

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	2018
	GHc '000	GHc '000
Assets		
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
Total Assets	4,140,755	3,624,449
Liabilities		
Borrowed funds	247,402	476,712
Deposits from customers	3,101,547	2,705,031
Other liabilities	101,853	92,442
Total liabilities	3,450,802	3,274,184
Equity		
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
Shareholders' funds	689,954	350,264
Total liabilities and Shareholders' Funds	4,140,755	3,624,449

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED SEPT. 30, 2019

	2019	2018
	GHc '000	GHc '000
Interest income	354,900	373,335
Interest expense	(133,138)	(164,195)
Net interest income	221,762	209,140
Fees and commission income	62,228	55,715
Fees and commission expense	(8,661)	(5,886)
Net fees and commission income	53,567	49,829
Net trading income	39,366	36,380
Other operating income	6,496	8,642
Operating Income	321,191	303,991
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)
Profit before Tax	38,504	43,013
Income tax expense	(8,477)	(5,420)
Profit after tax period	30,027	37,593
Other comprehensive income, net of tax		
Items that will never be reclassified to profit or loss		
Fair value through other Comprehensive Income	4,267	717
Other comprehensive income for the year	4,267	717
Total comprehensive income for the year	34,294	38,311
Profit attributable to:		
Equity holders of the bank	30,027	37,593
Total comprehensive income attributable to:	34,294	38,311
Equity holders of the Bank		
Earnings per share		
Basic and diluted	11	16
(in Ghana pesewas)		

STATEMENT OF CASHFLOWS (STATEMENT OF CHANGES IN EQUITY)

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

UNAUDITED STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED SEPTEMBER 30, 2019

	2019	2018		2019	2018
	GHc'000	GHc'000		GHc'000	GHc'000
Cash flows from operating activities			Cash flows from investing activities		
Profit before tax	38,504	43,013	Purchase of property and equipment	(7,450)	(4,555)
Adjustments for:			Purchase of medium and long term government securities	(221,992)	18,046
Unrealised exchange differences	-	-	Proceeds from the sale of property and equipment	395	3
Depreciation and amortization	16,610	17,141	Purchase of Shares from S.W.I.F.T	(135)	-
Impairment charge on Financial Assets	4,131	13,175	Purchase of intangible assets	(9)	(1,851)
Impairment of other receivables	-	2,628	Net cash used in investing activities	(229,190)	11,644
Dividend received	(1,302)	(2,678)	Cash flows from financing activities		
Gain on disposal of property and equipment	(17)	-	Payments in borrowed funds	(26,920)	-
Net interest income	(221,762)	(209,140)	Receipts in borrowed funds	-	13,756
(Loss) before working capital changes	(163,836)	(135,862)	Proceeds from Right Issue	19,600	-
Changes in :			Transaction cost from Right Issue of shares	(3,651)	-
Loans & advances	(329,379)	(134,366)	Net cash generated from financing activities	(10,971)	13,756
Other assets	(22,554)	16,434	Increase in cash and cash equivalents	(63,797)	166,184
Deposits from customers	515,282	164,186	Cash and cash equivalents at 1 January	1,463,647	1,768,929
Other liabilities	4,756	25,872	Effect of exchange rate fluctuation on cash held	(154)	547
	4,269	(63,735)	Cash and cash equivalents at 30 SEPTEMBER	1,399,696	1,935,661
Interest Income received	309,238	370,274			
Interest expense paid	(132,598)	(159,956)			
Dividend Income	1,302	2,678			
Taxes paid (NFSL)	(949)	(1,131)			
Income Tax Paid	(4,898)	(7,347)			
Net cash generated from operating activities	176,364	140,784			

1. General Information

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. 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 have been consistently applied to all the years presented, unless otherwise stated. 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, 1963 (Act 179) 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 available-for-sale assets carried at fair value.

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

	2019	2018
	GHc'000	GHc'000
Guanrantees and indemnities	73,186	68,081
Letters of credit	181,552	125,118
Total	254,738	193,198

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 requirements:		
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 Financial 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