



PRESS RELEASE

PR. No 094/2022

AGRICULTURAL DEVELOPMENT BANK LIMITED (ADB) –

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

ADB has released its Audited Summary Financial Statements for the year ended December 31, 2021, as per the attached.

Issued in Accra, this 1st
day of April 2022

- E N D -

att'd.

Distribution:

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Head Listing, GSE on 0302 669908, 669914, 669935

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

| | 2021 | 2020 |
|--|-----------|-----------|
| | GHe '000 | GHe '000 |
| Interest income | 728,235 | 628,959 |
| Interest expense | (247,909) | (213,546) |
| Net interest income | 480,326 | 415,413 |
| Fees and commission income | 101,319 | 87,585 |
| Fees and commission expense | (10,116) | (12,171) |
| Net fees and commission income | 91,203 | 75,414 |
| Net trading income | 55,874 | 52,612 |
| Other operating income | 12,412 | 10,533 |
| Operating Income | 639,815 | 553,972 |
| Impairment loss on financial assets | (41,781) | (23,163) |
| Personnel expenses | (250,281) | (233,468) |
| Other operating expenses | (154,710) | (138,096) |
| Depreciation and Amortization | (66,946) | (61,556) |
| Profit before tax | 126,097 | 97,689 |
| Income tax expense | (44,495) | (32,286) |
| Profit after tax | 81,602 | 65,403 |
| 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 | 6,030 | (7,837) |
| Other comprehensive income for the year | 6,030 | (7,837) |
| Total comprehensive income for the year | 87,632 | 57,566 |
| Profit attributable to: Equity holders of the bank | 81,602 | 65,403 |
| Total comprehensive income attributable to: Equity holders of the Bank | 87,632 | 57,566 |
| Earnings per share Basic (in Ghana pesewas) | 23.52 | 18.85 |
| Diluted (in Ghana pesewas) | 23.52 | 18.85 |

AGRICULTURAL DEVELOPMENT BANK PLC

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

AUDITED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

| | 2021 GHe '000 | 2020 GHe '000 |
|--|------------------|------------------|
| Assets | | |
| Cash and bank balances | 924,619 | 755,756 |
| Due from other banks | 346,219 | 309,098 |
| Investment securities | 2,400,655 | 2,222,139 |
| Loans and advances to customers | 2,282,312 | 1,911,988 |
| Investment (other than securities) | 99,926 | 91,892 |
| Corporate tax assets | 0 | 2,399 |
| Other assets | 52,253 | 61,742 |
| Intangible assets | 28,032 | 37,701 |
| Property and equipment | 113,735 | 95,800 |
| Right of use asset | 150,555 | 183,525 |
| Deferred tax assets | 55,813 | 43,754 |
| Total Assets | <u>6,454,119</u> | <u>5,715,794</u> |
| Liabilities | | |
| Deposits from customers | 4,927,216 | 4,281,037 |
| Corporate tax liability | 35,273 | - |
| Other liabilities | 95,996 | 89,137 |
| Borrowed funds | 294,559 | 313,173 |
| Lease liability | 162,820 | 181,824 |
| Total liabilities | <u>5,515,864</u> | <u>4,865,171</u> |
| Equity | | |
| Share capital | 698,700 | 698,700 |
| Accumulated losses | (236,645) | (252,236) |
| Revaluation reserve | 57,531 | 57,531 |
| Statutory reserve | 182,015 | 141,214 |
| Credit risk reserve | 178,298 | 153,088 |
| Fair value through OCI | 58,356 | 52,326 |
| Shareholders' funds | <u>938,255</u> | <u>850,623</u> |
| Total liabilities and shareholders' funds | <u>6,454,119</u> | <u>5,715,794</u> |

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

| | In thousands of GHS | Stated Capital | Deposit for Shares | Credit Risk Reserve | Statutory reserve | Revaluation Reserve | Other Reserves | Accumulated losses | Total |
|---|---------------------|----------------|--------------------|---------------------|-------------------|---------------------|----------------|--------------------|---------|
| Balance at January 1, 2021 | 698,700 | 698,700 | - | 153,088 | 141,214 | 57,531 | 52,325 | (252,235) | 850,623 |
| Additional Capital | - | - | - | - | - | - | - | - | - |
| Profit/Loss for the year | - | - | - | - | - | - | - | 81,602 | 81,602 |
| Other Comprehensive Income, net of tax | - | - | - | - | - | - | - | - | - |
| Net Change in fair value of equity investments | - | - | - | 25,210 | 40,801 | - | - | (40,801) | - |
| Transfer from income surplus to reserves and transactions with owners recorded directly in equity | - | - | - | 178,298 | 182,015 | 57,531 | 58,355 | (236,644) | - |
| Transfer to/(from) credit risk reserve | - | - | - | - | - | - | - | (25,210) | - |
| Balance at 31 December, 2021 | 698,700 | 698,700 | - | 153,088 | 141,214 | 57,531 | 52,325 | (252,235) | 850,623 |

| | 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 | 421,700 | 277,000 | 157,827 | 108,512 | 57,531 | 60,163 | (289,349) | 793,384 |
| Additional Capital | - | - | - | - | - | - | - | - | - |
| Deposit for Shares | - | 277,000 | (277,000) | - | - | - | - | - | - |
| Transaction costs related to Right issue | - | - | - | - | - | - | - | (326) | (326) |
| Profit/Loss for the year | - | - | - | - | - | - | - | 65,403 | 65,403 |
| Other Comprehensive Income, net of income tax | - | - | - | - | - | - | - | - | - |
| Net Change in fair value reserves and transactions with owners | - | - | - | - | - | - | (7,838) | - | (7,838) |
| Transfer to/(from) credit risk reserve | - | - | - | (4,739) | - | - | - | 4,739 | - |
| Transfers from income surplus to reserves and transactions with owners recorded directly in Equity | - | - | - | - | 32,702 | - | - | (32,702) | - |
| Balance at 31 December, 2020 | 698,700 | 698,700 | - | 153,088 | 141,214 | 57,531 | 52,325 | (252,235) | 850,623 |

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

| | 2021 GH¢'000 | 2020 GH¢'000 |
|--|------------------|--------------------|
| Cash flows from operating activities | | |
| Profit before tax | 126,097 | 97,689 |
| Adjustments for: | | |
| Depreciation and amortization | 66,946 | 61,556 |
| Impairment charge on Financial Assets | 41,781 | 23,163 |
| Dividend received | - | (186) |
| (Gain)/loss on disposal of property and equipment | (264) | - |
| Non-Cash items | - | - |
| Net Interest income | (480,326) | (415,413) |
| (Loss) before working capital changes | (245,788) | (233,191) |
| Changes in : | | |
| Loans & advances | (420,232) | (445,674) |
| Other assets | 9,490 | 5,635 |
| Deposits from customers | 642,739 | 890,656 |
| Restricted cash | 16,704 | (7,537) |
| Other liabilities | 29,942 | (4,193) |
| | 32,877 | 205,696 |
| Interest Income received | 650,811 | 542,903 |
| Interest expense paid | (240,656) | (201,558) |
| Dividend Income | - | 186 |
| Taxes paid (NFSL) | - | (1,507) |
| Income Tax Paid | (20,893) | (9,796) |
| Tax refund | - | - |
| Net cash generated from operating activities | 422,139 | 535,924 |
| Cash flows from investing activities | | |
| Purchase of property and equipment | (32,789) | (12,751) |
| Purchase of medium and long term government securities | (10,067,284) | (1,340,315) |
| Redemption of medium and long term government securities | 9,447,737 | 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 | (654,830) | (1,010,945) |
| Cash flows from financing activities | | |
| Payments in borrowed funds | (641,191) | (137,256) |
| Receipts in borrowed funds | 618,764 | 169,947 |
| Payments of Principal portion of Lease liability | (20,502) | (34,660) |
| Payments of right of use assets | (5,196) | (17,008) |
| Net cash generated from financing activities | (48,125) | (18,977) |
| Increase in cash and cash equivalents | (280,816) | (493,998) |
| Cash and cash equivalents at 1 January | 1,392,493 | 1,885,508 |
| Effect of exchange rate fluctuation on cash held | - | 983 |
| Cash and cash equivalents at 31 December | 1,111,677 | 1,392,493 |

The financial statements presented are an extract from the annual financial statements of the Bank for the year ended 31 December, 2021. This information is extracted directly from the annual financial statements, which are available for inspection at the Bank's Head Office, Accra Financial Centre, 3rd Ambassadorial Development Area, Accra. The auditor's report was signed on 31 March, 2022 and has been extracted from the annual financial statements of the Bank.

1. General information

Agricultural Development Bank Limited (ADB) Plc 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 29 March, 2022.

2. Basis of preparation

The financial statements of the Bank 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 Specialized 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.

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.

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 |
|----------------------------|-------------------|--------------------|
| Guarantees and indemnities | GHe'000 33,702 | GHe'000 244,331 |
| Letters of credit | 107,279 | 53,780 |
| Undrawn overdrafts | 33,545 | 56,641 |
| | 174,526 | 354,752 |

6. Quantitative Disclosures:

| | 2021 | 2020 |
|-------------------------------------|------------|------------|
| Capital Adequacy Ratio | % 14.48 | % 14.87 |
| Non performing loans to gross loans | 31.21 | 34.40 |
| Loan Loss provision | 16.87 | 17.53 |
| Liquid ratio | 101.87 | 117.78 |

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 (GHe'000) | Nil | Nil |
| (ii) Default in statutory liquidity | Nil | Nil |
| Other regulatory breaches (including onsite examination) | | |
| (i) Sanctions (GHe'000) | 374 | 24 |
| (ii) Number of breaches | 1 | 2 |

8. Corporate Social Responsibility

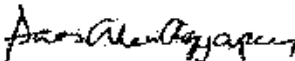
A total amount of GHS4,057 (December, 2020: GHS4,025) was spent in respect of Corporate Social responsibility for the period ended 31 December 2021; these included sponsorship for Best Farmer award, donation to schools and others of national interest.

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 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 29 March, 2022 and were signed on their behalf by:



Dr. Asafo-Adjei
Chairman



Dr. John Kofi Mensah
Managing Director

Independent Auditor's report to the Members of Agricultural Development Bank Plc

Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2021, Summary statement of comprehensive income, summary statement cash flows for the year then ended, and the related notes, are derived from the audited financial statements of Agricultural Development Bank Limited for the year ended 31 December 2021.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with International Standards on Auditing (ISA) 810 (Revised), Engagement to Report on Summary Financial Statements

Summary financial statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards, the Companies Act, 2019 (Act 992) and The Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated March 31, 2022. That report also includes the communication of other key matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

Management's responsibility for the summary financial statements

Management is responsible for the preparation of the summary financial statements in accordance with the Guide for financial publication for banks & Bank of Ghana licensed financial institutions

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA) 810 (Revised), Engagement to report on Summary Financial Statements.

The engagement partner on the audit resulting in this independent auditor's report on Summary Financial Statements is Emmanuel Adefekahlor (ICAG/1586)

Ernst & Young (ICAG/F/2022/126)
Chartered Accountants
Accra, Ghana
Date: March 31, 2022