

AGRICULTURAL DEVELOPMENT BANK LIMITED

CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED

DECEMBER 31, 2017

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2017			STATEMENT OF CASHFLOWS FOR THE YEAR ENDED DECEMBER 31, 2017		
	2017 GH¢'000	2016 GH¢'000		2017 GH¢'000	2016 GH¢'000
Assets			Cash flows from operating activities		
Cash and cash equivalents	951,675	610,563	Profit/ (Loss) after tax	26,510	(70,026)
Investment securities	1,099,177	1,085,752	Adjustments for:		
Loans and advances to customers	1,139,356	1,005,302	Unrealised exchange differences	1,434	(2,869)
Investment (other than securities)	91,832	94,299	Depreciation and amortization	18,365	15,813
Investment in associate companies	357	538	Impairment charge on Financial Assets	49,823	104,022
Deferred tax assets	33,773	44,519	Dividend received	(2,921)	(2,996)
Current tax assets	5,679	16,653	Loss on disposal of property and equipment	4	210
Intangible assets	35,861	29,858	Net interest income	(309,611)	(194,314)
Other assets	82,316	42,994	Income Tax expense	20,829	(35,688)
Property and equipment	105,117	105,015			
Total Assets	3,545,143	3,035,493	Loss before working capital changes	(195,567)	(185,848)
Liabilities			Changes in :		
Borrowed funds	458,551	381,025	Loans & advances	(175,159)	(37,149)
Deposits from customers	2,541,010	2,147,450	Other assets	(39,322)	2,296
Other liabilities	66,569	52,240	Deposits from customers	391,066	637,974
Total liabilities	3,066,130	2,580,715	Other liabilities	14,329	9,150
Equity					
Share capital	275,100	275,100	Interest Income received	512,144	376,965
Income surplus	(189,429)	(188,778)	Interest expense paid	(202,463)	(169,167)
Revaluation reserve	57,531	57,531	Dividend Income	2,921	2,996
Statutory reserve	98,146	84,891	Taxes paid (NFSL)	(2,378)	-
Credit risk reserve	185,323	171,417	Income Tax Paid	(6,442)	-
Available for sale reserve	52,342	54,617	Tax refund	10,470	-
Shareholders' funds	479,013	454,778	Net cash generated from operating activities	309,599	637,217
Total liabilities and Shareholders' Funds	3,545,143	3,035,493	Cash flows from investing activites		
			Purchase of property and equipment	(12,989)	(9,419)
			Purchase of medium and long term government securities	(118,732)	(22,766)
			Proceeds from the sale of property and equipment	-	176
			Purchase of intangible assets	(11,485)	(28,055)
			Proceeds from disposal of associated company	181	-
			Net cash used in investing activities	(143,025)	(60,064)
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2017			Cash flows from financing activities		
	2017 GH¢'000	2016 GH¢'000	Receipts in borrowed funds	71,232	134,752
Interest income	520,862	361,066	Proceeds from issue of ordinary shares	-	200,100
Interest expense	(211,251)	(166,752)	Transaction costs related to issue of ordinary shares	-	(15,185)
Net interest income	309,611	194,314	Net cash generated from financing activities	71,232	319,668
Fees and commission income	72,947	64,391	Increase in cash and cash equivalents	237,806	896,821
Fees and commission expense	(8,593)	(6,480)	Cash and cash equivalents at 1 January	1,532,555	632,865
Net fees and commission income	64,354	57,911	Effect of exchange rate fluctuation on cash held	(1,434)	2,869
Net trading income	28,328	18,251			
Other operating income	4,611	7,771	Cash and cash equivalents at 31 December	1,768,927	1,532,555
Operating Income	406,904	278,247			
Net Impairment loss on financial assets	(49,823)	(104,022)	The financial statements presented are an extract from the annual financial statements of the Bank for the year ended December 31, 2017. This information is extracted directly from the annual financial statements, which are available for inspection at the Bank's Head Office, Accra Financial Centre, 3rd Ambassadors Development Area, Accra.		
Personnel expenses	(167,052)	(136,848)			
Depreciation and Amortization	(18,365)	(15,813)	1. General Information		
Other Expenses	(124,325)	(127,278)	Agricultural Development Bank Limited (ADB) is a bank incorporated in Ghana. The registered office of the bank is located at Accra Financial Centre, 3rd Ambassadors Development Area, Accra. The Agricultural Development Bank operates with a universal banking license that allows it to undertake all banking and related services.		
Profit / (Loss) before Tax	47,339	(105,714)			
Income tax expense	(20,829)	35,688	The Bank is listed on the Ghana Stock Exchange.		
Profit / (Loss) for the period	26,510	(70,026)	The financial statements were authorised for issue by the Board of Directors on March 28, 2018 .		
Other comprehensive income, net of tax					
<i>Items that are or may be reclassified to profit or loss</i>			2. Summary of Significant Accounting Policies		
Net change in value of available for sale financial assets	(2,275)	6,996	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. These policies have been consistently applied to all the years presented, unless otherwise stated.		
Other comprehensive income for the year	(2,275)	6,996			
Total comprehensive income for the year	24,235	(63,030)	Basis of presentation		
Profit attributable to:			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 Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) have been included where appropriate.		
Equity holders of the bank	26,510	(70,026)			
Total comprehensive income attributable to:	24,235	(63,030)	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.		
Earnings per share					
Basic and diluted (in Ghana pesewas)	11	(166)			

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AGRICULTURAL DEVELOPMENT BANK LIMITED

CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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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.

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.

3. Contingent Liabilities

	2017 GH¢'000	2016 GH¢'000
Guanrantees and indemnities	151,120	192,285
Letters of credit	123,956	83,070
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	275,076	275,355
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4. Quantitative Disclosures

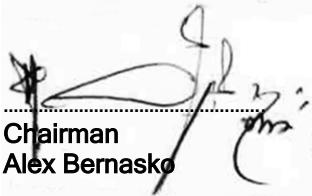
	2017 %	2016 %
Capital Adequacy Ratio	13.72	14.08
Non performing loans to gross loans	42.87	43.94
Loan Loss provision	35.41	33.83
Liquid ratio	144.20	146.73
Default in statutory liquidity (times)	Nil	Nil
Default in statutory liquidity sanction (GH¢'000)	Nil	Nil

5. 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 **March 28, 2018** and were signed on their behalf by



Chairman
Alex Bernasko



Managing Director
Dr. John Kofi Mensah

Independent Auditor's report to the Members of Agricultural Development Bank Limited

Opinion

The condensed financial statements, which comprise the statements of financial position as at December 31, 2017 and the statements of comprehensive income and cash flows for the year then ended and related notes are derived from the audited financial statements of Agricultural Development Bank Limited for the year ended December 31, 2017.

In our opinion, the accompanying condensed financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the basis described in the notes.

Condensed Financial Statements

The condensed financial statements do not contain all the disclosures required by International Financial Reporting Standards and in the manner required by the Companies Act of Ghana, 1963 (Act 179) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) applied in the preparation of the audited financial statements of Agricultural Development Bank Limited. Reading the condensed financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements and our report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report. 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 financial statements for the current period.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of the condensed financial statements in accordance with the basis described in the notes.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the condensed financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

The engagement partner on the audit resulting in this independent auditor's report is Nathaniel D. Harley (ICAG/P/1056)



For and on behalf of:

KPMG: (ICAG/F/2018/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
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ACCRA

March 28, 2018



adb
agricultural development bank

...truly agric and more