



PRESS RELEASE

PR. No.191/2024

AGRICULTURAL DEVELOPMENT BANK PLC (ADB) –

UNAUDITED FINANCIAL STATEMENTS FOR
THE PERIOD ENDED MARCH 31, 2024

ADB has released its Unaudited Financial Statements for the period ended March 31, 2024, as per the attached.

Issued in Accra, this 1st
day of July 2024

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att'd.

Distribution:

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AGRICULTURAL DEVELOPMENT BANK PLC.

UNAUDITED SUMMARY FINANCIAL STATEMENTS

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2024

| | 2024 | 2023 |
|--|-------------------|------------------|
| | GH¢ '000 | GH¢ '000 |
| Assets | | |
| Cash and bank balances | 3,372,061 | 1,965,887 |
| Due from other banks | - | 358,873 |
| Net investment securities | 2,788,353 | 1,577,888 |
| Loans and advances to customers | 3,083,797 | 3,766,449 |
| Investment (other than securities) | 208,403 | 134,794 |
| Corporate tax assets | - | 942 |
| Intangible assets | 17,793 | 18,460 |
| Other assets | 163,814 | 114,983 |
| Property and equipment | 205,512 | 216,954 |
| Right of use asset | 91,226 | 108,086 |
| Deferred Tax Asset | 56,074 | 38,546 |
| Total Assets | 9,987,033 | 8,301,862 |
| Liabilities | | |
| Borrowed funds | 635,734 | 531,524 |
| Deposits from customers | 9,051,873 | 6,755,328 |
| Corporate tax liability | 3,348 | - |
| Other liabilities | 220,887 | 144,854 |
| Lease liability | 151,231 | 184,938 |
| Total liabilities | 10,063,073 | 7,616,643 |
| Equity | | |
| Share capital | 698,700 | 698,700 |
| Accumulated losses | (1,686,106) | (663,387) |
| Statutory reserve | 195,527 | 195,529 |
| Revaluation reserve | 124,319 | 122,684 |
| Credit risk reserve | 440,404 | 247,275 |
| Fair value reserve | 151,116 | 84,417 |
| Shareholders' funds | (76,040) | 685,219 |
| Total liabilities and shareholders' funds | 9,987,033 | 8,301,862 |

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED MARCH 31, 2024

| | 2024 | 2023 |
|--|----------------|----------------|
| | GH¢ '000 | GH¢ '000 |
| Interest income | 334,574 | 302,778 |
| Interest expense | (206,289) | (177,231) |
| Net interest income | 128,285 | 125,547 |
| Fees and commission income | 55,326 | 33,905 |
| Fees and commission expense | (6,842) | (4,895) |
| Net fees and commission income | 48,484 | 29,010 |
| Net trading income | 14,005 | 60,205 |
| Other operating income | 3,384 | 13 |
| Operating Income | 194,158 | 214,776 |
| Impairment loss on Loans and Advances | 31,105 | (12,900) |
| Impairment loss- Investment Securities | (92) | - |
| Personnel expenses | (94,662) | (96,187) |
| Other expenses | (71,432) | (58,238) |
| Depreciation and Amortization | (17,503) | (8,464) |
| (Loss)/Profit before tax | 41,574 | 38,987 |
| Income tax expense | (14,551) | (11,959) |
| (Loss)/Profit after tax | 27,023 | 27,028 |
| Other comprehensive income, net of tax of items that will not be reclassified to profit or loss | | |
| Fair value through other Comprehensive Income | - | - |
| Revaluation Surplus (Net of tax) | - | - |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | 27,023 | 27,028 |
| (Loss)/Profit attributable to: | | |
| Equity holders of the bank | 27,023 | 27,028 |
| Total comprehensive income attributable to: | | |
| Equity holders of the Bank | 27,023 | 27,028 |
| Earnings per share | | |
| Basic (in Ghana pesewas) | 7.79 | 7.79 |
| Diluted (in Ghana pesewas) | 7.79 | 7.79 |

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2024

| In thousands of GH¢ | Stated Capital | Credit Risk Reserve | Statutory Reserve | Revaluation Reserve | Fair value reserve | Accumulated Losses | Total |
|---|----------------|---------------------|-------------------|---------------------|--------------------|--------------------|-----------|
| Balance at January 1, 2024 | 688,700 | 465,722 | 182,015 | 124,319 | 151,116 | (1,725,168) | (102,295) |
| Profit for the year | - | - | - | - | - | 27,023 | 27,023 |
| Transaction costs related to Right Issue | - | - | - | - | - | (768) | (768) |
| Other Comprehensive Income net of tax reserves | - | - | 13,512 | - | - | (13,512) | - |
| Transfer to/(from) credit risk reserve | - | (26,319) | - | - | - | 26,319 | (0) |
| Balance at March 31, 2024 | 688,700 | 440,403 | 195,527 | 124,319 | 151,116 | (1,686,109) | (76,040) |
| In thousands of GH¢ | Stated Capital | Credit Risk Reserve | Statutory Reserve | Revaluation Reserve | Fair value reserve | Accumulated Losses | Total |
| Balance at January 1, 2023 | 688,700 | 245,352 | 182,015 | 122,884 | 84,417 | (674,978) | 658,191 |
| Profit for the year | - | - | - | - | - | 27,028 | 27,028 |
| Other Comprehensive Income, net of Income tax and transactions with owners recorded | - | - | 13,514 | - | - | (13,514) | - |
| Transfer from income surplus to Statutory rest | - | 1,923 | - | - | - | (1,923) | - |
| Transfer to/(from) credit risk reserve | - | - | - | - | - | (653,367) | - |
| Balance at March 31, 2023 | 688,700 | 247,275 | 195,529 | 122,884 | 84,417 | (653,367) | 685,219 |

UNAUDITED STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED MARCH 31, 2024

| | 2024 GH¢'000 | 2023 GH¢'000 |
|--|------------------|------------------|
| Cash flows from operating activities | | |
| Profit before tax | 41,574 | 38,987 |
| Adjustments for: | | |
| Depreciation and amortization | 17,503 | 8,464 |
| Impairment charge on Loans | (31,105) | 12,900 |
| Gain on disposal of property and equipment | - | 77 |
| Net Interest income | (128,285) | (125,547) |
| Loss before working capital changes | (69,073) | (65,120) |
| Changes in : | | |
| Loans & advances | (143,431) | (582,110) |
| Other assets | (46,483) | (51,064) |
| Deposits from customers | 508,171 | 887,078 |
| Restricted cash | (10,018) | (8,158) |
| Other liabilities | (27,915) | (6,760) |
| | 211,251 | 173,865 |
| Interest income received | 311,444 | 377,917 |
| Interest expense paid | (204,406) | (175,138) |
| Income Tax Paid | (2,154) | (2,049) |
| Net cash flows (used in)/ from Operating activities | 316,135 | 374,595 |
| Cash flows from investing activities | | |
| Purchase of property and equipment | (1,349) | (5,414) |
| Purchase of medium and long term government securities | (470,412) | (33,408) |
| Proceeds from the sale of property and equipment | 219 | 21 |
| Purchase of intangible assets | (622) | - |
| Advance payment of lease rentals | (4,341) | - |
| Net cash flow generated from/(used in) investing activities | (476,505) | (38,801) |
| Cash flows from financing activities | | |
| Receipts in borrowed funds | 91,916 | - |
| Payments in borrowed funds | - | (61,002) |
| Increase of Principal portion of Lease liability | (29,254) | 35,310 |
| Payments of right of use assets | - | (4,550) |
| Net cash flows (used in)/ from financing activities | 62,662 | (30,242) |
| Increase in cash and cash equivalents | (97,707) | 305,552 |
| Cash and cash equivalents at January 1 | 3,800,039 | 1,983,532 |
| Effect of exchange rate fluctuation on cash held | 63,673 | 14,886 |
| Cash and cash equivalents at March 31 | 3,766,005 | 2,303,971 |

1. General Information

Agricultural Development Bank Limited PLC, (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. Recapitalisation

The Bank is in the final stages of a Right Issue to recapitalise the bank to meet the regulatory capital requirements. The major shareholder, the Government of Ghana, has already committed GHS1.3billion bonds in an escrow account with an additional GHS560million expected by end of June 2024. The Bank has embarked on an aggressive recovery of the non-performing loans. With the new capital injection and the improved recoveries, the bank expects to meet the Capital Adequacy Ratio (CAR) and the unimpaired regulatory capital position by year end 2024.

3. Summary of Significant Accounting Policies

The published summary financial statements have been extracted and presented from the Bank's Audited Financial Statements in accordance with the Bank of Ghana Guide for financial publication for banks & Bank of Ghana (BOG) licensed financial institutions.

The financial statements of the Bank were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board including the IAS 29 Directive issued by the Institute of Chartered Accountants Ghana.

4. Functional and presentation currency

These financial statements are presented in "Ghana Cedi", which is the Bank's functional currency and has been rounded to the nearest thousand.

5. 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

6. Contingent Liabilities

| | 2024 | 2023 |
|----------------------------|---------|---------|
| | GHS'000 | GHS'000 |
| Guarantees and indemnities | 28,110 | 31,200 |
| Letters of credit | 51,484 | 73,847 |
| | 79,594 | 105,047 |

7. Quantitative Disclosures

| | 2024 | 2023 |
|-------------------------------------|--------|-------|
| | % | % |
| Capital Adequacy Ratio | -19.85 | 6.19 |
| Non performing loans to gross loans | 67.12 | 28.56 |
| Liquid ratio | 109.04 | 82.81 |
| Common Equity Tier 1 | -22.85 | 3.19 |
| Leverage ratio | -10.82 | 1.96 |

8. Default in statutory requirements and accompanying sanctions:

For the period under review, the bank did not record any statutory liquidity breaches and not incur any sanctions.

| | GHS'000 | GHS'000 |
|--|---------|---------|
| (i) Sanctions (GHS'000) | Nil | Nil |
| (ii) Default in statutory liquidity | Nil | Nil |
| Other regulatory breaches (including onsite examination) | | |
| (i) Sanctions (GHS'000) | Nil | Nil |
| (ii) Number of breaches | Nil | Nil |

9. Corporate Social Responsibility

A total amount of GHS1.5million (March, 2023: GHS1million) was spent in respect of Corporate Social responsibility for the period ended 31 March 2024; these included sponsorship for Best farmer award, donation to schools and others of national interest

10. 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.

Dasabre Akumosh Agyspong II
Chairman

Alhassan Yakubu-Tell
Managing Director