

AGRICULTURAL DEVELOPMENT BANK LIMITED

UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED  
SEPTEMBER 30 2019

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT SEP. 30, 2019

	2019 GH¢ '000	2018 GH¢ '000
<b>Assets</b>		
Cash and Bank Balances	736,605	1,182,049
Due from other Banks	401,691	-
Investment securities	1,260,088	1,017,491
Loans and advances to customers	1,398,193	1,095,331
Investment (other than securities)	101,686	92,677
Investment in associate companies	-	357
Corporate tax assets	3,597	4,040
Intangible assets	21,640	30,769
Other assets	68,382	65,879
Property and equipment	96,032	99,470
Deferred tax assets	52,840	36,385
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<b>Total Assets</b>	<b>4,140,755</b>	<b>3,624,449</b>
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<b>Liabilities</b>		
Borrowed funds	247,402	476,712
Deposits from customers	3,101,547	2,705,031
Other liabilities	101,853	92,442
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<b>Total liabilities</b>	<b>3,450,802</b>	<b>3,274,184</b>
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<b>Equity</b>		
Stated capital	571,700	275,100
Income surplus	(293,888)	(183,501)
Revaluation reserve	57,530	57,530
Statutory reserve	116,113	116,944
Credit risk reserve	178,804	31,131
Fair value through OCI	59,695	53,060
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<b>Shareholders' funds</b>	<b>689,954</b>	<b>350,264</b>
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<b>Total liabilities and Shareholders' Funds</b>	<b>4,140,755</b>	<b>3,624,449</b>
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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED  
SEPT. 30, 2019

	2019 GH¢ '000	2018 GH¢ '000
Interest income	354,900	373,335
Interest expense	(133,138)	(164,195)
<b>Net interest income</b>	<b>221,762</b>	<b>209,140</b>
Fees and commission income	62,228	55,715
Fees and commission expense	(8,661)	(5,886)
<b>Net fees and commission income</b>	<b>53,567</b>	<b>49,829</b>
Net trading income	39,366	36,380
Other operating income	6,496	8,642
<b>Operating Income</b>	<b>321,191</b>	<b>303,991</b>
Net Impairment loss on financial assets	(2,688)	(13,175)
Personnel expenses	(152,961)	(133,039)
Depreciation and Amortization	(16,610)	(17,141)
Other Operating Expenses	(110,428)	(97,623)
<b>Profit before Tax</b>	<b>38,504</b>	<b>43,013</b>
Income tax expense	(8,477)	(5,420)
<b>Profit after tax period</b>	<b>30,027</b>	<b>37,593</b>
<b>Other comprehensive income, net of tax</b> <i>Items that will never be reclassified to profit or loss</i>		
Fair value through other Comprehensive Income	4,267	717
<b>Other comprehensive income for the year</b>	<b>4,267</b>	<b>717</b>
<b>Total comprehensive income for the year</b>	<b>34,294</b>	<b>38,311</b>
<b>Profit attributable to:</b>		
Equity holders of the bank	30,027	37,593
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Bank	34,294	38,311
<b>Earnings per share</b>		
Basic and diluted (in Ghana pesewas)	11	16

STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Deposit for Shares	Credit Risk Reserve	Statutory reserve	Revaluation Reserve	Other Reserves	Income surplus	Total
<b>In thousands of GH¢</b>								
<b>Balance at January 1, 2019</b>	275,100	277,000	167,641	101,100	57,530	55,427	(294,087)	639,711.25
Additional Capital	296,600	(277,000)	-	-	-	-	(3,651)	19,599.72
Transaction costs related to Right Issue	-	-	-	-	-	-	30,027	(3,651.32)
<b>Profit for the year</b>	-	-	-	-	-	4,267	-	30,026.53
<b>Other Comprehensive Income</b>	-	-	-	-	-	-	-	4,267.34
Net Change in fair value of Equity Investments	-	-	-	-	-	-	(15,013)	-
Transfer from income surplus to reserves and transactions with owners recorded directly in equity	-	-	11,163	15,013	-	-	(11,163)	-
Transfer to/(from) credit risk reserve	-	-	178,804	116,113	57,530	59,695	(293,888)	689,953.52
<b>Balance at September 30, 2019</b>	571,700	-	178,804	116,113	57,530	59,695	(293,888)	689,953.52
<b>In thousands of GH¢</b>								
<b>Balance at January 1, 2018</b>	275,100	-	185,324	98,147	57,530	52,343	(189,433)	479,011.58
Additional Capital	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	37,593	37,593.20
<b>Other Comprehensive Income, net of income tax</b>	-	-	-	-	-	717	-	717.39
Net Change in fair value	-	-	-	-	-	-	-	-
<b>Transfer from income surplus to reserves</b>	-	-	(167,058)	-	-	-	(12,865)	(167,057.96)
Impact on IFRS 9	-	-	12,865.32	-	-	-	-	-
Transfer to/(from) credit risk reserve	-	-	-	-	-	-	-	-
Transfers from income surplus to reserves and transactions with owners recorded directly in Equity	-	-	-	18,797	-	-	(18,797)	-
<b>Balance at September 30, 2018</b>	275,100	-	31,131	116,944	57,530	53,060	(183,501)	350,264.21

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.

## 2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these condensed financial statements have been consistently applied to all

### 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

## 5. Contingent Liabilities

	2019 GH¢'000	2018 GH¢'000
Guanrantees and indemnities	73,186	68,081
Letters of credit	181,552	125,118
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	254,738	193,198
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## 6. Quantitative Disclosures

	2019 %	2018 %
Capital Adequacy Ratio	15.87	14.67
Non performing loans to gross loans	42.32	41.39
Loan Loss provision	31.33	30.00
Liquid ratio	123.06	150.92
Default in statutory requirments: Sanctions	42	Nil

## 7. Corporate Social Responsibility

Amount spent on Corporate Social responsibility amounted GHS 1,546,864(2018: GHS 914,285) These included Best farmer sponsorship, donation to schools and others of national interest

## 8. 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.

9. "The Finanical Statements do not contain untrue Statements, misleading facts, or omit material facts to the best of our knowledge"



Chairman

Alex Bernasko



Managing Director

Dr. John Kofi Mensah