

# AGRICULTURAL DEVELOPMENT BANK PLC

## UNAUDITED SUMMARY FINANCIAL STATEMENTS

### UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2022

	2022 GH¢ '000	2021 GH¢ '000
<b>Assets</b>		
Cash and bank balances	1,554,756	656,765
Due from other banks	373,990	336,865
Investment securities	1,553,218	2,516,684
Loans and advances to customers	3,207,233	2,176,380
Investment (other than securities)	99,986	91,885
Corporate tax assets	5,285	741
Intangible assets	20,704	29,482
Other assets	88,425	61,951
Property and equipment	124,143	111,874
Right of use asset	92,101	156,603
Deferred tax assets	55,813	39,654
<b>Total Assets</b>	<b>7,175,654</b>	<b>6,178,884</b>
<b>Liabilities</b>		
Borrowed funds	651,936	322,744
Deposits from customers	5,238,233	4,630,894
Other liabilities	131,940	126,880
Lease liability	173,477	157,675
<b>Total liabilities</b>	<b>6,195,586</b>	<b>5,238,193</b>
<b>Equity</b>		
Share capital	698,700	698,700
Accumulated losses	(245,181)	(217,009)
Revaluation reserve	57,531	57,531
Statutory reserve	202,921	186,248
Credit risk reserve	207,742	162,895
Fair value through OCI	58,355	52,326
<b>Shareholders' funds</b>	<b>980,068</b>	<b>940,691</b>
<b>Total liabilities and shareholders' funds</b>	<b>7,175,654</b>	<b>6,178,884</b>

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

	2022 GH¢ '000	2021 GH¢ '000
Interest income	619,954	547,791
Interest expense	(326,832)	(186,494)
<b>Net interest income</b>	<b>293,122</b>	<b>361,297</b>
Fees and commission income	80,328	78,274
Fees and commission expense	(11,414)	(7,965)
<b>Net fees and commission income</b>	<b>68,914</b>	<b>70,309</b>
Net trading income	90,013	35,527
Other operating income	6,238	4,072
<b>Operating Income</b>	<b>458,287</b>	<b>471,205</b>
Impairment loss on financial assets	(140)	(21,505)
Personnel expenses	(228,450)	(186,336)
Other expenses	(129,024)	(109,130)
Depreciation and Amortization	(40,118)	(46,413)
<b>Profit before tax</b>	<b>60,555</b>	<b>107,819</b>
Income tax expense	(18,742)	(17,751)
<b>Profit after tax</b>	<b>41,813</b>	<b>90,068</b>
Other comprehensive income, net of tax of Items that will not be reclassified to profit or loss Fair value through other Comprehensive Income	-	-
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>41,813</b>	<b>90,068</b>
Profit attributable to:		
Equity holders of the bank	41,813	90,068
<b>Total comprehensive income attributable to:</b>	<b>41,813</b>	<b>90,068</b>
Earnings per share		
Basic (in Ghana pesewas)	12.05	34.41
Diluted (in Ghana pesewas)	12.05	34.41

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

In thousands of GH¢	Stated Capital	Deposit for Shares	Credit Risk Reserve	Statutory reserve	Revaluation Reserve	Other Reserves	Accumulated Losses	Total
<b>Balance at January 1, 2022</b>	<b>698,700</b>	<b>-</b>	<b>178,298</b>	<b>182,015</b>	<b>57,531</b>	<b>58,355</b>	<b>(236,644)</b>	<b>938,255</b>
Profit/Loss for the year	-	-	-	-	-	-	41,813	41,813
Transfer from income surplus to reserves and transactions with owners recorded directly in equity								
Other Comprehensive income net of tax								
Transfer from income surplus to statutory reserves	-	-	-	20,906	-	-	(20,906)	(0)
Transfer to/(from) credit risk reserve	-	-	29,444	-	-	-	(29,444)	-
<b>Balance at 30 September, 2022</b>	<b>698,700</b>	<b>-</b>	<b>207,742</b>	<b>202,921</b>	<b>57,531</b>	<b>58,355</b>	<b>(245,181)</b>	<b>980,068</b>

In thousands of GH¢	Stated Capital	Deposit for Shares	Credit Risk Reserve	Statutory Reserve	Revaluation Reserve	Other Reserves	Income Surplus	Total
<b>Balance at January 1, 2021</b>	<b>698,700</b>	<b>-</b>	<b>153,088</b>	<b>141,214</b>	<b>57,531</b>	<b>52,326</b>	<b>(252,236)</b>	<b>850,623</b>
Profit/Loss for the year	-	-	-	-	-	-	90,068	90,068
Transfer from income surplus to reserves and transactions with owners recorded directly in equity								
Transfer from income surplus to statutory reserves	-	-	-	45,034	-	-	(45,034)	(0)
Transfer to/(from) credit risk reserve	-	-	9,807	-	-	-	(9,807)	-
<b>Balance at 30 September, 2021</b>	<b>698,700</b>	<b>-</b>	<b>162,895</b>	<b>186,248</b>	<b>57,531</b>	<b>52,326</b>	<b>(217,009)</b>	<b>940,691</b>



# AGRICULTURAL DEVELOPMENT BANK PLC

## UNAUDITED SUMMARY FINANCIAL STATEMENTS

(Continuation)

### UNAUDITED STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	2022	2021
	GHC'000	GHC'000
Cash flows from operating activities		
Profit before tax	60,555	107,819
Adjustments for:		
Depreciation and amortization	40,118	46,413
Impairment charge on Financial Assests	(140)	21,505
(Gain)/loss on disposal of property and equipment	(19)	-
Net interest income	(293,122)	(361,297)
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<b>(Loss) before working capital changes</b>	<b>(192,608)</b>	<b>(185,559)</b>
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Changes in :		
Loans & advances	(872,121)	(264,393)
Other assets	(36,172)	(206)
Deposits from customers	303,176	349,857
Restricted cash	(14,141)	7,253
Other liabilities	34,408	37,742
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	(777,458)	(55,305)
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Interest Income received	565,544	505,076
Interest expense paid	(236,275)	(179,303)
Taxes paid (NFSL)	(59,299)	(4,648)
Income Tax Paid	-	(7,347)
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<b>Net cash generated from operating activities</b>	<b>(507,488)</b>	<b>258,473</b>
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Cash flows from investing activities		
Purchase of property and equipment	(21,721)	(27,277)
Purchase of medium and long term government securities	622,244	(360,533)
Proceeds from the sale of property and equipment	19	-
Purchase of intangible assets	(1,051)	(797)
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<b>Net cash used in investing activities</b>	<b>599,491</b>	<b>(388,606)</b>
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Cash flows from financing activities		
Payments in borrowed funds	-	9,570
Receipts in borrowed funds	348,001	-
Payments of Principal portion of Lease liability	(21,131)	(35,037)
Payments of right of use assets	(3,516)	(2,245)
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<b>Net cash generated from financing activities</b>	<b>323,354</b>	<b>(27,712)</b>
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Increase in cash and cash equivalents	415,357	(157,846)
Cash and cash equivalents at 1 January	1,111,678	1,392,492
Effect of exchange rate fluctuation on cash held	1,748	(477)
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<b>Cash and cash equivalents at 30 September</b>	<b>1,528,783</b>	<b>1,234,168</b>
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#### 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. 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

	2022	2021
	GHC'000	GHC'000
Guanrantees and Indemnities	42,190	33,847
Letters of C remit	250,330	100,906
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	<b>292,520</b>	<b>134,753</b>
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#### 6. Quantitative Disclosures

	2022	2021
	%	%
Capital Adequacy Ratio	10.46	12.99
Non Performing Loans to Gross Loans	25.08	30.35
Loan Loss Provision	12.75	16.52
Liquid Ratio	82.52	97.54

#### 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

	GHC'000	GHC'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 GHS2,881 (Sept, 2021: GHS2,903) was spent in respect of Corporate Social responsibility for the period ended 30 Sept 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

**Pay your  
Customs Duty Charges,  
SSNIT Tier 1 Levy, The Ghana.Gov,  
1% Ghana Tourism Authority Levy  
and Tema Terminal 3 Port Service Fee  
at any of our branches.**

