

AGRICULTURAL DEVELOPMENT BANK LIMITED

UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED MARCH 31, 2017

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2017

	MARCH 2017 GH¢ '000	MARCH 2016 GH¢ '000
Assets		
Cash and cash equivalents	862,680	473,892
Government securities	1,120,238	265,955
Loans and advances to customers (net)	1,054,951	1,098,531
Investment (other than securities)	94,299	88,478
Investment in associate companies	538	538
Deferred tax asset	43,576	11,532
Corporate tax assets	14,330	16,905
Intangible assets	30,444	5,008
Other assets	66,513	59,133
Property and equipment	110,897	106,139
Total assets	3,398,466	2,126,111
Liabilities		
Borrowed funds	414,036	239,923
Customer deposits	2,442,639	1,506,160
Other liabilities	50,128	46,889
Total liabilities	2,906,803	1,792,971
Equity		
Share capital	275,100	75,000
Income surplus	(120,917)	(45,420)
Revaluation reserve	57,530	57,530
Statutory reserve	84,891	84,891
Credit risk reserve	142,810	113,188
Available for sale reserve	52,250	47,951
Shareholders' funds	491,664	333,139
Total liabilities and shareholders funds	3,398,466	2,126,111

UNAUDITED STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED MARCH 31, 2017

	MARCH 2017 GH¢'000	MARCH 2016 GH¢'000
Cash flows from operating activities		
Profit/loss for the Period	37,232	129
Adjustments for:		
Depreciation and amortization	3,442	4,042
Impairment of financial assets	3,071	2,281
Dividend received	(2,592)	(2,997)
Net Interest Income	(81,766)	(41,277)
Tax expense	1,960	55
Profit/Loss before working capital changes	(38,653)	(37,766)
Changes in :		
Loans & advances	(56,120)	(17,574)
Other assets	(23,519)	(13,843)
Customer deposits	295,188	(7,349)
Other liabilities	(2,975)	5,364
	173,922	(71,169)
Interest Income received	137,081	75,493
Interest expense paid	(50,037)	(31,270)
Dividend Income	2,592	2,997
Net cash generated from operating activities	263,558	(23,948)
Investing activities		
Purchase of property and equipment	(8,958)	(1,305)
Investment Securities	(17,443)	(18,826)
Acquisition of Intangible assets	(952)	(284)
Net cash used in/generated from investing activities	(27,353)	(20,415)
Financing activities		
Receipts/(payments) in borrowed funds	30,035	(4,732)
Net cash generated from/(used in) financing activities	30,035	(4,732)
Increase in cash and cash equivalents	266,240	(49,096)
Effect of exchange rate fluctuation on cash held	2,921	132
Cash and cash equivalents at Beginning	1,532,555	632,866
Cash and cash equivalents at 31 December	1,801,716	583,902

UNAUDITED INCOME STATEMENT FOR THE PERIOD ENDED MARCH 31, 2017

	MARCH 2017 GH¢ '000	MARCH 2016 GH¢ '000
Interest income	133,682	70,982
Interest expense	(51,916)	(29,705)
Net interest income	81,766	41,277
Fee and commission income	17,937	14,516
Fee and commission expense	(1,307)	(887)
Net fee and commission income	16,630	13,629
Net trading income	7,077	5,977
Other operating income	3,099	3,451
Net non-interest revenue	26,805	23,056
Revenue	108,571	64,333
Impairment loss on financial assets	(3,071)	(2,281)
Personnel expenses	(36,140)	(33,823)
Depreciation and amortization	(3,442)	(4,042)
Other operating expenses	(26,727)	(24,003)
Profit/loss before tax	39,192	185
Income tax expense	(1,960)	(55)
Profit/loss after tax	37,232	129
Other Comprehensive, net of income		
Foreign currency translation diff. for foreign operations		
Net gain/loss on hedges of net investments in foreign operations	(2,368)	329
Other comprehensive income (net of income tax)	(2,368)	329
Total comprehensive income for the period (net of tax)	34,864	459

Notes to the unaudited financial statements for the period ended March 31, 2017

1. Significant accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by International Accounting Standards Board and adopted by Institute of Chartered Accountants Ghana (ICAG) and are consistent with those applied in the preparation of the financial statements for the period ended March 31, 2017.

2. Quantitative Disclosures

	MARCH	MARCH
	2017	2016
	%	%
Capital Adequacy Ratio	20.77	6.81
Non Performing Loans to Gross Loans	42.19	35.32

3. Qualitative Disclosures

(i) 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.

The process followed in the risk management for the period ended March 31, 2017 are consistent with those followed for the year ended December 31, 2016.

(ii)

	MARCH	MARCH
	2017	2016
Default in statutory Liquidity (Times)	Nil	Nil
Default in statutory Liquidity Sanction (GH¢'000)	Nil	Nil

The financial statements do not contain untrue statements, misleading facts or omission of material facts to the best of our knowledge.


Chairman
Nana Soglo Alloh IV


Managing Director
Daniel Asiedu