

AGRICULTURAL DEVELOPMENT BANK LIMITED

UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED

30 JUNE 2019

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2019			UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED JUNE 30, 2019				
	2019 GH¢ '000	2018 GH¢ '000				2019 GH¢ '000	2018 GH¢ '000
Assets							
Cash and Bank Balances	738,063	1,141,318	Interest income			232,579	249,514
Due from other Banks	397,576	-	Interest expense			(85,845)	(112,033)
Investment securities	1,347,689	1,025,964	Net interest income			146,733	137,481
Loans and advances to customers	1,221,547	1,026,675	Fees and commission income			41,382	36,679
Investment (other than securities)	101,690	91,832	Fees and commission expense			(6,329)	(4,101)
Investment in associate companies	-	357	Net fees and commission income			35,053	32,578
Corporate t tax assets	3,597	5,672	Net trading income			29,255	21,890
Intangible assets	23,888	33,074	Other operating income			5,062	2,797
Other assets	57,890	83,450	Operating Income			216,104	194,746
Property and equipment	94,508	102,054				=====	=====
Deferred tax assets	54,262	40,464	Net Impairment loss on financial assets			(2,595)	(13,175)
	=====	=====	Personnel expenses			(99,014)	(85,247)
Total Assets	4,040,710	3,550,858	Depreciation and amortization			(11,132)	(11,431)
	=====	=====	Other operating expenses			(72,596)	(64,344)
Liabilities			Profit before Tax			30,767	20,549
Borrowed funds	280,934	528,094	Income tax expense			(5,651)	12
Deposits from customers	2,954,693	2,595,770	Profit after tax			25,115	20,562
Other liabilities	118,618	97,535	Other comprehensive income, net of tax				
	=====	=====	<i>Items that will never be reclassified to profit or loss</i>				
Total liabilities	3,354,245	3,221,399	Fair value through other Comprehensive Income			5,690	(3,055)
	=====	=====	Other comprehensive income for the year			5,690	(3,055)
Equity			Total comprehensive income for the year			30,805	17,507
Stated capital	571,700	275,100	Profit attributable to:				
Income surplus	(297,203)	(169,248)	Equity holders of the bank			25,115	20,562
Revaluation reserve	57,530	57,530	Total comprehensive income attributable to:				
Statutory reserve	113,657	98,146	Equity holders of the Bank			30,805	17,507
Credit risk reserve	179,663	18,642	Earnings per share				
Fair value through OCI	61,117	49,288	Basic and diluted (in Ghana pesewas)			10	9
	=====	=====					
Shareholders' funds	686,465	329,459					
	=====	=====					
Total liabilities and Shareholders' Funds	4,040,710	3,550,858					
	=====	=====					

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
Additional Capital	296,600	(277,000)						19,600
Transaction costs related to Right Issue			-	-	-	-	(3,651)	(3,651)
Profit for the year	-	-	-	-	-	-	25,115	25,115
Other Comprehensive Income Net of Tax	-	-	-	-	-	-	-	-
Net Change in fair value of Equity Investments	-	-	-	-	-	5,690	-	5,690
Transfer from income surplus to reserves and transactions with owners recorded directly in equity	-	-	-	12,558	-	-	(12,558)	-
Transfer to/(from) credit risk reserve	-	-	12,021	-	-	-	(12,021)	-
Balance at June 30, 2019	571,700	-	179,663	113,657	57,530	61,117	(297,203)	686,465

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	98,146	57,530	52,343	(189,430)	479,013
Additional Capital	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	20,562	20,562
Other Comprehensive Income, net of income tax	-	-	-	-	-	-	-	-
Net Change in fair value	-	-	-	-	-	(3,055)	-	(3,055)
Transfer from income surplus to reserves	-	-	-	-	-	-	-	-
Impact on IFRS 9			(167,060)					(167,060)
Transfer to/(from) credit risk reserve	-	-	378.86	-	-	-	(379)	-
Transfers from income surplus to reserves and transactions with owners recorded directly in Equity	-	-	-	-	-	-	-	-
Balance at June 30, 2018	275,100	-	18,642	98,146	57,530	49,288	(169,248)	329,459

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STATEMENT OF CASHFLOWS FOR THE YEAR ENDED JUNE 30, 2019		
	2019 GH¢'000	2018 GH¢'000
Cash flows from operating activities		
Profit before tax	30,767	20,549
Adjustments for:		
Unrealised exchange differences	-	-
Depreciation and amortization	11,132	11,431
Impairment charge on Financial Assets	2,398	13,175
Impairment of equity investment	-	-
Dividend received	(1,302)	(2,678)
Gain on disposal of property and equipment	(17)	-
Net interest income	(146,733)	(137,481)
(Loss) before working capital changes	(103,757)	(95,004)
Changes in :		
Loans & advances	(147,401)	(58,674)
Other assets	(12,061)	(1,136)
Deposits from customers	368,428	54,733
Other liabilities	21,521	30,966
	126,731	(69,115)
Interest Income received	193,650	240,283
Interest expense paid	(79,441)	(100,157)
Dividend Income	1,302	2,678
Taxes paid (NFSL)	(572)	(754)
Income Tax Paid	(2,449)	(4,907)
Deferred Tax	-	(6,691)
Net cash generated from operating activities	239,221	61,338
Cash flows from investing activites		
Purchase of property and equipment	(2,705)	(3,730)
Purchase of medium and long term government securities	(112,402)	50,066
Proceeds from the sale of property and equipment	395	-
Purchase of Shares from S.W.I.F.T	(140)	-
Purchase of intangible assets	-	(1,851)
Net cash used in investing activities	(114,851)	44,486
Cash flows from financing activities		
Payments in borrowed funds	-	-
Receipts in borrowed funds	6,612	57,694
Proceeds from Right Issue	19,600	-
Transaction cost from Right Issue of shares	(3,651)	-
Net cash generated from financing activities	22,561	57,694
Increase in cash and cash equivalents	146,930	163,518
Cash and cash equivalents at 1 January	1,463,647	1,768,929
Effect of exchange rate fluctuation on cash held	(1,075)	(1,096)
Cash and cash equivalents at 30 June	1,609,502	1,931,351

5. Contingent Liabilities

	2019 GH¢'000	2018 GH¢'000
Guanrantees and indemnities	129,287	65,630
Letters of credit	151,483	133,441
	280,770	199,070

6. Quantitative Disclosures

	2019 %	2018 %
Capital Adequacy Ratio	16.63	15.92
Non performing loans to gross loans	46.38	42.16
Loan Loss provision	34.34	34.87
Liquid ratio	133.71	158.95
Default in statutory requirements:		
Sanctions (GHS 000)	42	Nil

7. Corporate Social Responsibility

Amount spent on Corporate Social responsibility amounted GHS 1,287,899 (2018: GHS814,072) These included Best farmer sponsorship, donation to schools and others of national interest

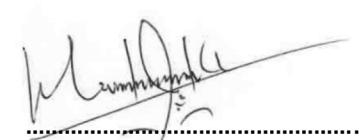
8. Risk Management

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.

"The Financial Statements do not contain untrue Statements, misleading facts, or omit material facts to the best of our knowledge"



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.

The financial statements were authorised for issue by the Board of Directors on

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these condensed financial statements 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.



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