

AGRICULTURAL DEVELOPMENT BANK LIMITED

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED

SEPTEMBER 30, 2018

(UNAUDITED) STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30			(UNAUDITED) STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED SEPTEMBER 30		
	2018	2017		2018	2017
	GH¢ '000	GH¢ '000		GH¢ '000	GH¢ '000
Assets					
Cash and Cash Equivalents	1,182,049	888,524	Interest income	373,335	389,604
Investment securities	1,017,491	931,783	Interest expense	(164,195)	(157,586)
Loans and Advances to customers	1,095,331	1,205,034	Net interest income	209,140	232,018
Investment (other than securities)	92,677	94,299			
Investment in associate companies	357	357			
Deferred tax assets	36,385	35,802	Fees and commission income	55,715	53,135
Current tax assets	4,040	9,796	Fees and commission expense	(5,886)	(5,843)
Intangible assets	30,769	37,232	Net fees and commission income	49,829	47,292
Other assets	65,879	50,558			
Property, Plant and Equipment	99,470	106,445	Net trading income	36,380	18,739
	=====	=====	Other operating income	8,642	3,770
Total Assets	3,624,449	3,359,830	Operating Income	303,991	301,820
	=====	=====			
Liabilities					
Borrowed funds	476,712	389,421	Net Impairment loss on financial assets	(13,175)	(17,161)
Deposits from customers	2,705,031	2,411,679	Personnel Expenses	(133,039)	(115,731)
Other Liabilities	92,442	55,992	Depreciation and Amortization	(17,141)	(12,754)
	=====	=====	Other Expenses	(97,623)	(89,832)
Total Liabilities	3,274,184	2,857,093	Profit Before Tax	43,013	66,342
	=====	=====	Income Tax Expense	(4,289)	(14,446)
			National Fiscal Stabilization Levy	(1,131)	(3,317)
Equity					
Stated Capital	275,100	275,100	Profit for the period	37,593	48,579
Income Surplus	(183,501)	(159,461)			
Revaluation Reserve	57,530	57,530	Other Comprehensive		
Statutory Reserve	116,944	109,180	<i>Items that are or may be reclassified to profit or loss</i>		
Credit Risk Reserve	31,131	166,394	Net change in value of available for sale financial assets	717	(624)
Other Reserves	53,060	53,994			
	=====	=====	Other comprehensive income for the period	717	(624)
Shareholders' funds	350,264	502,738	Total comprehensive income for the period	38,311	47,955
	=====	=====			
Total Liabilities and Shareholders' Fund	3,624,449	3,359,830	Profit attributable to:		
	=====	=====	Equity holders of the bank	37,593	48,579
				=====	=====
			Total comprehensive income attributable to:		
			Equity holders of the Bank	38,311	47,955
				=====	=====
			Earnings per share		
			Basic and diluted (in Ghana pesewas)	16	21

(UNAUDITED) STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30

In thousands of GH¢	Stated Capital	Credit Risk Reserve	Statutory Reserve	Revaluation Reserve	Other Reserves	Income Surplus	Total Equity
Balance at January 1, 2018	275,100	185,324	98,147	57,530	52,343	(189,433)	479,012
Profit for the period						37,593	37,593
Other Comprehensive Income							
Fair value of financial assets net of tax					717		717
Transfer to Statutory Reserve			18,797			(18,797)	-
Impact of IFRS 9		(167,058)					(167,058)
Release from Credit Risk Reserve		12,865				(12,865)	-
Balance at September 30, 2018	275,100	31,131	116,944	57,530	53,060	(183,501)	350,264
Balance at January 1, 2017	275,100	171,418	84,891	57,530	54,618	(188,774)	454,783
Profit for the year						48,579	48,579
Transfer to Statutory Reserve			24,289			(24,289)	-
Other Comprehensive Income							-
Financial assets net of tax					(624)		(624)
Release from Credit Risk Reserve		(5,023)				5,023	0
Balance at September 30, 2017	275,100	166,394	109,180	57,530	53,994	(159,461)	502,738

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(UNAUDITED) STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED SEPTEMBER 30

	2018 GH¢'000	2017 GH¢'000
Cash flows from operating activities		
Profit after tax	37,593	48,579
Adjustments for:		
Depreciation and amortization	17,141	12,754
Impairment charge on Financial Assets	13,175	17,161
Impairment of other receivables	2,628	-
Dividend received	(2,678)	(2,921)
Net interest income	(209,140)	(232,018)
Income Tax expense	5,420	8,949
	(135,862)	(147,496)
Changes in:		
Loans & advances	(134,366)	(213,530)
Other assets	16,434	1,250
Deposits from customers	164,186	264,229
Other liabilities	25,872	3,752
	(63,735)	(91,795)
Interest Income received	370,274	383,990
Interest expense paid	(159,956)	(155,330)
Dividend Income	2,678	2,921
Taxes paid (NFSL)	(1,131)	-
Income Tax Paid	(7,347)	(2,092)
	140,784	137,694
Net cash generated from operating activities		
Cash flows from investing activites		
Purchase of property and equipment	(4,555)	(10,875)
Redemption/(Purchase) of medium and long term government securities	18,046	(52,528)
Proceeds from the sale of property and equipment	3	3
Purchase of intangible assets	(1,851)	(10,687)
Proceeds from sale investment securities	-	181
	11,643	(73,906)
Net cash generated from/(used in) investing activities		
Cash flows from financing activities		
Receipts from borrowed funds	13,756	8,397
	13,756	8,397
Net cash generated from financing activities		
Increase in cash and cash equivalents	166,184	72,184
Cash and cash equivalents at 1 January	1,768,929	1,532,555
Effect of exchange rate fluctuation on cash held	547	2,223
	1,935,661	1,604,740
Cash and cash equivalents at September 30		

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 Ambassadors 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 for the year ended December 31, 2017 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.

3. 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.

4. Contingent Liabilities

	2018 GH¢'000	2017 GH¢'000
Guanrantees and indemnities	68,081	52,879
Letters of credit	125,118	146,500
	193,198	199,378
	=====	=====

5. Quantitative Disclosures

	2018 %	2017 %
Capital Adequacy Ratio	14.67	18.04
Non performing loans to gross loans	41.39	38.79
Loan Loss provision	30.00	30.04
Liquid ratio	150.92	163.03

6. Default in statutory requirements

Sanctions	94.60	Nil
Default in statutory requirements	Nil	Nil

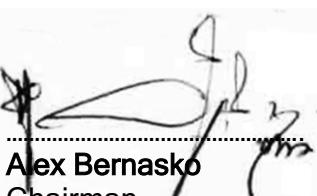
7. Corporate Social Responsibility

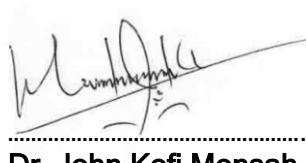
Amount spent on Corporate Social Responsibility amounted to GHS 914,285 (2017: GHS 817,341). These included Best Farmer sponsorship, donation to schools and others of national interest.

8. Risk Management

The Bank's activities exposes 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 the overall responsibility of the Board and 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.

9. The financial statements do not contain any untrue statement, misleading facts or omit material facts to the best of my knowledge.


Alex Bernasko
Chairman


Dr. John Kofi Mensah
Managing Director