



PRESS RELEASE

PR. No 377/2019

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

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

Issued in Accra, this 24th
day of October, 2019

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att'd.

Distribution:

1. All LDMs
2. General Public
3. Listed Companies
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5. Central Securities Depository
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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 GH¢ '000 | 2018 GH¢ '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 GH¢ '000 | 2018 GH¢ '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 <i>Items that will never be reclassified to profit or loss</i> | | |
| 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: | | |
| Equity holders of the Bank | 34,294 | 38,311 |
| Earnings per share | | |
| Basic and diluted (in Ghana pesewas) | 11 | 16 |

STATEMENT OF CHANGES IN EQUITY

| | Stated Capital | Deposit for Shares | Credit Risk Reserve | Statutory reserve | Revaluation Reserve | Other Reserves | Income surplus | Total |
|--|-------------------|--------------------|------------------------|----------------------|------------------------|-------------------|-------------------|-------------------|
| In thousands of GH¢ | | | | | | | | |
| Balance at January 1, 2019 | 275,100 | 277,000 | 167,641 | 101,100 | 57,530 | 55,427 | (294,087) | 639,711.25 |
| Additional Capital | 236,600 | (277,000) | - | - | - | - | (3,651) | 19,599.72 |
| Transaction costs related to Right Issue | - | - | - | - | - | - | 30,027 | (3,651.32) |
| Profit for the year | - | - | - | - | - | 4,267 | - | 30,026.53 |
| Other Comprehensive Income | - | - | - | - | - | - | - | 4,267.34 |
| Net Change in fair value of Equity Investments | - | - | - | 15,013 | - | - | (15,013) | - |
| Transfer from income surplus to reserves and transactions with owners recorded directly in equity | - | - | 11,163 | - | - | - | (11,163) | - |
| Transfer to/(from) credit risk reserve | - | - | 178,804 | 116,113 | 57,530 | 59,695 | (293,888) | 689,953.52 |
| Balance at September 30, 2019 | 571,700 | - | 178,804 | 116,113 | 57,530 | 59,695 | (293,888) | 689,953.52 |
| | | | | | | | | |
| In thousands of GH¢ | | | | | | | | |
| 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 | - | - | - | - | - | 717 | - | 717.39 |
| Net Change in fair value | - | - | - | - | - | - | - | - |
| Transfer from income surplus to reserves | - | - | (167,058) | - | - | - | (12,865) | (167,057.96) |
| Impact on IFRS 9 | - | - | 12,865.32 | - | - | - | - | - |
| Transfer to/(from) credit risk reserve | - | - | - | - | - | - | - | - |
| 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 |

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.

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

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

5. Contingent Liabilities

| | 2019 GH¢'000 | 2018 GH¢'000 |
|----------------------------|-----------------|-----------------|
| Guarantees and indemnities | 73,186 | 68,081 |
| Letters of credit | 181,552 | 125,118 |
| | ----- | ----- |
| | 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