



**PRESS RELEASE**

**PR. No. 446/2020**

**AGRICULTURAL DEVELOPMENT BANK LIMITED (ADB) -  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDING 30 SEPTEMBER 2020**

ADB has released its Unaudited Financial Statements for the third quarter ending September 30, 2020 as per the attached.

Issued in Accra, this 30<sup>th</sup>  
day of October, 2020

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att'd.

**Distribution:**

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# AGRICULTURAL DEVELOPMENT BANK LIMITED

## UNAUDITED SUMMARY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2020

### UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER, 2020

	2020 GH¢ '000	2019 GH¢ '000
<b>Assets</b>		
Cash and bank balances	696,989	736,605
Due from other banks	299,740	401,691
Investment securities	1,834,026	1,260,088
Loans and advances to customers	1,894,585	1,398,193
Investment (other than securities)	103,159	101,686
Corporate tax assets	5,018	3,597
Intangible assets	14,486	21,640
Other assets	82,510	68,382
Property and equipment	114,011	96,032
Right of use asset	20,155	-
Deferred tax assets	58,909	52,840
<b>Total Assets</b>	<b>5,123,588</b>	<b>4,140,755</b>
<b>Liabilities</b>		
Borrowed funds	273,045	247,402
Deposits from customers	3,794,859	3,101,547
Other liabilities	184,736	101,853
Lease liability	16,913	-
<b>Total liabilities</b>	<b>4,269,552</b>	<b>3,450,802</b>
<b>Equity</b>		
Share capital	698,700	571,700
Income surplus	(252,961)	(293,888)
Revaluation reserve	57,531	57,530
Statutory reserve	138,578	116,113
Credit risk reserve	151,179	178,804
Fair value through OCI	61,009	59,695
Shareholders' funds	854,036	689,954
<b>Total liabilities and shareholders' funds</b>	<b>5,123,588</b>	<b>4,140,755</b>

### UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER, 2020

	2020 GH¢ '000	2019 GH¢ '000
Interest income	445,950	354,900
Interest expense	(151,051)	(133,138)
<b>Net interest income</b>	<b>294,899</b>	<b>221,762</b>
Fees and commission income	63,430	62,228
Fees and commission expense	(14,799)	(8,661)
<b>Net fees and commission income</b>	<b>48,631</b>	<b>53,567</b>
<b>Net trading income</b>	<b>40,703</b>	<b>39,366</b>
<b>Other operating income</b>	<b>8,418</b>	<b>6,496</b>
<b>Operating Income</b>	<b>392,651</b>	<b>321,191</b>
Impairment loss on financial assets	(16,972)	(2,688)
Personnel expenses	(168,766)	(152,961)
Other expenses	(92,386)	(110,428)
Depreciation and Amortization	(45,302)	(16,610)
<b>Profit before tax</b>	<b>69,224</b>	<b>38,504</b>
Income tax expense	(9,092)	(8,477)
<b>Profit after tax</b>	<b>60,132</b>	<b>30,027</b>
Other comprehensive income, net of tax Items that will not be reclassified to profit or loss		
Fair value through other Comprehensive Income	845	4,267
<b>Other comprehensive income for the year</b>	<b>845</b>	<b>4,267</b>
<b>Total comprehensive income for the year</b>	<b>60,978</b>	<b>34,294</b>
<b>Profit attributable to:</b>		
Equity holders of the bank	60,132	30,027
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Bank	60,978	34,294
<b>Earnings per share</b>		
Basic (in Ghana pesewas)	17.33	11
Diluted (in Ghana pesewas)	17.33	11

### 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
<b>Balance at 1 January, 2020</b>	<b>421,700</b>	<b>277,000</b>	<b>157,827</b>	<b>108,512</b>	<b>57,531</b>	<b>60,163</b>	<b>(289,349)</b>	<b>793,385</b>
Additional Capital								-
Right Issue	277,000	-	-	-	-	-	-	277,000
Deposit for Shares	-	(277,000)	-	-	-	-	-	(277,000)
Profit/Loss for the year	-	-	-	-	-	-	60,132	60,132
Transaction costs related to Right Issue	-	-	-	-	-	-	(327)	(327)
Other Comprehensive income net of tax	-	-	-	-	-	-	-	-
Net Change in fair value of equity investments	-	-	-	-	-	845	-	845
Transfer from income surplus to reserves and transactions with owners recorded directly in equity	-	-	-	30,066	-	-	(30,066)	-
Transfer to/(from) credit risk reserve	-	-	(6,648)	-	-	-	6,648	-
<b>Balance at 30 SEPTEMBER, 2020</b>	<b>698,700</b>	<b>-</b>	<b>151,179</b>	<b>138,578</b>	<b>57,531</b>	<b>61,009</b>	<b>(252,961)</b>	<b>854,036</b>
In thousands of GH¢	Stated Capital	Deposit for Shares	Credit Risk Reserve	Statutory reserve	Revaluation Reserve	Other Reserves	Retained Earnings	Total
<b>Balance at 1 January, 2019</b>	<b>275,100</b>	<b>277,000</b>	<b>167,641</b>	<b>101,100</b>	<b>57,530</b>	<b>55,427</b>	<b>(294,087)</b>	<b>639,711</b>
Additional Capital	296,600	(277,000)	-	-	-	-	-	19,600
Deposit for Shares	-	-	-	-	-	-	-	-
Profit/Loss for the year	-	-	-	-	-	-	30,027	30,027
Transaction costs related to Right Issue	-	-	-	-	-	-	(3,651)	(3,651)
Other Comprehensive income, net of income tax	-	-	-	-	-	-	-	-
Net Change in fair value	-	-	-	-	-	4,267	-	4,267
Impact of IFRS 9	-	-	-	-	-	-	-	-
Transfer from income surplus to reserves and transactions with owners recorded directly in equity	-	-	-	-	-	-	-	-
Transfer to/(from) credit risk reserve	-	-	11,163	-	-	-	(11,163)	-
Transfers from income surplus to reserves and transactions with owners recorded directly in Equity	-	-	-	15,013	-	-	(15,013)	-
<b>Balance at 30 SEPTEMBER, 2019</b>	<b>571,700</b>	<b>-</b>	<b>178,804</b>	<b>116,113</b>	<b>57,530</b>	<b>59,695</b>	<b>(293,888)</b>	<b>689,954</b>



# AGRICULTURAL DEVELOPMENT BANK LIMITED

## UNAUDITED SUMMARY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2020

(Continuation)

### STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED 30 SEPTEMBER, 2020

	2020	2019
	GHC'000	GHC'000
Cash flows from operating activities		
Profit before tax	69,224	38,504
Adjustments for:		
Depreciation and amortization	45,302	16,610
Impairment charge on Financial Assests	16,972	2,688
Finance cost-lease Liability	3,539	-
Dividend received	(186)	(1,302)
(Gain)/loss on disposal of property and equipment	-	(17)
Non-Cash Items	2,132	1,443
Net interest income	(294,899)	(221,762)
<b>(Loss) before working capital changes</b>	<b>(157,915)</b>	<b>(163,836)</b>
Changes in :		
Loans & advances	(417,776)	(329,379)
Other assets	(12,997)	(22,554)
Deposits from customers	402,153	515,282
Restricted cash	(22,682)	-
Other liabilities	98,529	4,756
	(110,688)	4,269
Interest Income received	391,814	309,238
Interest expense paid	(146,289)	(132,598)
Dividend Income	186	1,302
Taxes paid (NFSL)	(1,131)	(949)
Income Tax Paid	(7,962)	(4,898)
<b>Net cash generated from operating activities</b>	<b>125,930</b>	<b>176,364</b>
Cash flows from investing activities		
Purchase of property and equipment	(27,842)	(7,450)
Purchase / Redemption of medium and long term government securities	(652,619)	(221,992)
Proceeds from the sale of property and equipment	-	395
Purchase of intangible assets	(153)	(9)
Purchase of Shares from S.W.I.F.T	-	(135)
<b>Net cash used in investing activities</b>	<b>(680,614)</b>	<b>(229,190)</b>
Cash flows from financing activities		
Payments in borrowed funds	(5,300)	(26,920)
Payments of Principal portion of Lease liability	(26,940)	
Proceeds from Right Issue of shares	-	19,600
Transaction costs related to Right Issue	(327)	(3,651)
<b>Net cash generated from financing activities</b>	<b>(32,567)</b>	<b>(10,971)</b>
Increase in cash and cash equivalents	(587,251)	(63,797)
Cash and cash equivalents at 1 January	1,885,508	1,463,647
Effect of exchange rate fluctuation on cash held	(1,251)	(154)
<b>Cash and cash equivalents at 30 SEPTEMBER</b>	<b>1,297,006</b>	<b>1,399,696</b>

### 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 Ambadassadorial 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
	GHC'000	GHC'000
Guanrantees and indemnities	101,720	73,186
Letters of credit	53,283	181,552
	<b>155,002</b>	<b>254,738</b>

### 6. Quantitative Disclosures

	2020	2019
	%	%
Capital Adequacy Ratio	12.38	15.87
Non performing loans to gross loans	33.84	42.32
Loan Loss provision	17.82	31.33
Liquid ratio	113.44	123.06

### 7. Default in statutory requirments and accompanying sanctions:

	GHC'000	GHC'000
Sanctions	24	42
Default in statutory requirments (Number)	2	2

### 8. Corporate Social Responsibility

Amount spent on Corporate Social responsibility for the period to 30 September, 2020 was GHS 3,134 (September 2019: GHS 2,558). 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 30 September, 2020 and were signed on their behalf by



Alex Bernasko  
Chairman



Dr. John Kofi Mensah  
Managing Director