

**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
<b>Assets</b>									
Cash and Bank Balances	728,384	1,006,816	Interest income					122,698	124,042
Due from other Banks	380,430	-	Interest expense					(41,759)	(53,471)
Investment securities	1,203,468	1,205,129	<b>Net interest income</b>					<b>80,939</b>	<b>70,571</b>
Loans and advances to customers	1,216,631	1,142,389	Fees and commission income					17,987	18,268
Investment (other than securities)	95,861	91,832	Fees and commission expense					(2,311)	(1,837)
Investment in associate companies	-	357	Net fees and commission income					15,676	16,431
Deferred tax assets	54,262	33,484	Net trading income					14,231	8,927
Current tax assets	3,597	5,681	Other operating income					1,727	2,761
Intangible assets	26,175	35,379	<b>Operating Income</b>					<b>112,572</b>	<b>98,690</b>
Other assets	47,834	91,119	Net Impairment loss on financial assets					(1,099)	(5,713)
Property and equipment	96,382	104,291	Personnel expenses					(48,401)	(40,654)
<b>Total Assets</b>	<b>3,853,023</b>	<b>3,716,477</b>	Depreciation and Amortization					(5,635)	(5,727)
<b>Liabilities</b>	<b>=====</b>	<b>=====</b>	Other Expenses					(33,785)	(31,614)
Borrowed funds	255,296	520,642	<b>Profit before Tax</b>					23,652	14,981
Deposits from customers	2,829,640	2,617,427	Income tax expense					(2,826)	(2,826)
Other liabilities	108,550	86,372	<b>Profit for the period</b>					<b>20,826</b>	<b>12,156</b>
<b>Total liabilities</b>	<b>3,193,486</b>	<b>3,224,442</b>	<b>Other comprehensive income, net of tax</b>						
<b>Equity</b>	<b>=====</b>	<b>=====</b>	<i>Items that will never be reclassified to profit or loss</i>						
Share capital	275,100	275,100	Fair value through other Comprehensive Income					-	867
Deposits for shares	277,000	-	<b>Other comprehensive income for the year</b>					-	867
Income surplus	(296,041)	(183,603)	<b>Total comprehensive income for the year</b>					<b>20,826</b>	<b>13,023</b>
Revaluation reserve	57,530	57,530	<b>Profit attributable to:</b>						
Statutory reserve	111,513	104,225	Equity holders of the bank					20,826	12,156
Credit risk reserve	179,008	185,572	<b>Total comprehensive income attributable to:</b>						
Fair value through OCI	55,427	53,210	Equity holders of the Bank					20,826	13,023
<b>Shareholders' funds</b>	<b>659,538</b>	<b>492,034</b>	<b>Earnings per share</b>						
<b>Total liabilities and Shareholders' Funds</b>	<b>3,853,023</b>	<b>3,716,477</b>	Basic and diluted (in Ghana pesewas)					9	5

**STATEMENT OF CHANGES IN EQUITY**

In thousands of GH¢	Stated Capital	Deposit for Shares	Credit Risk Reserve	Statutory Reserve	Revaluation Reserve	Other Reserves	Income Surplus	Total
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)
<b>Profit for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,826</b>	<b>20,826</b>
<b>Other Comprehensive Income Net of Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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)	-
<b>Balance at March 31, 2019</b>	<b>275,100</b>	<b>277,000</b>	<b>179,008</b>	<b>111,513</b>	<b>57,530</b>	<b>55,427</b>	<b>(296,041)</b>	<b>659,538</b>
In thousands of GH¢	Stated Capital	Deposit for Shares	Credit Risk Reserve	Statutory Reserve	Revaluation Reserve	Other Reserves	Income Surplus	Total
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
<b>Other Comprehensive Income, net of income tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in fair value	-	-	-	-	-	-	867	(4)
<b>Transfer from income surplus to reserves</b>	<b>-</b>	<b>-</b>	<b>248</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(248)</b>	<b>-</b>
Transfer to/(from) credit risk reserve	-	-	-	-	-	-	-	-
Transfers from income surplus to reserves and transactions with owners recorded directly in Equity	-	-	-	6,078	-	-	(6,078)	-
<b>Balance at March 31, 2018</b>	<b>275,100</b>	<b>-</b>	<b>185,572</b>	<b>104,225</b>	<b>57,530</b>	<b>53,210</b>	<b>(183,603)</b>	<b>492,034</b>

**AGRICULTURAL DEVELOPMENT BANK LIMITED**  
**UNAUDITED SUMMARY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019**

STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED MARCH 31, 2019		
	2019 GH¢'000	2018 GH¢'000
<b>Cash flows from operating activities</b>		
Profit before tax	23,652	14,981
<b>Adjustments for:</b>		
Depreciation and amortization	5,635	5,727
Impairment charge on Financial Assets	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)
<b>(Loss) before working capital changes</b>	<b>(51,871)</b>	<b>(46,817)</b>
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
	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)
<b>Net cash generated from operating activities</b>	<b>131,653</b>	<b>111,974</b>
<b>Cash flows from investing activites</b>		
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)
<b>Net cash used in investing activities</b>	<b>(109,163)</b>	<b>(48,904)</b>
<b>Cash flows from financing activities</b>		
Payments in borrowed funds	(20,208)	-
Receipts in borrowed funds	-	52,407
Transaction cost from Right Issue of shares	(1,000)	-
<b>Net cash generated from financing activities</b>	<b>(21,208)</b>	<b>52,407</b>
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)
<b>Cash and cash equivalents at 31 March</b>	<b>1,465,756</b>	<b>1,884,380</b>

**5. Contingent Liabilities**

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

**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 requirements:		
Sanctions	6	Nil

**7. Corporate Social Responsibility**

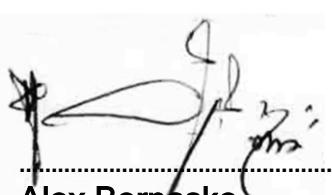
Amount spent on Corporate Social responsibility amounted GHS 179,799 (2018: GHS 111,941) These included Best farmer sponsorship, donation to schools and others of national interest.

**8. Risk Management**

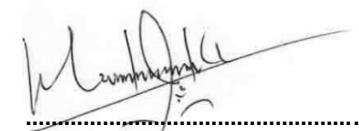
The Bank's activities expose the business to risks. The Bank has exposure to the following types of risks: credit risk, liquidity risk, market risk and operational risk. It is therefore a fundamental responsibility of management to ensure that all the risks associated with each class of business, each 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

**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.



**adb**  
agricultural development bank

...truly agric and more