



PRESS RELEASE

PR. No.281/2023

**AGRICULTURAL DEVELOPMENT BANK PLC (ADB) –
FIRST QUARTER AND HALF YEAR
UNAUDITED SUMMARY FINANCIAL STATEMENTS**

ADB has released its first quarter and half year Unaudited Summary Financial Statements, as per the attached.

Issued in Accra, this 27TH
day of July 2023

- E N D -

att'd.

Distribution:

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

**MD*

AGRICULTURAL DEVELOPMENT BANK PLC

UNAUDITED SUMMARY FINANCIAL STATEMENTS

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023

	2023 GH¢ '000	2022 GH¢ '000
Assets		
Cash and bank balances	1,965,887	753,258
Due from other banks	358,873	355,377
Investment securities	1,577,888	2,080,089
Loans and advances to customers	3,766,449	2,723,256
Investment (other than securities)	134,794	99,951
Corporate tax assets	942	-
Intangible assets	18,460	24,523
Other assets	114,983	79,434
Property and equipment	216,954	122,249
Right of use asset	108,086	143,593
Deferred tax assets	38,546	55,813
	-----	-----
Total Assets	8,301,862	6,437,541
	=====	=====
Liabilities		
Borrowed funds	531,524	382,756
Deposits from customers	6,755,328	4,758,167
Corporate tax liability	-	35,272
Other liabilities	144,854	110,541
Lease liability	184,938	193,657
	-----	-----
Total liabilities	7,616,643	5,480,394
	=====	=====
Equity		
Share capital	698,700	698,700
Accumulated losses	(663,387)	(245,821)
Revaluation reserve	122,684	57,531
Statutory reserve	195,529	191,461
Credit risk reserve	247,275	196,921
Fair value through OCI	84,417	58,356
	-----	-----
Shareholders' funds	685,219	957,147
	-----	-----
Total liabilities and shareholders' funds	8,301,862	6,437,541
	=====	=====

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED MARCH 31, 2023

	2023 GH¢ '000	2022 GH¢ '000
Interest income	302,778	194,054
Interest expense	(177,231)	(95,088)
Net interest income	125,547	98,966
Fees and commission income	33,905	25,107
Fees and commission expense	(4,895)	(2,558)
Net fees and commission income	29,010	22,549
Net trading income	60,205	23,559
Other operating income	13	644
Operating Income	214,776	145,718
Impairment loss on financial assets	(12,900)	836
Personnel expenses	(96,187)	(66,075)
Other expenses	(58,238)	(38,734)
Depreciation and Amortization	(8,464)	(15,969)
Profit before tax	38,987	25,776
Income tax expense	(11,959)	(6,884)
Profit after tax	27,028	18,892
Other comprehensive income, net of tax of Items that will not be reclassified to profit or loss Fair value through other Comprehensive Income	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	27,028	18,892
Profit attributable to:		
Equity holders of the bank	27,028	18,892
Total comprehensive income attributable to:		
Equity holders of the Bank	27,028	18,892
Earnings per share		
Basic (in Ghana pesewas)	7.79	5.45
Diluted (in Ghana pesewas)	7.79	5.45

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2023

In thousands of GH¢	Stated Capital	Credit Risk Reserve	Statutory Reserve	Revaluation Reserve	Other Reserves	Accumulated Losses	Total
Balance at January 1, 2023	698,700	245,352	182,015	122,684	84,417	(674,978)	658,191
Profit for the period	-	-	-	-	-	27,028	27,028
Transfer from income surplus to statutory reserves	-	-	13,514	-	-	(13,514)	-
Transfer to/(from) credit risk reserve	-	1,923	-	-	-	(1,923)	-
Balance at March 31, 2023	698,700	247,275	195,529	122,684	84,417	(663,387)	685,219
In thousands of GH¢	Stated Capital	Credit Risk Reserve	Statutory Reserve	Revaluation Reserve	Other Reserves	Accumulated Losses	Total
Balance at January 1, 2022	698,700	178,298	182,015	57,531	58,356	(236,645)	938,255
Profit for the period	-	-	-	-	-	18,892	18,892
Transfer from income surplus to statutory reserves	-	-	9,446	-	-	(9,446)	-
Transfer to/(from) credit risk reserve	-	18,622	-	-	-	(18,622)	-
Balance at March 31, 2022	698,700	196,921	191,461	57,531	58,356	(245,821)	957,147

UNAUDITED STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED MARCH 31, 2023

	2023 GH¢'000	2022 GH¢'000
Cash flows from operating activities		
Profit before tax	38,987	25,776
Adjustments for:		
Depreciation and amortization	8,464	15,969
Impairment charge on Financial Assests	12,900	(836)
Loss on disposal of property and equipment	77	-
Net interest income	(125,547)	(98,966)
Loss before working capital changes	(65,120)	(58,057)
Changes in :		
Loans & advances	(582,110)	(426,152)
Other assets	(51,064)	(27,180)
Deposits from customers	887,078	(165,662)
Restricted cash	(8,158)	(1,708)
Other liabilities	(6,760)	13,088
	173,865	(665,670)
Interest Income received	377,917	167,383
Interest expense paid	(175,138)	(66,378)
Income Tax Paid	(2,049)	(6,884)
Net cash generated from/(used in) operating activities	374,595	(571,550)
Cash flows from investing activities		
Purchase of property and equipment	(5,414)	(12,207)
Purchase of medium and long term government securit	(33,408)	-
Redemption of medium and long term government secu	-	124,530
Proceeds from the sale of property and equipment	21	-
Net cash (used in)/generated from investing activities	(38,801)	112,323
Cash flows from financing activities		
Payments in borrowed funds	-	-
Receipts in borrowed funds	(61,002)	89,010
Payments of Principal portion of Lease liability	35,310	(2,005)
Payments of right of use assets	(4,550)	(1,865)
Net cash (used in)/ generated from financing activities	(30,242)	85,140
Increase in cash and cash equivalents	305,552	(374,087)
Cash and cash equivalents at 1 January	1,983,532	1,111,678
Effect of exchange rate fluctuation on cash held	14,886	2,125
Cash and cash equivalents at March 31, 2023	2,303,971	739,716

1. General Information

Agricultural Development Bank 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. The financial statements were authorized for issue by the Board of Directors on April 27, 2023

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

	2023	2022
	GH¢'000	GH¢'000
Guanrantees and indemnities	31,200	47,139
Letters of credit	73,847	101,652
	-----	-----
	105,047	148,791
	=====	=====

6. Quantitative Disclosures

	2023	2022
	%	%
Capital Adequacy Ratio	6.19	11.60
Non performing loans to gross loans	28.56	27.71
Liquid ratio	82.81	81.20
Common Equity Tier 1	3.19	8.60
Leverage ratio	1.96	6.10

7. Default in statutory requirements and

For the period under review, the bank did not record not incur any sanctions.

	GH¢'000	GH¢'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

8. Corporate Social Responsibility (GHS'000)

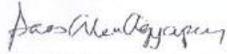
A total amount of GHS1,026 (March, 2022: GHS448) was spent in respect of Corporate Social responsibility for the period ended 31 March 2023; these included donation to schools and others of national interest.

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 April 27, 2023 and were signed on their behalf by:



.....
Daasebre Akuamoah Agyapong II
Chairman



.....
Alhassan Yakubu -Tali
Managing Director

AGRICULTURAL DEVELOPMENT BANK LIMITED

UNAUDITED SUMMARY OF FINANCIAL STATEMENTS

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

	2023	2022
	GH¢ '000	GH¢ '000
Assets		
Cash and bank balances	2,321,215	1,487,381
Due from other banks	225,653	364,632
Investment securities	1,556,141	1,422,951
Loans and advances to customers	3,933,943	2,768,778
Investment (other than securities)	134,795	99,943
Intangible assets	18,386	22,288
Other assets	119,025	82,396
Property and equipment	215,875	122,145
Right of use asset	103,974	136,621
Deferred tax assets	38,545	55,813
	-----	-----
Total Assets	8,667,552	6,562,948
	=====	=====
Liabilities		
Borrowed funds	497,981	495,870
Deposits from customers	7,103,543	4,782,134
Corporate tax liability	4,008	(0)
Other liabilities	180,095	124,743
Lease liability	170,892	181,903
	-----	-----
Total liabilities	7,956,519	5,584,650
	=====	=====
Equity		
Share capital	698,700	698,700
Accumulated losses	(723,113)	(241,664)
Statutory reserve	208,437	202,036
Revaluation reserve	122,684	57,531
Credit risk reserve	319,909	203,340
Fair value through OCI	84,417	58,355
	-----	-----
Shareholders' funds	711,033	978,298
	-----	-----
Total liabilities and shareholders' funds	8,667,552	6,562,948
	=====	=====

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED JUNE 30, 2023

	2023 GH¢ '000	2022 GH¢ '000
Interest income	601,042	401,919
Interest expense	(325,053)	(179,262)
Net interest income	275,989	222,657
Fees and commission income	74,391	52,130
Fees and commission expense	(10,665)	(5,643)
Net fees and commission income	63,726	46,487
Net trading income	102,216	52,845
Other operating income	2,736	873
Operating Income	444,667	322,862
Impairment loss on financial assets	(35,960)	5,806
Personnel expenses	(190,488)	(154,229)
Other expenses	(128,325)	(85,433)
Depreciation and Amortization	(18,094)	(31,821)
Profit before tax	71,801	57,185
Income tax expense	(18,958)	(17,142)
Profit after tax	52,843	40,043
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	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	52,843	40,043
Profit attributable to: Equity holders of the bank	52,843	40,043
Total comprehensive income attributable to: Equity holders of the Bank	52,843	40,043
Earnings per share Basic (in Ghana pesewas)	15.23	11.54
Diluted (in Ghana pesewas)	15.23	11.54

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED JUNE 30, 2023

In thousands of GH¢	Stated Capital	Credit Risk Reserve	Statutory reserve	Revaluation Reserve	Other Reserves	Accumulated losses	Total
Balance at January 1, 2023	698,700	245,352	182,015	122,684	84,417	(674,978)	658,190
Profit for the year	-	-	-	-	-	52,843	52,843
Other Comprehensive income, net of tax							
Transfer from income surplus to reserves and transactions with owners recorded directly in equity	-	-	26,422	-	-	(26,422)	-
Transfer to credit risk reserve from accumulated losses	-	74,557	-	-	-	(74,557)	-
Balance at 30 June, 2023	698,700	319,909	208,437	122,684	84,417	(723,113)	711,033
In thousands of GH¢	Stated Capital	Credit Risk Reserve	Statutory reserve	Revaluation Reserve	Other Reserves	Accumulated losses	Total
Balance at January 1, 2022	698,700	178,298	182,015	57,531	58,355	(236,644)	938,255
Profit for the year	-	-	-	-	-	40,043	40,043
Other Comprehensive income, net of income tax							
Transfer from income surplus to reserves and transactions with owners recorded directly in equity	-	-	20,021	-	-	(20,021)	-
Transfer to credit risk reserve from accumulated losses	-	25,041	-	-	-	(25,041)	-
Balance at June 30, 2022	698,700	203,340	202,036	57,531	58,355	(241,664)	978,298

UNAUDITED STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED JUNE 30, 2023

	2023 GH¢'000	2022 GH¢'000
Cash flows from operating activities		
Profit before tax	71,801	57,185
Adjustments for:		
Unrealised exchange differences	14,217	-
Depreciation and amortization	18,094	31,821
Impairment charge on financial assets	35,960	5,806
Gain on disposal of property and equipment	(148)	(0)
Net interest income	(275,989)	(222,657)
Loss before working capital changes	(136,065)	(127,845)
Changes in :		
Loans & advances	(750,264)	(460,568)
Other assets	(55,107)	(30,142)
Deposits from customers	1,225,668	(141,528)
Restricted cash	(8,158)	(582)
Other liabilities	28,481	28,745
	304,555	(731,920)
Interest income received	572,002	381,523
Interest expense paid	(272,168)	(180,740)
Income tax paid	4,008	(55,868)
Net cash generated/(used) from operating activities	608,397	(587,004)
Cash flows from investing activities		
Purchase of property and equipment	(9,639)	(15,829)
Redemption of medium and long term government securities	974	778,813
Purchase of medium and long term government securities	-	-
Proceeds from the sale of property and equipment	(314)	-
Purchase of intangible assets	(1,539)	(968)
Receipts-Due from other banks	137,219	-
Net cash generated from investing activities	126,701	762,016
Cash flows from financing activities		
(Payments)/receipts in borrowed funds	(106,494)	199,234
Payments of principal portion of lease liability	(25,859)	(21,351)
Payments of right of use assets	(10,024)	(3,749)
Net cash (used)/generated from financing activities	(142,377)	174,134
Increase in cash and cash equivalents	592,721	349,146
Cash and cash equivalents at 1 January	1,983,532	1,111,678
Effect of exchange rate fluctuation on cash held	14,859	14,141
Cash and cash equivalents at 30 June, 2023	2,591,112	1,474,965

1. General information

Agricultural Development Bank 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. Summary of Significant Accounting Policies

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3. Functional and presentation currency

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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

	2023	2022
	GHe'000	GHe'000
Guarantees and indemnities	25,487	43,597
Letters of credit	38,350	203,971
	63,837	247,568
	=====	=====

6. Quantitative Disclosures

	2023	2022
	%	%
Capital Adequacy Ratio	3.36	11.17
Non performing loans to gross loans	30.19	27.26
Common Equity Tier 1	0.36	9.17
Liquid ratio	90.49	80.70
Leverage ratio	0.23	5.59

7. Default in statutory requirements and accompanying sanctions:

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

	GHe'000	GHe'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

8. Corporate Social Responsibility (GHS'000)

A total amount of GHS2,976 (June, 2022: GHS2,368) was spent in respect of Corporate Social Responsibility for the period ended June 30, 2023; 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

Approval of the Financial Statements

The financial statements of the Bank were approved by the Board of Directors on July 27, 2023 and were signed on their behalf by:

Daasebre Akuamoah Agyapong II
Chairman

Alhassan Yakubu -Tali
Managing Director