

AGRICULTURAL DEVELOPMENT BANK PLC

UNAUDITED SUMMARY FINANCIAL STATEMENTS

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023		
	2023	2022
	GHC '000	GHC '000
Assets		
Cash and bank balances	1,965,887	753,258
Due from other banks	358,873	355,377
Investment securities	1,577,888	2,080,089
Loans and advances to customers	3,766,449	2,723,256
Investment (other than securities)	134,794	99,951
Corporate tax assets	942	-
Intangible assets	18,460	24,523
Other assets	114,983	79,434
Property and equipment	216,954	122,249
Right of use asset	108,086	143,593
Deferred tax assets	38,546	55,813
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Total Assets	8,301,862	6,437,541
	=====	=====
Liabilities		
Borrowed funds	531,524	382,756
Deposits from customers	6,755,328	4,758,167
Corporate tax liability	-	35,272
Other liabilities	144,854	110,541
Lease liability	184,938	193,657
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Total liabilities	7,616,643	5,480,394
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Equity		
Share capital	698,700	698,700
Accumulated losses	(663,387)	(245,821)
Revaluation reserve	122,684	57,531
Statutory reserve	195,529	191,461
Credit risk reserve	247,275	196,921
Fair value through OCI	84,417	58,356
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Shareholders' funds	685,219	957,147
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Total liabilities and shareholders' funds	8,301,862	6,437,541
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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED MARCH 31, 2023		
	2023	2022
	GHC '000	GHC '000
Interest income	302,778	194,054
Interest expense	(177,231)	(95,088)
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Net interest income	125,547	98,966
Fees and commission income	33,905	25,107
Fees and commission expense	(4,895)	(2,558)
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Net fees and commission income	29,010	22,549
Net trading income	60,205	23,559
Other operating income	13	644
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Operating Income	214,776	145,718
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Impairment (loss)/gain on financial assets	(12,900)	836
Personnel expenses	(96,187)	(66,075)
Other expenses	(58,238)	(38,734)
Depreciation and Amortization	(8,464)	(15,969)
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Profit before tax	38,987	25,776
Income tax expense	(11,959)	(6,884)
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Profit after tax	27,028	18,892
Other comprehensive income, net of tax of items that will not be reclassified to profit or loss		
Fair value through other Comprehensive Income	-	-
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Other comprehensive income for the year	-	-
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Total comprehensive income for the year	27,028	18,892
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Profit attributable to:		
Equity holders of the bank	27,028	18,892
	=====	=====
Total comprehensive income attributable to:		
Equity holders of the Bank	27,028	18,892
	=====	=====
Earnings per share		
Basic (in Ghana pesewas)	7.79	5.45
Diluted (in Ghana pesewas)	7.79	5.45

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2023							
In thousands of GHC	Stated Capital	Credit Risk Reserve	Statutory Reserve	Revaluation Reserve	Other Reserves	Accumulated Losses	Total
Balance at January 1, 2023	698,700	245,352	182,015	122,684	84,417	(674,978)	658,191
Profit for the year	-	-	-	-	-	27,028	27,028
Transfer from accumulated losses to statutory reserves	-	-	13,514	-	-	(13,514)	-
Transfer to/(from) Credit Risk Reserve	-	1,923	-	-	-	(1,923)	-
Balance at March 31, 2023	698,700	247,275	195,529	122,684	84,417	(663,387)	685,219
In thousands of GHC	Stated Capital	Credit Risk Reserve	Statutory Reserve	Revaluation Reserve	Other Reserves	Accumulated Losses	Total
Balance at January 1, 2022	698,700	178,298	182,015	57,531	58,356	(236,645)	938,255
Profit for the year	-	-	-	-	-	18,892	18,892
Transfer from accumulated losses to statutory reserves	-	-	9,446	-	-	(9,446)	-
Transfer to/(from) Credit Risk Reserve	-	18,622	-	-	-	(18,622)	-
Balance at March 31, 2022	698,700	196,921	191,461	57,531	58,356	(245,821)	957,147

UNAUDITED STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED 31, 2023		
	2023	2022
	GHC'000	GHC'000
Cash flows from operating activities		
Profit before tax	38,987	25,776
Adjustments for:		
Depreciation and amortization	8,464	15,969
Impairment charge on Financial Assests	12,900	(836)
Loss on disposal of property and equipment	77	-
Net interest income	(125,547)	(98,966)
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(Loss) before working capital changes	(65,120)	(58,057)
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Changes in :		
Loans & advances	(582,110)	(426,152)
Other assets	(51,064)	(27,180)
Deposits from customers	887,078	(165,662)
Restricted cash	(8,158)	(1,708)
Other liabilities	(6,760)	13,088
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	173,865	(665,670)
Interest Income received	377,917	167,383
Interest expense paid	(175,138)	(66,378)
Income Tax Paid	(2,049)	(6,884)
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Net cash generated from / (used in) operating activities	374,595	(571,550)
Cash flows from investing activites		
Purchase of property and equipment	(5,414)	(12,207)
Purchase of medium and long term government securities	(33,408)	-
Redemption of medium and long term government securities	-	124,530
Proceeds from the sale of property and equipment	21	-
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Net cash (used in) /generated from investing activities	(38,801)	112,323
Cash flows from financing activities		
Payments in borrowed funds	-	-
Receipts in borrowed funds	(61,002)	89,010
Payments of Principal portion of Lease liability	35,310	(2,005)
Payments of right of use assets	(4,550)	(1,865)
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Net cash (used in) / generated from financing activities	(30,242)	85,140
Increase in cash and cash equivalents	305,552	(374,087)
Cash and cash equivalents at 1 January	1,983,532	1,111,678
Effect of exchange rate fluctuation on cash held	14,886	2,125
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Cash and cash equivalents at March 31, 2023	2,303,971	739,716
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- 1. General Information**
Agricultural Development Bank Plc (ADB) is a bank incorporated in Ghana. The registered office of the bank is located at Accra Financial Centre, 3rd Ambassadorial Development Area, Accra. The Agricultural Development Bank operates with a universal banking license that allows it to undertake all banking and related services. The Bank is listed on the Ghana Stock Exchange.
- 2. Summary of Significant Accounting Policies**
The principal accounting policies applied in the preparation of these condensed financial statements are consistent with the accounting policies applied in the audited financial statements of the bank. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. Additional information required by the Companies Act, 2019 (Act 992) and the Bank and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) have been

included where appropriate. The financial statements have been prepared on a historical cost basis except for the following material items; buildings which are carried at revalued amounts and fair value of Equity Investments through Other Comprehensive Income.

3. Functional and Presentation Currency
These financial statements are presented in "Ghana Cedis", which is the Bank's functional currency and has been rounded to the nearest thousand.

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 accounting estimates are recognised prospectively.

5. Contingent Liabilities	2023	2022
	GHC'000	GHC'000
Guanrantees and Indemnities	31,200	47,139
Letters of Credit	73,847	101,652
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	105,047	148,791
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6. Quantitative Disclosures	2023	2022
	%	%
Capital Adequacy Ratio	6.19	11.60
Non Performing Loans to Gross Loans	28.56	27.71
Liquid Ratio	82.81	81.20
Common Equity Tier 1	3.09	8.60
Leverage Ratio	1.96	6.10
7. Default in statutory requirments and accompanying sanctions:		
For the period under review,the bank did not record any statutory liquidity breaches and therefore did not incur any sanctions.		
	GHC'000	GHC'000
(i) Sanctions (GHS'000)	Nil	Nil
(ii) Default in statutory liquidity	Nil	Nil
Other regulatory breaches (including onsite examination)		
(i) Sanctions (GHS'000)	Nil	Nil
(ii) Number of breaches	Nil	Nil

8. Corporate Social Responsibility (GHS'000)
A total amount of GHS1,026 (March, 2022: GHS448) was spent in respect of Corporate Social responsibility for the period ended 31 March 2023; these included donation to schools and others of national interest.

9. Risk Management
The Bank's activities expose the business to risks. The Bank has exposure to the following types of risks: credit risk, liquidity risk, market risk and operational risk. It is therefore a fundamental responsibility of management to ensure that all the risks associated with each class of business, each product and each type of transaction are identified and managed as well as the risks associated with the conduct of the bank's affairs. These inherent risks are managed through a process of on-going identification, measurement and monitoring, subject to risk limits and controls. This process is critical to the Bank's continued profitability.

Approval of the Financial Statements
The financial statements of the Bank were approved by the Board of Directors on April 27, 2023 and were signed on their behalf by:


Daasebre Akuamoah Agyapong II
Chairman


Alhassan Yakubu - Tali
Managing Director

