



ZENITH BANK (GHANA) LIMITED

UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2018

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH

	2018 GH¢	2017 GH¢
Assets		
Cash and cash equivalents	665,450,134	694,966,861
Non-pledged trading assets	252,176,938	-
Investments	3,455,266,690	1,150,368,687
Investments (other than securities)	154,591,967	382,072,000
Loans and advances to customers	710,168,308	940,496,032
Property, plant and equipment	188,260,251	149,884,334
Intangible assets	2,438,063	1,422,154
Deferred tax assets	664,910	4,228,179
Other assets	153,039,085	104,359,323
Total assets	5,582,056,346	3,427,797,570
Liabilities		
Borrowings	1,481,587,501	110,773,691
Deposits from customers	3,214,267,760	2,589,575,157
Deposits from banks and non-bank financial institution	28,689,509	52,215,799
Current tax payable	5,131,601	401,113
Other liabilities	64,668,306	57,180,721
Total liabilities	4,794,344,677	2,810,146,481
Equity		
Stated capital	400,000,000	61,221,496
Statutory reserve	150,781,421	107,644,078
Credit risk reserve	14,948,358	26,322,014
Retained earnings	221,981,890	422,463,501
Total equity	787,711,669	617,651,089
Total equity and liabilities	5,582,056,346	3,427,797,570

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 31 MARCH

	2018 GH¢	2017 GH¢
Interest income	151,905,782	135,784,769
Interest expense	(63,504,668)	(56,084,828)
Net interest income	88,401,114	79,699,941
Fees and commission income	34,435,188	15,762,096
Fees and commission expense	(1,407,239)	(1,312,580)
Net fee and commission income	33,027,949	14,449,516
Net trading income	10,399,480	10,774,534
Net income from other financial instruments carried at fair value	3,092,853	-
Other income	823,606	893,774
Net trading and other income	14,315,939	11,668,308
Operating Income	135,745,002	105,817,765
Impairment loss on financial assets	(23,259,600)	(4,503,372)
Personnel expenses	(20,538,206)	(15,413,555)
Operating lease expenses	(1,746,297)	(2,463,988)
Depreciation and amortization	(4,342,433)	(2,226,130)
Other expenses	(25,174,560)	(20,925,320)
Profit before income tax	60,683,906	60,285,400
Income tax expense	(18,916,598)	(17,420,000)
Profit after tax attributable to equity holders of the Bank	41,767,308	42,865,400
Other comprehensive income (net of income tax)	-	-
Total comprehensive income for the period	41,767,308	42,865,400

UNAUDITED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 31 MARCH

	2018 GH¢	2017 GH¢
Profit after tax	41,767,308	42,865,400
Adjustments for:		
Depreciation and amortization	4,342,433	2,226,130
Net impairment loss on financial assets	23,259,600	4,503,372
Net interest income	(88,401,114)	(79,699,941)
Tax expense	18,916,598	17,420,000
Fair value adjustments	(3,092,853)	-
Changes in:	(3,208,028)	(12,685,039)
Investments (other than securities)	614,728,726	(89,395,000)
Non-pledged trading assets	(140,499,265)	-
Investments	(1,809,993,772)	3,789,020
Loans and advances to customers	94,508,446	71,558,662
Other assets	31,421,232	(30,749,072)
Borrowings	1,128,399,614	622,361
Customer deposits	(265,037,959)	(29,473,632)
Other liabilities	7,297,173	(11,606,213)
	(342,383,833)	(97,938,913)
Interest received	151,905,782	135,784,769
Interest paid	(63,504,668)	(56,084,828)
Taxes paid	(18,791,598)	(16,087,500)
Net cash flow from operating activities	(272,774,317)	(34,326,472)

	2018 GH¢	2017 GH¢
Cash flow from investing activities		
Acquisition of property, plant and equipment	(3,062,299)	(31,473,366)
Acquisition of intangible assets	(107,902)	(219,421)
Net cash flow used in investing activities	(3,170,201)	(31,692,787)
Net increase in cash and cash equivalents	(275,944,518)	(66,019,259)
Balance at beginning	1,799,757,093	1,839,331,444
Cash and bank balances	1,523,812,575	1,773,312,185
Effect of exchange rate fluctuations on cash and cash equivalents held	(10,318,545)	26,444,908
Cash and cash equivalents at 31 March	1,513,494,030	1,799,757,093
Cash balances	665,450,134	694,966,861
Short-term investments	848,043,896	1,104,790,232
Cash and cash equivalents at 31 March	1,513,494,030	1,799,757,093

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH

	Stated Capital GH¢	Statutory Reserve GH¢	Credit risk Reserve GH¢	Retained Earnings GH¢	Total GH¢
Balance at 1 January 2018	122,021,496	150,781,421	14,948,358	459,583,785	747,335,060
Profit for the year	-	-	-	41,767,308	41,767,308
Transfers and transactions					
Transfer to credit risk reserve	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-
Transfer to stated capital	277,978,504	-	-	(277,978,504)	-
Transaction costs	-	-	-	(1,390,699)	(1,390,699)
Net transfers and transactions	277,978,504	-	-	(279,369,203)	(1,390,699)
Balance At 31 March 2018	400,000,000	150,781,421	14,948,358	221,981,890	787,711,669
Balance as at 1 January 2017	61,221,496	107,644,078	26,322,014	379,598,101	574,785,689
Profit for the year	-	-	-	42,865,400	42,865,400
Transfers and transactions					
Regulatory and other reserves transfers	-	-	-	-	-
Transfer from credit risk reserve	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-
Transfer to stated capital	-	-	-	-	-
Net transfers and transactions	-	-	-	-	-
Balance at 31 March 2017	61,221,496	107,644,078	26,322,014	422,463,501	617,651,089

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

1. Reporting entity

Zenith Bank (Ghana) Limited, (the Bank) is a bank incorporated in Ghana. The address of the Bank's registered office is Zenith Heights, No. 31 Independence Avenue, PMB CT 393, Accra.

2. Significant Accounting Policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) 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 Banks and Specialised Deposit-Taking Institutions Act, 2016, Act 930.

The principal accounting policies applied in the preparation of these financial statements are consistent with the accounting policies applied in the financial statements for the year ended December 31, 2017. These policies have been consistently applied to all the periods presented, unless otherwise stated.

3. Functional and presentation currency

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

4. Use of judgements and estimates

In preparing these 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. Quantitative Disclosures

	March 2018 %	March 2017 %
Capital adequacy ratio	28.39	23.62
Non-Performing Loans (NPL) Ratio	17.85	10.08
Loan loss provision	9.61	9.59
Liquid Ratio	113	90

6. Risk Management

The Bank's activities expose the business to the following types of risks:

- Credit risk • Liquidity risk • Market risk • Operational risk

The risks inherent in the Bank's activities are managed through an ongoing process of identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities.

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles. In addition, the Board's Risk Committee has responsibility for the development of risk strategy and implementing principles, frameworks, policies and limits.

Risk management policies and systems, when implemented, are reviewed regularly to reflect changes in market conditions, products and services offered by the bank.

7. Defaults in statutory liquidity and accompanying sanctions

	March 2018	March 2017
a) Default in statutory liquidity	Nil	Nil
b) Sanctions	Nil	Nil

Signed
Henry Oroh
(Managing Director/CEO)

Signed
Dr. Mary Chinery-Hesse
(Chairman)