



**PRESS RELEASE**

**PR. No. 155/2021**

**AGRICULTURAL DEVELOPMENT BANK LIMITED (ADB) –**  
**UNAUDITED SUMMARY FINANCIAL STATEMENTS FOR**  
**THE FIRST QUARTER ENDING 31 MARCH 2021**

ADB has released its Unaudited Financial Statements for the first quarter ending March 31, 2021 as per the attached.

Issued in Accra, this 29<sup>th</sup>  
Day of April, 2021

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att'd.

**Distribution:**

1. All LDMs
2. General Public
3. Listed Companies
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**Head of Listing, GSE on 0302 669908, 669914, 669935**

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AGRICULTURAL DEVELOPMENT BANK LIMITED

UNAUDITED SUMMARY FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2021

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2021

	2021 GH¢ '000	2020 GH¢ '000
<b>Assets</b>		
Cash and bank balances	811,086	836,131
Due from other banks	318,252	281,528
Investment securities	2,163,373	1,652,707
Loans and advances to customers	1,966,076	1,471,854
Investment (other than securities)	91,883	102,316
Corporate tax assets	601	5,632
Intangible assets	35,392	18,620
Other assets	99,580	147,255
Property and equipment	106,092	103,939
Right of use asset	171,764	35,613
Deferred tax assets	43,754	58,890
<b>Total Assets</b>	<b>5,807,853</b>	<b>4,714,486</b>
	=====	=====
<b>Liabilities</b>		
Borrowed funds	267,672	260,145
Deposits from customers	4,370,514	3,510,916
Other liabilities	125,402	97,707
Lease liability	166,765	39,360
<b>Total liabilities</b>	<b>4,930,353</b>	<b>3,908,128</b>
	=====	=====
<b>Equity</b>		
Share capital	698,700	698,700
Accumulated losses	(211,995)	(281,444)
Revaluation reserve	57,531	57,531
Statutory reserve	154,653	115,162
Credit risk reserve	126,286	156,245
Fair value through OCI	52,326	60,163
<b>Shareholders' funds</b>	<b>877,500</b>	<b>806,358</b>
	=====	=====
<b>Total liabilities and shareholders' funds</b>	<b>5,807,853</b>	<b>4,714,486</b>
	=====	=====

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED MARCH 31, 2021

	2021 GH¢ '000	2020 GH¢ '000
Interest income	179,346	146,929
Interest expense	(61,162)	(49,477)
<b>Net interest income</b>	<b>118,184</b>	<b>97,452</b>
Fees and commission income	20,941	19,386
Fees and commission expense	(3,295)	(3,710)
<b>Net fees and commission income</b>	<b>17,646</b>	<b>15,676</b>
Net trading income	9,811	12,404
Other operating income	814	1,339
<b>Operating Income</b>	<b>146,455</b>	<b>126,871</b>
Impairment loss on financial assets	(7,857)	(1,665)
Personnel expenses	(56,711)	(56,638)
Other expenses	(35,057)	(31,715)
Depreciation and Amortization	(15,329)	(20,728)
<b>Profit before tax</b>	<b>31,500</b>	<b>16,125</b>
Income tax expense	(4,622)	(2,826)
<b>Profit after tax</b>	<b>26,877</b>	<b>13,300</b>
Other comprehensive income, net of tax of <i>Items that will not be reclassified to profit or loss</i>	-	-
Fair value through other Comprehensive Income	-	-
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>26,877</b>	<b>13,300</b>
<b>Profit attributable to:</b>		
Equity holders of the bank	26,877	13,300
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Bank	26,877	13,300
<b>Earnings per share</b>		
Basic (in Ghana pesewas)	10.27	3.83
Diluted (in Ghana pesewas)	10.27	3.83

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2021

	In thousands of GH¢	Revaluation Reserve	Other Reserves	Accumulated losses	Total
<b>Balance at January 1, 2021</b>		57,531	52,326	(252,236)	850,623
<b>Additional Capital</b>					
Deposit for Shares		-	-	-	-
Profit/Loss for the year		-	-	26,877	26,877
Transaction costs related to Right Issue		-	-	-	-
<b>Other Comprehensive income net of tax</b>					
Net Change in fair value of equity investments		-	-	-	-
<b>Transfer from income surplus to reserves and transactions with owners recorded directly in equity</b>					
Transfer to/(from) credit risk reserve		-	-	26,802	-
Transfers from income surplus to reserves and transactions with owners recorded directly in Equity		-	-	(13,439)	-
<b>Balance at MARCH 31, 2021</b>		57,531	52,326	(211,995)	877,500
<b>Balance at January 1, 2020</b>	In thousands of GH¢	57,531	60,163	(289,349)	793,385
<b>Additional Capital</b>					
Deposit for Shares		-	-	(327)	(327)
Transfer from deposit for shares to stated capital		-	-	13,300	13,300
Profit/Loss for the year		-	-	-	-
<b>Other Comprehensive income, net of income tax</b>					
Net Change in fair value		-	-	-	-
<b>Transfer from income surplus to reserves and transactions with owners recorded directly in equity</b>					
Transfer to/(from) credit risk reserve		-	-	1,582	-
Transfers from income surplus to reserves and transactions with owners recorded directly in Equity		-	-	(6,650)	-
<b>Balance at MARCH 31, 2020</b>		57,531	60,163	(281,444)	806,358

UNAUDITED STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED MARCH 31, 2021

	2021 GH¢'000	2020 GH¢'000
<b>Cash flows from operating activities</b>		
Profit before tax	31,500	16,125
<b>Adjustments for:</b>		
Depreciation and amortization	15,329	20,728
Impairment charge on Financial Assests	7,857	1,665
Finance cost- lease Liability	-	1,392
Dividend received	-	(186)
Net interest income	(118,184)	(97,452)
<b>(Loss) before working capital changes</b>	<b>(63,498)</b>	<b>(57,728)</b>
<b>Changes in :</b>		
Loans & advances	(54,088)	(3,090)
Other assets	(37,836)	(79,875)
Deposits from customers	87,944	119,732
Restricted cash	11,628	(22,025)
Other liabilities	26,789	17,417
	(29,062)	(25,569)
Interest Income received	172,605	132,437
Interest expense paid	(59,861)	(51,182)
Dividend Income	-	186
Taxes paid (NFSL)	(377)	(377)
Income Tax Paid	(2,449)	(2,449)
<b>Net cash generated from operating activities</b>	<b>80,857</b>	<b>53,045</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(14,642)	(11,401)
Purchase of medium and long term government securities	(156,369)	(528,316)
Proceeds from the sale of property and equipment	-	(0)
Purchase of intangible assets	(14)	-
<b>Net cash used in investing activities</b>	<b>(171,025)</b>	<b>(539,717)</b>
<b>Cash flows from financing activities</b>		
Payments in borrowed funds	(45,268)	(16,794)
Payments of Principal portion of Lease liability	(16,626)	(1,698)
Payments of right of use assets	(751)	0
Transaction costs related to Right Issue	-	(327)
<b>Net cash generated from financing activities</b>	<b>(62,645)</b>	<b>(18,818)</b>
Increase in cash and cash equivalents	(152,814)	(505,490)
Cash and cash equivalents at 1 January	1,392,492	1,885,509
Effect of exchange rate fluctuation on cash held	4,793	2,526
<b>Cash and cash equivalents at MARCH 31, 2021</b>	<b>1,244,471</b>	<b>1,382,545</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 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 authorized for issue by the Board of Directors on March 31, 2021

## 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 fair value of Equity Investments 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

	2021	2020
	GH¢'000	GH¢'000
Guarantees and indemnities	75,051	104,872
Letters of credit	43,906	191,828
	-----	-----
	118,957	296,700
	=====	=====

## 6. Quantitative Disclosures

	2021	2020
	%	%
Capital Adequacy Ratio	13.92	14.79
Non performing loans to gross loans	32.94	41.04
Loan Loss provision	17.53	23.34
Liquid ratio	106.36	124.98

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

	GH¢'000	GH¢'000
Sanctions	NIL	12
Default in statutory requirements (Number)	NIL	1

## 8. Corporate Social Responsibility

A total amount of GHS258 (March, 2020: GHS1,411) was spent in respect of Corporate Social responsibility for the period ended March 31 2021; these included sponsorship for Best farmer award, 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 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.

## Approval of the Financial Statements

The financial statements of the Bank were approved by the Board of Directors on March 31, 2021 and were signed on their behalf by:

.....  
Alex Bernasko  
Chairman

.....  
Dr. John Kofi Mensah  
Managing Director