

AGRICULTURAL DEVELOPMENT BANK PLC

SUMMARY FINANCIAL STATEMENTS PREPARED FROM THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2024

	2024	2023
	GH¢ '000	GH¢ '000
Assets		
Cash and cash equivalents	7,176,917	3,800,040
Restricted cash	33,810	73,425
Investment securities	3,804,236	1,784,902
Loans and advances to customers	2,574,527	2,937,636
Investment (other than securities)	218,370	208,385
Current tax assets	57,578	9,049
Intangible assets	12,099	19,038
Other assets	124,603	117,330
Property and equipment	195,152	211,141
Right of use assets	72,591	95,627
Deferred tax assets	334,894	56,074
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Total Assets	14,604,777	9,312,647
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Liabilities		
Borrowed funds	929,864	547,306
Deposits from customers	12,045,885	8,545,307
Other liabilities	183,605	158,510
Provisions	26,710	-
Lease Liability	140,668	163,820
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Total liabilities	13,326,732	9,414,943
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Equity		
Stated Capital	2,146,745	698,700
Deposit for Shares	23,310	-
Accumulated losses	(2,056,062)	(1,725,169)
Statutory reserve	199,546	182,015
Revaluation reserve	124,319	124,319
Credit risk reserve	683,386	466,723
Other reserve	156,801	151,116
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Total equity	1,278,045	(102,296)
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Total liabilities and equity	<u>14,604,777</u>	<u>9,312,647</u>

SUMMARY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
	GH¢ '000	GH¢ '000
Interest income calculated using effective interest method	1,571,627	1,043,564
Interest expense	(848,446)	(669,644)
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Net interest income	723,181	373,920
Fees and commission income	238,976	158,347
Fees and commission expense	(31,460)	(21,852)
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Net fees and commission income	207,516	136,495
Net trading income	70,739	140,861
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Revenue	1,001,436	651,276
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Other operating income	3,315	11,152
Operating Income	1,004,751	662,428
Impairment loss on loans and advances	(302,922)	(838,307)
Impairment (charge)/ write back- other financial assets	(7,569)	51,381
Personnel expenses	(494,640)	(387,983)
Other operating expenses	(351,834)	(284,063)
Depreciation and amortization	(72,877)	(62,583)
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Loss before tax	(225,091)	(859,127)
Income tax credit	260,152	30,307
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Profit/(Loss) after tax	35,061	(828,820)
Other comprehensive income, net of tax of Items that will not be reclassified to profit or loss:		
Equity investments at FVOCI-net change in fair value	7,453	66,699
Remeasurements of defined benefit liability	(1,768)	-
Revaluation reserve	-	1,635
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Other comprehensive income for the year	5,685	68,334
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Total comprehensive income for the year	40,746	(760,486)
	=====	=====
Earnings per share		
Basic profit/ (loss) per share (in Ghana pesewas)	0.02	(2.39)
Diluted profit/ (loss) per share (in Ghana pesewas)	0.02	(2.39)

SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

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, 2024	698,700	-	466,722	182,015	124,319	151,116	(1,725,168)	(102,296)
Total comprehensive Income								
Profit for the year	-	-	-	-	-	-	35,061	35,061
Other Comprehensive Income (net of tax)								
Equity investments at FVOCI - net change in fair value	-	-	-	-	-	7,453	-	7,453
Remeasurements of defined benefit liability	-	-	-	-	-	(1,768)	-	(1,768)
Total Other Comprehensive Income (net of tax)	-	-	-	-	-	5,685	-	5,685
Total comprehensive Income						5,685	35,061	40,746
Transactions with equity holders of the Bank								
Contributions and distributions								
Proceeds from Right Issue	1,501,589	-	-	-	-	-	-	1,501,589
Proceeds from deposit for shares	-	23,310	-	-	-	-	-	23,310
Transaction costs related to Right Issue	(53,544)	-	-	-	-	-	-	(53,544)
Fair value adjustment on investment securities from right issue	-	-	-	-	-	-	(131,760)	(131,760)
Total Contributions and distributions	1,448,045	23,310	-	-	-	-	(131,760)	1,339,595
Transfers:								
Transfer to statutory reserve	-	-	-	17,531	-	-	(17,531)	-
Transfer to credit risk reserve	-	-	216,664	-	-	-	(216,664)	-
Total transfers	-	-	216,664	17,531	-	-	(234,195)	-
Balance at December 31 , 2024	2,146,745	23,310	683,386	199,546	124,319	156,801	(2,056,062)	1,278,045

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, 2023	698,700	-	245,352	182,015	122,684	84,417	(674,978)	658,190
Total comprehensive Income								
Loss for the year	-	-	-	-	-	-	(828,820)	(828,820)
Other Comprehensive Income (net of tax)								
Revaluation Surplus	-	-	-	-	1,635	-	-	1,635
Equity investments at FVOCI - net change in fair value	-	-	-	-	-	66,699	-	66,699
Total Other Comprehensive Income (net of tax)	-	-	-	-	1,635	66,699	-	68,334
Total comprehensive Income	-	-	-	-	1,635	66,699	(828,820)	(760,486)
Transfers from income surplus to reserves								
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Transfer to credit risk reserve	-	-	221,371	-	-	-	(221,371)	-
Total transfers	-	-	221,371	-	-	-	(221,371)	-
Balance at December 31 , 2023	698,700	-	466,722	182,015	124,319	151,116	(1,725,168)	(102,295)

AGRICULTURAL DEVELOPMENT BANK PLC

SUMMARY FINANCIAL STATEMENTS PREPARED FROM THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

SUMMARY STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 GH¢'000	2023 GH¢'000
Cash flows from operating activities		
Loss before tax	(225,091)	(859,127)
Adjustments for:		
Unrealised exchange differences	(26,435)	6,860
Depreciation and amortisation	72,876	62,583
Impairment charge on Loans and Advances	302,922	838,307
Impairment charge/(write back) on other financial assets	7,569	(51,381)
Dividend Income	(639)	(970)
Gain on disposal of property and equipment	(331)	(158)
Net interest income	(723,181)	(373,920)
	(592,310)	(377,806)
Changes in :		
Loans & advances	310,494	(372,109)
Other assets	(7,321)	(46,646)
Deposits from customers	3,511,124	2,676,682
Restricted cash	39,615	(48,120)
Other liabilities	22,738	19,346
Provisions	26,710	-
	3,311,050	1,851,347
Interest Income Received	1,312,527	890,453
Interest Expense Paid	(770,232)	(644,081)
Dividend Received	639	970
Income Tax Paid	(69,092)	(8,198)
Net cash generated from operating activities	3,784,892	2,090,491
Cash flows from investing activities		
Purchase of property and equipment	(12,192)	(18,030)
Purchase of medium and long term government securities	(8,654,648)	(1,124,437)
Redemption of medium and long term government securities	7,983,103	835,405
Proceeds from the sale of property and equipment	444	299
Payments of right of use assets	(10,927)	(15,094)
Purchase of intangible assets	(622)	(2,217)
Net cash generated used in investing activities	(694,842)	(324,074)
Cash flows from financing activities		
Payments in borrowed funds	(1,257,251)	(2,005,927)
Receipts in borrowed funds	1,487,848	1,950,457
Payments of lease liabilities-principal	(61,174)	(44,598)
Transaction costs related to Right Issue	(53,544)	-
Proceeds from Right Issue of shares	32,574	-
Proceeds from deposit for Issue	14,000	-
Net cash generated from/(used in) financing activities	162,453	(100,068)
Increase in cash and cash equivalents	3,252,503	1,666,349
Cash and cash equivalents at January 1	3,800,040	2,126,792
Effect of exchange rate fluctuation on cash held	124,374	6,899
Cash and cash equivalents at December 31	7,176,917	3,800,040

The financial statements presented in this publication are extracts from the audited financial statements of the Bank for the year ended 31 December 2024. The audited financial statements are available for inspection at the Bank's Head Office, Accra Financial Centre, 3rd Ambassadorial Development Area, Accra.

1. General Information

Agricultural Development Bank Limited 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. Going Concern Assessment

The Directors have evaluated the Bank's ability to continue as a going concern and, based on this assessment, are satisfied that the Bank will remain operational for the foreseeable future.

As at 31 December 2022, the Bank's capital adequacy ratio (CAR) fell below the regulatory minimum prescribed by the Bank of Ghana (BoG). In response, the Bank commenced a recapitalisation programme in 2023 aimed at strengthening its capital base and restoring regulatory compliance. A capital injection through a Renounceable Rights Issue in 2024 by the Government of Ghana, resulted in a significant improvement in the CAR, narrowing the deficit from negative 22.61% in 2023 to negative 3.15% by year-end 2024.

As part of its broader capital restoration plan, the Bank on 26 May 2025 secured a formal commitment from its principal shareholder, the Government of Ghana through the Ministry of Finance (MoF), to recapitalize the Bank in the near future to meet the regulatory threshold. Concurrently, the Bank has implemented robust recovery strategies targeting non-performing loans.

The combined effect of the anticipated capital injection and continued loan recoveries is expected to further enhance the Bank's capital position. Even though the BoG has formally extended its forbearance period up to 31 December 2025 in its letter dated 28 July 2025, the Directors are confident that with the collaboration and support from the MoF and BoG, the Bank will be able to meet the minimum capital requirement in the short to medium term.

The Bank continues to maintain adequate liquidity and has generally remained compliant with the BoG's liquidity requirements.

The financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

3. Summary of Significant Accounting Policies

Basis of preparation

The summary financial statements are prepared in accordance with the requirements of the Guide for Financial Publication for Banks and Bank of Ghana Licensed Financial Institutions. The Guide requires the summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS Accounting Standards including the hyperinflation directive issued by the Institute of Chartered Accountants, Ghana (ICAG). The ICAG issued a directive in November 2024 to accountants in business and accountants in practice in terms of which the ICAG concluded that based on its analysis and interpretation, IAS 29 will not be applicable for the December 2024 financial reporting period since Ghana is not considered to be operating in a hyperinflationary economy. In this regard, the financial statements of the Bank, including the corresponding figures for the comparative period have not been stated in terms of the measuring unit current at the end of the reporting period.

The accounting policies applied in the preparation of the audited financial statements, from which the summary financial statements were derived, are in accordance with IFRS Accounting Standards including the hyperinflation directive issued by the Institute of Chartered Accountants, Ghana and are consistent with the accounting policies applied in the preparation of the previous annual audited financial statements.

The annual audited financial statements were authorised for issue on 15th August, 2025.

4. 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.

5. 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

6. Contingencies And Commitments Including Off Balance Sheet Items

	2024 GH¢'000	2023 GH¢'000
Guarantees and indemnities	26,773	24,972
Letters of credit	51,680	122,554
Undrawn commitment	45,680	44,078
	124,133	191,604

7. Quantitative Disclosures

	2024 %	2023 %
Capital Adequacy Ratio	(3.15)	(22.61)
Non-performing loans to gross loans	75.26	70.25
Liquid ratio	112.84	90.88
Common Equity Tier 1	(6.15)	(25.61)
Leverage ratio	(1.88)	(12.26)

8. 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.

	2024 GH¢'000	2023 GH¢'000
(i) Sanctions (GHS'000)	Nil	Nil
(ii) Default in statutory liquidity	Nil	Nil

Other regulatory breaches (including onsite examination)

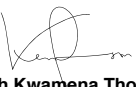
(i) Sanctions (GHS'000)	294	12,204
(ii) Number of breaches	4	17

9. Corporate Social Responsibility

A total amount of GHS7.78million was spent in respect of Corporate Social responsibility for the period ended 31 December 2024 compared with GHS 5.3million in December, 2023. These included sponsorship for Best farmer award, donation to schools and others of national interest

10. 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.


Kenneth Kwamena Thompson
Board Chairman


Edward Ato Sarpong
Managing Director

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENT

To the Members of Agricultural Development Bank PLC

Opinion

The summary financial statements, which comprise the summary statement of financial position at 31 December 2024, and the summary statement of comprehensive income, changes in equity and cash flows for the year then ended and related notes, are derived from the audited financial statements of Agricultural Development Bank PLC (the Bank) for the year ended 31 December 2024.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, in accordance with the basis described in Note 3

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by IFRS Accounting Standards including the Hyperinflation Directive issued by the Institute of Chartered Accountants, Ghana and in the manner required by the Companies Act, 2019 (Act 992), and the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930) applied in the preparation of the audited financial statements of Agricultural Development Bank PLC. Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements and our report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 18 August 2025. That report also includes

- The communication of another matter section that highlights that the financial statements of the Bank at and for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 28 June 2024.
- The communication of other key audit matters. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the financial statements for the current period.

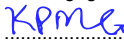
Directors' Responsibility for the Summary Financial Statements

The Directors are responsible for the preparation of the summary financial statements in accordance with the basis described in Note 3.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

The engagement partner on the audit resulting in this independent auditor's report is Labaran Amidu (ICAG/P/1472).


FOR AND ON BEHALF OF:
KPMG: (ICAG/F/2025/038)
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ACCRA
18 August 2025