

AGRICULTURAL DEVELOPMENT BANK LIMITED
UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
JUNE 30, 2018

(UNAUDITED) STATEMENT OF FINANCIAL POSITION AS AT JUNE 30			(UNAUDITED) STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED JUNE 30			
	2018 GH¢ '000	2017 GH¢ '000		2018 GH¢ '000	2017 GH¢ '000	
Assets			Interest income	249,514	265,514	
Cash and cash equivalents	1,141,318	807,995	Interest expense	(112,033)	(108,196)	
Investment securities	1,025,964	1,117,007	Net interest income	137,481	157,318	
Loans and advances to customers	1,026,675	1,103,530	Fees and commission income	36,679	34,671	
Investment (other than securities)	91,832	94,299	Fees and commission expense	(4,101)	(3,549)	
Investment in associate companies	357	357	Net fees and commission income	32,578	31,122	
Deferred tax assets	40,464	44,519	Net trading income	21,890	13,199	
Current tax assets	5,672	11,692	Other operating income	2,797	3,330	
Intangible assets	33,074	32,280	Operating Income	194,746	204,968	
Other assets	83,450	59,669	Net Impairment loss on financial assets	(13,175)	(8,594)	
Property and equipment	102,054	111,886	Personnel expenses	(85,247)	(74,859)	
	-----	-----	Depreciation and Amortization	(11,431)	(7,261)	
Total Assets	3,550,858	3,383,235	Other Expenses	(64,344)	(59,790)	
	=====	=====	Profit before Tax	20,549	54,465	
Liabilities			Income tax Credit /(Expense)	766	(1,877)	
Borrowed funds	528,094	392,789	National Fiscal Stabilization Levy	(754)	(2,720)	
Deposits from customers	2,595,770	2,445,812	Profit for the period	20,562	49,867	
Other liabilities	97,535	40,299	Other Comprehensive			
	-----	-----	<i>Items that are or may be reclassified to profit or loss</i>			
Total liabilities	3,221,399	2,878,900	Net change in fair value of financial assets	(3,055)	(259)	
	=====	=====	Other comprehensive income for the year	(3,055)	(259)	
Equity			Total comprehensive income for the year	17,507	49,608	
Share capital	275,100	275,100	Profit attributable to:			
Income surplus	(169,248)	(136,335)	Equity holders of the bank	20,562	49,867	
Revaluation reserve	57,530	57,530	Total comprehensive income attributable to:			
Statutory reserve	98,146	84,891	Equity holders of the Bank	17,507	49,608	
Credit risk reserve	18,642	168,789	Earnings per share			
Fair value reserves	49,288	54,359	Basic and diluted (in Ghana pesewas)	9	22	
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Shareholders' funds	329,459	504,335				
	=====	=====				
Total liabilities and Shareholders' Funds	3,550,858	3,383,235				
	=====	=====				

(UNAUDITED) STATEMENT OF CHANGES IN EQUITY

In thousands of GH¢	Credit Risk		Statutory Reserve	Revaluation		Income Surplus	Total Equity
	Stated Capital	Reserve		Reserve	Reserve		
Balance at January 1, 2018	275,100	185,324	98,146	57,530	52,343	(189,430)	479,013
Profit for the year						20,562	20,562
Other Comprehensive Income							
Net Changes in fair value of financial assets net of tax						(3,055)	(3,055)
Release from credit risk reserve		(166,681)				(379)	(167,060)
Balance at June 30, 2018	275,100	18,642	98,146	57,530	49,288	(169,248)	329,459
Balance at January 1, 2017	275,100	171,418	84,891	57,530	54,618	(188,779)	454,777
Profit for the year						49,867	49,867
Other Comprehensive							
Net Changes in fair value of financial assets net of tax						(259)	(259)
Release from credit risk reserve		(2,628)				2,578	(50)
Balance at June 30, 2017	275,100	168,789	84,891	57,530	54,359	(136,335)	504,335

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

	2018 GH¢'000	2017 GH¢'000
Cash flows from operating activities		
Profit after tax	20,562	49,867
Adjustments for:		
Depreciation and amortization	11,431	7,261
Impairment charge on Financial Assets	13,175	8,594
Dividend received	(2,678)	(2,597)
Net interest income	(137,481)	(157,318)
Income Tax expense	(12)	4,598
Loss before working capital changes	(95,004)	(89,596)
Changes in :		
Loans & advances	(58,674)	(110,573)
Other assets	(1,136)	(16,675)
Deposits from customers	54,733	298,361
Other liabilities	30,966	(11,941)
	(69,115)	69,576
Interest Income received	240,283	268,672
Interest expense paid	(100,157)	(103,800)
Dividend Income	2,678	2,597
Taxes paid (NFSL)	(754)	-
Income Tax Paid	(4,907)	-
Deferred Tax	(6,691)	(943)
Net cash generated from operating activities	61,338	236,102
Cash flows from investing activites		
Purchase of property and equipment	(3,730)	(13,067)
Redemption / (Purchase) of medium and long term government securities	50,066	(26,089)
Purchase of intangible assets	(1,851)	(3,487)
Net cash genreated from /(used in) investing activities	44,486	(42,643)
Cash flows from financing activities		
Receipts in borrowed funds	57,694	11,764
Net cash generated from financing activities	57,694	11,764
Increase in cash and cash equivalents	163,518	205,223
Cash and cash equivalents at 1 January	1,768,929	1,532,555
Effect of exchange rate fluctuation on cash held	(1,096)	(2,805)
Cash and cash equivalents at 30 June	1,931,351	1,734,973

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 Ambassadorial 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 Bank adopted IFRS 9 guidelines for computing impairment on financial assets with effect from January 1, 2018.

All adjustments relating to the implementation of IFRS 9 have been accordingly passed. 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

	2018 %	2017 %
Capital Adequacy Ratio	15.92	18.15
Non performing loans to gross loans	42.16	41.34
Loan Loss provision	34.87	31.87
Liquid ratio	158.95	162.87

6. Default in statutory liquidity and sanctions :

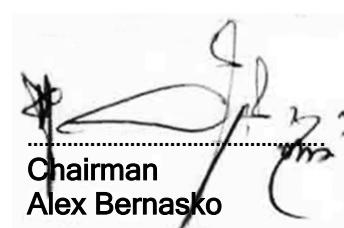
a) Sanctions	Nil	Nil
b) Default in statutory liquidity	Nil	Nil

7. Corporate Social Responsibility

The Bank's spending on Corporate Social Responsibility amounted to **GHS 814,072** (2017: GHS 644,871). These included National 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 ongoing 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