

AGRICULTURAL DEVELOPMENT BANK PLC.
UNAUDITED SUMMARY FINANCIAL STATEMENTS

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

	2024 GH¢ '000	2023 GH¢ '000
Assets		
Cash and bank balances	4,638,084	2,321,215
Due from other banks	0	225,653
Net Investment securities	2,835,375	1,556,141
Loans and advances to customers	3,147,863	3,933,943
Investment (other than securities)	208,443	134,795
Intangible assets	15,894	18,386
Other assets	168,056	119,025
Property and equipment	201,154	215,875
Right of use asset	83,616	103,974
Deferred Tax Asset	56,074	38,545
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Total Assets	11,354,559	8,667,552
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Liabilities		
Borrowed funds	775,307	497,981
Deposits from customers	10,167,226	7,103,543
Corporate tax liability	34,103	4,008
Other liabilities	234,558	180,095
Lease liability	170,467	170,892
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Total liabilities	11,381,661	7,956,519
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Equity		
Share capital	698,700	698,700
Accumulated losses	(1,741,748)	(723,113)
Statutory reserve	222,025	208,437
Revaluation reserve	124,319	122,684
Credit risk reserve	518,485	319,909
Fair value through OCI	151,116	84,417
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Shareholders' funds	(27,102)	711,033
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Total liabilities and shareholders' funds	11,354,559	8,667,552
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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED JUNE 30, 2024

	2024	2023
	GH¢ '000	GH¢ '000
Interest income	739,270	601,042
Interest expense	(415,088)	(325,053)
Net interest income	324,182	275,989
Fees and commission income	104,159	74,391
Fees and commission expense	(12,835)	(10,665)
Net fees and commission income	91,324	63,726
Net trading income	42,170	102,216
Other operating income	5,732	2,736
Operating Income	463,408	444,667
Impairment loss on Loans and Advances	43,427	(35,960)
Personnel expenses	(193,311)	(190,488)
Other expenses	(150,709)	(128,325)
Depreciation and Amortization	(35,336)	(18,094)
Profit before tax	127,480	71,801
Income tax expense	(47,460)	(18,958)
Profit after tax	80,020	52,843
Profit attributable to:		
Equity holders of the bank	80,020	52,843
Earnings per share		
Basic (in Ghana pesewas)	23.06	15.23
Diluted (in Ghana pesewas)	23.06	15.23

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED JUNE 30, 2024

In thousands of GH¢	Stated Capital	Credit Risk Reserve	Statutory Reserve	Revaluation Reserve	Other Reserves	Accumulated Losses	Total
Balance at January 1, 2024	698,700	466,722	182,015	124,319	151,116	(1,725,168)	(102,295)
Profit for the year	-	-	-	-	-	80,020	80,020
Transaction costs related to Right Issue	-	-	-	-	-	(4,827)	(4,827)
Other Comprehensive income, net of tax	-	-	40,010	-	-	(40,010)	-
Transfer from income surplus to Statutory reserves	-	51,762	-	-	-	(51,762)	-
Transfer to/(from) credit risk reserve	-	518,485	222,025	124,319	151,116	(1,741,748)	(27,102)
Balance at June 30, 2024	698,700	518,485	222,025	124,319	151,116	(1,741,748)	(27,102)
In thousands of GH¢	Stated Capital	Credit Risk Reserve	Statutory Reserve	Revaluation Reserve	Other Reserves	Accumulated Losses	Total
Balance at January 1, 2023	698,700	245,352	182,015	122,684	84,417	(674,978)	658,190
Profit for the year	-	-	-	-	-	52,843	52,843
Other Comprehensive income, net of income tax	-	-	26,422	-	-	(26,422)	-
Transfer from income surplus to Statutory reserves	-	74,557	-	-	-	(74,557)	-
Transfer to/(from) credit risk reserve	-	319,909	208,437	122,684	84,417	(723,113)	711,033
Balance at June 30, 2023	698,700	319,909	208,437	122,684	84,417	(723,113)	711,033

UNAUDITED STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED JUNE 30, 2024

	2024 GH¢'000	2023 GH¢'000
Cash flows from operating activities		
Profit before tax	127,480	71,801
Adjustments for:		
realised exchange differences	31,602	14,217
Depreciation and amortization	35,336	18,094
Impairment charge on Loans	(43,427)	35,960
Gain on disposal of property and equipment	(0)	(148)
Net interest income	(324,182)	(275,989)
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Loss before working capital changes	(173,832)	(136,065)
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Changes in :		
Loans & advances	(152,768)	(750,264)
Other assets	(50,724)	(55,107)
Deposits from customers	1,626,691	1,225,668
Restricted cash	28,411	(8,158)
Other liabilities	76,049	28,481
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	1,353,826	304,555
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Interest Income received	573,621	572,002
Interest expense paid	(403,734)	(272,168)
Income Tax Paid	(4,307)	4,008
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Net cash generated from/(used in) operating activities	1,520,045	608,397
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Cash flows from investing activities		
Purchase of property and equipment	(3,941)	(9,639)
Purchase of medium and long term government securities	(481,800)	974
Proceeds from the sale of property and equipment	430	(314)
Purchase of intangible assets	(622)	(1,539)
Receipts-Due from other banks	-	137,219
Payments of right of use assets	(3,354)	(10,024)
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Net cash generated from/(used in) investing activities	(489,287)	116,677
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Cash flows from financing activities		
Receipt/Payments in borrowed funds	211,876	(106,494)
Payments of Principal portion of Lease liability	(31,404)	(25,859)
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Net cash generated from/(used in) from financing activities	180,471	(132,353)
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Increase in cash and cash equivalents	1,211,229	592,721
Cash and cash equivalents at January 1	3,800,039	1,983,532
Effect of exchange rate fluctuation on cash held	(1,143)	14,859
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Cash and cash equivalents at June 30	5,010,125	2,591,112
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1. General Information

Agricultural Development Bank Limited 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. Recapitalisation

The bank through a Right Issue Process has raised additional Capital to shore up the minimum capital requirement. The major shareholder, the Government, has deposited GHS 1.86billion bonds in an escrow account. The fair value of these bonds are GHS 1.45billion. The Bank has embarked on an aggressive recoveries of the non-performing loans. With the new capital and improved recoveries the bank expects to meet the Capital Adequacy Ratio (CAR) and the unimpaired regulatory capital position by year end 2024.

3. 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

4. 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.

5. 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

6. Contingent Liabilities

	2024 GH¢'000	2023 GH¢'000
Guanrantees and indemnities	26,613	25,487
Letters of credit	121,611	38,350
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	148,224	63,837
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7. Quantitative Disclosures

	2024 %	2023 %
Capital Adequacy Ratio	(22.94)	3.36
Non performing loans to gross loans	66.88	30.19
Liquid ratio	109.46	90.49
Common Equity Tier 1	(25.94)	0.36
Leverage ratio	(10.97)	0.23

8. 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.

	GH¢'000	GH¢'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	Nil
(ii) Number of breaches	Nil	Nil

9. Corporate Social Responsibility

A total amount of GHS3,306 (June, 2023: GHS2,976) was spent in respect of Corporate Social responsibility for the period ended 30th June 2024; these included sponsorship for Best farmer award, donation to schools and others of national interest

10. 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

Managing Director