

AGRICULTURAL DEVELOPMENT BANK PLC

UNAUDITED SUMMARY FINANCIAL STATEMENTS

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022

	2022 GH¢ '000	2021 GH¢ '000
Assets		
Cash and bank balances	1,487,381	1,062,028
Due from other banks	364,632	327,507
Investment securities	1,422,951	2,151,295
Loans and advances to customers	2,768,778	2,068,154
Investment (other than securities)	99,943	91,886
Corporate tax assets	0	3,741
Intangible assets	22,288	32,661
Other assets	82,396	68,954
Property and equipment	122,145	114,173
Right of use asset	136,621	164,393
Deferred tax assets	55,813	41,254
Total Assets	6,562,948	6,126,046
Liabilities		
Borrowed funds	495,870	304,923
Deposits from customers	4,782,134	4,630,144
Other liabilities	124,743	115,702
Lease liability	181,903	168,924
Total liabilities	5,584,650	5,219,693
Equity		
Share capital	698,700	698,700
Accumulated losses	(241,664)	(239,206)
Revaluation reserve	57,531	57,531
Statutory reserve	202,036	169,079
Credit risk reserve	203,340	167,923
Fair value through OCI	58,355	52,326
Shareholders' funds	978,298	906,353
Total liabilities and shareholders' funds	6,562,948	6,126,046

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED JUNE 30, 2022

	2022 GH¢ '000	2021 GH¢ '000
Interest income	401,919	359,089
Interest expense	(179,262)	(119,665)
Net interest income	222,657	239,424
Fees and commission income	52,130	50,332
Fees and commission expense	(5,643)	(5,307)
Net fees and commission income	46,487	45,025
Net trading income	52,845	18,454
Other operating income	873	3,082
Operating Income	322,862	305,985
Impairment loss on financial assets	5,806	(14,733)
Personnel expenses	(154,229)	(122,485)
Other expenses	(85,433)	(72,267)
Depreciation and Amortization	(31,821)	(30,822)
Profit before tax	57,185	65,678
Income tax expense	(17,142)	(9,948)
Profit after tax	40,043	55,730
Other comprehensive income, net of tax of Items that will not be reclassified to profit or loss	-	-
Fair value through other Comprehensive Income	-	-
Total comprehensive income for the year	40,043	55,730
Profit attributable to:		
Equity holders of the bank	40,043	55,730
Total comprehensive income attributable to:	40,043	55,730
Equity holders of the Bank	40,043	55,730
Earnings per share		
Basic (in Ghana pesewas)	11.54	21.29
Diluted (in Ghana pesewas)	11.54	21.29

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED JUNE 30, 2022

In thousands of GH¢	Stated Capital	Deposit for Shares	Credit Risk Reserve	Statutory Reserve	Revaluation Reserve	Other Reserves	Accumulated Losses	Total
Balance at January 1, 2022	698,700	-	178,298	182,015	57,531	58,355	(236,644)	938,255
Profit/Loss for the year	-	-	-	-	-	-	40,043	40,043
Transfer from income surplus to reserves and transactions with owners recorded directly in equity								
Transfers from income surplus to statutory reserves	-	-	-	20,021	-	-	(20,021)	-
Transfer to/(from) credit risk reserve	-	-	25,041	-	-	-	(25,041)	-
Balance at 30 June, 2022	698,700	-	203,340	202,036	57,531	58,355	(241,664)	978,298

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, 2021	698,700	-	153,088	141,214	57,531	52,326	(252,235.94)	850,623
Profit/Loss for the year	-	-	-	-	-	-	55,729.92	55,730
Transfer from income surplus to reserves and transactions with owners recorded directly in equity								
Transfers from income surplus to statutory reserves	-	-	-	27,865	-	-	(27,864.96)	-
Transfer to/(from) credit risk reserve	-	-	14,835	-	-	-	(14,834.84)	-
Balance at 30 June, 2021	698,700	-	167,923	169,079	57,531	52,326	(239,206)	906,353

AGRICULTURAL DEVELOPMENT BANK PLC

UNAUDITED SUMMARY FINANCIAL STATEMENTS

(Continuation)

UNAUDITED STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED JUNE 30, 2022

	2022 GH¢'000	2021 GH¢'000
Cash flows from operating activities		
Profit before tax	57,185	65,678
Adjustments for:		
Depreciation and amortization	31,821	30,822
Impairment charge on Financial Assests	5,806	14,733
Net interest income	(222,657)	(239,424)
(Loss) before working capital changes	(127,845)	(128,190)
Changes in :		
Loans & advances	(460,568)	(156,166)
Other assets	(30,142)	(7,210)
Deposits from customers	(141,528)	350,585
Restricted cash	(582)	887
Other liabilities	28,745	26,564
	(731,920)	86,470
Interest Income received	381,523	313,574
Interest expense paid	(180,740)	(119,264)
Taxes paid (NFSL)	-	(3,894)
Income Tax Paid	(55,868)	(4,898)
Net cash generated from operating activities	(587,004)	271,988
Cash flows from investing activities		
Purchase of property and equipment	(15,829)	(26,129)
Purchase of medium and long term government securities	778,813	(164,751)
Purchase of intangible assets	(968)	(629)
Net cash used in investing activities	762,016	(191,509)
Cash flows from financing activities		
Payments in borrowed funds	-	(10,130)
Receipts in borrowed funds	199,234	-
Payments of Principal portion of Lease liability	(21,351)	(16,818)
Payments of right of use assets	(3,749)	(2,068)
Net cash generated from financing activities	174,134	(29,016)
Increase in cash and cash equivalents	349,146	51,463
Cash and cash equivalents at 1 January	1,111,678	1,392,492
Effect of exchange rate fluctuation on cash held	14,141	(2,468)
Cash and cash equivalents at 30 June	1,474,965	1,441,487

1. General Information

Agricultural Development Bank Plc (ADB) is a bank incorporated in Ghana. The registered office of the bank is located at Accra Financial Centre, 3rd Ambassadorial Development Area, Accra. ADB 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

	2022 GH¢'000	2021 GH¢'000
Guanrantees and indemnities	43,597	66,388
Letters of credit	203,971	119,187
	247,568	185,576

6. Quantitative Disclosures

	2022 %	2021 %
Capital Adequacy Ratio	11.17	13.31
Non performing loans to gross loans	27.26	31.80
Loan Loss provision	14.20	17.04
Liquid ratio	80.70	112.96

7. Default in statutory requirements and accompanying sanctions:

For the period under review, the bank did not record any statutory liquidity breaches and therefore did not incur any sanctions.

	GH¢'000	GH¢'000
(i) Sanctions (GHS'000)	NIL	NIL
(ii) Default in statutory liquidity	NIL	NIL

Other regulatory breaches (including onsite examination)


(i) Sanctions (GHS'000)	NIL	0
(ii) Number of breaches	NIL	0

8. Corporate Social Responsibility

A total amount of GHS2,369 (June, 2021: GHS2,261) was spent in respect of Corporate Social responsibility for the period ended 30 June 2022; 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.


Daasebre Akuamoah Agyapong II
Chairman


Dr. John Kofi Mensah
Managing Director

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- Payments for goods and services at any POS terminals and merchant outlets worldwide
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