

AGRICULTURAL DEVELOPMENT BANK PLC.

AUDITED SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

AUDITED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022

	2022 GH¢ '000	2021 GH¢ '000
Assets		
Cash and bank balances	1,908,837	924,619
Due from other banks	349,719	346,219
Net Investment securities	1,316,584	2,400,655
Loans and advances to customers	3,242,189	2,282,312
Investment (other than securities)	134,729	99,926
Corporate tax assets	10,851	-
Intangible assets	20,092	28,032
Other assets	63,918	52,253
Property and equipment	216,332	113,735
Right of use asset	110,923	150,555
Deferred Tax Asset	38,546	55,813
Total Assets	7,412,720	6,454,119
Liabilities		
Borrowed funds	588,438	294,559
Deposits from customers	5,864,850	4,927,216
Corporate tax liability	-	35,273
Other liabilities	151,614	95,996
Lease liability	149,627	162,820
Total liabilities	6,754,529	5,515,864
Equity		
Share capital	698,700	698,700
Accumulated losses	(674,978)	(236,645)
Statutory reserve	182,015	182,015
Revaluation reserve	122,684	57,531
Credit risk reserve	245,351	178,298
Fair value through OCI	84,417	58,356
Shareholders' funds	658,191	938,255
Total liabilities and shareholders' funds	7,412,720	6,454,119

AUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2022

	2022 GH¢ '000	2021 GH¢ '000
Interest income	892,367	728,235
Interest expense	(470,050)	(247,909)
Net interest income	422,317	480,326
Fees and commission income	113,711	101,319
Fees and commission expense	(17,932)	(10,116)
Net fees and commission income	95,779	91,203
Net trading income	122,854	55,874
Other operating income	6,745	12,412
Operating Income	647,695	639,815
Impairment loss on Loans and Advances	(55,064)	(41,781)
Impairment loss- Investment Securities	(375,147)	-
Personnel expenses	(336,028)	(250,281)
Other expenses	(187,432)	(154,710)
Depreciation and Amortization	(58,382)	(66,946)
(Loss)/Profit before tax	(364,358)	126,097
Income tax expense	(6,922)	(44,495)
(Loss)/Profit after tax	(371,280)	81,602
Other comprehensive income, net of tax of Items that will not be reclassified to profit or loss		
Fair value through other Comprehensive Income	26,062	6,030
Revaluation Surplus (Net of tax)	65,153	-
Other comprehensive income for the year	91,215	6,030
Total comprehensive income for the year	(280,065)	87,632
(Loss)/Profit attributable to:		
Equity holders of the bank	(371,280)	81,602
Total comprehensive income attributable to:		
Equity holders of the Bank	(280,065)	87,632
Earnings per share		
Basic (in Ghana pesewas)	(107.01)	23.52
Diluted (in Ghana pesewas)	(107.01)	23.52

AUDITED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2022

In thousands of GH¢	Stated Capital	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	(236,645)	938,255
Loss for the year	-	-	-	-	-	(371,280)	(371,280)
Other Comprehensive income net of tax							
Revaluation Surplus (net of tax)		-	-	65,153	-	-	65,153
Net Change in fair value of equity investments	-	-	-	-	26,062	-	26,062
Transfer from income surplus to reserves	-	-	-	-	-	-	-
Transfer from income surplus to Statutory reserves	-	-	-	-	-	-	-
Transfer to/(from) Credit Risk Reserve	-	67,054	-	-	-	(67,054)	-
Balance at December 31, 2022	698,700	245,352	182,015	122,684	84,417	(674,978)	658,190
In thousands of GH¢	Stated Capital	Credit Risk Reserve	Statutory Reserve	Revaluation Reserve	Other Reserves	Accumulated Losses	Total
Balance at January 1, 2021	698,700	153,088	141,214	57,531	52,325	(252,235)	850,623
Profit for the year	-	-	-	-	-	81,602	81,602
Other Comprehensive income, net of tax							
Net Change in fair value	-	-	-	-	6,030	-	6,030
Transfer from income surplus to reserves and	-	-	40,801	-	-	(40,801)	-
Transfer from income surplus to Statutory reserves	-	25,210	-	-	-	(25,210)	-
Transfer to/(from) Credit Risk Reserve	-	-	-	-	-	-	-
Balance at December 31, 2021	698,700	178,298	182,015	57,531	58,355	(236,645)	938,255

AUDITED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED DECEMBER 31, 2022

	2022 GH¢'000	2021 GH¢'000
Cash flows from operating activities		
(Loss)/Profit before tax	(364,358)	126,097
Adjustments for:		
Depreciation and amortization	58,382	66,946
Impairment charge on Loans	55,064	41,781
Impairment of other Financial assets investment	375,147	-
Gain on disposal of property and equipment	(19)	(264)
Net interest income	(422,317)	(480,326)
Loss before working capital changes	(298,101)	(245,767)
Changes in :		
Loans & advances	(959,466)	(420,232)
Other assets	(11,657)	9,490
Deposits from customers	925,263	642,739
Restricted cash	(13,471)	16,704
Other liabilities	49,485	29,943
	(307,948)	32,878
Interest Income received	809,876	650,811
Interest expense paid	(446,512)	(240,656)
Income Tax Paid	(66,183)	(20,893)
Net cash generated from/(used in) operating activities	(10,767)	422,139
Cash flows from investing activities		
Purchase of property and equipment	(31,203)	(32,789)
Purchase of medium and long term government securities	639,680	(10,067,284)
Redemption of medium and long term government securities	-	9,447,737
Proceeds from the sale of property and equipment	19	270
Purchase of intangible assets	(2,070)	(2,764)
Payments of right of use assets	8,574	(5,196)
Net cash generated from/(used in) investing activities	615,000	(660,026)
Cash flows from financing activities		
Payments in borrowed funds	(12,444,639)	(641,191)
Receipts in borrowed funds	12,727,351	618,764
Payments of Principal portion of Lease liability	(15,090)	(20,502)
Net cash generated from/(used in) from financing activities	267,623	(42,929)
Increase in cash and cash equivalents	871,855	(280,816)
Cash and cash equivalents at January 1	1,111,677	1,392,493
Effect of exchange rate fluctuation on cash held	-	-
Cash and cash equivalents at December 31	1,983,532	1,111,677

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
	GH¢'000	GH¢'000
Guanrantees and indemnities	49,851	33,702
Letters of credit	278,130	107,279
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	327,980	140,982
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6. Quantitative Disclosures

	2022	2021
	%	%
Capital Adequacy Ratio	7.36	14.49
Non performing loans to gross loans	29.74	31.21
Liquid ratio	86.11	101.87
Common Equity Tier 1	4.36	12.49
Leverage ratio	2.53	6.41

7. Default in statutory requirments and accompanying

For the period under review, the bank did not record any 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	374
(ii) Number of breaches	Nil	1

8. Corporate Social Responsibility (GHS'000)

A total amount of GHS3,779 (December, 2021: GHS4,057) was spent in respect of Corporate Social responsibility for the period ended 31 December 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



Daasebre Akuamoah Agyapong II
Chairman



Alhassan Yakubu -Tali
Managing Director

Independent Auditor's report to the Members of Agricultural Development Bank Limited

Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2022. Summary statement of comprehensive income, summary statement cash flows for the year then ended, and the related notes, are derived from the audited financial statements of Agricultural Bank of Ghana. In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with International Standards on Auditing (ISA) 810

Summary financial statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards, the Companies Act, 2019 (Act 992) and The Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events

The audited financial statements and our report thereon

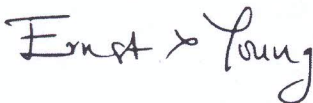
We expressed an unmodified audit opinion on the audited financial statements in our report dated April 28, 2023. That report also includes the communication of other key matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial

Management's responsibility for the summary financial statements

Management is responsible for the preparation of the summary financial statements in accordance with the Guide for financial publication for banks & Bank of Ghana licensed financial institutions

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA) 810 (Revised), Engagement to report on Summary Financial Statements.



Signed by Emmanuel Adekahlor (ICAG/P/1596)
For and on behalf of Ernst & Young (ICAG/F/2023/126)
Chartered Accountants
Accra, Ghana
Date: April 28, 2023