

AGRICULTURAL DEVELOPMENT BANK LIMITED

UNAUDITED SUMMARY FINANCIAL STATEMENTS FOR THE PERIOD ENDED

31 MARCH 2019

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019			UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED MARCH 31, 2019		
	2019 GH¢ '000	2018 GH¢ '000		2019 GH¢ '000	2018 GH¢ '000
Assets			Interest income	122,698	124,042
Cash and Bank Balances	728,384	1,006,816	Interest expense	(41,759)	(53,471)
Due from other Banks	380,430	-			
Investment securities	1,203,468	1,205,129			
Loans and advances to customers	1,216,631	1,142,389	Net interest income	80,939	70,571
Investment (other than securities)	95,861	91,832			
Investment in associate companies	-	357	Fees and commission income	17,987	18,268
Deferred tax assets	54,262	33,484	Fees and commission expense	(2,311)	(1,837)
Current t tax assets	3,597	5,681			
Intangible assets	26,175	35,379	Net fees and commission income	15,676	16,431
Other assets	47,834	91,119	Net trading income	14,231	8,927
Property and equipment	96,382	104,291	Other operating income	1,727	2,761
Total Assets	3,853,023	3,716,477	Operating Income	112,572	98,690
Liabilities					
Borrowed funds	255,296	520,642			
Deposits from customers	2,829,640	2,617,427	Net Impairment loss on financial assets	(1,099)	(5,713)
Other liabilities	108,550	86,372	Personnel expenses	(48,401)	(40,654)
			Depreciation and Amortization	(5,635)	(5,727)
Total liabilities	3,193,486	3,224,442	Other Expenses	(33,785)	(31,614)
Equity			Profit before Tax	23,652	14,981
Share capital	275,100	275,100	Income tax expense	(2,826)	(2,826)
Deposits for shares	277,000	-			
Income surplus	(296,041)	(183,603)			
Revaluation reserve	57,530	57,530	Profit for the period	20,826	12,156
Statutory reserve	111,513	104,225			
Credit risk reserve	179,008	185,572	Other comprehensive income, net of tax		
Fair value through OCI	55,427	53,210	<i>Items that will never be reclassified to profit or loss</i>		
			Fair value through other Comprehensive Income	-	867
Shareholders' funds	659,538	492,034			
			Other comprehensive income for the year	-	867
Total liabilities and Shareholders' Funds	3,853,023	3,716,477			
			Total comprehensive income for the year	20,826	13,023
			Profit attributable to:		
			Equity holders of the bank	20,826	12,156
			Total comprehensive income attributable to:		
			Equity holders of the Bank	20,826	13,023
			Earnings per share		
			Basic and diluted (in Ghana pesewas)	9	5

STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Deposit for Shares	Credit Risk Reserve	Statutory Reserve	Revaluation Reserve	Other Reserves	Income Surplus	Total
In thousands of GH¢								
Balance at January 1, 2019	275,100	277,000	167,641	101,100	57,530	55,427	(294,087)	639,711
Transaction costs related to Right Issue	-	-	-	-	-	-	(1,000)	(1,000)
Profit for the year	-	-	-	-	-	-	20,826	20,826
Other Comprehensive Income Net of Tax	-	-	-	-	-	-	-	-
Net Change in fair value of Equity Investments	-	-	-	-	-	-	-	-
Transfer from income surplus to reserves and transactions with owners recorded directly in equity	-	-	-	10,413	-	-	(10,413)	-
Transfer to/(from) credit risk reserve	-	-	11,367	-	-	-	(11,367)	-
Balance at March 31, 2019	275,100	277,000	179,008	111,513	57,530	55,427	(296,041)	659,538
	Stated Capital	Deposit for Shares	Credit Risk Reserve	Statutory Reserve	Revaluation Reserve	Othe Reserves	Income Surplus	Total
In thousands of GH¢								
Balance at January 1, 2018	275,100	-	185,324	98,147	57,530	52,343	(189,429)	479,015
Additional Capital	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	12,156	12,156
Other Comprehensive Income, net of income tax								
Net Change in fair value	-	-	-	-	-	867	(4)	864
Transfer from income surplus to reserves								
Transfer to/(from) credit risk reserve	-	-	248	-	-	-	(248)	-
Transfers from income surplus to reserves and transactions with owners recoreded directly in Equity	-	-	-	6,078	-	-	(6,078)	-
	-	-	-	-	-	-	-	-
Balance at March 31, 2018	275,100	-	185,572	104,225	57,530	53,210	(183,603)	492,034

AGRICULTURAL DEVELOPMENT BANK LIMITED

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STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED MARCH 31, 2019

	2019 GH¢'000	2018 GH¢'000
Cash flows from operating activities		
Profit before tax	23,652	14,981
Adjustments for:		
Depreciation and amortization	5,635	5,727
Impairment charge on Financial Assests	1,099	5,713
Dividend received	(1,302)	(2,667)
Gain on disposal of property and equipment	(17)	-
Net interest income	(80,939)	(70,571)
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(Loss) before working capital changes	(51,871)	(46,817)
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Changes in :		
Loans & advances	(147,816)	(5,754)
Other assets	(2,005)	(8,806)
Deposits from customers	242,014	73,797
Other liabilities	11,453	19,803
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	51,774	32,224
Interest Income received	120,158	121,075
Interest expense paid	(41,581)	(41,166)
Dividend Income	1,302	2,667
Taxes paid (NFSL)	-	(377)
Income Tax Paid	-	(2,449)
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Net cash generated from operating activities	131,653	111,974
Cash flows from investing activites		
Purchase of property and equipment	(1,300)	(2,570)
Purchase of medium and long term government securities	(108,258)	(44,484)
Proceeds from the sale of property and equipment	395	-
Purchase of intangible assets	-	(1,851)
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Net cash used in investing activities	(109,163)	(48,904)
Cash flows from financing activities		
Payments in borrowed funds	(20,208)	-
Receipts in borrowed funds	-	52,407
Transaction cost from Right Issue of shares	(1,000)	-
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Net cash generated from financing activities	(21,208)	52,407
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Increase in cash and cash equivalents	1,281	115,477
Cash and cash equivalents at 1 January	1,463,647	1,768,929
Effect of exchange rate fluctuation on cash held	828	(26)
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Cash and cash equivalents at 31 March	1,465,756	1,884,380
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1. General Information
Agricultural Development Bank Limited (ADB) is a bank incorporated in Ghana. The registered office of the bank is located at Accra Financial Centre, 3rd Ambadassadorial 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 with the exception of IAS 39 which has been replaced by IFRS 9 effective January 1,2018 . These policies have been consistently applied to all the years presented, unless otherwise stated. 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, 1963 (Act 179) 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 available- for- sale assets carried at fair value.

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

	2019 GH¢'000	2018 GH¢'000
Guanrantees and indemnities	165,069	117,725
Letters of credit	78,017	142,556
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	243,086	260,281
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6. Quantitative Disclosures

	2019 %	2018 %
Capital Adequacy Ratio	16.30	14.38
Non performing loans to gross loans	46.13	43.24
Loan Loss provision	34.36	35.85
Liquid ratio	129.25	151.17
Default in statutory requirments:		
Sanctions	6	Nil

7. Corporate Social Responsibility

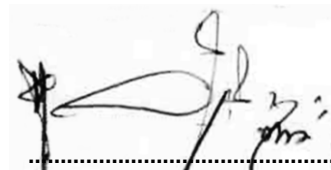
Amount spent on Corporate Social responsibility amounted GHS 179,799 (2018: GHS 111,941) These included Best farmer sponsorship, donation to schools and others of national interest.

8. 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 as well as manage 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 and were signed on their behalf by


.....
Alex Bernasko
Chairman


.....
Dr. John Kofi Mensah
Managing Director

