



# ZENITH BANK (GHANA) LTD

## SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### SUMMARY STATEMENT OF COMPREHENSIVE INCOME

	2022 GH¢'000	2021 GH¢'000
Interest income	1,061,427	949,052
Interest expense	(343,759)	(308,074)
<b>Net interest income</b>	<b>717,668</b>	<b>640,978</b>
Fees and commission income	176,208	100,690
Fees and commission expense	(20,427)	(13,119)
<b>Net fees and commission income</b>	<b>155,781</b>	<b>87,571</b>
Net trading income	156,749	(84,272)
Net income - financial instruments carried at fair value	4,977	(18,918)
Other income	13,765	11,825
<b>Net trading and other income</b>	<b>175,491</b>	<b>(91,365)</b>
<b>Operating income</b>	<b>1,048,940</b>	<b>637,184</b>
Impairment loss on financial assets	(1,193,674)	(27,971)
Personnel expenses	(178,405)	(129,781)
Depreciation and amortization	(26,921)	(21,639)
Other expenses	(204,524)	(123,589)
<b>(Loss)/ profit before income tax</b>	<b>(554,584)</b>	<b>334,204</b>
Income tax income/ (expense)	134,814	(114,099)
<b>(Loss)/ profit after tax attributable to equity holders of the Bank</b>	<b>(419,770)</b>	<b>220,105</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>(419,770)</b>	<b>220,105</b>
<b>Earnings per share - Basic &amp; Diluted</b>	<b>(0.10)</b>	<b>0.06</b>

### SUMMARY STATEMENT OF FINANCIAL POSITION

	2022 GH¢'000	2021 GH¢'000
<b>Assets</b>		
Cash and bank balances	2,963,202	1,714,699
Non-pledged trading assets	15,271	106,690
Pledged trading assets	1,951	485,037
Investment securities	3,419,839	4,488,707
Investments (other than securities)	400,699	66,942
Current tax receivable	11,799	10,611
Loans and advances to customers	1,856,211	1,498,900
Property, plant and equipment	187,232	168,837
Intangible assets	9,917	8,201
Right of use assets	94,671	96,608
Deferred tax assets	325,018	25,281
Other assets	373,761	193,753
<b>Total assets</b>	<b>9,659,571</b>	<b>8,864,266</b>
<b>Liabilities</b>		
Derivative financial Instruments	1,617	31,861
Deposits from banks and non-bank financial institutions	17,907	19,300
Deposits from customers	8,408,201	6,391,081
Borrowings	-	154,536
Other liabilities	124,712	600,476
Lease liabilities	108,678	100,505
Deferred tax liabilities	16,089	12,370
<b>Total liabilities</b>	<b>8,677,204</b>	<b>7,310,129</b>
<b>Equity</b>		
Stated capital	400,000	400,000
Statutory reserve	444,899	444,899
Credit risk reserve	9,704	19,439
Retained earnings	127,764	689,799
<b>Total equity</b>	<b>982,367</b>	<b>1,554,137</b>
<b>Total equity and liabilities</b>	<b>9,659,571</b>	<b>8,864,266</b>

### SUMMARY STATEMENT OF CASH FLOWS

	2022 GH¢'000	2021 GH¢'000
(Loss) / profit before tax	(554,584)	334,204
<i>Adjustments for:</i>		
Depreciation and amortization	26,921	21,639
Net impairment loss on financial assets	1,193,674	27,971
Net interest income	(717,668)	(640,978)
(Loss) / profit on disposal of property, plant and equipment	(2,177)	25
Unrealised exchange difference on borrowings	28,460	3,106
Unrealised exchange difference on cash and banks	(87,293)	1,589
Fair value changes recognised in profit or loss	(4,977)	18,918
	<b>(117,644)</b>	<b>(233,526)</b>
<i>Changes in:</i>		
Investments (other than securities)	-	57,708
Non-pledged trading assets	91,419	(8,593)
Pledged trading assets	483,086	(221,236)
Investment securities	65,244	(126,872)
Mandatory cash reserve	(508,437)	(20,467)
Loans and advances to customers	(381,110)	(452,769)
Other assets	(180,008)	(60,894)
Deposits from customers	2,000,339	563,034
Deposits from banks and non-bank financial institutions	(1,393)	(2,061)
Other liabilities	(488,163)	279,502
	<b>963,333</b>	<b>(226,174)</b>
Interest received	977,567	954,406
Interest paid	(326,978)	(262,538)
Corporate taxes refund received	7,109	-
Corporate taxes paid	(169,501)	(126,059)
<b>Net cash flow generated from operating activities</b>	<b>1,451,530</b>	<b>339,635</b>
<b>Cash flow from investing activities</b>		
Acquisition of property, plant and equipment	(37,281)	(21,726)
Proceeds from disposal of property, plant and equipment	3,613	254
Acquisition of intangible assets	(6,331)	(4,885)
<b>Net cash flow used in investing activities</b>	<b>(39,999)</b>	<b>(26,357)</b>
<b>Cash flow from financing activities</b>		
Finance lease payments	(8,355)	(8,225)
Dividend paid	(152,000)	(122,762)
Drawdown on borrowings	-	402,417
Derivative liabilities	(30,244)	31,861
Repayment on borrowings	(184,527)	(549,285)
<b>Net cash flow used in financing activities</b>	<b>(375,126)</b>	<b>(245,994)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,036,405</b>	<b>67,283</b>
Balance at beginning	1,162,515	1,096,820
Cash and cash equivalents at 31 December	<b>2,198,920</b>	<b>1,164,104</b>
Effect of exchange rate fluctuations on cash and cash equivalents held	87,293	(1,589)
<b>Cash and cash equivalents at 31 December</b>	<b>2,286,213</b>	<b>1,162,515</b>

### SUMMARY STATEMENT OF CHANGES IN EQUITY

	Statutory Capital	Statutory Reserve	Credit Risk Reserve	Retained Earnings	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
<b>Year ended 31 December 2022</b>					
Balance at 1 January 2022	400,000	444,899	19,439	689,799	1,554,137
Loss for the year	-	-	-	(419,770)	(419,770)
<b>Total comprehensive income</b>				(419,770)	(419,770)
<b>Regulatory and other reserve transfers</b>					
Transfer from credit risk reserve	-	-	(9,735)	9,735	-
<b>Net transfers to reserves</b>			(9,735)	9,735	-
<b>Net transactions with owners</b>					
Dividend paid to equity holders	-	-	-	(152,000)	(152,000)
<b>Balance at 31 December 2022</b>	<b>400,000</b>	<b>444,899</b>	<b>9,704</b>	<b>127,764</b>	<b>982,367</b>
<b>Year ended 31 December 2021</b>					
Balance at 1 January 2021	400,000	389,873	33,384	633,537	1,456,794
Profit for the year	-	-	-	220,105	220,105
<b>Total comprehensive income</b>				220,105	220,105
<b>Regulatory and other reserve transfers</b>					
Transfer from credit risk reserve	-	-	(13,945)	13,945	-
Transfer to statutory reserve	-	55,026	-	(55,026)	-
<b>Net transfers to reserves</b>		55,026	(13,945)	(41,081)	-
<b>Dividend paid to equity holders</b>				(122,762)	(122,762)
<b>Net transactions with owners</b>				(122,762)	(122,762)
<b>Balance at 31 December 2021</b>	<b>400,000</b>	<b>444,899</b>	<b>19,439</b>	<b>689,799</b>	<b>1,554,137</b>

### 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 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

These summary 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.	Fair value
• Pledged trading assets	Fair value
• 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, 2022. 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

	2022	2021
Capital adequacy ratio (%)	36.00	45.09
Common Equity Tier 1 Ratio (%)	36.00	45.09
Leverage Ratio (%)	13.80	14.72
Non-performing loans to gross loans (%)	3.80	4.40
Loan loss provision (%)	4.6	4.56
Liquid Ratio (%)	73	122
Off-balance sheet exposures (GH¢ million)	1,619	1,392
Default in statutory liquidity	Nil	Nil
Sanctions (default in statutory liquidity)	Nil	Nil
Sanctions - regulatory breaches (GH¢'000)	60	288

#### 9. Corporate social responsibilities

The Bank spent a total of GH¢609,662 (2021: GH¢974,627) on corporate social responsibilities during the year. These are mainly in the form of educational scholarship 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 2022 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 2022, 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 2022 are set out below:

	2022 GH¢'000	2021 GH¢'000
31 December		
(Loss) / profit before tax	(554,584)	334,204
from which is deducted tax of	134,814	(114,099)
giving a (loss) / profit after tax for the year of	(419,770)	220,105
less net transfer to statutory reserve fund and other reserves of	9,735	(41,081)
leaving a balance of	(410,035)	179,024
less dividend paid of	(152,000)	(122,762)
to which is added a balance brought forward on retained earnings of	689,799	633,537
leaving a balance of	127,764	689,799

In accordance with Section 34(1)(b) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), no amount (2021: GH¢55,026,124) was transferred to the statutory reserve. The cumulative balance on the statutory reserve fund remains at GH¢444,898,488 (2021: GH¢444,898,488) at the year end.

#### Dividend

The directors do not recommend the payment of dividend for the year ended 31 December 2022. A dividend of GH¢0.038 per share amounting to GH¢152,000,000 was recommended and paid for the year ended 31 December 2021.

#### 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 24 March 2023 and were signed on their behalf by:

Freda Duplan  
(Chairperson)

Henry Chinedu Onwuzurigo  
(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 2022, 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 2022 comprise:

- the summary statement of financial position as at 31 December 2022;
- 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, 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 19 April 2023. 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/2023/028)

Chartered Accountants  
Accra, Ghana  
19 April 2023



**EVERYONE CAN BANK  
WITH US, INCLUDING  
YOU!**

Talk to us today.

#### FOLLOW US ON SOCIAL MEDIA

- Zenith Bank Ghana Limited
- Zenith Bank Ghana
- Zenith Bank Ghana Limited
- Zenith Bank (Ghana) Limited



Scan to visit  
our website