



PRESS RELEASE

PR. No 189/2020

**ADB BANK LIMITED (ADB) -
UNAUDITED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDING 31 MARCH 2020**

ADB has released its unaudited Financial Statements for the first quarter ending March 31, 2020 as per the attached.

Issued in Accra, this 30th
day of April, 2020

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att'd.

Distribution:

1. All LDMs
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Head Listing, GSE on 0302 669908, 669914, 669935

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AGRICULTURAL DEVELOPMENT BANK LIMITED

UNAUDITED SUMMARY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2020

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH, 2020

	2020 GH¢ '000	2019 GH¢ '000
Assets		
Cash and bank balances	836,131	728,384
Due from other banks	281,528	380,430
Investment securities	1,652,707	1,203,468
Loans and advances to customers	1,471,854	1,216,631
Investment (other than securities)	102,316	95,861
Corporate tax assets	5,632	3,597
Intangible assets	18,620	26,175
Other assets	147,255	47,834
Property and equipment	103,939	96,382
Right of use asset	35,613	-
Deferred tax assets	58,890	54,262
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Total Assets	4,714,486	3,853,023
	=====	=====
Liabilities		
Borrowed funds	260,145	255,296
Deposits from customers	3,510,916	2,829,640
Other liabilities	97,707	108,550
Lease liability	39,360	-
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Total liabilities	3,908,128	3,193,486
	=====	=====
Equity		
Share capital	698,700	275,100
Deposits for shares	-	277,000
Income surplus	(281,444)	(296,041)
Revaluation reserve	57,531	57,530
Statutory reserve	115,162	111,513
Credit risk reserve	156,245	179,008
Fair value through OCI	60,163	55,427
	-----	-----
Shareholders' funds	806,358	659,538
	-----	-----
Total liabilities and shareholders' funds	4,714,486	3,853,023
	=====	=====

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH, 2020

	2020 GH¢ '000	2019 GH¢ '000
Interest income	146,929	122,698
Interest expense	(49,477)	(41,759)
Net interest income	97,452	80,939
Fees and commission income	19,386	17,987
Fees and commission expense	(3,710)	(2,311)
Net fees and commission income	15,676	15,676
Net trading income	12,404	14,231
Other operating income	1,339	1,727
Operating Income	126,871	112,572
Impairment loss on financial assets	(1,665)	(1,099)
Personnel expenses	(56,638)	(48,401)
Other expenses	(31,715)	(33,785)
Depreciation and Amortization	(20,728)	(5,635)
Profit before tax	16,125	23,652
Income tax expense	(2,826)	(2,826)
Profit after tax	13,300	20,826
Other comprehensive income, net of tax <i>Items that will not be reclassified to profit or loss</i>		
Fair value through other Comprehensive Income	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	13,300	20,826
Profit attributable to:		
Equity holders of the bank	13,300	20,826
Total comprehensive income attributable to:		
Equity holders of the Bank	13,300	20,826
Earnings per share		
Basic (in Ghana pesewas)	3.83	9
Diluted (in Ghana pesewas)	3.83	

UNAUDITED STATEMENT OF CHANGES IN EQUITY

In thousands of GH¢	Stated Capital	Deposit for Shares	Credit Risk Reserve	Statutory reserve	Revaluation Reserve	Other Reserves	Retained Earnings	Total
Balance at 1 January , 2020	421,700	277,000	157,827	108,512	57,531	60,163	(289,349)	793,385
Additional Capital								
Right Issue	277,000	-	-	-	-	-	-	277,000
Deposit for Shares	-	(277,000)	-	-	-	-	-	(277,000)
Profit/Loss for the year	-	-	-	-	-	-	13,300	13,300
Transaction costs related to Right Issue	-	-	-	-	-	-	(327)	(327)
								-
Other Comprehensive income net of tax								
Transfer from income surplus to reserves and transactions with owners recorded directly in	-	-	-	6,650	-	-	(6,650)	-
Transfer to/(from) credit risk reserve	-	-	(1,582)	-	-	-	1,582	-
Balance at 31 March , 2020	698,700	-	156,245	115,162	57,531	60,163	(281,444)	806,358

In thousands of GH¢	Stated Capital	Deposit for Shares	Credit Risk Reserve	Statutory reserve	Revaluation Reserve	Other Reserves	Retained Earnings	Total
Balance at 1 January, 2019	275,100	277,000	167,641	101,100	57,530	55,427	(294,087)	639,711
Additional Capital								
Deposit for Shares	-	-	-	-	-	-	-	-
Profit/Loss for the year	-	-	-	-	-	-	20,826	20,826
Transaction costs related to Right Issue	-	-	-	-	-	-	(1,000)	(1,000)
								-
Other Comprehensive income, net of income tax								
Transfer to/(from) credit risk reserve	-	-	11,367	-	-	-	(11,367)	-
Transfers from income surplus to reserves and transactions with owners recorded directly in	-	-	-	10,413	-	-	(10,413)	-
Balance at 31 March , 2019	275,100	277,000	179,008	111,513	57,530	55,427	(296,041)	659,538

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH, 2020

	2020 GH¢'000	2019 GH¢'000
Cash flows from operating activities		
Profit before tax	16,125	23,652
Adjustments for:		
Depreciation and amortization	20,728	5,635
Impairment charge on Financial Assests	1,665	1,099
Impairment of investment	-	2,985
Finance cost- lease Liability	1,392	
Dividend received	(186)	(1,302)
(Gain)/loss on disposal of property and equipment	-	(17)
Net interest income	(97,452)	(80,939)
(Loss) before working capital changes	(57,728)	(48,887)
Changes in :		
Loans & advances	(3,090)	(130,069)
Other assets	(79,875)	29,876
Deposits from customers	119,732	242,014
Restricted cash	(22,025)	
Other liabilities	17,417	12,777
	(25,569)	105,711
Interest Income received	132,437	120,158
Interest expense paid	(51,182)	(41,581)
Dividend Income	186	1,302
Taxes paid (NFSL)	(377)	-
Income Tax Paid	(2,449)	-
Net cash generated from operating activities	53,045	185,590
Cash flows from investing activities		
Purchase of property and equipment	(11,401)	(1,300)
Purchase / Redemption of medium and long term government securities	(528,316)	(108,258)
Net cash used in investing activities	(539,716)	(109,559)
Cash flows from financing activities		
Payments in borrowed funds	(16,794)	(20,208)
Payments of Principal portion of Lease liability	(1,698)	
Transaction costs related to Right Issue	(327)	-
Net cash generated from financing activities	(18,819)	(20,208)
Increase in cash and cash equivalents	(505,490)	1,281
Cash and cash equivalents at 1 January	1,885,509	1,463,647
Effect of exchange rate fluctuation on cash held	2,526	828
Cash and cash equivalents at 31 March	1,382,545	1,465,756

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 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 Equity Investments which are fair valued 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

	2020	2019
	GHe'000	GHe'000
Guarantees and indemnities	104,872	165,069
Letters of credit	191,828	78,017
	296,700	243,086
	=====	=====

6. Quantitative Disclosures

	2020	2019
	%	%
Capital Adequacy Ratio	14.79	16.30
Non performing loans to gross loans	41.04	46.13
Loan Loss provision	23.34	34.36
Liquid ratio	124.98	129.25

	2020	2019
	GH¢'000	GH¢'000
7. Default in statutory requirements and accompanying sanctions:		
Sanctions	12	6
Default in statutory requirements (Number)	1	1

8. Corporate Social Responsibility

Amount spent on Corporate Social responsibility for the period to 31 March, 2020 amounted GHS 1,411 (March 2019: GHS 180). These included Best farmer sponsorship, 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 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.

Approval of the Financial Statements

The financial statements of the Bank were approved by the Board of Directors on 31st March 2020 and were signed on their behalf by



Chairman
Alex Bernasko



Managing Director
Dr. John Kofi Mensah