

AGRICULTURAL DEVELOPMENT BANK LIMITED

UNAUDITED SUMMARY FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022

	2022	2021
	GH¢ '000	GH¢ '000
Assets		
Cash and bank balances	753,258	811,086
Due from other banks	355,377	318,252
Investment securities	2,080,089	2,163,373
Loans and advances to customers	2,723,256	1,966,076
Investment (other than securities)	99,951	91,883
Corporate tax assets	0	601
Intangible assets	24,523	35,392
Other assets	79,433	99,580
Property and equipment	122,249	106,092
Right of use asset	143,593	171,764
Deferred tax assets	55,812	43,754
Total Assets	6,437,541	5,807,853
Liabilities		
Borrowed funds	382,756	267,672
Deposits from customers	4,758,167	4,370,514
Derivative liabilities held for risk management		
Corporate tax liability	35,272	-
Other liabilities	110,542	125,402
Lease liability	193,657	166,765
Total liabilities	5,480,394	4,930,353
Equity		
Share capital	698,700	698,700
Accumulated losses	(245,821)	(211,995)
Revaluation reserve	57,531	57,531
Statutory reserve	191,461	154,653
Credit risk reserve	196,921	126,286
Fair value through OCI	58,355	52,326
Shareholders' funds	957,147	877,500
Total liabilities and shareholders' funds	6,437,541	5,807,853

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED MARCH 31, 2022

	2022	2021
	GH¢ '000	GH¢ '000
Interest income	194,054	179,346
Interest expense	(95,088)	(61,162)
Net interest income	98,966	118,184
Fees and commission income	25,107	20,941
Fees and commission expense	(2,558)	(3,295)
Net fees and commission income	22,549	17,646
Net trading income	23,559	9,811
Other operating income	644	814
Operating Income	145,718	146,455
Impairment loss on financial assets	836	(7,857)
Personnel expenses	(66,075)	(56,711)
Other expenses	(38,734)	(35,057)
Depreciation and Amortization	(15,969)	(15,329)
Profit before tax	25,776	31,500
Income tax expense	(6,884)	(4,622)
Profit after tax	18,892	26,877
Other comprehensive income, net of tax of		
Items that will not be reclassified to profit or loss		
Fair value through other Comprehensive Income		
Other comprehensive income for the year		
Total comprehensive income for the year	18,892	26,877
Profit attributable to:		
Equity holders of the bank	18,892	26,877
Total comprehensive income attributable to:		
Equity holders of the Bank	18,892	26,877
Earnings per share		
Basic (in Ghana pesewas)	5.45	10.27
Diluted (in Ghana pesewas)	5.45	10.27

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 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	-	-	-	-	-	-	18,892	18,892
Other Comprehensive income net of tax								
Transfer from income surplus to reserves and transactions with owners recorded directly in equity				9,446			(9,446)	
Transfer to/(from) credit risk reserve			18,622				(18,622)	
Balance at 31 March, 2022	698,700	-	196,921	191,461	57,531	58,355	(245,820)	957,147

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	-	-	-	-	-	-	26,877.26	26,877
Transfer from income surplus to reserves and transactions with owners recorded directly in equity								
Transfer to/(from) credit risk reserve			(26,802)				26,802.47	
Transfers from income surplus to reserves and transactions with owners recorded directly in Equity				13,439			(13,438.63)	
Balance at 31 March, 2021	698,700	-	126,286	154,653	57,531	52,326	(211,995)	877,500

AGRICULTURAL DEVELOPMENT BANK LIMITED

UNAUDITED SUMMARY FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

(Continuation)

UNAUDITED STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED MARCH 31, 2022

	2022 GH¢'000	2021 GH¢'000
Cash flows from operating activities		
Profit before tax	25,776	31,500
Adjustments for:		
Unrealised exchange differences	-	-
Depreciation and amortization	15,969	15,329
Impairment charge on Financial Assets	(836)	7,857
Impairment of investment	-	-
Finance cost - lease Liability	-	-
Dividend received	-	-
(Gain)/loss on disposal of property and equipment	-	-
Non-Cash Items	-	-
Net interest income	(98,966)	(118,184)
(Loss) before working capital changes	(58,057)	(63,498)
Changes in :		
Loans & advances	(426,152)	(54,088)
Other assets	(27,180)	(37,836)
Deposits from customers	(165,662)	87,944
Restricted cash	(1,708)	11,628
Other liabilities	13,088	26,789
	(665,671)	(29,062)
Interest Income received	167,383	172,605
Interest expense paid	(66,378)	(59,861)
Dividend Income	-	-
Taxes paid (NFSL)	-	(377)
Income Tax Paid	(6,884)	(2,449)
Tax refund	-	-
Net cash generated from operating activities	(571,550)	80,857
Cash flows from investing activites		
Purchase of property and equipment	(12,207)	(14,642)
Purchase of medium and long term government securities	-	(156,369)
Redemption of medium and long term government securities	124,530	-
Proceeds from the sale of property and equipment	-	-
Purchase of intangible assets	0	(14)
Purchase of Shares from S.W.I.F.T	-	-
Net cash used in investing activities	112,323	(171,025)
Cash flows from financing activities		
Payments in borrowed funds	-	(45,268)
Receipts in borrowed funds	89,010	-
Payments of Principal portion of Lease liability	(2,005)	(16,626)
Payments of right of use assets	(1,865)	(751)
Proceeds from Right Issue of shares	-	-
Transaction costs related to Right Issue	-	-
Net cash generated from financing activities	85,140	(62,645)
Increase in cash and cash equivalents	(374,087)	(152,814)
Cash and cash equivalents at 1 January	1,111,678	1,392,492
Effect of exchange rate fluctuation on cash held	2,125	4,793
Cash and cash equivalents at 31 March	739,716	1,244,471

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. The financial statements were authorized for issue by the Board of Directors on 31st March, 2022.

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	47,139	75,051
Letters of credit	101,652	43,906
	148,791	118,957

6. Quantitative Disclosures

	2022 %	2021 %
Capital Adequacy Ratio	11.60	13.92
Non performing loans to gross loans	27.71	32.94
Loan Loss provision	14.45	17.53
Liquid ratio	81.20	106.36

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.

- (i) Sanctions (GHS'000)
- (ii) Default in statutory liquidity

Other regulatory breaches (including onsite examination)

- (i) Sanctions (GHS'000)
- (ii) Number of breaches

8. Corporate Social Responsibility

A total amount of GHS448 (MARCH, 2021: GHS258) was spent in respect of Corporate Social responsibility for the period ended 31 March 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.

Approval of the Financial Statements

The financial statements of the Bank were approved by the Board of Directors on 31 March, 2022 and were signed on their behalf by:

Daasebre Akuamoah Agyapong II
Chairman

Dr. John Kofi Mensah
Managing Director

