

AGRICULTURAL DEVELOPMENT BANK LIMITED

UNAUDITED SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

	2021 GH¢ '000	2020 GH¢ '000
Assets		
Cash and bank balances	924,703	755,756
Due from other banks	346,219	309,098
Investment securities	2,401,705	2,222,139
Loans and advances to customers	2,310,008	1,911,988
Investment (other than securities)	91,886	91,892
Corporate tax assets	188	2,397
Intangible assets	28,032	37,701
Other assets	55,808	61,744
Property and equipment	113,735	95,800
Right of use asset	150,555	183,525
Deferred tax assets	37,654	43,754
Total Assets	6,460,493	5,715,794
Liabilities		
Borrowed funds	294,559	313,173
Deposits from customers	4,927,463	4,281,036
Other liabilities	108,075	89,138
Lease liability	162,820	181,824
Total liabilities	5,492,917	4,865,171
Equity		
Share capital	698,700	698,700
Accumulated losses	(192,063)	(252,236)
Revaluation reserve	57,531	57,531
Statutory reserve	199,691	141,214
Credit risk reserve	151,391	153,088
Fair value through OCI	52,326	52,326
Shareholders' funds	967,576	850,623
Total liabilities and shareholders' funds	6,460,493	5,715,794

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 GH¢ '000	2020 GH¢ '000
Interest income	732,395	628,959
Interest expense	(249,751)	(213,546)
Net interest income	482,644	415,413
Fees and commission income	105,312	87,585
Fees and commission expense	(10,072)	(12,171)
Net fees and commission income	95,240	75,414
Net trading income	55,858	52,611
Other operating income	4,412	10,533
Operating Income	638,154	553,971
Impairment loss on financial assets	(19,147)	(23,163)
Personnel expenses	(255,596)	(233,476)
Other expenses	(151,946)	(138,088)
Depreciation and Amortization	(65,310)	(61,556)
Profit before tax	146,155	97,688
Income tax expense	(29,202)	(32,286)
Profit after tax	116,953	65,402
Other comprehensive income, net of tax of Items that will not be reclassified to profit or loss		
Fair value through other Comprehensive Income	-	(7,837)
Other comprehensive income for the year	-	(7,837)
Total comprehensive income for the year	116,953	57,565
Profit attributable to:		
Equity holders of the bank	116,953	65,402
Total comprehensive income attributable to:		
Equity holders of the Bank	116,953	57,565
Earnings per share		
Basic (in Ghana pesewas)	44.69	24.99
Diluted (in Ghana pesewas)	44.69	24.99

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2021

	In thousands of GH¢	Stated Capital	Deposit for Shares	Credit Risk Reserve	Statutory reserve	Revaluation Reserve	Other Reserves	Accumulated losses	Total
Balance at January 1, 2021		698,700	-	153,088	141,214	57,531	52,326	(252,236)	850,623
Profit/Loss for the year	-	-	-	-	-	-	-	116,953	116,953
Transaction costs related to Right Issue	-	-	-	-	-	-	-	-	-
Other Comprehensive Income net of tax									
Net Change in fair value of equity investments	-	-	-	-	-	-	-	-	-
Transfer from income surplus to reserves and transactions with owners recorded directly in equity									
Transfer to/(from) credit risk reserve	-	-	-	(1,697)	-	-	-	1,697	-
Transfers from income surplus to reserves	-	-	-	-	58,477	-	-	(58,477)	-
Balance at 31 December, 2021		698,700	-	151,391	199,691	57,531	52,326	(192,063)	967,576
	In thousands of GH¢	Stated Capital	Deposit for Shares	Credit Risk Reserve	Statutory reserve	Revaluation Reserve	Other Reserves	Income surplus	Total
Balance at January 1, 2020		421,700	277,000	157,827	108,512	57,531	60,163	(289,349)	793,384
Additional Capital	-	-	-	-	-	-	-	-	-
Transfer from deposit for shares to stated capital	-	277,000	(277,000)	-	-	-	-	-	-
Transaction costs related to Right Issue	-	-	-	-	-	-	-	(327)	(327)
Profit/Loss for the year	-	-	-	-	-	-	-	65,403	65,403
Other Comprehensive Income, net of income tax									
Net Change in fair value	-	-	-	-	-	-	(7,837)	-	(7,837)
Transfer from income surplus to reserves and transactions with owners recorded directly in equity									
Transfer to/(from) credit risk reserve	-	-	-	(4,739)	-	-	-	4,739	-
Transfers from income surplus to reserves	-	-	-	-	32,702	-	-	(32,702)	-
Balance at 31 December, 2020		698,700	-	153,088	141,214	57,531	52,326	(252,236)	850,623

UNAUDITED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 GH¢'000	2020 GH¢'000
Cash flows from operating activities		
Profit before tax	146,155	97,688
Adjustments for:		
Depreciation and amortization	65,310	61,556
Impairment charge on Financial Assests	19,147	23,163
Dividend received	-	(186)
(Gain)/loss on disposal of property and equipment	(264)	-
Net interest income	(482,644)	(415,413)
(Loss) before working capital changes	(252,296)	(233,192)
Changes in :		
Loans & advances	(398,020)	(445,674)
Other assets	5,936	5,635
Deposits from customers	642,987	890,656
Restricted cash	16,704	(7,537)
Other liabilities	18,937	(4,193)
	34,248	205,695
Interest Income received	655,462	542,903
Interest expense paid	(237,763)	(201,558)
Dividend Income	-	186
Taxes paid (NFSL)	(4,000)	(1,507)
Income Tax Paid	(14,129)	(9,796)
Net cash generated from operating activities	433,818	535,923
Cash flows from investing activities		
Purchase of property and equipment	(32,815)	(12,752)
Purchase of medium and long term government securities	(620,644)	(1,340,315)
Redemption of medium and long term government securities	-	368,003
Proceeds from the sale of property and equipment	270	-
Purchase of intangible assets	(2,764)	(25,882)
Net cash used in investing activities	(655,953)	(1,010,946)
Cash flows from financing activities		
Payments in borrowed funds	(22,427)	(137,257)
Receipts in borrowed funds	-	169,948
Payments of Principal portion of Lease liability	(34,316)	(34,660)
Payments of right of use assets	(6,441)	(17,008)
Net cash generated from financing activities	(63,184)	(18,977)
Increase in cash and cash equivalents	(285,319)	(494,000)
Cash and cash equivalents at 1 January	1,392,491	1,885,508
Effect of exchange rate fluctuation on cash held	4,539	983
Cash and cash equivalents at 31 December	1,111,711	1,392,491

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 January 26, 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
Guanrantees and indemnities	33,702	244,331
Letters of credit	107,279	53,780
	140,982	298,111
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6. Quantitative Disclosures

	2021	2020
	%	%
Capital Adequacy Ratio	13.33	14.87
Non performing loans to gross loans	32.03	34.40
Loan Loss provision	15.94	17.53
Liquid ratio	89.78	117.76

7. Default in statutory requirments and accompanying

	GH¢'000	GH¢'000
Sanctions	374	24
Default in statutory requirments (Number)	1	2

8. Corporate Social Responsibility

A total amount of GHS4,057 (December, 2020: GHS4,025) was spent in respect of Corporate Social responsibility for the period ended 31 December 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

Approval of the Financial Statements

The financial statements of the Bank were approved by the Board of Directors on January 26, 2021 and were signed on their behalf by:

Daasebre Akuamoah Agyapong II
Chairman

Dr. John Kofi Mensah
Managing Director