

AGRICULTURAL DEVELOPMENT BANK LIMITED

UNAUDITED SUMMARY FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2021

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2021

	2021 GHc '000	2020 GHc '000
Assets		
Cash and bank balances	1,062,028	786,348
Due from other banks	327,507	290,382
Investment securities	2,151,295	1,710,376
Loans and advances to customers	2,068,154	1,664,326
Investment (other than securities)	91,886	103,152
Corporate tax assets	3,741	5,632
Intangible assets	32,661	16,595
Other assets	68,954	105,403
Property and equipment	114,173	113,676
Right of use asset	164,393	23,803
Deferred tax assets	41,254	58,909
Total Assets	6,126,046	4,878,601
Liabilities		
Borrowed funds	304,923	254,689
Deposits from customers	4,630,144	3,682,461
Other liabilities	115,702	99,990
Lease liability	168,924	16,598
Total liabilities	5,219,693	4,053,738
Equity		
Share capital	698,700	698,700
Accumulated losses	(239,206)	(272,131)
Revaluation reserve	57,531	57,531
Statutory reserve	169,079	123,992
Credit risk reserve	167,923	155,762
Fair value through OCI	52,326	61,009
Shareholders' funds	906,353	824,863
Total liabilities and shareholders' funds	6,126,046	4,878,601

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED JUNE 30, 2021

	2021 GHc '000	2020 GHc '000
Interest income	359,089	289,876
Interest expense	(119,665)	(100,078)
Net interest income	239,424	189,798
Fees and commission income	50,332	39,721
Fees and commission expense	(5,307)	(9,982)
Net fees and commission income	45,025	29,739
Net trading income	18,454	29,756
Other operating income	3,082	2,566
Operating Income	305,985	251,860
Impairment loss on financial assets	(14,733)	(6,613)
Personnel expenses	(122,485)	(113,186)
Other expenses	(72,267)	(62,809)
Depreciation and Amortization	(30,822)	(32,641)
Profit before tax	65,678	36,611
Income tax expense	(9,948)	(5,651)
Profit after tax	55,730	30,960
Other comprehensive income, net of tax of		
Items that will not be reclassified to profit or loss		
Fair value through other Comprehensive Income	-	845
Other comprehensive income for the year	-	845
Total comprehensive income for the year	55,730	31,805
Profit attributable to:		
Equity holders of the bank	55,730	30,960
Total comprehensive income attributable to:		
Equity holders of the Bank	55,730	31,805
Earnings per share		
Basic (in Ghana pesewas)	21.29	8.92
Diluted (in Ghana pesewas)	21.29	8.92

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED JUNE 30, 2021

In thousands of GHc	Stated Capital	Deposit for Shares	Credit Risk Reserve	Statutory reserve	Revaluation Reserve	Other Reserves	Accumulated losses	Total
Balance at January 1, 2021	698,700	-	153,088	141,214	57,531	52,326	(252,236)	850,623
Additional Capital	-	-	-	-	-	-	-	-
Deposit for Shares	-	-	-	-	-	-	-	-
Transfer from deposit for shares to stated capital	-	-	-	-	-	-	-	-
Profit/Loss for the year	-	-	-	-	-	-	55,730	55,730
Transaction costs related to Right Issue	-	-	-	-	-	-	-	-
Other Comprehensive income net of tax	-	-	-	-	-	-	-	-
Net Change in fair value of equity investments	-	-	-	-	-	-	-	-
Transfer from income surplus to reserves and transactions with owners recorded directly in equity	-	-	-	-	-	-	-	-
Transfer to/(from) credit risk reserve	-	-	14,835	-	-	-	(14,835)	-
Transfer from income surplus to reserves and transactions with owners recorded directly in equity	-	-	-	27,865	-	-	(27,865)	-
Balance at June 30, 2021	698,700	-	167,923	169,079	57,531	52,326	(239,206)	906,353
In thousands of GHc	Stated Capital	Deposit for Shares	Credit Risk Reserve	Statutory reserve	Revaluation Reserve	Other Reserves	Income surplus	Total
Balance at January 1, 2020	421,700	277,000	157,827	108,512	57,531	60,163	(289,349)	793,385
Additional Capital	-	-	-	-	-	-	-	-
Deposit for Shares	-	-	-	-	-	-	-	-
Transfer from deposit for shares to stated capital	277,000	(277,000)	-	-	-	-	-	-
Transaction costs related to Right Issue	-	-	-	-	-	-	(327)	(327)
Profit/Loss for the year	-	-	-	-	-	-	30,960	30,960
Other Comprehensive income, net of income tax	-	-	-	-	-	-	-	-
Net Change in fair value	-	-	-	-	-	845	-	845
Impact of IFRS 9	-	-	-	-	-	-	-	-
Transfer from income surplus to reserves and transactions with owners recorded directly in equity	-	-	-	-	-	-	-	-
Transfer to/(from) credit risk reserve	-	-	(2,065)	-	-	-	2,065	-
Transfers from income surplus to reserves and transactions with owners recorded directly in Equity	-	-	-	15,480	-	-	(15,480)	-
Balance at June 30, 2020	698,700	-	155,762	123,992	57,531	61,009	(272,131)	824,863

AGRICULTURAL DEVELOPMENT BANK LIMITED

UNAUDITED SUMMARY FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2021

(Continuation)

UNAUDITED STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED JUNE 30, 2021

	2021	2020
	GHc'000	GHc'000
Cash flows from operating activities		
Profit before tax	65,678	36,611
Adjustments for:		
Depreciation and amortization	30,822	32,641
Impairment charge on Financial Assets	14,733	6,613
Finance cost- lease Liability	-	3,301
Dividend received	-	(186)
Net interest income	(239,424)	(189,798)
(Loss) before working capital changes	(128,190)	(110,818)
Changes in :		
Loans & advances	(156,166)	(200,964)
Other assets	(7,210)	12,734
Deposits from customers	350,585	291,418
Restricted cash	887	(26,679)
Other liabilities	26,564	19,700
	86,470	(14,608)
Interest Income received	313,574	221,848
Interest expense paid	(119,264)	(97,446)
Dividend Income	-	186
Taxes paid (NFSL)	(3,894)	(754)
Income Tax Paid	(4,898)	(4,898)
Net cash generated from operating activities	271,987	104,328
Cash flows from investing activities		
Purchase of property and equipment	(26,129)	(24,441)
Purchase of medium and long term government securities	(164,751)	(680,739)
Purchase of intangible assets	(629)	(153)
Net cash used in investing activities	(191,509)	(705,333)
Cash flows from financing activities		
Payments in borrowed funds	(10,130)	(23,426)
Payments of Principal portion of Lease liability	(16,818)	(16,258)
Payments of right of use assets	(2,068)	-
Transaction costs related to Right Issue	-	(327)
Net cash generated from financing activities	(29,016)	(40,011)
Increase in cash and cash equivalents	51,463	(641,016)
Cash and cash equivalents at 1 January	1,392,492	1,885,509
Effect of exchange rate fluctuation on cash held	(2,468)	(2,098)
Cash and cash equivalents at June 30, 2021	1,441,487	1,242,395

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 condensed financial statements are consistent with the accounting policies applied in the audited financial statements of the bank. 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, 2019 (Act 992) 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 fair value of Equity Investments through other Comprehensive Income.

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

	2021	2020
	GHc'000	GHc'000
Guanrantees and indemnities	66,388	107,817
Letters of credit	119,187	61,755
	185,576	169,572

6. Quantitative Disclosures

	2021	2020
	%	%
Capital Adequacy Ratio	13.31	13.59
Non performing loans to gross loans	31.80	38.29
Loan Loss provision	17.04	21.32
Liquid ratio	112.96	112.39

7. Default in statutory requirements and accompanying sanctions:

	GHc'000	GHc'000
Sanctions	NIL	12
Default in statutory requirements (Number)	NIL	1

8. Corporate Social Responsibility

A total amount of GHS2,261 (June 2020: GHS2,558) was spent in respect of Corporate Social responsibility for the period ended June 30, 2021; these included sponsorship for Best farmer award, donation to schools and others of national interest

9. Risk Management

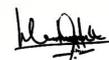
The Bank's activities expose the business to risks. The Bank has exposure to the following types of risks: credit risk, liquidity risk, market risk and operational risk. It is therefore a fundamental responsibility of management to ensure that all the risks associated with each class of business, each product and each type of transaction are identified and managed as well as 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.

Approval of the Financial Statements

The financial statements of the Bank were approved by the Board of Directors on July 26, 2021 and were signed on their behalf by:



Alex Bernasko
Chairman



Dr. John Kofi Mensah
Managing Director