

AGRICULTURAL DEV. BANK LTD. NOTICE OF EXTRA-ORDINARY GENERAL MEETING & CIRCULAR TO SHAREHOLDERS

Thursday, 20th December, 2018 – British Council Auditorium, Accra.

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This document is important and requires your immediate attention. The Directors confirm that after making all reasonable inquiries and to the best of their knowledge and belief there are no facts the omission of which would make any statement in the document misleading.

If you have any queries or require further clarifications, please contact Mr. J.K. Agbedor, Company Secretary, on telephone number (233) 302 770403 or by email at jagbedor@agricbank.com.gh.

Thank you for your continuing support of the Bank.

1. NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT there will be an Extra-ordinary General Meeting of Agricultural Development Bank Limited (the "Company") to be held at the National Theatre, Accra at Eleven O'clock in the forenoon (11.00 am) on Thursday, 20th December, 2018 to transact the following business:

AGENDA

ORDINARY BUSINESS

1. To pass a resolution dispensing with the statutory notice for general meeting.
2. To ratify the appointment of Directors.
3. To approve Directors' remunerations.
4. To ratify the appointment of Ernst & Young as Auditors
5. To authorize Directors to fix the remuneration of the Auditors for the year 2018.

SPECIAL BUSINESS

1. To authorize Directors to increase the stated capital of the Company to meet the new minimum capital requirement of GHS 400,000,000 set by the Bank of Ghana, through a renounceable rights issue to raise, in the minimum, GHS 383,000,000 subject to applicable regulatory approvals, and to use other capital raising methods to raise the needed capital to cover any shortfall that may result from the rights issue
2. To authorize the conversion of a subordinated debt of GHS150, 000,000 owed the Bank of Ghana into equity as part of the capital raising process.
3. To authorize Directors, subject to applicable rules, to determine the modalities of the renounceable rights issue.

NOTE:

A Member who is unable to attend the General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf. A proxy need not be a member.

A proxy form is attached herewith to enable you exercise your vote if you cannot attend. The form should be completed and deposited at the Company's Registrars, Central Securities Depository at Cedi House, Liberia Road, Accra, or at the Company's Registered Office at Accra Financial Centre, 3rd Ambassadorial Development Area, Ridge-Accra.

Proxies may be deposited at the addresses indicated herein at any time during working hours prior to the commencement of the meeting in accordance with the Company's Regulations.

All relevant documents in connection with the meeting are available to shareholders from the date of this notice on the Company's website (www.adb.com.gh) and at the Company's Registered Office aforesaid.

Dated this 11th day of December 2018.

JAMES. K. AGBEDOR
COMPANY SECRETARY
BY ORDER OF THE BOARD

2. RATIFICATION OF THE APPOINTMENT OF DIRECTORS

The major Shareholders of the Bank, the Government of Ghana and the Financial Investment Trust (FIT) had appointed eight (8) directors including the Managing Director to the Board of the Bank. The said directors were sworn into office on 29th August 2018.

It is a requirement that directors be appointed by an ordinary resolution of the company in general meeting. The circumstances of the Bank at the time of the appointments however did not make it expedient to comply with the said requirement because the Bank's business had to continue uninterrupted.

This is the earliest opportunity therefore to present the directors to members and to request them to ratify their appointment. Below are the profiles of the directors:

2.1 Mr. Alex Bernasko (65): Non-Executive Chairman.

(Appointed to the Board on 8th August, 2017)

Mr. Alex Bernasko is a Legal Practitioner and Notary Public. He had a long and successful career in Central Banking, rising to become the Secretary to the Bank of Ghana and then Advisor and member of the Bank's top management, positions he held till his retirement. He has a wealth of knowledge and experience in management, banking and finance and financial law. He has served on several Boards of Directors including the Export Development and Investment Fund (EDIF), Ghana Tourist Development Company and Agricultural Development Bank (1998 – 2000). He has the following qualifications, B.A. Hons Social Sciences (KNUST), QCL (University of Ghana, Legon) and Barrister-at-Law, Ghana School of Law. He also holds certificates for courses attended in several institutions both locally and internationally including the Royal Institute of Public Administration U.K., the International Monetary Fund, U.S.A., International Development Lawyers Institute, Rome, Italy, St. Catherine's College, Oxford, UK, and City University Business School London, United Kingdom. He is a member of the Ghana Bar Association, International Bar Association and the Institute of Directors.

2.2 Mrs. Mary Ablu Kessie (63): Non-Executive Director.

(Appointed to the Board on 29th August, 2018)

Mrs. Mary Ablu Kessie is a lawyer, a Notary Public and a certified Director and Corporate Governance expert. She has a wealth of knowledge and experience in the Banking and Financial Services sector and held several positions during her banking career including General Manager Support Services, Head of Legal, General Manager Compliance and Women's Markets and Company Secretary. She has served on several Boards including the following:

- Council Member, Family Health Medical School (2008 – Present).
- Board Member, Auto Mall Limited (2008 – Present).
- Local Nominee Director, British Telecom Global Services (2003 – 2005).
- Local Manager, Kosmos Energy LLC (2004 – 2005).

She holds a Bachelor of Laws Degree from the University of Ghana and is a Barrister at Law - Ghana School of Law. She is a member of the Ghana Bar Association and the Institute of Directors, Ghana.

2.3 Dr. John Kofi Mensah (56): Managing Director.

(Appointed to the Board on 16th August, 2017)

Dr. John Kofi Mensah was appointed Managing Director of the Agricultural Development Bank (ADB) Limited on August 1, 2017. Dr. Mensah is a renowned Economist and Banker with 25 years of experience in different sectors of Banking ranging from start-up and delinquent banks operations, credit and foreign/Treasury management of Universal Banks. He has worked previously at the International Commercial Bank (now FBN Bank) in various capacities including that of General Manager/Deputy CEO of the Bank. He has also previously worked at UniBank as General Manager, and later Deputy Managing Director, and as Chief Executive Officer at First Capital Plus Savings & Loans from April 2011 till July 2015. He currently serves on the board of Ghana International Bank Plc, UK. Dr. Mensah has previously served as chairman of Family Fountain Assets & Securities Limited, as a director of Enyan Denkyira Rural Bank, and a director of Cocoa Processing Company Limited. He holds a Doctorate in Business Administration (Finance) from SMC University of Zurich, Switzerland, an MSc (Banking and Finance), Cum Laude from Finafrica in Milan, Italy and a BA (Economics & Statistics) from the University of Ghana. He is also a fellow of the Institute of Professional Financial Managers (FIPFM), UK.

2.4 Prof. Peter Quartey (50): Non-Executive Director.

(Appointed to the Board on 29th August, 2018)

Professor Peter Quartey is the immediate past Head, Department of Economics and Director, Economic Policy Management, University of Ghana, Legon. He is currently, the Head, Economics Division, Institute of Statistical, Social and Economic Research (ISSER). He owns a renowned educational institution in Accra. Professor Quartey, who holds a PHD in Development Economics, University of Manchester has varied experience in teaching and research. He has also undertaken various extension activities for various institutions and is a member of the following:

- Board Member, National Population Council Board, Ghana (2009 – 2012).
- Vice Chairman, University of Ghana Credit Union (2008 – 2011).
- Board Chairman, University of Ghana Credit Union (2011 – 2014).
- Board Member, The Hunger Project Ghana (2014 – Present).
- Executive Chairman, Startrite Montessori School (2007 – Present).
- Member, Institute of Applied Science and Technology, University of Ghana, (2012 – 2016).
- Member, University of Ghana Strategy Committee, (2012 – 2016).
- Member, Board of Faculty of Social Studies, University of Ghana (2006 – 2018).

Professor Quartey has also provided consultancy services to various institutions including NEPAD, World Bank, African Development Bank, and USAID. Professor Quartey has a number of publications to his credit.

2.5 Mrs. Abena Osei-Asare (39): Non-Executive Director.

(Appointed to the Board on 29th August, 2018)

Abena is a Chartered Accountant and holds a BA Degree in Economics with Geography and MSC in Development Finance all from the University of Ghana. Mrs. Abena Osei-Asare has worked with the New York University (NYU) in Ghana as Assistant Director, Finance and Facilities from 2004 to November 2007. She later joined Barclays Bank (Gh.) Limited and rose to become a dealer. She was elected as a Member of Parliament in January 2013 representing the Atiwa-East Constituency and was appointed Deputy Minister of Finance in May 2017, a position she has held to date. Mrs. Abena Osei-Asare is a member of the Parliamentary Service Board, Social Security and National Insurance Board, National Health Insurance Board and the Public Accounts Committee of Parliament.

2.6 Mr. Kwesi Korboe (56): Non-Executive Director.

(Appointed to the Board on 29th August, 2018)

Mr. Kwesi Korboe is an Agribusiness Specialist, Management consultant, Economist, Policy and Investment Analyst. He holds a BSc. (Hons) Degree in Agriculture, Post Graduate Diploma in Agric Administration and an M. A. in Economic Policy Management all from the University of Ghana, Legon. He currently provides advisory and technical support to the Ministry of Food and Agriculture on behalf of USAID in Ghana and other agricultural projects. He was a Senior Agribusiness Advisor/Regional Manager for ACDI/VOCA and Country Representative of Agribusiness Systems International (ASI), its subsidiary. He was also in recent past, Chief of Party for the Southern Horticultural Zone Project of the US\$547 Million Millennium Challenge Account (MCA) and Chief Executive Officer of Jei River Farms Limited. Mr. Kwesi Korboe has worked on numerous agricultural projects funded and supported by USAID, the World Bank, AfDB, DfID, MCC, FAO in very senior roles. He also provides technical advice as director/technical advisor to a number of agribusinesses both in Ghana and other African countries and has led and developed numerous agricultural innovative products.

2.7 Mr. George Kwabena Abankwah-Yeboah (58): Non-Executive Director

(Appointed to the Board on 16th August, 2017)

Mr. Kwabena Abankwah-Yeboah is a pharmacist in good standing for the past 31 years. He is the Chief Executive Officer of Sharp Pharmaceuticals Limited. He is currently a director of United Perfumery and Pharmaceuticals Limited, Accra Technical University and Gulf Consolidated Limited. He is a member of the Pharmaceutical Society of Ghana, Pharmaceutical Manufacturers Association of Ghana, International Pharmaceutical Federation, and Association of Ghana Industries. He has previously served on several boards including CSRI STEPRI, Koforidua Technical University, Association of Ghana Industries and Pharmaceutical Manufacturers Association and its first General Secretary. He holds a Bachelor of Pharmacy (Hons) from the Kwame Nkrumah University of Science and Technology, Master in Business Administration (Finance option) from the University of Ghana, and an LLB (Hons) from the University of Ghana.

2.8 Hon. Dr. Mark Assibey-Yeboah (44): Non-Executive Director.

(Appointed to the Board on 29th August, 2018)

Hon. Dr. Mark Assibey-Yeboah is the Member of Parliament for New Juaben South, and the Chairman of the Finance Committee of the Parliament of Ghana. He holds a B.Sc (Hons) Degree in Agricultural Economics from KNUST, Ghana and an M.S. in Agricultural and Resource Economics from the University of Delaware, USA. He also holds an M.A. and a PhD both in Economics from the University of Tennessee, USA. Before he joined the legislature, he was a Senior Economist at the Bank of Ghana.

3. RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG AS NEW AUDITORS

3.1 BACKGROUND

Section 81(4) of the Banks & Specialised Deposit-Taking Institutions Act, 2016 (Act 930) and section 197 of the Securities Industry Act, 2016 (Act 929) respectively provide that an auditor of a bank or specialised deposit-taking Institution, and an issuer of public securities shall hold office for a term of not more than six years. The auditors are only eligible for re-appointment after a cooling off period of not less than five years.

The external auditors, KPMG, have been auditing the Company for six years as at the end of 2017. In view of the statutory requirements, KPMG cannot continue to act as the Company's external auditors after the audit of the 2017 financial statements.

3.2 SEARCH FOR A NEW AUDITOR

Proposals were invited from three major international accounting firms for the position of external auditors of the Company.

After a rigorous evaluation and selection process, Ernst & Young came up as the preferred firm to provide auditing services to the Company. The Board subsequently appointed Ernst & Young as auditors of the company for a maximum term of six years with effect from the 2018 financial year subject to annual renewal.

Ernst & Young provides a wide range of multi-disciplinary professional services to both local and international organizations within the Ghanaian business community. It has helped businesses to address the most complex challenges by drawing on its long tradition of professionalism and integrity. It has a staff strength of approximately 180, including 10 partners. The firm has provided audit services to some key players in the Financial Industry in Ghana, Africa and globally. These include Ecobank Togo, Barclays Bank Ghana Limited, Bank of Africa Limited, HFC Bank Limited (now Republic Bank), SG Ghana Limited, Sahel Sahara Bank Limited, Sovereign Bank Limited, Apex Bank Limited and Bank of Ghana.

3.3 DIRECTORS' RECOMMENDATION

In view of the above, the Directors recommend that Shareholders vote in favour of the resolution to ratify the appointment of Ernst & Young as the new external auditors of the Company for a maximum term of six years with effect from the 2018 financial year subject to annual renewal.

4. CAPITAL RAISING

4.1 PROPOSED RESOLUTIONS

- (1) That the Directors of the Company be and are hereby generally and unconditionally authorized to increase the Company's Stated Capital by, in the minimum, Three Hundred and Eighty-Three Million Ghana Cedis (GHS 383,000,000) by a renounceable Rights Issue and to exercise all the powers of the Company pursuant to Section 202 (1) of the Companies Act, 1963 (Act 179) to offer, issue and allot to registered members of the Company, in proportion as nearly as may be practicable to their respective holdings in the issued shares of the Company, such number of ordinary shares as may be required to increase the Company's Stated Capital by, in the minimum, Four Hundred Million Ghana Cedis (GHS 400,000,000) ("the Rights Issue").
- (2) That the Directors of the Company be and are hereby authorized, subject to all applicable laws and regulatory requirements, to determine the terms, timing and pricing of any such offer or issue and to offer, issue, allot, and/or deal with all such shares as are not subscribed to by the registered members of the Company in the Rights Issue at such times, on such terms and for such prices as the Directors shall determine, and to allot such shares to participating shareholders and others who have indicated their interest to subscribe for shares without subscription rights.

4.2 REQUIRED APPROVALS FOR THE PROPOSED RIGHTS ISSUE

In accordance with Section 28 (1) of the Banks & Specialized Deposit-Taking Institutions Act, 2016 (Act 930), the Bank of Ghana by Directive No. BG/GOV/SEC/2017/19 set the minimum paid-up capital for Banks at Four Hundred Million Ghana Cedis (GHS 400,000,000) and directed all Banks to achieve this minimum by the 31st of December 2018.

As at December 2017, the Company's capital stood at approximately Two Hundred and Seventy Five Million Ghana Cedis (GHS 275,000, 000). This has however been impaired by a negative income surplus of approximately GHs 166,000,000.00 as at September, 2018 (unaudited). The Company is therefore required to raise an additional capital of, in the minimum, GHs383,000,000.00 by the end of December 2018 to be able to meet the Four Hundred Million Ghana Cedis (GHS 400,000,000) required to comply with the Bank of Ghana's Directive.

Accordingly, the Board of Directors (after seeking relevant advice) has opted to recommend an equity capital raise through a renounceable Rights Issue ("Rights Issue") to enable all Shareholders to participate on an equal basis in the Company's growth agenda and also create an opportunity for Shareholders to maintain their shareholding without being diluted by an alternative route to a capital raise.

4.3 DETAILS OF THE PROPOSED RIGHTS ISSUE

The exact number of offer shares and the issue price will be determined by the Board of Directors after the Shareholders approval of the Rights Issue.

4.4 REQUIRED APPROVALS FOR THE PROPOSED RIGHTS ISSUE

The Directors will, after the Shareholders have authorized the proposed Rights Issue, seek the approval of the Securities and Exchange Commission.

The shares to be issued by the Company under the proposed Rights Issue will be listed on the Ghana Stock Exchange. The additional listing is subject to the approval of the Ghana Stock Exchange. Accordingly, the directors will seek the approval of the Ghana Stock Exchange for the additional listing.

4.5 DIRECTORS' RECOMMENDATION

In view of the above, the Board recommends that Shareholders vote in favour of the resolutions to raise capital in the minimum of Three Hundred and Eighty Three Million Ghana Cedis (GHS 383,000,000) under a renounceable Rights Issue subject to all applicable laws and regulatory requirements in order to meet the regulatory minimum capital requirement of GHS 400,000,000, and to raise the needed capital to cover any shortfall in the Rights Issue by any other capital raising methods.

The Board further recommends that shareholders other than the Government of Ghana and the Financial Investment Trust waive their pre-emptive rights.

5. DIRECTORS REMUNERATION

In accordance with Regulation 82 of the Company's Regulations, the remuneration payable to any Director in whatsoever capacity shall be determined or approved by the members in general meeting.

We recommend that Directors should be paid an amount not exceeding an aggregate of GHS 144,000.00 as fees and sitting allowances per director for the year ending 31st December 2018 and these fees and allowances shall be applied until such time as the shareholders shall revise it.

AGRICULTURAL DEVELOPMENT BANK LIMITED
PROXY

I/We _____ of _____ being members of Agricultural Development Bank Limited hereby appoint _____ or failing him,

MR. ALEX BERNASKO, Chairman of Agricultural Development Bank Limited, P.O. Box 4191 , Accra, as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at National Theater, Accra at eleven o'clock (11:00am) in the forenoon on the 20th December 2018 and at any adjournment thereof.

Please indicate with a tick in the space below how you wish your votes to be cast

RESOLUTIONS		FOR	AGAINST	ABSTAI
1. To pass a resolution dispensing a statutory notice for general meeting. (Ghana) Limited & Auditors Report thereon.	1.			
2. To ratify the appointment of the following Directors:				
i. Mr. Alex Bernasko.	2(1)			
ii. Mrs. Mary Abla Kessie	2(2)			
iii. Dr. John Kofi Mensah	2(3)			
iv. Mr. Kwesi Korboe	2(4)			
v. Hon. Dr. Mark Assibey-Yeboah.	2(5)			
vi. Hon. Mrs. Abena Osei-Asare	2(6)			
vii. Professor Peter Quartey	2(7)			
viii George Kwabena Abankwah-Yeboah	2(8)			
3. To approve Directors remuneration	3			
4. To ratify the appointment of Ernst & Young as Auditors	4			
5. To authorize Directors to fix the Auditors' fees	5			
6. (1) To undertake a renounceable rights issue, to offer, issue and allot shares under the rights issue to raise, in the minimum, GHS 383,000,000.00	6(1)			
(2) To determine the terms of the rights issue and deal with unsubscribed shares	6(2)			

Dated this ___ day of _____ 2018

Signed _____

THIS FORM SHOULD NOT BE COMPLETED AND SENT TO THE SECRETARY IF THE SENDER WILL BE ATTENDING THE MEETING

1. Provision has been made on the form for MR. ALEX BERNASKO, the Chairman of the Meeting, to act as your Proxy but if you so wish, you may insert in the blank space the name of any person whether a member of the Company or not who will attend the Meeting and vote on your behalf instead of the Chairman.
2. In the case of joint holder, each holder must sign. In case of a company, the Proxy Form must be signed by a Director and its Common Seal appended.

If you intend to sign a Proxy, please sign the above Proxy Form and post/submit it to reach the Registrar, Central Securities Depository, Cedi House, Accra or the Secretary, Agricultural Development Bank Limited , P.O. Box 4191, Accra, Ghana or via email to jagbedor@agricbank.com at any time prior to the commencement of the meeting in accordance with the Company's Regulations

