

# AGRICULTURAL DEVELOPMENT BANK LIMITED

## UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2017

### UNAUDITED STATEMENT OF FINANCIAL POSITION

	JUNE 2017 GH¢ '000	JUNE 2016 GH¢ '000
<b>Assets</b>		
Cash and cash equivalents	807,995	529,757
Trading assets	1,117,007	502,244
Loans and advances to customers (net)	1,103,530	1,099,798
Investment (other than securities)	94,299	88,478
Investment in associate companies	357	538
Deferred tax asset	44,519	14,901
Corporate tax assets	11,692	15,683
Intangible assets	32,280	4,075
Other assets	59,669	68,437
Property and equipment	111,886	104,649
<b>Total assets</b>	<b>3,383,235</b>	<b>2,428,559</b>
<b>Liabilities</b>		
Borrowed funds	392,789	233,743
Customer deposits	2,445,812	1,822,536
Other liabilities	40,299	33,794
<b>Total liabilities</b>	<b>2,878,900</b>	<b>2,090,073</b>
<b>Equity</b>		
Share capital	275,100	75,000
Income surplus	(136,335)	(35,070)
Revaluation reserve	57,530	57,530
Statutory reserve	84,891	84,891
Credit risk reserve	168,789	109,111
Available for sale reserve	54,359	47,024
<b>Shareholders' funds</b>	<b>504,335</b>	<b>338,486</b>
<b>Total liabilities and Shareholders' funds</b>	<b>3,383,235</b>	<b>2,428,559</b>

### UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

	JUNE 2017 GH¢ '000	JUNE 2016 GH¢ '000
Interest income	265,514	163,503
Interest expense	(108,196)	(63,106)
<b>Net interest income</b>	<b>157,318</b>	<b>100,397</b>
Fee and commission income	34,671	30,325
Fee and commission expense	(3,549)	(2,494)
<b>Net fee and commission income</b>	<b>31,122</b>	<b>27,831</b>
Net trading income	13,199	10,190
Other operating income	3,330	4,898
<b>Net non-interest revenue</b>	<b>47,651</b>	<b>42,919</b>
<b>Revenue</b>	<b>204,968</b>	<b>143,317</b>
Impairment loss on financial assets	(8,594)	(14,709)
Personnel expenses	(74,859)	(64,768)
Depreciation and amortization	(7,261)	(8,064)
Other operating expenses	(59,789)	(51,265)
<b>Profit before tax</b>	<b>54,465</b>	<b>4,511</b>
Income tax expense	(4,598)	1,680
<b>Profit for the period</b>	<b>49,867</b>	<b>6,190</b>
<b>Other Comprehensive, net of income</b>		
Net gain/loss on hedges of net investments in foreign operations	(259)	(598)
<b>Other comprehensive income (net of income tax)</b>	<b>(259)</b>	<b>(598)</b>
<b>Total comprehensive income for the period (net of tax)</b>	<b>49,608</b>	<b>5,593</b>

### UNAUDITED STATEMENT OF CASH FLOW

	JUNE 2017 GH¢'000	JUNE 2016 GH¢'000
<b>Cash flows from operating activities</b>		
Profit for the period	49,867	6,191
<b>Adjustments for:</b>		
Depreciation and amortization	7,261	8,065
Impairment of financial assets	8,594	14,709
Net interest income	(157,318)	(100,396)
Income tax expense	4,598	(1,680)
	<b>(82,400)</b>	<b>(73,112)</b>
Changes in trading assets	(15,468)	(116,159)
Changes in pledged assets	32,066	-
Changes in loans and advances to customers	(101,777)	(26,889)
Changes in other assets	8,768	(5,288)
Changes in deferred taxes	29,619	-
Changes in deposits from customers	623,276	382,329
Changes in other liabilities and provisions	6,505	(19,209)
	<b>500,589</b>	<b>143,351</b>
Interest income and dividends received	247,003	141,554
Interest expense paid	(71,316)	(29,752)
<b>Net cash generated from operating activities</b>	<b>676,275</b>	<b>255,153</b>

### UNAUDITED STATEMENT OF CASH FLOW (Cont.)

	JUNE 2017 GH¢'000	JUNE 2016 GH¢'000
Cash flows from investing activities		
Purchase of investment securities	(788,221)	(100,068)
Purchase of property, plant and equipment	(13,067)	(2,632)
Proceeds from property, plant and equipment	-	-
Purchase of intangible assets	(3,487)	(557)
<b>Net cash used in investing activities</b>	<b>(804,775)</b>	<b>(103,257)</b>
<b>Cash flows from financing activities</b>		
Increase in subordinated liabilities	159,047	(92,496)
Net proceeds from issue of ordinary shares	189,803	-
<b>Net cash generated from / (used in) financing activities</b>	<b>348,850</b>	<b>(92,496)</b>
<b>Net increase in cash and cash equivalents</b>	<b>220,350</b>	<b>59,400</b>
Cash and cash equivalents at 1 January	589,743	525,771
Effect of exchange rate fluctuation on cash held	(2,098)	(55,414)
<b>Cash and cash equivalents at 30 June</b>	<b>807,995</b>	<b>529,757</b>

### Notes to the unaudited financial statements for the period ended June 30, 2017

#### 1. Significant accounting policies

The financial statements have been prepared in accordance with international financial Reporting Standards(IFRSs) as issued by International Accounting Standards Board and adopted by Institute of Chartered Accountants Ghana (ICAG) and are consistent with those applied in the preparation of the financial statements for the period ended June 30, 2017.

#### 2. Quantitative Disclosures

	JUNE	JUNE
	2017	2016
	%	%
Capital Adequacy Ratio	18.15	7.42
Non Performing Loans to Gross Loans	41.34	35.65

#### 3. Qualitative Disclosures

##### (i) 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.

The process followed in the risk management for the period ended June 30, 2017 are consistent with those followed for the year ended December 31, 2016.

##### (ii)

	JUNE	JUNE
	2017	2016
Default in statutory Liquidity (Times)	Nil	Nil
Default in statutory Liquidity Sanction (GH¢'000)	Nil	Nil

The financial statements do not contain untrue statements, misleading facts or omission of material facts to the best of our knowledge.

**Nana Soglo Alloh IV**  
Chairman

**Daniel Asiedu**  
Managing Director