

AGRICULTURAL DEVELOPMENT BANK LIMITED

UNAUDITED SUMMARY FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2021

	2021 GH¢ '000	2020 GH¢ '000
Assets		
Cash and bank balances	656,765	696,989
Due from other banks	336,865	299,740
Investment securities	2,516,684	1,834,026
Loans and advances to customers	2,176,380	1,894,585
Investment (other than securities)	91,885	103,159
Corporate tax assets	741	5,018
Intangible assets	29,482	14,486
Other assets	61,951	82,510
Property and equipment	111,874	114,011
Right of use asset	156,603	20,155
Deferred tax assets	39,654	58,909
Total Assets	6,178,884	5,123,588
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Liabilities		
Borrowed funds	322,744	273,045
Deposits from customers	4,630,894	3,794,859
Other liabilities	126,880	184,736
Lease liability	157,675	16,913
Total liabilities	5,238,193	4,269,552
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Equity		
Share capital	698,700	698,700
Accumulated losses	(217,009)	(252,961)
Revaluation reserve	57,531	57,531
Statutory reserve	186,248	138,578
Credit risk reserve	162,895	151,179
Fair value through OCI	52,326	61,009
Shareholders' funds	940,691	854,036
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Total liabilities and shareholders' funds	6,178,884	5,123,588
	=====	=====

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	2021	2020
	GH¢ '000	GH¢ '000
Interest income	547,791	445,950
Interest expense	(186,494)	(151,051)
Net interest income	361,297	294,899
Fees and commission income	78,274	63,430
Fees and commission expense	(7,965)	(8,836)
Net fees and commission income	70,309	54,594
Net trading income	35,527	40,703
Other operating income	4,072	8,418
Operating Income	471,205	398,614
Impairment loss on financial assets	(21,505)	(16,972)
Personnel expenses	(186,336)	(168,766)
Other expenses	(109,130)	(98,350)
Depreciation and Amortization	(46,413)	(45,302)
Profit before tax	107,819	69,224
Income tax expense	(17,751)	(9,092)
Profit after tax	90,068	60,132
Other comprehensive income, net of tax of <i>Items that will not be reclassified to profit or loss</i>		
Fair value through other Comprehensive Income	-	846
Other comprehensive income for the year	-	846
Total comprehensive income for the year	90,068	60,978
Profit attributable to:		
Equity holders of the bank	90,068	60,132
Total comprehensive income attributable to:		
Equity holders of the Bank	90,068	60,978
Earnings per share		
Basic (in Ghana pesewas)	34.41	17.33
Diluted (in Ghana pesewas)	34.41	17.33

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	In thousands of GH¢	Stated Capital	Deposit for Shares	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	52,326	(252,236)	850,623
Additional Capital									
Deposit for Shares		-	-	-	-	-	-	-	-
Transfer from deposit for shares to stated capital		-	-	-	-	-	-	-	-
Profit/Loss for the year		-	-	-	-	-	-	90,068	90,068
Transaction costs related to Right Issue		-	-	-	-	-	-	-	-
Other Comprehensive Income, net of tax									
Net Change in fair value of equity investments		-	-	-	-	-	-	-	-
recorded directly in equity									
Transfer to/(from) credit risk reserve		-	-	9,807	-	-	-	(9,807)	-
Transfer from income surplus to reserves and transactions with owners recorded directly in equity		-	-	-	45,034	-	-	(45,034)	(0)
Balance at September 30, 2021		698,700	-	162,895	186,248	57,531	52,326	(217,009)	940,691

	In thousands of GH¢	Stated Capital	Deposit for Shares	Credit Risk Reserve	Statutory reserve	Revaluation Reserve	Other Reserves	Income surplus	Total
Balance at January 1, 2020		421,700	277,000	157,827	108,512	57,531	60,163	(289,349)	793,385
Additional Capital									
Deposit for Shares									
Transfer from deposit for shares to stated capital		277,000	(277,000)	-	-	-	-	(327)	(327)
Transaction costs related to Right Issue		-	-	-	-	-	-	60,132	60,132
Profit/Loss for the year		-	-	-	-	-	-	-	-
Other Comprehensive Income, net of income tax									
Net Change in fair value		-	-	-	-	-	845	-	845
recorded directly in equity									
Transfer to/(from) credit risk reserve		-	-	(6,648)	-	-	-	6,648	-
Transfer from income surplus to reserves and transactions with owners recorded directly in Equity		-	-	-	30,066	-	-	(30,066)	-
Balance at September 30, 2020		698,700	-	151,179	138,578	57,531	61,009	(252,961)	854,036

UNAUDITED STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	2021 GH¢'000	2020 GH¢'000
Cash flows from operating activities		
Profit before tax	107,819	69,224
Adjustments for:		
Depreciation and amortization	46,413	45,302
Impairment charge on Financial Assests	21,505	16,972
Finance cost- lease Liability	-	3,539
Dividend received	-	(186)
Non-Cash Items	-	2,132
Net interest income	(361,297)	(294,899)
(Loss) before working capital changes	(185,559)	(157,915)
Changes in :		
Loans & advances	(264,393)	(417,776)
Other assets	(206)	(12,997)
Deposits from customers	349,857	402,153
Restricted cash	7,253	(22,682)
Other liabilities	37,742	98,529
	(55,305)	(110,688)
Interest Income received	505,076	391,814
Interest expense paid	(179,303)	(146,289)
Dividend Income	-	186
Taxes paid (NFSL)	(4,648)	(1,131)
Income Tax Paid	(7,347)	(7,962)
Net cash generated from operating activities	258,473	125,930
Cash flows from investing activities		
Purchase of property and equipment	(27,277)	(27,842)
Purchase of medium and long term government securities	(360,533)	(652,619)
Purchase of intangible assets	(797)	(153)
Net cash used in investing activities	(388,606)	(680,614)
Cash flows from financing activities		
Payments in borrowed funds	9,570	(5,300)
Payments of Principal portion of Lease liability	(35,037)	(26,940)
Payments of right of use assets	(2,245)	-
Transaction costs related to Right Issue	-	(327)
Net cash generated from financing activities	(27,712)	(32,567)
Increase in cash and cash equivalents	(157,846)	(587,251)
Cash and cash equivalents at 1 January	1,392,492	1,885,508
Effect of exchange rate fluctuation on cash held	(477)	(1,251)
Cash and cash equivalents at September 30, 2021	1,234,168	1,297,006

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. The financial statements were authorized for issue by the Board of Directors on October 27, 2021

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

	2021 GH¢'000	2020 GH¢'000
Guarantees and indemnities	33,847	101,720
Letters of credit	100,906	53,283
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	134,753	155,002
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6. Quantitative Disclosures

	2021 %	2020 %
Capital Adequacy Ratio	12.99	12.38
Non performing loans to gross loans	30.35	33.84
Loan Loss provision	16.52	17.82
Liquid ratio	97.54	113.44

7. Default in statutory requirements and accompanying sanctions:

	GH¢'000	GH¢'000
Sanctions	NIL	24
Default in statutory requirements (Number)	NIL	2

8. Corporate Social Responsibility

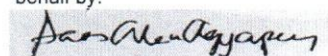
A total amount of GHS2,903 (September 2020: GHS3,134) was spent in respect of Corporate Social responsibility for the period ended September 30, 2021; these included sponsorship for Best farmer award, donation to schools and others of national interest

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 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.

Approval of the Financial Statements

The financial statements of the Bank were approved by the Board of Directors on October 27, 2021 and were signed on their behalf by:



Daasebre Akuamoah Agyapong II
Chairman



Dr. John Kofi Mensah
Managing Director