

# AGRICULTURAL DEVELOPMENT BANK LIMITED

## UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED

### SEPTEMBER 30, 2019

#### UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT SEP. 30, 2019

	2019	2018
	GH¢ '000	GH¢ '000
<b>Assets</b>		
Cash and Bank Balances	736,605	1,182,049
Due from other Banks	401,691	-
Investment securities	1,260,088	1,017,491
Loans and advances to customers	1,398,193	1,095,331
Investment (other than securities)	101,686	92,677
Investment in associate companies	-	357
Corporate tax assets	3,597	4,040
Intangible assets	21,640	30,769
Other assets	68,382	65,879
Property and equipment	96,032	99,470
Deferred tax assets	52,840	36,385
<b>Total Assets</b>	<b>4,140,755</b>	<b>3,624,449</b>
<b>Liabilities</b>		
Borrowed funds	247,402	476,712
Deposits from customers	3,101,547	2,705,031
Other liabilities	101,853	92,442
<b>Total liabilities</b>	<b>3,450,802</b>	<b>3,274,184</b>
<b>Equity</b>		
Stated capital	571,700	275,100
Income surplus	(293,888)	(183,501)
Revaluation reserve	57,530	57,530
Statutory reserve	116,113	116,944
Credit risk reserve	178,804	31,131
Fair value through OCI	59,695	53,060
Shareholders' funds	689,954	350,264
<b>Total liabilities and Shareholders' Funds</b>	<b>4,140,755</b>	<b>3,624,449</b>

#### STATEMENT OF CASHFLOWS (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
<b>Balance at January 1, 2019</b>	275,100	277,000	167,641	101,100	57,530	55,427	(294,087)	639,711.25
Additional Capital	296,600	(277,000)	-	-	-	-	(3,651)	19,599.72
Transaction costs related to Right Issue	-	-	-	-	-	-	(3,651)	(3,651.32)
Profit for the year	-	-	-	-	-	-	30,027	30,026.53
Other Comprehensive Income Net of Tax	-	-	-	-	-	-	-	-
Net Change in fair value of Equity Investments	-	-	-	-	-	4,267	-	4,267.34
Transfer from income surplus to reserves and transactions with owners recorded directly in equity	-	-	15,013	-	-	(15,013)	-	-
Transfer to/(from) credit risk reserve	-	-	11,163	-	-	(11,163)	-	-
Balance at September 30, 2019	571,700	-	178,804	116,113	57,530	59,695	(293,888)	689,953.52
	-	-	-	-	-	-	-	-
In thousands of GH¢	Stated Capital	Deposit for Shares	Credit Risk Reserve	Statutory Reserve	Revaluation Reserve	Other Reserves	Income Surplus	Total
<b>Balance at January 1, 2018</b>	275,100	-	185,324	98,147	57,530	52,343	(189,433)	479,011.58
Additional Capital	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	37,593	37,593.20
Other Comprehensive Income, net of income tax	-	-	-	-	-	-	-	-
Net Change in fair value	-	-	-	-	-	717	-	717.39
Transfer from income surplus to reserves	-	-	-	-	-	-	-	-
Impact on IFRS 9	-	-	(167,058)	-	-	-	-	(167,057.96)
Transfer to/(from) credit risk reserve	-	-	12,865.32	-	-	-	(12,865)	-
Transfers from income surplus to reserves and transactions with owners recorded directly in Equity	-	-	18,797	-	-	-	(18,797)	-
Balance at September 30, 2018	275,100	-	31,131	116,944	57,530	53,060	(183,501)	350,264.21

#### UNAUDITED STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED SEPTEMBER 30, 2019

	2019	2018	Cash flows from investing activities	2019	2018
	GH¢'000	GH¢'000			
Cash flows from operating activities					
Profit before tax	38,504	43,013	Purchase of property and equipment	(7,450)	(4,555)
Adjustments for:			Purchase of medium and long term government securities	(221,992)	18,046
Unrealised exchange differences	-	-	Proceeds from the sale of property and equipment	395	3
Depreciation and amortization	16,610	17,141	Purchase of Shares from S.W.I.F.T	(135)	-
Impairment charge on Financial Assets	4,131	13,175	Purchase of intangible assets	(9)	(1,851)
Impairment of other receivables	-	2,628	Net cash used in investing activities	(229,190)	11,644
Dividend received	(1,302)	(2,678)	Cash flows from financing activities		
Gain on disposal of property and equipment	(17)	-	Payments in borrowed funds	(26,920)	-
Net interest income	(221,762)	(209,140)	Receipts in borrowed funds	-	13,756
(Loss) before working capital changes	(163,836)	(135,862)	Proceeds from Right Issue	19,600	-
<b>Changes in :</b>			Transaction cost from Right Issue of shares	(3,651)	-
Loans & advances	(329,379)	(134,366)			
Other assets	(22,554)	16,434			
Deposits from customers	515,282	164,186			
Other liabilities	4,756	25,872			
	4,269	(63,735)			
Interest Income received	309,238	370,274			
Interest expense paid	(132,598)	(159,956)			
Dividend Income	1,302	2,678			
Taxes paid (NFSL)	(949)	(1,131)			
Income Tax Paid	(4,898)	(7,347)			
<b>Net cash generated from operating activities</b>	<b>176,364</b>	<b>140,784</b>			

#### 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 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 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.

#### 5. Contingent Liabilities

	2019	2018
	GH¢'000	GH¢'000
Guarantees and indemnities	73,186	68,081
Letters of credit	181,552	125,118
	254,738	193,198

#### 6. Quantitative Disclosures

	2019	2018
	%	%
Capital Adequacy Ratio	15.87	14.67
Non performing loans to gross loans	42.32	41.39
Loan Loss provision	31.33	30.00
Liquid ratio	123.06	150.92
Default in statutory requirements:		
Sanctions	42	Nil

#### 7. Corporate Social Responsibility

Amount spent on Corporate Social responsibility amounted GHS 1,546,864(2018: GHS 914,285) 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.

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

Chairman  
Alex Bernasko

Managing Director  
Dr. John Kofi Mensah