



**PRESS RELEASE**

**PR. No 279/2019**

**AGRICULTURAL DEVELOPMENT BANK LIMITED (ADB) -  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE SECOND QUARTER ENDING 30 JUNE 2019**

ADB has released its unaudited Financial Statements for the second quarter ending June 30, 2019 as per the attached.

Issued in Accra, this 31<sup>st</sup>  
day of July, 2019

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att'd.

**Distribution:**

1. All LDMs
2. General Public
3. Listed Companies
4. Registrars, Custodians
5. Central Securities Depository
6. Custodians
7. Securities and Exchange Commission
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**For enquiries, contact:**

**Head Listing, GSE on 0302 669908, 669914, 669935**

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AGRICULTURAL DEVELOPMENT BANK LIMITED

UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30,2019

	2019 GH¢ '000	2018 GH¢ '000
<b>Assets</b>		
Cash and Bank Balances	738,063	1,141,318
Due from other Banks	397,576	-
Investment securities	1,347,689	1,025,964
Loans and advances to customers	1,221,547	1,026,675
Investment (other than securities)	101,690	91,832
Investment in associate companies	-	357
Deferred tax assets	54,262	40,464
Current t tax assets	3,597	5,672
Intangible assets	23,888	33,074
Other assets	57,890	83,450
Property and equipment	94,508	102,054
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<b>Total Assets</b>	<b>4,040,710</b>	<b>3,550,858</b>
	=====	=====
<b>Liabilities</b>		
Borrowed funds	280,934	528,094
Deposits from customers	2,954,693	2,595,770
Other liabilities	118,618	97,535
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<b>Total liabilities</b>	<b>3,354,245</b>	<b>3,221,399</b>
	=====	=====
<b>Equity</b>		
Share capital	571,700	275,100
Income surplus	(297,203)	(169,248)
Revaluation reserve	57,530	57,530
Statutory reserve	113,657	98,146
Credit risk reserve	179,663	18,642
Fair value through OCI	61,117	49,288
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<b>Shareholders' funds</b>	<b>686,465</b>	<b>329,459</b>
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<b>Total liabilities and Shareholders' Funds</b>	<b>4,040,710</b>	<b>3,550,858</b>
	=====	=====

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

	2019 GH¢ '000	2018 GH¢ '000
Interest income	232,579	249,514
Interest expense	(85,845)	(112,033)
<b>Net interest income</b>	<b>146,733</b>	<b>137,481</b>
Fees and commission income	41,382	36,679
Fees and commission expense	(6,329)	(4,101)
Net fees and commission income	35,053	32,578
Net trading income	29,255	21,890
Other operating income	5,062	2,797
<b>Operating Income</b>	<b>216,104</b>	<b>194,746</b>
Net Impairment loss on financial assets	(2,595)	(13,175)
Personnel expenses	(99,014)	(85,247)
Depreciation and Amortization	(11,132)	(11,431)
Other Expenses	(72,596)	(64,344)
<b>Profit before Tax</b>	<b>30,767</b>	<b>20,549</b>
Income tax expense	(5,651)	12
<b>Profit for the period</b>	<b>25,115</b>	<b>20,562</b>
<b>Other comprehensive income, net of tax Items that will never be reclassified to profit or loss</b>		
Fair value through other Comprehensive Income	5,690	(3,055)
<b>Other comprehensive income for the year</b>	<b>5,690</b>	<b>(3,055)</b>
<b>Total comprehensive income for the year</b>	<b>30,805</b>	<b>17,507</b>
<b>Profit attributable to:</b>		
Equity holders of the bank	25,115	20,562
<b>Total comprehensive income attributable to: Equity holders of the Bank</b>	<b>30,805</b>	<b>17,507</b>
<b>Earnings per share</b>		
Basic and diluted (in Ghana pesewas)	10	9

## STATEMENT OF CHANGES IN EQUITY

In thousands of GH¢	Stated Capital	Deposit for		Credit Risk Reserve	Statutory reserve	Revaluation Reserve	Other Reserves	Income surplus	Total
		Shares	Reserve						
<b>Balance at January 1, 2019</b>	275,100	277,000	167,641	101,100	57,530	55,427	(294,087)	639,711	
<b>Additional Capital</b>	296,600	(277,000)	-	-	-	-	(3,651)	19,600	
Transaction costs related to Right Issue	-	-	-	-	-	-	25,115	(3,651)	
<b>Profit for the year</b>	-	-	-	-	-	5,690	-	25,115	
<b>Other Comprehensive Income Net of Tax</b>	-	-	-	-	-	-	-	(3,651)	
Net Change in fair value of Equity Investments	-	-	-	-	-	-	-	25,115	
Transfer from income surplus to reserves and transactions with owners recorded directly in equity	-	-	-	12,558	-	-	-	(12,558)	
Transfer to/(from) credit risk reserve	-	-	12,021	-	-	-	-	(12,021)	
<b>Balance at June 30, 2019</b>	571,700	-	179,663	113,657	57,530	61,117	(297,203)	686,465	
<b>In thousands of GH¢</b>	<b>Stated Capital</b>	<b>Deposit for Shares</b>	<b>Credit Risk Reserve</b>	<b>Statutory reserve</b>	<b>Revaluation Reserve</b>	<b>Other Reserves</b>	<b>Income surplus</b>	<b>Total</b>	
<b>Balance at January 1, 2018</b>	275,100	-	185,324	98,146	57,530	52,343	(189,430)	479,013	
<b>Additional Capital</b>	-	-	-	-	-	-	-	-	
Profit for the year	-	-	-	-	-	-	20,562	20,562	
<b>Other Comprehensive Income, net of income tax</b>	-	-	-	-	-	(3,055)	-	(3,055)	
Net Change in fair value	-	-	(167,060)	-	-	-	-	(167,060)	
<b>Transfer from income surplus to reserves</b>	-	-	378.86	-	-	-	(379)	-	
Impact on IFRS 9	-	-	-	-	-	-	-	-	
Transfer to/(from) credit risk reserve	-	-	-	-	-	-	-	-	
Transfers from income surplus to reserves and transactions with owners recorded directly in Equity	-	-	-	-	-	-	-	-	
<b>Balance at June 30, 2018</b>	275,100	-	18,642	98,146	57,530	49,288	(169,248)	329,459	

## STATEMENT OF CASHFLOWS FOR THE YEAR ENDED JUNE 30,2019

	2019 GH¢'000	2018 GH¢'000
<b>Cash flows from operating activities</b>		
Profit before tax	30,767	20,549
<b>Adjustments for:</b>		
Unrealised exchange differences	-	-
Depreciation and amortization	11,132	11,431
Impairment charge on Financial Assests	2,398	13,175
Impairment of equity investment	-	-
Dividend received	(1,302)	(2,678)
Gain on disposal of property and equipment	(17)	-
Net interest income	(146,733)	(137,481)
	<u>(103,757)</u>	<u>(95,004)</u>
<b>(Loss) before working capital changes</b>		
Changes in :		
Loans & advances	(147,401)	(58,674)
Other assets	(12,061)	(1,136)
Deposits from customers	368,428	54,733
Other liabilities	21,521	30,966
	<u>126,731</u>	<u>(69,115)</u>
Interest Income received	193,650	240,283
Interest expense paid	(79,441)	(100,157)
Dividend Income	1,302	2,678
Taxes paid (NFSL)	(572)	(754)
Income Tax Paid	(2,449)	(4,907)
Deferred Tax	-	(6,691)
	<u>239,221</u>	<u>61,338</u>
<b>Net cash generated from operating activities</b>		
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(2,705)	(3,730)
Purchase of medium and long term government securities	(112,402)	50,066
Proceeds from the sale of property and equipment	395	-
Purchase of intangible assets	-	(1,851)
	<u>(114,712)</u>	<u>44,486</u>
<b>Net cash used in investing activities</b>		
<b>Cash flows from financing activities</b>		
Payments in borrowed funds	-	-
Receipts in borrowed funds	6,612	57,694
Proceeds from Right Issue	19,600	-
Transaction cost from Right Issue of shares	(3,651)	-
	<u>22,561</u>	<u>57,694</u>
<b>Net cash generated from financing activities</b>		
Increase in cash and cash equivalents	147,070	163,518
Cash and cash equivalents at 1 January	1,463,647	1,768,929
Effect of exchange rate fluctuation on cash held	(1,215)	(1,096)
	<u>1,609,502</u>	<u>1,931,351</u>
<b>Cash and cash equivalents at 30 June</b>		



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 authorised for issue by the Board of Directors on 25th July 2019

## 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
	GH¢'000	GH¢'000
Guanrantees and indemnities	129,287	65,630
Letters of credit	151,483	133,441
	-----	-----
	280,770	199,070
	=====	=====

## 6. Quantitative Disclosures

	2019	2018
	%	%
Capital Adequacy Ratio	16.63	15.92
Capital Adequacy Ratio (BASEL )	8.55	(1.27)
Non performing loans to gross loans	46.38	42.16
Loan Loss provision	34.34	34.87
Liquid ratio	133.71	158.95
Default in statutory requirements:		
Sanctions	42	Nil

## 7. Corporate Social Responsibility

Amount spent on Corporate Social responsibility amounted GHS 1,287,899 (2018: GHS814,072) 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.

"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