

AGRICULTURAL DEVELOPMENT BANK LIMITED

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2019

| | Note | 2019 GH¢'000 | 2018 GH¢'000 |
|---------------------------------------|------|----------------------|---------------------|
| Interest income | 7 | 491,211 | 478,702 |
| Interest expense | 8 | (191,115) | (213,351) |
| Net interest income | | <u>300,096</u> | <u>265,351</u> |
| Fees and commission income | 9 | 73,946 | 75,464 |
| Fees and commission expense | 9 | (14,913) | (8,310) |
| Net fees and commission income | | <u>59,033</u> | <u>67,154</u> |
| Net trading income | 10 | 50,382 | 45,704 |
| Other operating income | 11 | <u>17,516</u> | <u>9,268</u> |
| Operating Income | | 427,026 | 387,477 |
| Impairment loss on financial assets | 12 | (15,614) | (10,190) |
| Personnel expenses | 13 | (206,711) | (181,232) |
| Other operating expenses | 14 | (133,545) | (139,278) |
| Depreciation and amortization | 15 | (53,272) | (22,720) |
| Profit before tax | | 17,884 | 34,057 |
| Income tax expense | 23 | (3,061) | (28,149) |
| Profit after tax | | <u>14,823</u> | <u>5,908</u> |

The notes on pages 27 to 124 form an integral part of these financial statements.

AGRICULTURAL DEVELOPMENT BANK LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

| | Note | 2019 GH¢'000 | 2018 GH¢'000 |
|--|--------|-----------------|-----------------|
| Profit after tax | | 14,823 | 5,908 |
| Other comprehensive income, net of tax of Items that will not be reclassified to profit or loss: | | | |
| Fair value through Other Comprehensive Income | 38(ii) | <u>4,737</u> | <u>3,084</u> |
| Other comprehensive income for the year | | <u>4,737</u> | <u>3,084</u> |
| Total comprehensive income for the year | | 19,560 | 8,992 |
| Earnings per share | | | |
| Basic earnings per share (in Ghana pesewas) | 16 | 5.7 | 2.56 |
| Diluted earnings per share (in Ghana pesewas) | 16 | 4.3 | 2.56 |

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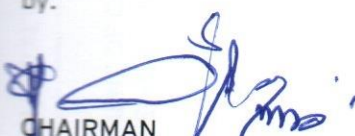
AGRICULTURAL DEVELOPMENT BANK LIMITED


STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

| | | | 2,019 | 2018 |
|--|--------|------|-------------------------|-------------------------|
| | Assets | Note | GH¢'000 | GH¢'000 |
| Cash and bank balances | | 17 | 927,086 | 652,828 |
| Due from other banks | | 18 | 271,895 | 359,338 |
| Investment securities | | 19 | 1,522,828 | 1,189,749 |
| Loans and advances to customers | | 20 | 1,468,653 | 1,068,814 |
| Investment (other than securities) | | 21 | 102,322 | 95,861 |
| Investment in associate companies | | 22 | - | - |
| Corporate tax assets | | 23 | 5,634 | 3,401 |
| Intangible assets | | 24 | 20,798 | 28,466 |
| Other assets | | 25 | 67,379 | 45,830 |
| Property and equipment | | 26 | 95,766 | 98,846 |
| Right of use assets | | 26.1 | 36,408 | - |
| Deferred tax assets | | 23 | 58,890 | 54,262 |
| Total Assets | | | <u>4,577,659</u> | <u>3,597,395</u> |
| Liabilities | | | | |
| Borrowed funds | | 28 | 277,618 | 274,322 |
| Deposits from customers | | 29 | 3,392,209 | 2,586,265 |
| Other liabilities | | 30 | 80,243 | 97,097 |
| Lease Liability (IFRS 16) | | 31 | 34,205 | - |
| | | | <u>3,784,275</u> | <u>2,957,684</u> |
| Equity | | | | |
| Stated capital | | 32 | 421,700 | 275,100 |
| Deposit for shares | | 33 | 277,000 | 277,000 |
| Retained earnings | | 34 | (289,349) | (294,086) |
| Revaluation reserve | | 35 | 57,531 | 57,531 |
| Statutory reserve | | 36 | 108,512 | 101,100 |
| Credit risk reserve | | 37 | 157,827 | 167,640 |
| Fair value through OCI | | 38 | 60,163 | 55,426 |
| Shareholders' funds | | | <u>793,384</u> | <u>639,711</u> |
| Total liabilities and Shareholders' Funds | | | <u>4,577,659</u> | <u>3,597,395</u> |

The notes on pages 27 to 124 form an integral part of these financial statements

These financial statements were approved by the Board of Directors on 27 March 2020 and signed on its behalf by:


CHAIRMAN
30/03/2020


DIRECTOR
30/03/2020

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

| In thousands of GH¢ | Stated Capital | Deposit for Shares | Credit Risk Reserve | Statutory reserve | Revaluation Reserve | Other Reserves | Retained earnings | Total |
|--|----------------|--------------------|---------------------|-------------------|---------------------|----------------|-------------------|----------------|
| Balance at 1 January 2019 | 275,100 | 277,000 | 167,640 | 101,100 | 57,531 | 55,426 | (294,086) | 639,711 |
| Additional Capital | - | - | - | - | - | - | - | - |
| Right Issue | 146,600 | - | - | - | - | - | - | 146,600 |
| Profit for the year | - | - | - | - | - | - | 14,823 | 14,823 |
| Transaction costs related to Right Issue | - | - | - | - | - | - | (12,487) | (12,487) |
| Other Comprehensive Income net of tax | - | - | - | - | - | - | - | - |
| Net Change in fair value of Equity Investments | - | - | - | - | - | 4,737 | - | 4,737 |
| Transfer from retained earnings to statutory reserve | - | - | - | 7,412 | - | - | (7,412) | - |
| Transfer (from) credit risk reserve | - | - | (9,813) | - | - | - | 9,813 | - |
| Balance at 31 December 2019 | 421,700 | 277,000 | 157,827 | 108,512 | 57,531 | 60,163 | (289,349) | 793,384 |

STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 DECEMBER 2019

| | Stated Capital GH¢'000 | Deposit for Shares GH¢'000 | Credit risk Reserve GH¢'000 | Statutory Reserve GH¢'000 | Revaluation Reserve GH¢'000 | Fair Value Reserve GH¢'000 | Retained Earnings GH¢'000 | Total GH¢'000 |
|--|---------------------------|-------------------------------------|-----------------------------------|---------------------------------|-----------------------------------|----------------------------------|---------------------------------|------------------|
| Balance at 1 January 2018 | 275,100 | | 185,323 | 98,146 | 57,531 | 52,342 | (189,429) | 479,013 |
| Impact of IFRS 9 (Note 50) | - | - | (167,058) | - | - | - | 41,764 | (125,294) |
| Restated opening balance under IFRS 9 | 275,100 | | 18,265 | 98,146 | 57,531 | 52,342 | (147,665) | 353,719 |
| Deposit for shares | | 277,000 | | | | | | 277,000 |
| Total Comprehensive income, net of income tax | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | 5,908 | 5,908 |
| Other Comprehensive income, net of income tax: | | | | | | | | |
| Net change in fair value of equity investment | - | - | - | - | - | 3,084 | - | 3,084 |
| Total Other Comprehensive income | - | - | - | - | - | 3,084 | - | 3,084 |
| Transfers from retained earnings to statutory reserve | - | - | - | 2,954 | - | - | (2,954) | - |
| Transfer to credit risk reserve | - | - | 149,375 | - | - | - | (149,375) | - |
| Balance at 31 December 2018 | 275,100 | 277,000 | 167,640 | 101,100 | 57,531 | 55,426 | (294,086) | 639,711 |

The notes on pages 27 to 124 form an integral part of these financial statements.

AGRICULTURAL DEVELOPMENT BANK LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

| | Note | 2,019 GH¢'000 | 2,018 GH¢'000 |
|--|-----------|------------------|------------------|
| Cash flows from operating activities | | | |
| Profit before tax | | 17,884 | 34,056 |
| Adjustment for non-cash items | 48.1 | (202,210) | (232,136) |
| (Loss) before working capital changes | | (184,326) | (198,081) |
| Changes in operating assets and liabilities | | 345,052 | 20,081 |
| Interest Income received | | 467,108 | 502,166 |
| Interest expense paid | | (188,006) | (215,037) |
| Dividend Income | | 1,302 | 2,678 |
| Taxes paid (NFSL) | 23.2 | (1,703) | (1,507) |
| Income Tax Paid | 23.2 | (9,796) | (9,796) |
| Tax refund | | - | 4,040 |
| Net cash generated from operating activities | | 429,631 | 104,545 |
| Cash flows from investing activities | | | |
| Purchase of property and equipment | | (10,924) | (7,113) |
| Purchase / Redemption of medium- and long-term government securities | | (98,334) | (459,970) |
| Proceeds from the sale of property and equipment | 26 | 395 | 186 |
| Purchase of intangible assets | 24 | (35) | (1,851) |
| Purchase of Shares from S.W.I.F.T | 21 | (145) | - |
| Net cash used in investing activities | | (109,043) | (468,748) |
| Cash flows from financing activities | | | |
| Payments in borrowed funds | | (150,474) | (1,011,971) |
| Payments of principal portion of lease liability | 31 | (31,180) | - |
| Receipts in borrowed funds | | 153,664 | 947,317 |
| Proceeds from Right Issue of shares | 32 | 146,600 | 127,000 |
| Transaction costs related to Right Issue | | (12,487) | - |
| Net cash generated from financing activities | | 106,123 | 62,346 |
| Increase in cash and cash equivalents | | 426,711 | (301,857) |
| Cash and cash equivalents at 1 January | | 1,463,647 | 1,768,927 |
| Effect of exchange rate fluctuation on cash held | | (4,850) | (3,422) |
| Cash and cash equivalents at 31 December | 27 | 1,885,508 | 1,463,647 |

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