibilities

The Bank spent a total of GH¢832,304 (2022: GH¢609,662) on corporate social responsibilities during the year. These are mainly in the form of educational scholarships for needy children 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 2023 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) Ltd's financial position at 31 December 2023, 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 with the IAS 29 Directive issued 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). 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.

Dividend

The Directors do not recommend the payment of dividend for the year ended 31 December 2023. No dividend was paid for the year ended 31 December 2022.

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.

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

Financial results

Highlights of the financial results of the Bank for the year ended 31 December 2023 are set out below:

Items	2023 GH¢'000	2022 GH¢'000
Profit / (loss) before tax is	1,022,389	(554,584)
from which is (deducted) / added tax of	(346,288)	134,814
giving a profit / (loss) after tax for the year of	676,101	(419,770)
less net transfer to statutory reserve fund and other reserves of	(74,808)	9,735
leaving a balance of	601,293	(410,035)
less dividend paid of	-	(152,000)
to which is added a balance brought forward on retained earnings of	127,764	689,799
leaving a balance of	729,057	127,764

In accordance with Section 34(1)(b) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), an amount of GH¢84,512,583 (2022: nil) was transferred to the statutory reserve. The cumulative balance on the statutory reserve fund was GH¢529,411,072 (2022: GH¢444,898,488) at the year end.

Auditor

The tenure of the current auditor, PricewaterhouseCoopers, has come to an end having served for a period of six (6) years. The bank has commenced the processes of getting a replacement in accordance with the relevant regulatory requirements.

Approval of Financial Statements

The financial statement of the Bank were approved by the Board of Directors on 8 March, 2024 and were signed on their behalf by:

Freda Duplan
(Chairperson)

Henry Chinedu Onwuzurigbo
(Managing Director/CEO)

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

Our opinion

In our opinion, the accompanying summary financial statements of Zenith Bank (Ghana) Ltd (the "Bank"), are consistent, in all material respects, with the audited financial statements of the Bank for the year ended 31 December 2023, 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 2023 comprise:

- the summary statement of financial position as at 31 December 2023;
- the summary statement of 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 with the IAS 29 directive issued by the Institute of Chartered Accountants Ghana (ICAG), 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 15 March 2024. 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 Destiny Selorm Attatsitsey (ICAG/P/1619).

PricewaterhouseCoopers (ICAG/F/2024/028)
Chartered Accountants
Accra, Ghana
22 March 2024

