

# AGRICULTURAL DEVELOPMENT BANK LIMITED

## UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2018

### UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31

	2018 GH¢ '000	2017 GH¢ '000
<b>Assets</b>		
Cash and cash equivalents	1,006,816	862,680
Investment securities	1,205,129	1,120,238
Loans and advances to customers	1,142,389	1,054,951
Investment (other than securities)	91,832	94,299
Investment in associate companies	357	538
Deferred tax assets	33,773	43,576
Current tax assets	5,681	14,330
Intangible assets	35,379	30,444
Other assets	91,119	66,513
Property and equipment	104,291	110,897
<b>Total Assets</b>	<b>3,716,766</b>	<b>3,398,466</b>
<b>Liabilities</b>		
Borrowed funds	520,642	414,036
Deposits from customers	2,617,427	2,442,639
Other liabilities	86,372	50,128
<b>Total liabilities</b>	<b>3,224,442</b>	<b>2,906,803</b>
<b>Equity</b>		
Share capital	275,100	275,100
Income surplus	(183,603)	(120,917)
Revaluation reserve	57,530	57,530
Statutory reserve	104,225	84,891
Credit risk reserve	185,572	142,810
Available for sale reserve	53,499	52,250
<b>Shareholders' funds</b>	<b>492,324</b>	<b>491,664</b>
<b>Total liabilities and Shareholders' Funds</b>	<b>3,716,766</b>	<b>3,398,466</b>

### UNAUDITED STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED MARCH 31

	2018 GH¢'000	2017 GH¢'000
<b>Cash flows from operating activities</b>		
Profit after tax	12,156	37,232
<b>Adjustments for:</b>		
Depreciation and amortization	5,727	3,442
Impairment charge on Financial Assets	5,713	3,071
Dividend received	(2,667)	(2,592)
(Gain)/loss on disposal of property and equipment	0	-
Net interest income	(70,571)	(81,766)
Income Tax expense	2,826	1,960
<b>Profit/(Loss) before working capital changes</b>	<b>(46,817)</b>	<b>(38,653)</b>
Changes in :		
Loans & advances	(5,754)	(56,120)
Other assets	(8,806)	(23,519)
Deposits from customers	73,797	295,188
Other liabilities	19,803	(2,975)
	32,224	173,922
Interest Income received	121,075	137,081
Interest expense paid	(41,166)	(50,037)
Dividend Income	2,667	2,592
Taxes paid (NFSL)	(377)	-
Income Tax Paid	(2,449)	-
Tax refund	-	-
<b>Net cash generated from operating activities</b>	<b>111,974</b>	<b>263,558</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(2,570)	(8,958)
Purchase / Redemption of medium and long term government securities	(44,484)	(17,443)
Proceeds from the sale of property and equipment	-	-
Purchase of intangible assets	(1,851)	(952)
Proceeds from disposal of associated company	-	-
<b>Net cash used in investing activities</b>	<b>(48,904)</b>	<b>(27,353)</b>
<b>Cash flows from financing activities</b>		
Receipts/(payments) in borrowed funds	52,407	30,035
Proceeds from issue of ordinary shares	-	-
Transaction costs related to issue of ordinary shares	-	-
<b>Net cash generated from financing activities</b>	<b>52,407</b>	<b>30,035</b>
Increase in cash and cash equivalents	115,477	266,240
Cash and cash equivalents at December 31	1,768,929	1,532,555
Effect of exchange rate fluctuation on cash held	(26)	2,921
<b>Cash and cash equivalents at March 31</b>	<b>1,884,380</b>	<b>1,801,716</b>

### NOTES TO THE UNAUDITED FINANCIAL STATEMENT

#### 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 financial statements are consistent with the accounting policies applied in the audited financial statements of the bank for the year ended December 31, 2017. These policies have been consistently applied to all the periods 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. 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. Quantitative Disclosures

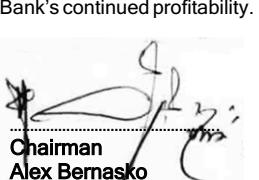
	March 2018 %	March 2017 %
Capital Adequacy Ratio	14.38	20.77
Non performing loans to gross loans	43.24	42.19
Loan Loss provision	35.85	29.58
Liquid ratio	151.17	146.73

#### 6. Default in statutory liquidity and sanctions :

	March 2018	March 2017
a) Sanctions	Nil	Nil
b) Default in statutory liquidity	Nil	Nil

#### 7. 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.

  
Chairman  
Alex Bernasko

  
Managing Director  
Dr. John Kofi Mensah

  
adb  
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...truly agric and more