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BOARD OF DIRECTORS, OFFICIALS AND REGISTERED OFFICE

Directors	Alhaji Ibrahim Adam	- Chairman
	Mr. Stephen Kpordzih	- Managing Director
	Mr. Paul Agyiri	- Executive Director
	Dr. S.K. Dapaah	- Non-Executive Director
	Dr. Johnson Asiama	- Non-Executive Director
	Ms. Nancy Ampofo	- Non-Executive Director
	Major M. S.Tara	- Non-Executive Director
	Dr. Kweku Addeah	- Non-Executive Director (resigned 2/6/10)
	Mrs Esther Kumado	- Non-Executive Director (appointed 2/6/10)
BOARD COMMITTEE		
Audit & Compliance Committee	Dr. S.K. Dapaah	- Chairman
	Major M.S.Tara	- Member
	Dr.Johnson Asiama	- Member
	Mrs Esther Kumado	- Member
Governance & Risk Management	Dr.Johnson Asiama	- Chairman
	Dr. S.K.Dapaah	- Member
	Mrs Esther Kumado	- Member
	Ms. Nancy Ampofo	- Member
Loans and Advances Committee	Dr.Johnson Asiama	- Chairman
	Mrs Esther Kumado	- Member
	Major M.S.Tara	- Member
	Mr.Stephen Kpordzih	- Member
	Mr. Paul Agyiri	- Member
Human Resources	Alhaji Ibrahim Adam	- Chairman
	Mr.Stephen Kpordzih	- Member
	Mrs Esther Kumado	- Member
	Ms. Nancy Ampofo	- Member
	Major M.S.Tara	- Member
Company Secretary	Mr. James K. Agbedor ADB House 37 Independence Avenue Accra	
Registered Office	37 Independence Avenue P.O. Box 4191 Accra	
Auditors	Deloitte & Touche Chartered Accountants P. O. Box 453 Accra	

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PROFILE OF DIRECTORS

Sitting - from left: Stephen Kpordzih, Ms. Nancy Dakwa Ampofo, Alhaji Ibrahim Adam, Mrs. Esther Kumado
Standing - from left: James K. Agbedor, Dr. Samuel K. Dapaah, Paul O. Agyiri, Major Mahama S. Tara (Rtd), Dr. Johnson P. Asiama

Ibrahim ADAM - Chairman

Alhaji Ibrahim Adam holds a B.Sc (Hons) Agric Degree from the Kwame Nkrumah University of Science and Technology. He has attended several short courses on rice production, administration and management. The list includes WARDA (Monrovia), IITA (Ibadan, Nigeria), Ghana Institute of Management and Public Administration (GIMPA). Others are EDI (Maastricht) and Feldafing (Germany). Mr. Adam served in government for several years between 1984 and 2001. He was PNDC Under-Secretary for Agriculture (Northern Region) between 1984 and 1985 before becoming the PNDC Deputy Secretary for Agriculture (Crops). He was promoted to the PNDC Secretary for Agriculture in 1992. At the beginning of the Fourth Republic in 1993, he first served as the Minister of Food and Agriculture until 1996 when he was made the Minister of Trade. Mr. Adam is currently the CEO of Brada Ventures and was appointed the Chairman of the Board on 26th June 2009.

Stephen KPORDZIH - Managing Director

Mr. Kpordzih holds an MBA (Finance) from University of Leicester, UK, and a Post-Graduate Certificate-Strategic Bank Management from Odense Business School, Denmark. He has to his record immense banking experience and consultancy assignments with leading banks, including preparation of a paper on Financing Rural Agriculture in Ghana as part of the Government's Compact Programme for accessing the

US$547 million Millennium Challenge Account. He also developed feasibility reports for the establishment of non-bank financial institutions. One-time lecturer in Finance of International Trade at the Chartered Institute of Bankers, Ghana, a resource person in Treasury Management at the Ghana Banking College, and an Honoured Member of the International Who's Who of Professionals for his achievements in and contribution to banking, Mr. Kpordzih took office as the Managing Director of the Bank in August 2009.

Paul O. AGYIRI - Executive Director

Mr. Agyiri holds a Bachelor Laws Degree from the University of Ghana, Legon and a Professional Qualifying Certificate in Law from the Ghana School of Law. He served in the Attorney-General's Department between 1978 and 1984. Between 1984 and 1991, he engaged in private consultancy practice with Maxwell & Maxwell Law Offices, Liberia and took the position of Director of Legal Services of the West African Examinations Council, Head Office. He joined the Bank as Chief Legal Advisor in 1991. Between June 2003 and July 2005, Mr. Agyiri was seconded to the Ministry of Finance & Economic Planning as Chief Director, returning to the Bank to resume his position as Solicitor. He was appointed to his current position of Acting Deputy Managing Director on 1st January 2008.

Nancy Dakwa AMPOFO - Non-Executive Director

A Notary Public, Solicitor and Barrister, Ms. Ampofo graduated from the University of Ghana in 1979 with a B. A. (Combined) Degree in Law (with Political Science). She obtained a Professional Law Qualifying Certificate in 1981 from the Ghana Law School and was called to the Ghana Bar on 20th November 1981. Ms. Ampofo has had a track record and expertise in legal consultancy acquired through undertaking legal work for the public and private sector institutions, as well as individuals and multinationals. Ms. Ampofo founded her own legal firm, N. D. Ampofo Associates in 2000 and has been offering legal consultancy services to both local and international clients in all areas of the law. She was appointed as Director of the Bank in June 2009.

Dr. Samuel K. DAPAAH - Non-Executive Director

Dr. Dapaah has had a long professional experience in Agricultural Policy and Public Administration, Teaching, Research and Management. He graduated from the University of Ghana, Legon with a B.Sc. (Hons) Agriculture Degree in June 1972 and proceeded to the University of Guelph, Canada where he graduated with an M.Sc. Agricultural Economics Degree in February 1975 and Ph.D. Agricultural Economics Degree in February 1982. He returned to the University of Ghana, Legon as a Research Fellow at the Institute of Statistical, Social and Economic Research (ISSER) and Lecturer at the Department of Economics and Department of Agricultural Economics. Dr. Dapaah served in the Ministry of Food and Agriculture, first, as Director of Policy, Planning, Monitoring and Evaluation between 1986 and 1992, and as Chief Technical Advisor and Chief Director between 1993 and 2001. A member of the Board between 1993 and 2001, Dr. Dapaah was reappointed as Director in June 2009.

Dr. Johnson P. ASIAMA - Non-Executive Director

Dr. Asiama is the Chief Manager, Research Department of the Bank of Ghana. He holds a B.A. (Hons) Degree in Economics with Statistics and an M.Phil. (Economics) issued by the University of Ghana in 1993 and 1996 respectively, and a Ph.D. (Economics) Degree from the University of Southampton, England, United Kingdom in 2005. With a host of publications and conference presentations to his record, Dr. Asiama was appointed to the Board of the Bank in June 2009.

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Mrs. Esther KUMADO - Non-Executive Director

Mrs Esther Kumado holds a BA (Hons) Degree and a Qualifying Certificate in Law (QCL) from the University of Ghana, and a Professional Diploma in Law issued by the Ghana Law School. She is a member of the Ghana Bar Association and International Bar Association, as well as being a Member of the Governing Body of the Financial Intelligence Centre (FIC). Mrs Kumado is currently the Head of the Legal Department of Bank of Ghana and represents the Financial Investment Trust (a subsidiary of the Bank of Ghana) on the Board.

Major Mahama S. TARA (Rtd) - Non-Executive Director

Major Tara (Rtd), a Chartered Management Accountant (ACMA) also holds a BSc Administration (Accounting Option) Degree from the University of Ghana. His rich experience in the public sector has included serving as Director of Finance and Administration of the Ghana Tourist Development Company Ltd., Director of Finance of the then Architectural and Engineering Services Corporation, and a Deputy Controller & Accountant-General. At the Ministry of Finance & Economic Planning, Major Tara (Rtd) had previously served at intervals as Director of Budgets and Acting Chief Director. Among his achievements, he headed the Technical Team that re-organized the Budgeting and Public Expenditure Management System within the Government machinery and introduced the Medium Term Expenditure Framework (MTEF) as the model for Governmental Accounting. He was appointed to the Board in June 2009.

James K. AGBEDOR - Secretary

Mr. Agbedor holds the Bachelor-of-Laws Degree from the University of Ghana and a Professional Law Certificate from the Ghana School of Law. He joined the Bank in 1985 as a Legal Officer and is currently the Solicitor & Head-General Counsel of the Bank. He was appointed Secretary to the Board in 2006.

FINANCIAL HIGHLIGHTS

	2010	2009
Profit for the year(GHS'000)	**33,215.00**	12,667.37
Change in profit (%)	**162.21**	(15.18)
Dividend per share(GHS)	**0.40**	0.08
Earning per share (GHS)	**1.33**	0.51
Return on Equity (%)	**23.19**	10.41
Return on Asset Equity (%)	**3.30**	1.72
Total Assets (GHS'000)*	**1,005,897.00**	734,595.22
Deposit Base (GHS'000)	**536,079.00**	425,144.82
Capital Adequacy (%)	**12.65**	15.85
Share of Agriculture in Total Advances (%)	**28.97**	24.09

(NB. *Bank figures as against Group)

CHAIRMAN'S STATEMENT

It is my greatest pleasure to present to you, the Annual Report and the Financial Results of your Bank for the year ended 31st December 2010.


The Board of Directors at a working session

1.0 BACKGROUND ANALYSIS

1.1 Developments in the World Economy

Global output grew by 4.4 percent in 2010 compared to the negative 0.7 percent growth recorded in 2009. However, output is expected to be slower in 2011 at 3.6 percent. Developed countries' economies are expected to expand by only 1.6 percent due to shaky consumer confidence, fiscal tightening and a formidable debt overhang especially in Europe. Emerging economies will continue a vigorous recovery recording a respectable 6.3 percent in 2011. This will be propelled mainly by China at 8.4 percent and India at 8.2 percent.

Economic performance remained robust within the West African Monetary Zone countries and output turned out stronger at 7.2 percent in 2010 compared to 4.5 percent for the whole Africa region. Sub-Saharan Africa is projected to grow by 5.0 percent in 2011.

Crude oil prices (Brent Crude) began the year 2010 at USD78.9 per barrel and remained stable for most part of the year. However, the price began to pick up in early October 2010 and ended the year at USD91.82 per barrel. There are prospects for further rise in price since there is demand build up as economies expand, especially in emerging markets and also due to supply uncertainties in the Arab region as a result of political upheavals.

Gold price remained high during the year as it opened the year 2010 at USD1, 108 per ounce, rose steadily and ended the year at USD1, 386. Cocoa price per ton declined from USD3, 289 at the beginning of 2010 and ended the year at USD2, 951. However, due to the Ivorian situation, significant price rises have been recorded in the early months of the year 2011 with the current highest of USD3, 274 in February 2011.

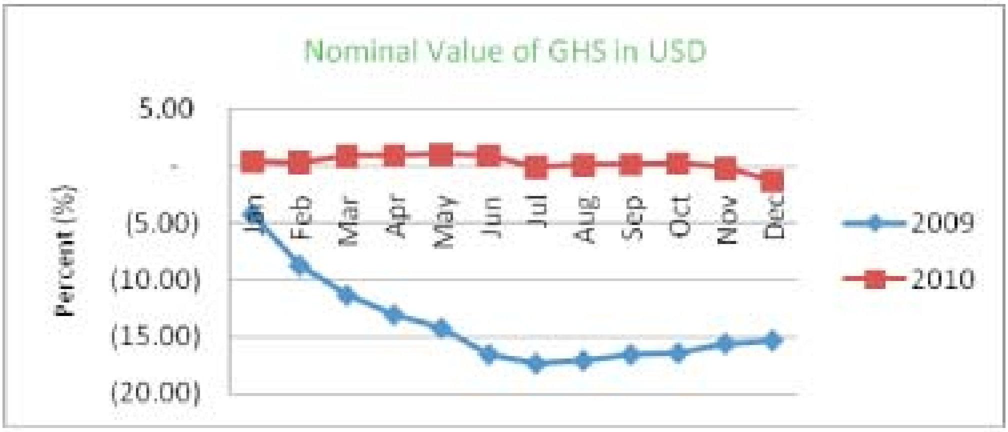
1.2 Domestic Economy

Provisional real GDP growth was 5.29 percent and fell below the projected target of 6.5 percent for 2010. This was however higher than the real GDP growth of 4.3 percent recorded in 2009.

Government continued the implementation of its prudent fiscal policies as it ended the year in a deficit of GH¢1.7 billion or 3.7 percent of GDP in 2010 slightly higher than the GH¢1.3 billion or 2.9 percent of GDP for 2009.

The current account deficit increased from USD1.6 billion in December 2009 to USD2.6 billion in December 2010. However, the capital account showed strong performance which led to an overall balance of payments surplus of USD1.5 billion compared to the USD1.1 billion recorded in 2009. These resulted in the improvement of the external reserves position from USD3.2 billion in 2009 to USD4.7 billion in December 2010 with an import cover of 3.8 months compared to the 3 months recorded at the end of 2009.

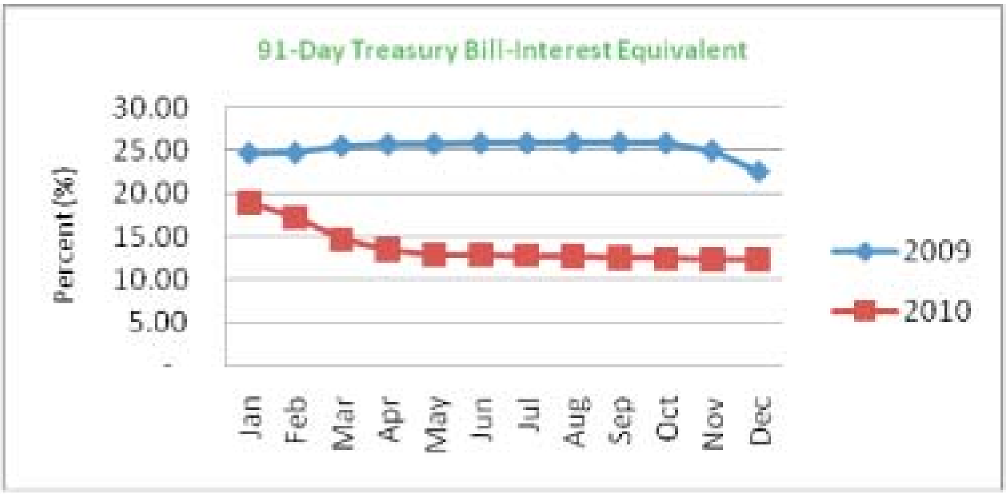
The cedi recorded gains against all the major currencies in 2010. The gains were stronger against the GBP and the EURO and peaked at 12.31 percent and 18.39 percent respectively in May 2010 but came down to 2.68 percent and 6.61 percent at the end of December 2010. The appreciation against the USD was however weaker and rose to the highest of 1.01 percent in May 2010 but declined thereafter and depreciated marginally in July (0.1 percent), November (0.2 percent) and December 2010 (1.32 percent).



Inflation eased throughout the year from 15.97 percent in December 2009 to 8.58 percent in December 2010.

Interest rates declined throughout the year with the 91-day Treasury Bills rate falling consistently from 22.53 percent in December 2009 to 12.28 percent at the end of December 2010. The Monetary

Policy Committee of the Bank of Ghana made three major successive cuts in the Prime Rate from 18.0 percent at the beginning of the year 2010 to 13.5 percent at the end.



2.0 PERFORMANCE OF THE BANK

The international and domestic economic situation greatly influenced the performance of the Bank in 2010.

2.1 Profit and Loss Performance

Net Profit for 2010 after the National Stabilization Levy was GH¢33.22 million and was 162.21 percent higher than the GH¢12.67 million recorded for 2009. This was in spite of the substantial write off of non-performing loans amounting to GH¢64.0 million. Actual provisions for the year of GH¢6.69 million was significantly lower than the GH¢15.89 million recorded in 2009. With this exercise the Bank has prudently recognized the deterioration in its assets and has instituted measures to forestall its recurrence in future.

2.2 Balance Sheet

The balance sheet of the Bank showed significant growth in the financial year 2010. Total assets grew by 36.94 percent from GH¢734.57 million at the end of December 2009 to GH¢1,005.89 million at year end December 2010. This was funded mainly from the increase in deposits mobilized from GH¢425.14 million to GH¢536.08 million - a growth of 26.09 percent. However, this was below the growth of 33.07 percent recorded in 2009. Shareholders' Funds also went up by 17.78 percent from GH¢121.62 million at the end of December 2009 to GH¢143.25 million at the end of December 2010.

On the strength of the impressive Earnings per Share of GH¢1.329 for 2010, the Directors recommended the payment of a dividend of 30% of profit after National Stabilization Levy of GH¢0.39 per share, amounting to GH¢9.96 million for the year in accordance with the bank's dividend policy.

3.0 SUPPORTS TO THE AGRICULTURAL SECTOR

The Bank remained focused on its core mission of agricultural financing and significantly increased new credit disbursement to various productive agricultural projects totaling GH¢100.12 million which was far in excess of the GH¢57.91 million recorded in 2009. This showed an increase of GH¢42.12 million or 72.89 percent. The stock of credit to the sector rose significantly from GH¢105.30 million at the end of December 2009 to GH¢174.22 million at the end of December 2010, showing a growth of 64.45 percent. The share of the sector's loan portfolio rose from 24.09 percent at the end of December 2009 to 28.97 percent at the end of December 2010.

4.0 CHANGES IN BOARD AND MANAGEMENT

During the year 2010, Dr. Kwaku Addeah retired from the Board. He was replaced by Mrs. Esther Kumado, a lawyer of high standing and the Head of the Legal Department of the Bank of Ghana.

We wish to take the opportunity to congratulate our colleague on her appointment and wish her greater successes in the coming years.

5.0 STRATEGIC PLAN 2010 – 2012

The Bank successfully implemented the programs and key initiatives outlined in the first year of its strategic plan 2010-2012. This underpinned the impressive performance the Bank recorded in its profitability and balance sheet growth. Going forward, we are committed to consolidating the gains made so far. Key among the initiatives would be the total transformation of the IT and working infrastructure platform that would complete the change agenda and significantly boost the Bank's competitive position in the banking industry to enable us achieve our objective of being among the three top performing banks in Ghana by 2012.

6.0 THE WAY FORWARD

2011 looks very promising as there are prospects for growth in the world economy especially in emerging markets as well as the domestic economy which is expected to grow by 12.3 percent. The Government has appropriately declared the year as an "Action Year" with various key initiatives in agriculture, energy and infrastructural sectors. Moreover, there is clear expectation from Government in the payment of arrears to contractors and this will provide a major boost to the Bank in the form of cash inflows. The Bank will also continue to be very prudent in the management of its credit portfolio to prevent the build-up of non-performing loans.

7.0 CONCLUSION

I take the opportunity on behalf of the Board to congratulate the shareholders and customers for their continued loyalty and support especially during the past year when we started implementing our strategic change agenda. I congratulate the Management and staff also for their hard work and commitment to duty that ended the year 2010 on a very successful note and look forward to greater achievements in 2011.

ALHAJI IBRAHIM ADAM
BOARD CHAIRMAN

PROFILE OF EXECUTIVE MANAGEMENT


Stephen Kpordzih

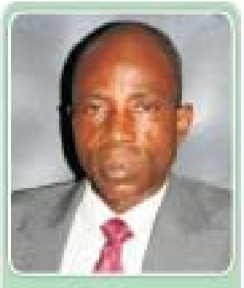
Mr. Stephen Kpordzih – Managing Director

Appointed Managing Director in August 2009, he holds an MBA (Finance) from University of Leicester, UK, and a Post-Graduate Certificate-Strategic Bank Management from Odense Business School, Denmark. His banking career spanned BBG, GCB and Stanbic Bank. One-time lecturer in Finance of International Trade at the Chartered Institute of Bankers, Ghana, and a resource person in Treasury Management at the Ghana Banking College, he is an Honoured Member of the International Who's Who of Professionals for his achievements in and contribution to banking.


Paul Agyiri

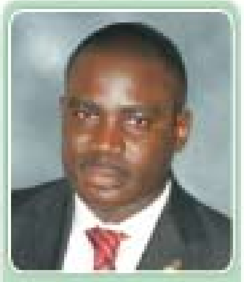
Mr. Paul Agyiri - Executive Director

He holds a Bachelor of Laws Degree from the University of Ghana, Legon and a Professional Qualifying Certificate in Law from the Ghana School of Law. After considerable legal practice in the Attorney-General's Department and WAEC, and private consultancy practice in Liberia, he first joined ADB in 1991 as Chief Legal Advisor, before being seconded to the Ministry of Finance & Economic Planning as Chief Director.


James K. AGBEDOR

James K. Agbedor - Board Secretary and General Counsel

He holds a Bachelor-of-Laws Degree from the University of Ghana and a Professional Law Certificate from the Ghana School of Law. He joined the Bank in 1985 as a Legal Officer and worked up the ladder until he was appointed Secretary to the Board in 2006.


Bernard Appiah Gyebi

Bernard Appiah Gyebi - Executive Head, Credit Risk Management

He joined ADB from Stanbic Bank Ghana Limited where he was the Head of Credit. Earlier at Barclays Bank, he served in various capacities as Corporate Credit Manager, Compliance Officer/Executive Assistant to the Managing Director, and Head of Corporate Credit.

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Edward Armah-Mensah

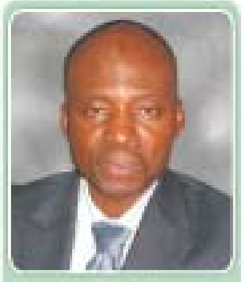
Edward Ian Armah-Mensah - Executive Head, Corporate Banking
He joined ADB from Barclays Bank Ghana Limited where he was Head of SME (Medium Unit). He had earlier worked at Stanbic Bank as an Account Relationship Manager and Credit and Marketing Manager at NDK Financial Services Limited. He holds an Executive Masters in Business Administration (Finance Option) and a Bachelor of Science in Business Administration.


James Baldoo Sagoe

James Baldoo Sagoe - Executive Head, Finance & Planning
He joined ADB from Merchant Bank Ghana Limited where he was the Corporate Development Analyst and Financial Controller. Earlier at VALCO, he served as Planning & Financial Analyst and Chief Accountant. Mr. Sagoe is a Chartered Accountant and holds an Executive Masters in Business Administration from University of Ghana Business School.


Abdul-Samed Iddrisu

Abdul-Samed Iddrisu - Executive Head of Transaction Banking
He was previously Director of Business Solutions and then Director of Transaction Banking at Fidelity Bank. Prior to that, he was Head of IT at Stanbic Bank and First Atlantic Merchant Bank, and Systems Analyst/Programmer of the Volta River Authority. He holds a Bachelor of Science degree in Computer Science from the University of Science and Technology.


Adam Sulley

Adam Sulley - Executive Head, Retail Banking
He holds a B.Sc. in Industrial Management from the University of Petroleum and Minerals (Saudi Arabia), M.Sc. in International Business from South Bank University (UK), Dip M and MCIM of the Chartered Institute of Marketing (UK). He was the immediate past Chairman of the Chartered Institute of Marketing (UK), Ghana Branch and also a former member of the Governing Council of CIMG. He is a panel member of the National Accreditation Board (NAB) and an external examiner to the National Board for Polytechnic and Technical Examination Council (NABPTEX).

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S. N. S. Abbey

S. N. S. Abbey – Executive Head, Operations

He holds BSc (Hons) Degree in Agriculture from the University of Ghana. He joined ADB in 1977 and has occupied various positions. He was made Co-Manager of the Business Blue Print and the Microbanker banking software implementation projects, and Project Manager for the Flexcube banking application implementation project.

Akwelley Adoley Bulley

Akwelley Adoley Bulley - Executive Head, Human Resources

She joined ADB from Millicom Ghana Limited (TIGO) where she was the Head of Human Resources. Prior to that, she was the Human Resource Manager at Holiday Inn, Accra Airport, and Employee Relations Manager and later Human Resource Manager of Cadbury Ghana Limited. She holds an MA Degree in Employment Studies from London Metropolitan University and a BA Degree in Psychology with Linguistics from University of Ghana.

George Baah-Danquah

George Baah-Danquah - Treasurer

He joined ADB from Access Bank Ghana Limited where he was Head of Treasury. Prior to that, he occupied various positions in the Finance Department, Treasury Department, and the Global Markets Department of Stanbic Bank. He holds a Masters Degree in Business Administration and a Bachelor of Science in Business Administration.

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REVIEW OF 2010 OPERATIONS

INTRODUCTION

I feel honoured to present to you the Bank's operational activities and performance for the year ended 31st December, 2010. The Bank successfully implemented the first year programmes of its Three Year Strategic Plan under the theme "Repositioning ADB – The Future in Focus". This culminated in key structural changes with the focus being alignment of structure to strategy.

The interventions have enabled the Bank to re-discover its lost potential and positioned it clearly among the major players of the banking industry for the benefit of shareholders, customers, staff and the people of Ghana.

KEY INITIATIVES

The year 2010 saw the full year of implementation of the new strategic plan. Key among the initiatives included the following:

- Redefined Bank structures
- Aligned the Bank's structure to its strategy
- Unleashed the capabilities of staff through training and development of right attitudes
- Improved business processes for efficient operations
- Outsourced non-core functions
- Embarked on a voluntary exit package for staff desirous of taking early retirement from the Bank
- Branch Network expansion
- Corporate branding and promotion

We successfully implemented the Bank's new organizational structure and introduced new business lines including the establishment of Corporate Banking, Retail Banking, Development Finance (Agriculture), Transaction Banking & Technology Departments and Asset Finance.

Management also reviewed the existing human resources, recruited highly skilled and competent individuals to man certain key departments to ensure that the necessary human resources were available for the successful implementation of the change agenda of the Bank.

BRANCH EXPANSION PROGRAMME

The bank pursued a massive branch network expansion which saw 11 new branches opened during the year in largely rural, agriculturally-active communities, corridors and commercial centers located within areas with vast potentials for agricultural production. In addition, the Takoradi branch was also relocated to the harbour area.

The new branches are Ho, Kpando, Nkwanta, Kpeve, Sogakope and Yendi. Others are Navrongo, Mankessim, Ashiaman, Savelugu, and Walewale. These additions increased the number of branches to seventy at the end of 2010.

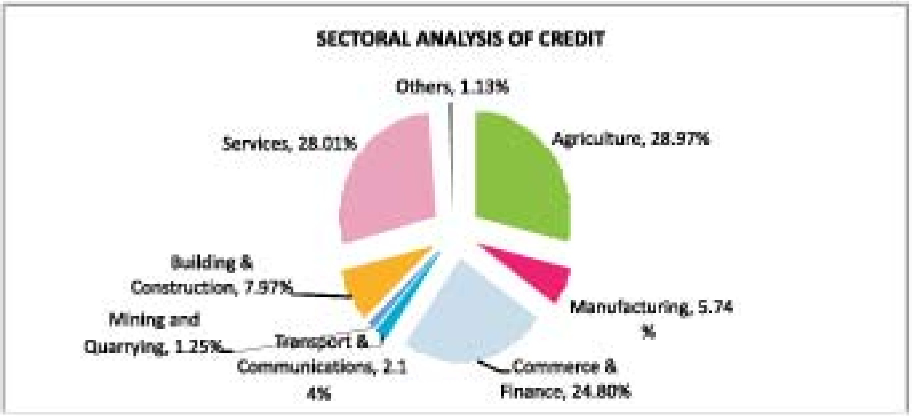
OPERATIONAL RESULTS

LOANS TO AGRICULTURE AND ALLIED SECTORS

Credit to the agricultural and allied sectors amounted to GH¢174.22 million and represented 28.97 percent share of the credit portfolio as at the end of 2010 as against the 24.10 percent recorded in December 2009. Total new lending to the agriculture and allied sectors amounted to GH¢100.12 million in 2010 and was significantly above disbursements of GH¢69.22 million in 2009.

Out of this, the productive sector received an amount of GH¢27.82 million and this exceeded the disbursement of GH¢11.31 million in 2009 by GH¢16.51 million (145.94 percent).

The agro-processing sector received an amount of GH¢72.31 million compared to GH¢57.91 million in 2009 and represented a growth of 44.64 percent. The pie chart below gives a pictorial view of the sectoral analysis of the Bank's credit portfolio at the end of December 2010.

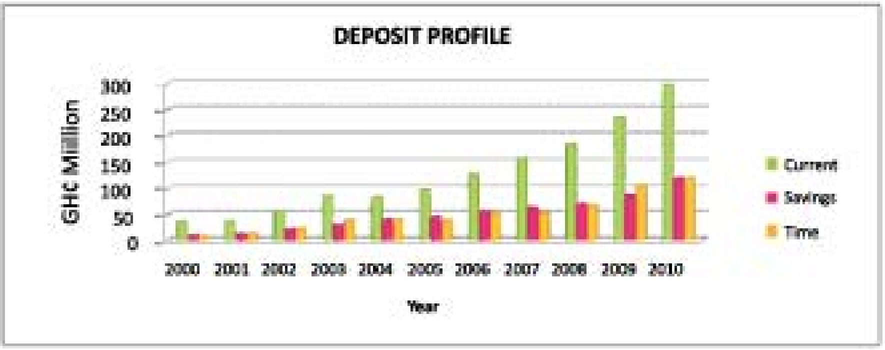


PROFIT PERFORMANCE

The Bank recorded a significant improvement in its Net Profit after National Stabilization Levy of GH¢33.22 million for 2010 as against GH¢12.67 million in 2009 showing an increase of 162.21 percent. This translates into Return on Assets and Return on Equity ratios of 3.30 percent and 23.20 percent respectively compared to ratios of 1.82 percent and 10.96 percent in 2009.

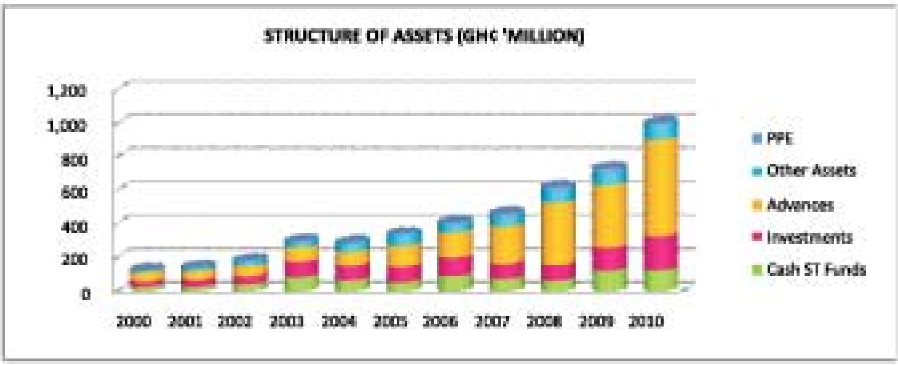
RESOURCE MOBILIZATION

Total deposits grew by 26.09 percent from GH¢425.14 million in December 2009 to GH¢536.08 million at the end of December 2010 compared to the increase of 33.07 percent in December 2009. The graph below depicts trends in deposit growth of the Bank since 2000.



ASSET GROWTH

Total assets grew significantly by 36.94 percent from GH¢734.57 million in December 2009 to GH¢1,005.89 million in December 2010 compared to the growth of 17.67 percent recorded in 2009. This growth was recorded mainly on account of expansion in advances by 54.74 percent and investments of 45.66 percent. The graph below shows the trend of asset structure of the Bank from 2000 to 2010.



STRATEGIC PLAN 2010-2012

The Bank remains committed to its key strategic objective of being among the top three performing banks in the banking industry by 2012. The key initiatives in 2011 are aimed at consolidating the gains made in 2010 and ensuring accelerated growth. The impressive performance of the Bank in its first full year implementation of the 3-Year Strategic Plan is ample testimony that the Bank is fully on course to realizing its strategic objectives.

CORPORATE SOCIAL RESPONSIBILITY

The Bank continued its Social Responsibility engagements and spent a total of GH¢605,725 in 2010. We sponsored our trademark National Best Farmer Award Project and made several other donations to charity and good courses during the year.

OUTLOOK FOR YEAR 2011

The outlook for year 2011 appears positive following the impressive strides that were made in 2010 in terms of meeting key targets in our first year of our strategy implementation. The prospects of economic stability and higher economic growth present greater opportunities for the Bank to do good business in 2011.

We expect competition in the banking industry to be keener especially with the entrance of a new bank into the Ghanaian banking landscape that brings the total number of banks to twenty seven.

The Bank will complete the upgrade of its Flexcube platform and this will provide the leverage for more service offerings, systems and process efficiency for the benefit of our esteemed customers.

Moreover, we will continue our branch expansion program in 2011 to make services available to existing and new clients especially to the hardworking farmers of this country.

CONCLUSION

I wish to express my heartfelt appreciation to the Board and the shareholders for their continued support to the Bank in 2010 as we undertook critical change initiatives. We assure you that the Bank is poised to offer greater competitiveness in the banking marketplace for the benefit of all stakeholders. I wish also to thank our loyal and dedicated customers for patronizing our services. I also congratulate the hardworking staff of the Bank for the bank's sterling performance.

STEPHEN KPORDZIH
MANAGING DIRECTOR

THE YEAR 2010 IN PICTURES

During the year ADB opened 12 new branches in the Volta, Northern, Western and Central Regions.

Yendi Branch

Takoradi Branch

Kpevi Branch

Walewale Branch

Mankessim Branch

Kpando Branch

Savelugu Branch

Sogakope Branch

Nkwanta Branch

Navrongo Branch

Ashaiman Branch

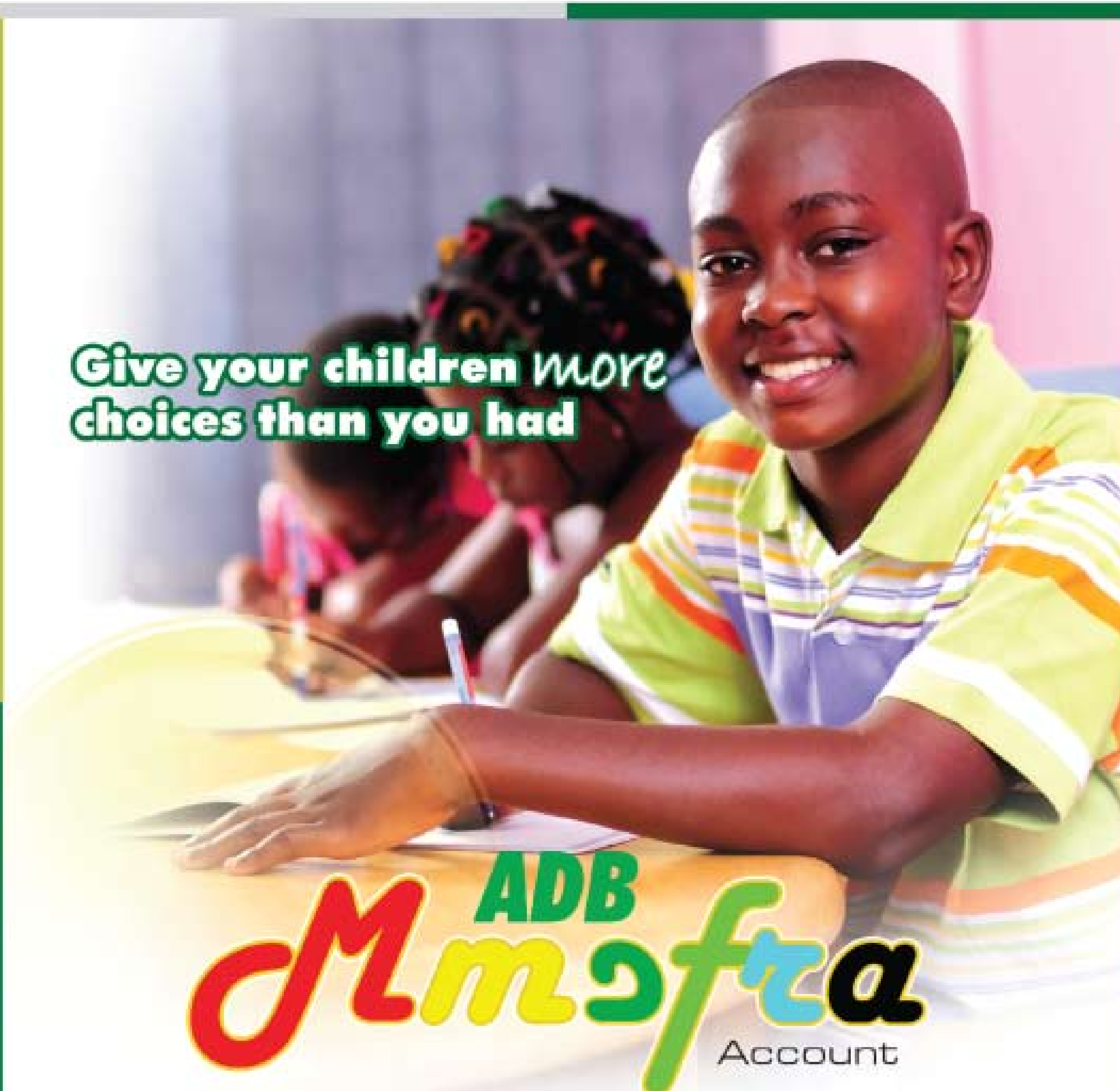
Ho Branch

THE YEAR 2010 IN PICTURES

ADB hosted the 2010 National Farmers' Day Award Winners to a cocktail at the State House Forecourt on 29th November, 2010. A group photograph of the Award Winners, and a shot of the MD interacting with some guests.

The year also saw the presentation of a three-bedroom house to Dr. Simon Saku, the 2008 National Best Farmer. The prize was sponsored by ADB.

ADB donated US$50,000.00 to the Public Accounts Committee of the Parliament of Ghana during the year to facilitate the work of the Committee. A shot of the official presentation of the donation by the MD to Hon. Albert Kan-Dapaah, Chairman of the Committee, and a group photograph of the Committee Chairman and Members, Parliamentary staff and ADB officers who attended the function



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Financial Statements

Report of the Directors

to the members of Agricultural Development Bank

Principal Activity
The principal activities carried out by the Bank during the year under review were within the limits permitted by its regulations.

Operational Results - 2010
The results of the operations for the year ended 31 December 2010 are set out in the statement of comprehensive income and statement of financial position and the Notes to the consolidated financial statements from pages 7 to 52.

The bank achieved a profit of GH¢33,215,103 as compared with the position of GH¢12,667,366 in 2009. The total assets of the bank grew from GH¢734,565,216 in 2009 to GH¢1,005,897,016 in 2010 achieving 37% growth while deposit liabilities recorded a 26% growth from GH¢425,144,815 in 2009 to GH¢536,079,338 in 2010.

Dividend
The directors recommend the payment of a dividend of 30% of profit after National Stabilisation Levy of Thirty-nine pesewas per share, (GH¢0.39/share) amounting to Nine Million, Nine Hundred and Sixty-Four Thousand, Five Hundred and Thirty-One Ghana Cedis (GH¢9,964,531) for the year in accordance with the Bank's dividend policy.

Auditors
The Auditors Messrs Deloitte & Touche have resigned their position as auditors of the Bank with effect from today, 4th March, 2011. This action is in compliance with the directive from the Bank of Ghana asking all banks whose external auditors have been at post for more than five years to initiate steps to replace them by giving the appropriate notices in line with the Agricultural Development Bank Act 1965 (Act 286) as amended by NLCD 182 of 1967 and Act 352 of 1970.

Directors
The present list of members of the board are shown on page 3.

On behalf of the Board

Alhaji Ibrahim Adam
Chairman

Mr. Stephen Kpordzih
Managing Director

Ms Nancy Ampofo
Director

Mr. James Baidoo Sagoe
Executive Head/Finance & Planning

Mr. James K. Agbedor
Secretary

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Statement of Directors' Responsibility

to the members of Agricultural Development Bank

The Agricultural Development Bank Act requires the directors to prepare consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the bank as at the end of the financial year and of the operating results of the group for that year.

It also requires the directors to ensure that the group keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the bank. They are also responsible for safeguarding the assets of the bank.

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The directors accept responsibility for the annual consolidated financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Agricultural Development Bank Act. The directors are of the opinion that the consolidated financial statements give a true and fair view of the state of the financial affairs of the group and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of consolidated financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the group will not remain a going concern for at least the next twelve months from the date of this statement.

Alhaji Ibrahim Adam
Chairman

Mr. Stephen Kpordzih
Managing Director

Ms Nancy Ampofo
Director

Mr. James Baidoo Sagoe
Executive Head/Finance & Planning

Mr. James K. Agbedor
Secretary

Independent Auditors' Report
to the members of Agricultural Development Bank

We have audited the accompanying consolidated financial statements of Agricultural Development Bank and its subsidiaries on pages 26 to 71 which comprise the consolidated statement of financial position as at 31 December, 2010, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cashflows for the year then ended, together with the summary of significant accounting policies and other explanatory notes, and have obtained all information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Agricutural Development Bank Act 1965 (Act 286) as amended by NLCD 182 of 1967 and Act 352 of 1970. These responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the group has kept proper accounting records and the consolidated financial statements are in agreement with the records in all material respects and give in the prescribed manner, information required by the banking Act 2004 (Act 673) as amended by the Banking (Amendment) Act of 2008 (Act 738) and Agricutural Development Bank Act 1965 (Act 286) as amended by NLCD 182 of 1967 and Act 352 of 1970. The consolidated financial statements give a true and fair view of the financial position of the bank as at 31 December 2010, and of its financial performance and cash flow for the year then ended and are drawn up in accordance with the International Financial Reporting Standards.

Report on other legal and regulatory requirements

The Agricutural Development Bank Act 1965 (Act 286) as amended by NLCD 182 of 1967 and Act 352 of 1970 requires that in carrying out our audit work we consider and report on the following matters. We confirm that:

i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii. in our opinion proper books of accounts have been kept by the group, so far as appears from our examination of those books; and

iii. the consolidated statement of financial position and consolidated statement of comprehensive income of the group are in agreement with the books of accounts.

The Banking Act 2004 (Act 673), Section 78 (2), requires that we state certain matters in our report. We hereby state that:

i. the accounts give a true and fair view of the state of affairs of the bank and its results for the period under review;

ii. we were able to obtain all the information and explanation required for the efficient performance of our duties as auditors;

iii. the banks transactions were within its powers; and

iv. the bank has complied with the provisions in the Banking Act 2004 (Act 673), the Banking (Amendment) Act 2008 (Act 738) and the Agricultural Development Bank Act 1965 (Act 286) as amended by NLCD 182 of 1967 and Act 352 of 1970.

Deloitte & Touche.

Chartered Accountants
Accra, Ghana

4th March 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
Interest income	6	142,841,999	142,841,999	81,415,938
Interest expense	7	(37,411,568)	(37,411,568)	(39,603,155)
Net interest income		**105,430,431**	**105,430,431**	**41,812,783**
Fee and commission income	8	29,500,894	29,500,894	28,627,193
Net fee and commission income		29,500,894	29,500,894	28,627,193
Other operating income	10	8,223,057	8,223,057	6,548,424
Net Non-Interest Revenue		37,723,951	37,723,951	35,175,617
Operating income		**143,154,382**	**143,154,382**	**76,988,400**
Impairment losses on loans and advances	18(d)	(6,685,484)	(6,685,484)	(15,896,510)
Bad debts written off	18(e)	(64,482,546)	(64,482,546)	-
Operating expenses	11	(114,182,823)	(114,182,823)	(61,947,745)
Other Income		80,289,807	80,289,807	15,852,975
Other Expenses		(3,130,070)	(3,130,070)	(1,663,051)
Profit before National Stabilization Levy		34,963,266	34,963,266	13,334,069
National Stabilization Levy		(1,748,163)	(1,748,163)	(666,703)
Profit after National Stabilization Levy		33,215,103	33,215,103	12,667,366

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Consolidated Statement of Financial Position
for the year ended 31 December 2010

	Note	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
Assets				
Cash and balances with Central Bank of Ghana	14	93,263,879	93,263,879	75,890,943
Government securities	15	165,924,199	165,924,199	125,593,869
Deposits and balances due from banking institutions	16	34,848,234	34,848,234	48,952,351
Equity investments	17	35,157,364	35,157,364	12,458,696
Loans and advances to customers (net)	18	576,986,904	576,986,904	372,864,956
Other assets	19	89,501,234	89,508,909	73,745,535
Property and equipment	20	10,215,202	24,644,011	25,058,866
Total assets		**1,005,897,016**	**1,020,333,500**	**734,565,216**
Liabilities				
Customer deposits	21	536,079,338	536,079,338	425,144,815
Borrowed funds	22	221,399,758	221,399,758	88,201,147
Other liabilities	23	105,171,292	119,607,776	99,602,073
Total liabilities		**862,650,388**	**877,086,872**	**612,948,035**
Capital resources				
Share capital	24	50,000,000	50,000,000	50,000,000
Revaluation surplus		1,978,460	1,978,460	15,371,581
Income surplus		31,861,138	31,861,138	6,949,811
Credit Risk Reserve		17,474,363	17,474,363	21,936,348
Statutory reserve		35,663,217	35,663,217	27,359,441
Available for Sale Reserve	17	6,269,450	6,269,450	-
Shareholders' funds		143,246,628	143,246,628	121,617,181
Total liabilities and shareholders funds		1,005,897,016	1,020,333,500	734,565,216

The financial statements on pages 7 to 53 were approved by the board of directors on 4th March 2011 and were signed on its behalf by:

Alhaji Ibrahim Adam
Chairman

Mr. Stephen Kpordzih
Managing Director

Ms Nancy Ampofo
Director

Mr. James Baidoo Sagoe
Executive Head/Finance & Planning

Mr. James K. Agbedor
Secretary

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	Stated capital GH¢	Revaluation surplus GH¢	Available for Sale Reserve GH¢	Income surplus GH¢	Credit Reserve GH¢	Statutory reserve GH¢	Total GH¢
At 1 January 2010		50,000,000	15,371,581	-	6,949,811	21,936,348	27,359,441	**121,617,181**
Fair value adjustment		-	-	6,269,450	-	-	-	**6,269,450**
Release from credit risk reserve		-	-	-	-	(4,461,985)	-	**(4,461,985)**
Transfer to statutory reserve		-	-	-	(8,303,776)	-	8,303,776	**-**
Release of surplus		-	(12,374,817)	-	-	-	-	**(12,374,817)**
Surplus written off due to depreciation		-	(1,018,304)	-	-	-	-	**(1,018,304)**
Profit for the year		-	-	-	33,215,103	-	-	**33,215,103**
At 31 December 2010		50,000,000	1,978,460	6,269,450	31,861,138	17,474,363	35,663,217	**143,246,628**

The revaluation surplus is not distributable and represents the surplus arising from the revaluation of property and equipment.

The available for sale reserve is not distributable and respresnts a fair value adjustment on the banks investments.

The credit reserve is not distributable and represents the excess of loan provisions computed in accordance Central Bank of Ghana prudential guidelines over the impairment of loans and advances arrived at in accordance with IAS 36.

The transfer to statutory reserve reprsents 25% of profits attributable to share holders which is not distributable as required by section 29(1) of the Banking Act, 2004 (Act 673).

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
Operating activities				
Cash generated from operations	25	(101,787,251)	(87,358,442)	130,428,771
		-	-	-
Investing activities				
Purchase of property and equipment	20	(7,365,027)	(21,793,836)	(4,800,969)
Proceeds from disposal of property and equipment		491,148	491,148	91,841
Increase in other investment securities		22,698,668	22,698,668	(5,012,326)
Net cash used in investing activities		**15,824,789**	**1,395,980**	**(9,721,454)**
Dividend paid		(2,000,000)	(2,000,000)	(1,000,000)
National Stabilization Levy		(1,637,000)	(1,637,000)	(387,500)
Financing activities				
Receipts/(payments) in borrowed funds		133,198,611	133,198,611	(20,171,016)
Net cash generated from financing activities		**133,198,611**	**133,198,611**	**(20,171,016)**
Increase in cash and cash equivalents		43,599,149	43,599,149	99,148,801
Cash and cash equivalents at 1 January		250,437,163	250,437,163	151,288,362
Cash and cash equivalents at 31 December	25	**294,036,312**	**294,036,312**	**250,437,163**

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1. Reporting entity

Agricultural Development Bank (ADB) is a financial institution incorporated in Ghana. The registered office of the Agricultural Development Bank is located at 37 Independence Avenue, Accra. The Agricultural Development Bank operates under the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act of 2008 (Act 738), and the Agricultural Development Bank Act 1965 (Act 286) as amended by NLCD 182 of 1967 and Act 352 of 1970.

2. Basis of preparation

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) and its interpretations as adopted by the International Accounting Standards Board (IASB).

b. Basis of measurement

The consolidated financial statements are presented in Ghana cedis which is the group's functional currency. They are prepared on the historical cost basis except for the following assets and liabilities that are stated at their fair value: financial instruments that are fair value through profit and loss and financial instruments classified as available-for-sale.

c. Use of estimated and judgement

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the consolidated financial statements are described in notes one (1).

Interest income and expense

Interest income and expense for all interest-bearing financial instruments, except for those classified as held for trading or designated as fair value through profit and loss, are recognized within interest income and interest expense in the statement of comprehensve income using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1. Significant accounting policies

Interest income and expense

Interest income includes interest on loans and advances and placements with other banks, and is recognised in the period in which it is earned.

Fees and commissions

Fee and commission incomes and expenses that are integral to the effective interest rate on financial instruments are included in the measurement of the effective interest rate.

Other fees and commissions income are recognised as the related services are performed.

Government securities

Government securities comprise treasury bills and treasury bonds which are debt securities issued by the Government of Ghana. These are classified as held to maturity and are stated at amortised cost.

Unquoted investments

Unquoted investments are stated at cost less impairment loss where applicable.

Investments in companies

Investments in companies are stated at fair values where applicable.

Assets held for sale

Assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets classified as held for sale are measured at the lower of the assets previous carrying amount and fair value less costs to sell.

Property and equipment

Property and equipment are stated at cost or as professionally revalued from time to time less accumulated depreciation.

Increases in the carrying amount arising on revaluation are credited to a revaluation surplus. Decreases that offset previous increases of the same asset are charged against the revaluation surplus. All other decreases are charged to the statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of an asset (the depreciation charged to the statement of comprehensive income) and depreciation based on the asset's original cost is transferred from the revaluation surplus to revenue reserves.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1. Accounting policies - (continued)

Depreciation

Freehold land is not depreciated as it is deemed to have an indefinite life.

Depreciation on other property and equipment is calculated to write off their cost or valuation in equal annual instalments over their estimated useful lives. The annual rates in use are:

Buildings	5%
Computers	33.33%
Motor vehicles	33.33%
Furniture and equipments	20%

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Leasehold land

Payments to acquire leasehold interest in land are treated as operating lease prepayments and amortised over the period of the lease.

Computer software development costs

Generally, costs associated with developing computer software programmes are recognised as an expense when incurred. However, costs that are clearly associated with an identifiable and unique product which will be controlled by the bank and has a probable benefit exceeding the cost beyond one year, are recognised as an intangible asset.

Expenditure which enhances and extends computer software programmes beyond their original specifications and lives is recognised as a capital improvement and added to the original costs of the software.

Computer software development costs recognised as assets are stated at cost less amortisation.

Amortisation is calculated on a straight line basis over the estimated useful lives not exceeding a period of 3 years.

Taxation
The Bank is not liable to taxation.

Foreign currencies
Assets and liabilities expressed in foreign currencies are translated into Ghana Cedis at the rates of exchange ruling at the date of the statement of financial position. Transactions during the year are translated at the rates ruling at the dates of the transactions. Gains or losses on exchange are dealt with in the statement of comprehensive income.

Offsetting
Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1. Accounting policies - (continued)

Statutory Credit Risk Reserve
IAS 36 requires the bank to recognise an impairment loss when there is objective evidence that loans and advances are impaired. However, Central Bank of Ghana prudential guidelines require the bank to set aside amounts for impairment losses on loans and advances in addition to those losses that have been recognised under IAS 36. Any such amounts set aside represent appropriations of retained earnings and not expenses in determining profit or loss. These amounts are dealt with in the statutory credit reserve. The provision for this additional impairment amounts is to be made only when impairment amounts provided under IFRS rules are lower than the figure to be provided under BoG Prudential Guidelines.

Retirement benefit costs
The bank operates a defined contribution benefit scheme for its employees. The assets of this scheme is held by the treasury department of the bank. The scheme is funded by contributions from both the employees and employer. Benefits are paid to retiring staff in accordance with the scheme rules.

The bank also contributes to the statutory Social Security & National Insurance Trust (SSNIT). This is a defined contribution scheme registered under the National Social Security Act. The bank's obligations under the scheme are limited to specific contributions legislated from time to time and are currently limited to a maximum of 13% of an employee's basic salary per month. The bank's obligations to staff retirement benefit schemes are charged to the statement of comprehensive income in the year to which they relate.

Provision for employee entitlements
Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave accrued at the date of the statement of financial position.

Financial instruments
A financial asset or liability is recognised when the bank becomes party to the contractual provisions of the instrument.

Financial assets
The bank classifies its financial assets into the following categories: Financial assets at fair value through profit or loss; loans, advances and receivables; held- to- maturity investments; and available-for-sale assets. Management determines the appropriate classification of its investments at initial recognition.

Financial assets at fair value through profit or loss
This category has two sub-categories: Financial assets held for trading and those designated at fair value through statement of comprehensive income at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Loans, advances and receivables
Loans, advances and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the bank provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans and advances are recognized when cash is advanced to borrowers. They are categorized as originated loans and carried at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1. Accounting policies (continued)

Financial instruments (Continued)

Held to maturity
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. Where a sale occurs, other than an insignificant amount of held-to-maturity assets, the entire category would be tainted and classified as available for sale.

Available-for-sale financial assets
Financial assets that are not (a) financial assets at fair value through the statement of comprehensive income, (b) loans, advances and receivables, or (c) financial assets held to maturity.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the bank has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans, advances and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains and losses arising from changes in the fair value of "financial assets at fair value through profit or loss" are included in the statement of comprehensive income in the period in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in equity, until the financial asset is derecognised or impaired, at which time the cumulative gain or loss previously recognised in equity is recognised in the statement of comprehensive income. Dividends on available-for-sale equity instruments are recognised in the statement of comprehensive income when the bank's right to receive payment is established.

Fair values of quoted investments in active markets are based on quoted bid prices. Equity securities for which fair values cannot be measured reliably are measured at cost less impairment.

Impairment and uncollectability of financial assets
At each date of the statement of financial position, all financial assets are subject to review for impairment.

If it is probable that the bank will not be able to collect all amounts due (principal and interest) according to the contractual terms of loans, receivables, or held-to-maturity investments carried at amortised cost, an impairment or bad debt loss has occurred. The carrying amount of the asset is reduced to its estimated recoverable amount through use of an allowance account. The amount of the loss incurred is included in the statement of comprehensive income for the period.

If a loss on a financial asset carried at fair value (recoverable amount is below original acquisition cost) has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative net loss that had been recognised directly in equity is removed from equity and recognised in the statement of comprehensive income for the period even though the financial asset has not been derecognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1. *Accounting policies (continued)*

Impairment and uncollectability of financial assets

The bank considers evidence of impairment at both a specific asset and collective level. All individually significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are then collectively assessed for impairment together with financial assets with similar risk characteristics.

Objective evidence that financial assets are impaired can include observable data that comes to the attention of the bank about the following loss events:

- Significant financial difficulty of the borrower
- default or delinquency by a borrower,
- restructuring of a loan or advance by the bank on terms that the bank would not otherwise consider,
- indications that a borrower or issuer will enter bankruptcy,
- the disappearance of an active market for a security, or
- other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

In assessing collective impairment the bank uses statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

a. *Assets carried at amortised cost*

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate. Losses are recognised in the statement of comprehensive income and reflected in an allowance account against loans and advances. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through profit or loss.

b. *Assets carried at fair value*

Impairment losses on available-for-sale investment securities are recognised by transferring the difference between the amortised acquisition cost and current fair value out of equity to the statement of comprehensive income. When a subsequent event causes the amount of impairment loss on an available-for-sale debt security to decrease, the impairment loss is reversed through the statement of comprehensive income.

However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised directly in equity. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

c. *Renegotiated loans*

Loans that are either subject to collective impairment assessment or individually significant and whose terms have been renegotiated are no longer considered to be past due but are treated as new loans. In subsequent years, the renegotiated terms apply in determining whether the asset is considered to be past due.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1. Accounting policies - (continued)

Financial liabilities

Debt and equity instruments are classified, as either financial liabilities or as equity in accordance with the substance of the contractual agreement.

After initial recognition, the bank measures all financial liabilities including customer deposits and borrowings other than liabilities held for trading at amortised cost. Liabilities held for trading (financial liabilities acquired principally for the purpose of generating a profit from short-term fluctuations in price or dealer's margin) are subsequently measured at their fair values.

Interest-bearing borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings.

Repurchase agreement transactions

Securities purchased from the Central Bank of Ghana under agreements to resell ("reverse repo's"), are disclosed as balances with the Central Bank of Ghana as they are held to maturity after which they are repurchased and are not negotiable/discounted during the tenure. The difference between the sale and repurchase price is treated as interest and accrued over the life of the repurchase agreement using the effective yield method.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Bank as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Bank's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Bank's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

The Bank as lessee

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

Contingent liabilities

Letters of credit, acceptances, guarantees and performance bonds are generally written by the bank to support performance by a customer to third parties. The bank will only be required to meet these obligations in the event of the customer's default.

Fiduciary activities

Assets and income arising thereon together with related undertakings to return such assets to customers are excluded from these financial statements where the bank acts in a fiduciary capacity such as nominee, trustee or agent.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1. *Accounting policies - (continued)*

Cash and cash equivalents

For the purposes of the statement of cash flows, cash equivalents include short term liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired, less advances from banks repayable within three months from the dates of the advances.

Dividends

Dividends are charged to equity in the period in which they are declared. Proposed dividends are not accrued until they have been ratified at the Annual General Meeting.

Segmental reporting

A segment is a distinguishable component of the group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Standards, amendments and interpretations effective in 2010

The following standards and amendments to existing standards have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2010 or later periods, but the group has not yet adopted them.

Amendments to IAS 7 Statement of Cash Flows (as part of Improvements to IFRSs issued in 2009). The amendments to IAS 7 specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows. The application of the amendments to IAS 7 has resulted in a change in the presentation of cash outflows in respect of development costs that do not meet the criteria in IAS 38 Intangible Assets for capitalisation as part of an internally generated intangible asset. This change has been applied retrospectively but do not have any significant impact on the bank.

IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)
IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after becoming effective. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes by IFRS 3 (Revised) and IAS 27 (Amended) affect acquisitions or loss of control of subsidiaries and transactions with non-controlling interests after 1 January 2010.
The change in accounting policy was applied prospectively and had no material impact on earnings per share.

IAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss.

IFRIC 17, 'Distribution of non-cash assets to owners' (effective on or after 1 July 2009). The interpretation was published in November 2008. This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. IFRS 5 has also been amended to require that assets are classified as held for distribution only when they are available for distribution in their present condition and the distribution is highly probable.

IFRIC 18, 'Transfers of assets from customers', effective for transfer of assets received on or after 1 July 2009. This interpretation clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water). In some cases, the entity receives cash from a customer that must be used only to acquire or construct the item of property, plant, and equipment in order to connect the customer to a network or provide the customer with ongoing access to a supply of goods or services (or to do both).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Standards, amendments and interpretations effective in 2010 (cont'd)

IFRIC 9, 'Reassessment of embedded derivatives and IAS 39, Financial instruments: Recognition and measurement', effective 1 July 2009. This amendment to IFRIC 9 requires an entity to assess whether an embedded derivative should be separated from a host contract when the entity reclassifies a hybrid financial asset out of the 'fair value through profit or loss' category. This assessment is to be made based on circumstances that existed on the later of the date the entity first became a party to the contract and the date of any contract amendments that significantly change the cash flows of the contract. If the entity is unable to make this assessment, the hybrid instrument must remains classified as at fair value through profit or loss in its entirety.

IFRIC 16, 'Hedges of a net investment in a foreign operation' effective 1 July 2009.
This amendment states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity or entities within the bank as long as the designation, documentation and effectiveness requirements of IAS 39 that relate to a net investment hedge are satisfied. In particular, the bank should clearly document its hedging strategy because of the possibility of different designations at different levels of the bank.

IAS 38 (amendment), 'Intangible assets', effective 1 January 2010. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives.

IAS 1 (amendment), 'Presentation of financial statements'. The amendment clarifies that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time.

IAS 36 (amendment), 'Impairment of assets', effective 1 January 2010. The amendment clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment, as defined by paragraph 5 of IFRS 8, 'Operating segments' (that is, before the aggregation of segments with similar economic characteristics).

IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items

The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The Group has concluded that the amendment will have no impact on the financial position or performance of the Bank, as the Bank has not entered into any such hedges.

IFRS 2 (amendments), 'Group cash-settled share-based payment transactions', effective form 1 January 2010. In addition to incorporating IFRIC 8, 'Scope of IFRS 2', and IFRIC 11, 'IFRS 2 – Group and treasury share transactions', the amendments expand on the guidance in IFRIC 11 to address the classification of group arrangements that were not covered by that interpretation.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Standards, amendments and interpretations effective in 2010 (cont'd)

IFRS 5 (amendment), 'Non-current assets held for sale and discontinued operations'. The amendment specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, in particular paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1.

IFRS 2 (amendments), 'Group cash-settled share-based payment transactions', effective form 1 January 2010. In addition to incorporating IFRIC 8, 'Scope of IFRS 2', and IFRIC 11, 'IFRS 2 – Group and treasury share transactions', the amendments expand on the guidance in IFRIC 11 to address the classification of group arrangements that were not covered by that interpretation.

IFRS 5 (amendment), 'Non-current assets held for sale and discontinued operations'. The amendment specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, in particular paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1.

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2010 and not early adopted. The bank's assessment of the impact of these new standards and interpretations is set out below.

IFRS 9, 'Financial instruments', issued in November 2009. This standard is the first step in the process to replace IAS 39, 'Financial instruments: recognition and measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the bank's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption.

Revised IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. IAS 24 (revised) is mandatory for periods beginning on or after 1 January 2011. Earlier application, in whole or in part, is permitted. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The bank will apply the revised standard from 1 January 2011. The bank is currently putting systems in place to capture the necessary information. It is, therefore, not possible at this stage to disclose the impact, if any, of the revised standard on the related party disclosures.

Classification of rights issues' (amendment to IAS 32), issued in October 2009. The amendment applies to annual periods beginning on or after 1 February 2010. Earlier application is permitted. The amendment addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities. The amendment applies retrospectively in accordance with IAS 8 'Accounting policies, changes in accounting estimates and errors'. The bank will apply the amended standard from 1 January 2011.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

IFRIC 19, 'Extinguishing financial liabilities with equity instruments', effective 1 July 2010. The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished.

'Prepayments of a minimum funding requirement' (amendments to IFRIC 14). The amendments correct an unintended consequence of IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct this. The amendments are effective for annual periods beginning 1 January 2011. Earlier application is permitted. The amendments should be applied retrospectively to the earliest comparative period presented. The will apply these amendments for the financial reporting period commencing on 1 January 2011.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

2. *Financial risk management*

Introduction and overview

The bank's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the bank's business, and the operational risks are an inevitable consequence of being in business. The bank's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on its financial performance. The most important types of risk include:

- Credit risk
- Liquidity risk
- Market risk- includes currency, interest rate and other price risk
- Operational risk

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The board has established a Board Audit and Risk Committees and a risk department to assist in the discharge of this responsibility. The board has also established the Credit Committee which is responsible for developing and monitoring risk management in their respective areas.

The bank's risk management policies are established to identify and analyse the risks faced by the bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The bank's Audit and Risk Management Committees are responsible for monitoring compliance with the bank's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the bank. The Audit and Risk Management Committees are assisted in these functions by Internal Audit and the risk management departments. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to theSub Board Audit Committee.

I) Credit risk

Credit risk is the risk of financial loss to the bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the bank's loans and advances to customers and other banks and investment securities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

2. *Financial risk management - (continued)*

For risk management reporting purposes, the bank considers and consolidates all elements of credit risk exposure.

Management of credit risk

The Board of Directors has delegated responsibility for the management of credit risk to its Credit-Committee and Sub-Board Risk Management Committee. A separate Credit department, reporting to the Executive Committee, is responsible for oversight of the bank's credit risk, including:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.

- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business units. Larger facilities require approval by the Executive Committee members and the Board (Sub Committee) on risk management.

- Reviewing and assessing credit risk. The Credit departments assess all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process. Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances), and by issuer, credit rating band, market liquidity and country (for investment securities).

  Developing and maintaining the bank's risk grading in order to categorise exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures. The current risk grading framework consists of 4 grades reflecting varying degrees of risk of default and the availability of collateral or other credit risk mitigation. The responsibility for setting risk grades lies with the Board of Directors. Risk grades are subject to regular reviews by the Risk Management Department.

- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports are provided to the credit department on the credit quality of portfolios and appropriate corrective action is taken.

- Providing advice, guidance and specialist skills to business units to promote best practice throughout the bank in the management of credit risk.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

2. *Risk management*

The Bank has a risk management department organised into credit control, recoveries and operational control. Under the credit control department, it has credit administration, credit risk appraisal and credit monitoring. The department is responsible for managing all risks to which the Bank is exposed (operational risk, credit risk, liquidity risk, interest rate risk and foreign currency risk.) The risk management department is developing a risk management framework for the Bank.

The Bank treats all branches as independent business units which generate their own income, run their own profit and loss account and statement of financial position. The head office consolidates these and exercises oversight responsibility over all the branches. Credit is generated at the branch level and is then channelled through the credit control unit of the risk management department where a credit risk appraisal is performed to assess whether to engage the client or not. The client's file is then moved to the head of risk management and to the other appropriate levels (credit committee, board and so on) for final approval before credit is granted. There is also the monitoring aspect where the head office credit monitoring team monitors the loans and their performance in addition to the monitoring performed at the branch level. Where a loan goes beyond current, it is classified as either olem, substandard, doubtful and loss, as recommended by the Central Bank of Ghana. Where a loan goes beyond current, there is the recoveries team which moves in to recover loan losses. From 2009, the Bank is implementing a different loan classification/structure which is more stringent than those recommended by Central Bank of Ghana. There will be no classification based on current, olem, substandard, doubtful or loss except for Central Bank of Ghana reporting.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

2. Accounting policies (continued)	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
On- statement of financial position items			
a) Government securities	165,924,200	165,924,200	125,593,869
b) Deposits Due From financial Institutions			
- Local	30,996,784	30,996,784	33,730,468
- Foreign	3,851,450	3,851,450	15,221,883
	34,848,234	34,848,234	48,952,351
c) Loans and advances to customers: Loans to individuals:			
- Overdrafts	64,108,147	64,108,147	46,591,761
- Term loans	86,769,440	86,769,440	63,061,268
	150,877,587	150,877,587	109,653,029
Loans to corporate entities:			
- Overdrafts	187,999,163	187,999,163	136,631,809
- Term loans	262,575,388	262,575,388	190,831,436
	450,574,551	450,574,551	327,463,245
Gross loans and advances (including suspended interest)	601,452,138	601,452,138	437,116,274
c) Other assets			
- Inter Bank Clearing Items	6,049,359	6,049,359	14,546,257
- Other	83,451,875	83,451,875	59,586,778
	89,501,234	89,501,234	74,133,035
Off- statement of financial position items			
Letters of credit	30,252,536	30,252,536	8,858,819
Guarantees & indemnities	114,065,420	114,065,420	126,331,058
	144,317,956	144,317,956	135,189,877

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

2. Financial risk management (continued)

i) Credit risk (continued)

The bank does not perceive any significant credit risk on the following financial assets:

- Investments in Government securities and Central Bank of Ghana.
- Off statement of financial position items

Classification of loans and advances

The table below represents the maximum credit risk exposure to the bank at 31 December 2010, and after taking into account credit enhancements.

2010

Loans and advances to customers Impairment	Gross amounts GH¢	%
Neither past due nor impaired	351,165,827	92%
Past due but not impaired	30,252,434	8%
	381,418,261	**100%**

Each business unit is required to implement bank credit policies and procedures, with credit approval authorities delegated from the banks Risk Management Department. Each business unit has a Credit Risk officer who reports on all credit related matters to Risk Management Department.

Impaired loans

Impaired loans and securities are loans and securities for which the bank determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan / securities agreement(s).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

2. Financial risk management (continued)

i) Credit risk (continued)

Past due but not impaired loans

Loans and advances where contractual interest or principal payments are past due but the bank believes that impairment is not appropriate on the basis of the level of security / collateral available and / or the stage of collection of amounts owed to the bank.

Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the bank has made concessions that it would not otherwise consider. Once the loan is restructured it remains in this category independent of satisfactory performance after restructuring.

Allowances for impairment

The bank establishes an allowance for impairment losses that represents its estimate of incurred losses in its loan portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established for banks of homogeneous assets in respect of losses that have been incurred but have not been identified on loans subject to individual assessment for impairment.

Write-off policy

The bank writes off a loan / security balance (and any related allowances for impairment losses) when the Credit department determines that the loans are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower's financial position such that the borrower can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller balance standardised loans, charge off decisions generally are based on a product specific past due status.

Collateral held

The bank holds collateral against loans and advances to customers in the form of cash, mortgage interests over property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired. Collateral generally is not held over Interbank placements, except when securities are held as part of reverse repurchase and securities borrowing activity. Collateral usually is not held against investment securities, and no such collateral was held at 31 December 2010

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

2. Financial risk management (continued)

Collateral held (Continued)

An estimate of the fair value of collateral and other security enhancements held against financial assets is shown below:

Loans and advances to customers	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
Against individually impaired			
Property	51,845,298	51,845,298	146,306,744
Against neither past due nor impaired			
Property	481,737,289	481,737,289	312,985,301
Total	**533,582,587**	**533,582,587**	**459,292,045**

Concentrations of risk

The bank monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk at the reporting date is shown below:

(a) **Advances to customers- gross**

	2010 GH¢	2010 %	2009 GH¢	2009 %
Agriculture	174,222,745	28.97%	105,304,582	24.09%
Manufacturing	34,524,531	5.74%	50,077,713	11.46%
Commerce & Finance	149,157,983	24.80%	48,297,276	11.05%
Transport & communications	12,852,931	2.14%	13,507,098	3.09%
Mining and quarrying	7,526,405	1.25%	9,359,085	2.14%
Building & construction	47,939,554	7.97%	42,314,151	9.68%
Services	168,445,873	28.01%	143,192,212	32.76%
Others	6,782,116	1.13%	25,064,156	5.73%
	601,452,138	**100%**	**437,116,273**	**100%**

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

(b) **Off statement of financial position items (letters of credit and guarantees)**

	2010		2009	
	GH¢	%	GH¢	%
Social comm. & personal serv.	29,556,317	20.48%	27,686,887	20.48%
Business services	71,062,162	49.24%	66,567,496	49.24%
Transport & communication	23,783,599	16.48%	22,279,292	16.48%
Other	19,107,697	13.24%	17,899,140	13.24%
Manufacturing	808,181	0.56%	757,063	0.56%
	144,317,956	**100%**	**135,189,878**	**100.00%**

Settlement risk

The bank's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of a company to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For certain types of transactions the bank mitigates this risk by conducting settlements through a settlement / clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval / limit monitoring process described earlier. Acceptance of settlement risk on free settlement trades requires transaction specific or counterparty specific approvals from the bank's risk function.

ii. **Liquidity risk**

Liquidity risk is the risk that the bank will encounter difficulty in meeting obligations from its financial liabilities-

Management of liquidity risk

The bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the bank's reputation.

The treasury department maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the bank as a whole.

Exposure to liquidity risk

The key measure used by the bank for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose net liquid assets are considered as including cash and cash equivalents and investment grade debt securities for which there is an active and liquid market less any deposits from banks, debt securities issued, other borrowings and commitments maturing within the next month.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Residual contractual maturities of financial liabilities
The table below presents the cash flows payable by the bank under non-derivative financial liabilities by the remaining contractual maturities at the date of the statement of financial position. The amounts disclosed in the table are the contractual undiscounted cashflows, whereas the bank manages the inherent liquidity risk based on expected undiscounted inflows.

The bank's cashflow however vary significantly from this analysis. For example, customer deposits are maintained for longer periods than the contractual maturity dates hence the deposit base is considered to be of a stable and long term nature.

The previous table shows the undiscounted cash flows on the bank's financial liabilities and unrecognised loan commitments on the basis of their earliest possible contractual maturity. The bank's expected cash flows on these instruments vary significantly from this analysis. For example, demand deposits from customers are expected to maintain a stable or increasing balance; and unrecognised loan commitments are not all expected to be drawn down immediately. The gross nominal inflow / (outflow) disclosed in the previous table is the contractual, undiscounted cash flow on the financial liability or commitment.

iii. **Market risks**
Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the bank's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Management of market risks
Overall responsibility for management of market risk rests with Asset and Liability Management Committee (ALCO). The risk department is responsible for the development of detailed market risk management policies (subject to review and approval by ALCO) and for the day to day implementation of those policies.

a) **Interest rate risk**
The bank is exposed to the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The maturities of assets and liabilities and the ability to replace at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the bank's exposure to changes in interest rates and liquidity.

Interest rates on advances to customers and other risk assets are pegged to the bank's base lending rate. The base rate is adjusted from time to time to reflect the cost of funds.

The Assets and Liability Management Committee closely monitors the interest rate trends to minimize the potential adverse impact of interest rate changes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

2. Financial risk management (continued)
ii) Liquidity risk (continued)

	Carrying amount GH¢	Up to 1 month GH¢	1-3 months GH¢	3-12 months GH¢	1-5 years GH¢	Over 5 years GH¢	Total GH¢
Financial liabilities							
Customer deposits	536,079,338	94,068,051	74,882,073	144,399,187	222,730,027	-	536,079,338
Borrowings	221,399,759	128,891,600	7,919,454	33,488,945	17,708,950	33,390,810	221,399,759
Other liabilities	105,171,292	35,391,806	30,450,530	9,405,193	29,923,763	-	105,171,292
Total financial liabilities	**862,650,389**	**258,351,457**	**113,252,057**	**187,293,325**	**270,362,740**	**33,390,810**	**862,650,389**
Financial assets							
Cash and bal. with Central Bank of Ghana	93,263,878	93,263,878	-	-	-	-	93,263,878
Government Securities and other investments	165,924,200	3,071,304	6,532,895	7,000,000	149,320,000	-	165,924,199
Deposits and bal. due from banking institutions	34,848,235	34,848,235	-	-	-	-	34,848,235
Equity Investments	35,157,364	-	854,269	26,281,130	8,021,965	-	35,157,364
Loans and advances to customers (net)	576,986,904	166,915,133	71,406,356	205,046,756	125,905,164	7,713,495	576,986,904
Other assets	89,501,234	-	288,951	69,691,685	19,520,598	-	89,501,234
Property and equipment	10,215,202	-	-	-	10,215,202	-	10,215,202
Total financial assets	**1,005,897,017**	**298,098,550**	**79,082,471**	**308,019,571**	**312,982,929**	**7,713,495**	**1,005,897,016**
NET LIQUIDITY GAP	143,246,628	39,747,093	(34,169,586)	120,726,246	42,620,189	(25,677,315)	**143,246,627**
As at 31 December 2010							
Total financial Liabilities	862,650,389	258,351,457	113,252,057	187,293,325	270,362,740	33,390,810	**862,650,389**
Total financial Assets	1,005,897,017	298,098,550	79,082,471	308,019,571	312,982,929	7,713,495	**1,005,897,016**
NET LIQUIDITY GAP	**143,246,628**	**39,747,093**	**(34,169,586)**	**120,726,246**	**42,620,189**	**(25,677,315)**	**143,246,627**

The bank's cashflow however vary significantly from this analysis. For example, customer deposits are maintained for longer periods than the contractual maturity dates hence the deposit base is considered to be of a stable and long term nature.

2. Financial risk management (continued)

a) Interest rate risk (continued)

The table below summarises the exposure to interest rate risks. Included in the table are the bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The Bank does not bear an interest rate risk on off balance sheet items.

	Less than 1 month	1 month less than 3 months	3 months less than 6 months	6 months less than 1 year	1 year less than 3 years	Total
Financial assets						
Cash and balances with Central Bank of Ghana	93,263,878	-	-	-	-	**93,263,878**
Government Securities	3,071,304	6,532,895	7,000,000	149,320,000	-	**165,924,199**
Deposits and balances due from banking institutions	34,848,235	-	-	-	-	**34,848,235**
Loans and advances to customers (net)	166,915,133	71,406,356	205,046,756	125,905,163	7,713,495	**576,986,903**
Total financial assets	**298,098,550**	**77,939,251**	**212,046,756**	**275,225,163**	**7,713,495**	**871,023,215**
Financial liabilities						
Customer deposits	94,068,051	74,882,073	144,399,187	-	222,730,027	**536,079,338**
Deposits and balances due to banking institutions	128,891,600	7,919,454	33,488,944	17,708,950	33,390,810	**221,399,758**
Total financial liabilities	**222,959,651**	**82,801,527**	**177,888,131**	**17,708,950**	**256,120,837**	**757,479,096**
Interest rate sensitivity Gap						
As at 31 December 2009						
Total financial assets	298,098,550	77,939,251	212,046,756	275,225,163	7,713,495	**871,023,215**
Total financial liabilities	222,959,651	82,801,527	177,888,131	17,708,950	256,120,837	**757,479,096**
Interest rate sensitivity Gap	**75,138,899**	**(4,862,276)**	**34,158,625**	**257,516,213**	**(248,407,342)**	**113,544,119**

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

2. Financial risk management (continued)

a) Interest rate risk (Continued)
The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the bank.

The interest rate risks sensitivity analysis is based on the following assumptions.

- Changes in the market interest rates affect the interest income or expenses of variable interest financial instruments
- Changes in market interest rates only affect interest income or expenses in relation to financial instruments with fixed interest rates if these are recognized at their fair value.
- The interest rate changes will have a significant effect on interest sensitive assets and liabilities and hence simulation modeling is applied to net interest margins.
- The interest rates of all maturities move by the same amount and, therefore, do not reflect the potential impact on net interest income of some rates changing while others remain unchanged.
- The projections make other assumptions including that all positions run to maturity.

Interest rate risk and foreign currency risk
The Bank uses the Reuters system to monitor live interest and exchange rates to facilitate trading by the treasury department. This helps the Bank to know what is happening at any moment in time on the markets and where opportunities are present to make gains from high interest rates. The bank has also instituted a Basel II compliance committee which is scheduled to meet throughout the year to review various risks that the Bank faces and how to move closely to Basel II. The bank does not embark on hedging of its interest rate risk and foreign currency risk.

b. Foreign exchange risk
The bank operates wholly within Ghana and its assets and liabilities are carried in local currency. The bank maintains trade with correspondent banks and takes deposits and lends in foreign currencies. The bank is exposed to the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The bank's currency position and exposure are managed within the exposure guideline of 30% of the core capital as stipulated by the Central Bank of Ghana. This position is reviewed on a daily basis by management.

The exchange rates used for translating the major foreign currency balances at the year end were as follows:

	2010 GH¢	2009 GH¢
United States of America Dollar (US Dollar $)	1.4532	1.4340
Great British Pound (GB Pound £)	2.2511	2.3115
European Union Euro (EURO €)	1.9405	2.0687

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

2. Financial risk management (Continued)

a) Foreign exchange risk (Continued)
The table below summarises the bank's exposure to foreign currency exchange rate risk as at balance sheet date. (All figures are in thousand Ghana Cedis)

a. Assets	USD	GBP	EUR	OTHER	TOTAL GH¢
Cash & bal. with Central Bank of Ghana	2,862,132	711,753	1,213,257	91,878	4,879,020
Equity Investment	-	9,464,157	-	-	9,464,157
Deposits and bal. due from banking inst.	1,422,107	317,923	1,106,815	219	2,847,064
Loans and advances to customers (net)	73,616,071	-	1,100,000	-	74,716,071
Other Assets	172,362	7,595	11,017	60	191,034
Total financial assets	**78,072,672**	**10,501,428**	**3,431,089**	**92,157**	**92,097,346**
b. Financial liabilities					
Customer deposits	38,381,707	1,231,795	2,486,709	109,351	42,209,562
Borrowings	27,999,989	-	-	-	27,999,989
Other Liabilities	7,876,579	27,588	142,641	91	8,046,899
Total financial liabilities	**74,258,275**	**1,259,383**	**2,629,350**	**109,442**	**78,256,450**
C Net bal. sheet position	**3,814,397**	**9,242,045**	**801,739**	**(17,285)**	**13,840,896**
As at 31 December 2009					
A Total financial assets	78,072,672	10,501,428	3,431,089	92,157	92,097,346
B Total financial Liabilities	74,258,275	1,259,383	2,629,350	109,442	78,256,450
C Net balance sheet position	**3,814,397**	**9,242,045**	**801,739**	**(17,285)**	**13,840,896**

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

2. Financial risk management (Continued)

b) Foreign exchange risk (continued)

Foreign exchange risk - Appreciation/depreciation of GH¢ against other currencies by approx. 10%

The Foreign exchange risks sensitivity analysis is based on the following assumptions:
- Foreign exchange exposures represent net currency positions of all currencies other than Ghana Cedis.
- The currency risk sensitivity analysis is based on the assumption that all net currency positions are highly effective.
- The base currency in which the bank's business is transacted is Ghana Cedis.

iv) Operational risks
Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the bank's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the bank's operations and are faced by all business entities.

This is a major risk to the Bank because it has the potential of running the whole bank down if not managed. Operational risks relate to the risk that the Bank's operations may be halted temporarily or permanently by inadequate internal and/or systems controls, allowing for people to take advantage to commit fraud. The bank has invested more into managing this risk and saving the assets of the company.

The bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the bank's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall bank standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

Compliance with the bank's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The reports of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Board Sub-Audit Committee.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

3. Capital Management

Regulatory capital

The Central Bank of Ghana sets and monitors capital requirements for the bank.
The bank's objectives when managing capital are:

- To safeguard the bank's ability to continue as a going concern so that it can continue to provide returns for the shareholders and benefits for the other stakeholders.

- To maintain a strong capital base to support the current and future development needs of the business.

- To comply with the capital requirements set by the Central Bank of Ghana.

  Capital adequacy and use of regulatory capital are monitored by management employing techniques based on the guidelines developed by the Central Bank of Ghana for supervisory purposes. The required information is filed with the Central Bank of Ghana on a monthly basis.

The Central Bank of Ghana requires each bank to:

a) Hold the minimum level of regulatory capital of GH¢60 Million by the end of 2010.
b) Maintain a ratio of total regulatory capital; to risk weighted assets plus risk weighted off balance assets at above the required minimum of 10%;

The bank's regulatory capital is analysed into two tiers:

- Tier 1 capital, which includes ordinary share capital, share premium, retained earnings, after deductions for intangible assets (excluding computer software), investments in equity instruments of other institutions and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.

- Tier 2 capital, which includes Capitalised Revaluations Reserves; Latent Revaluation Reserves; Undisclosed Reserves; Revaluation Reserves; Sub-Ordinated Loans and Hybrid Capital subject to a limit of 100% of Tier 1 Capital.

The bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

3. Capital management (continued)

Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation, by Bank Risk and Bank Credit, and is subject to review by the Bank Credit Committee and or ALCO as appropriate.

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the bank to particular operations or activities, it is not the sole basis used for decision making. Account also is taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the bank's longer term strategic objectives. The bank's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

4 a. Critical accounting estimates and judgements in applying the bank's accounting policies

In the process of applying the bank's accounting policies, management has made estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. These are dealt with below:

b. Impairment losses on loans and advances

The bank reviews its loan portfolios to assess impairment regularly. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the bank makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cashflows from a portfolio of loans, before a decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a bank, or national or local economic conditions that correlate with defaults on assets in the bank.

c. Impairment losses on loans and advances

Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

d. Held -to-maturity investments

The bank follows the guidance of IAS 39 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, the bank evaluates its intention and ability to hold such investments to maturity. If the bank fails to keep these investments to maturity other than for the specific circumstances - for example, selling an insignificant amount close to maturity - it will be required to reclassify the entire class as available-for-sale. The investments would therefore be measured at fair value not amortised cost.

e. Property and equipment

Critical estimates are made by the directors in determining depreciation rates for property and equipment.

5. Going concern

As at 31 December 2010, the bank had an accumulated revenue surplus of GH¢31,861,138 (2009 - Surplus of GH¢6,949,811).

The directors are confident of continued Profitable performance in the coming years in view of the continued stability of the Ghanaian economy in the face of daunting challenges aroused by the current global financial crises. The Directors have put in place measures to ensure consistent good performance and avoid risks that may impair the Quality of the Banks credit portfolio.

In view of the above, the directors consider it appropriate to prepare these financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

6. Interest income

	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
Loans and advances	113,100,855	113,100,855	63,550,062
Government securities - (Held to Maturity Investments)	27,931,993	27,931,993	15,793,753
Inter bank placement	1,480,236	1,480,236	2,072,123
Leases (including agric inputs)	328,915	328,915	-
	142,841,999	**142,841,999**	**81,415,938**

Included within interest income from loans and advances for the year ended 31st December 2010 is a total of GH¢10,595,061 (2009: GH¢10,748,627) accrued on impaired financial assets.

7. Interest expense

(a) On deposits:	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
Fixed /Time deposits	15,660,148	15,660,148	19,634,569
Savings Deposits	2,310,199	2,310,199	5,704,668
Demand & Call deposits	8,446,659	8,446,659	9,394,784
	26,417,006	**26,417,006**	**34,734,021**
(b) On borrowed funds:			
Inter-Bank Borrowing	5,462,910	5,462,910	522,337
Long-Term Borrowings	5,531,652	5,531,652	4,346,797
	10,994,562	**10,994,562**	**4,869,134**
	37,411,568	**37,411,568**	**39,603,155**

8. Fees and commission

(a) Income	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
Commission on Turnover	5,955,027	5,955,027	5,090,373
Fees and Charges	8,938,602	8,938,602	9,440,286
Foreign Trade Income	8,465,498	8,465,498	8,536,662
Sale of Cheque Book Charges	679,530	679,530	613,167
Loan Fee Incomes	5,048,202	5,048,202	4,260,514
Guarantees Charges & Commission	414,035	414,035	686,191
	29,500,894	**29,500,894**	**28,627,193**

9. Foreign Trade income

This represents fees and commission earned on foreign transactions in the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

10. Other operating income

	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
Bad debts recovered	2,616,005	2,616,005	4,167,972
Dividends from investments	949,205	949,205	896,034
Agric Input Income	-	-	25,274
Interest on staff loans	4,657,847	4,657,847	1,459,144
	8,223,057	**8,223,057**	**6,548,424**

11. Operating expenses

	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
Staff costs (Note 12)	71,365,281	71,365,281	33,226,118
Directors' fees	170,500	170,500	85,780
Depreciation	2,892,128	2,892,128	3,927,429
Occupancy Cost	6,415,414	6,415,414	9,231,617
Auditors Remuneration	85,000	85,000	70,000
Donations and Social Responsibility	605,725	605,725	492,140
Motor Vehicle Running Expenses	4,345,678	4,345,678	1,097,723
General & Administrative Expenses	28,261,001	28,261,001	13,803,226
Others	42,096	42,096	13,712
	114,182,823	**114,182,823**	**61,947,745**

12. Staff costs

	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
Salaries and wages	42,564,276	42,564,276	20,699,221
Pension costs - (Defined contribution scheme to SSNIT)	4,187,650	4,187,650	2,228,396
Staff Provident Fund (Defined Contribution Scheme)	4,852,825	4,852,825	2,673,066
Staff loans - market rate charge	4,657,847	4,657,847	1,459,144
Other staff related costs	15,102,683	15,102,683	6,166,291
	71,365,281	**71,365,281**	**33,226,118**

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

13. Earnings per share

Earnings per share is calculated by dividing the net profit attributable to shareholders by the number of ordinary shares in issue during the year.

	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
Earnings (GH¢)	33,215,103	33,215,103	12,667,366
Earnings attributable to ordinary shareholders	**33,215,103**	**33,215,103**	**12,667,366**
Number of shares			
Number of ordinary shares	25,000,000	25,000,000	25,000,000
Earnings per share	1.329	1.329	0.507
Basic (GH¢)	1.329	1.329	0.507

There were no potentially dilutive instruments outstanding at the date of the statement of financial position.

14. Cash and balances with Central Bank of Ghana

	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
Cash on hand	20,757,948	20,757,948	23,858,241
Balances with Central Bank of Ghana	72,505,931	72,505,931	52,032,702
	93,263,879	**93,263,879**	**75,890,943**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

15. Government securities Available for Sale Investments:	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
91-Day Treasury Bill	4,000,000	4,000,000	60,500,000
Treasury Notes	8,678,626	8,678,626	-
182-Day Treasury Bill	-	-	38,500,000
2-5 Year Fixed Rate Note	152,391,304	152,391,304	23,382,377
Foreign Bills	854,269	854,269	3,211,492
	165,924,199	**165,924,199**	**125,593,869**
Maturing within 90 days of the date of acquisition	4,000,000	4,000,000	60,500,000
	4,000,000	**4,000,000**	**60,500,000**
Maturity between 1 - 3 years of the date of acquisition	161,924,199	161,924,199	65,093,869
	161,924,199	**161,924,199**	**65,093,869**
	165,924,199	**165,924,199**	**125,593,869**

The weighted average effective interest rate on treasury bills at 31 December 2010 was 15.56% (2009 - 22.93%) and the rate for treasury bonds at 31 December 2010 was 18.72% (2009- 22.9%)

16. Deposits and balances due from banking institutions	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
Items in course of collection	23,796,784	23,796,784	10,730,468
Nostro account balances	3,851,450	3,851,450	15,221,883
Placement with other banks	7,200,000	7,200,000	23,000,000
	34,848,234	**34,848,234**	**48,952,351**

The effective interest rate on deposits due from banking institutions at 31 December 2010 was 11.68% (2009 - 4%). The deposits mature within 90 days of the date of the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

17. Equity Investments

	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
At 1 January, 2010	12,458,696	12,458,696	11,371,947
Additional Investments	16,429,218	16,429,218	1,086,749
Fair Value Adjustments	6,269,450	6,269,450	-
At 31 December, 2010	**35,157,364**	**35,157,364**	**12,458,696**

18. Loans and advances to customers

	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
(a) Overdrafts	234,545,468	234,545,468	139,637,107
Loans	366,906,670	366,906,670	297,479,166
Gross loans and advances	601,452,138	601,452,138	437,116,273
Provision for impaired loans and advances:			
- Individually assessed	(24,465,234)	(24,465,234)	(64,251,317)
	576,986,904	**576,986,904**	**372,864,956**

Included in net advances of GH¢576,986,904.00 are loans and advances of GH¢30,370,120.00 which have been classified as non-performing (impaired).

Included in loans and advances to customers are staff loans amounting to GH¢27,118,469.32 (2009 - GH¢14,607,481).

The effective interest rate on loans and advances at 31 December 2010 was 21.95% (2009 - 28.5%).

(b) By maturity	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
Maturing:			
Within one year	295,675,727	295,675,727	315,551,331
One to Three years	281,311,177	281,311,177	57,313,625
	576,986,904	**576,986,904**	**372,864,956**

Notes to the Financial Statements
for the year ended 31 December 2010

18. Loans and advances to customers

(c) Impairment of loans and advances

	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
At 1 January	64,251,317	64,251,317	46,120,835
Amount Written-off	(64,482,546)	(64,482,546)	-
Additional Provision	18,010,979	18,010,979	-
Additional impairment charge during the year	6,685,484	6,685,484	18,130,482
At 31 December	**24,465,234**	**24,465,234**	**64,251,317**

18. Impairment expense

(d)

	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
Impairment Charge	**6,685,484**	**6,685,484**	**15,896,510**

18. Bad debts expense

(e)

	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
Bad debts Written-off	**64,482,546**	**64,482,546**	-

19. Other assets

	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
Advance payment	4,147,902	4,147,902	3,194,464
Prepayments	5,392,847	5,392,847	4,872,699
Stationery Stocks	1,299,314	1,299,314	636,752
Sundry receivables	49,067,656	49,067,656	21,044,643
Others	29,593,515	29,657,546	43,996,977
	89,501,234	**89,565,265**	**73,745,535**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

20. Property & equipment

	Land & Building GH¢	Computers GH¢	Furniture & Equip't GH¢	Motor vehicles GH¢	Capital WIP GH¢	Total GH¢
Cost/Valuation						
At 1 January 2010	16,622,045	12,093,344	7,689,078	5,716,621	267,705	**42,388,793**
Additions	658,315	4,000,535	2,159,699	16,593	529,885	**7,365,027**
Disposal	-	-	-	(1,032,134)	-	**(1,032,134)**
Transfers/Revaluations	(17,279,560)	(1,135,515)	(1,833,230)	(2,452,522)	(29,993)	**(22,730,820)**
At 31 Dec. 2010	**800**	**14,958,364**	**8,015,547**	**2,248,558**	**767,597**	**25,990,866**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

20. Property & equipment - (continued)

	Land & Building GH¢	Computers GH¢	Furniture & Equip't GH¢	Motor vehicles GH¢	Capital WIP GH¢	Total GH¢
Depreciation						
At 1 Jan. 2010	1,852,352	9,458,919	3,345,190	2,673,466	-	17,329,927
Charge for the year	145,492	1,588,694	733,722	424,221	-	2,892,129
Released on Disp./Reval.	-	-	-	(613,677)	-	(613,677)
Transfers	(1,997,844)	(99,817)	5,976	(1,741,030)	-	(3,832,715)
At 31 Dec. 2010	-	10,947,796	4,084,888	742,980	-	15,775,664
Net book value						
At 31 Dec. 2010 (Bank)	800	4,010,568	3,930,659	1,505,578	767,597	10,215,202
At 31 Dec. 2010 (Group)	14,429,609	4,010,568	3,930,659	1,505,578	767,597	24,644,011
At 31 Dec. 2009	14,769,693	2,634,425	4,343,888	3,043,155	267,705	25,058,866

The capital work in progress relates mainly to ongoing construction of new business office premises.

20. Property & equipment - (continued)

Disposal Schedule	Land & Building GH¢	Computers GH¢	Furniture & Equip't GH¢	Motor vehicles GH¢	Capital WIP GH¢	Total GH¢
Cost	-	-	-	1,032,134	-	1,032,134
Accumulated depreciation	-	-	-	(613,677)	-	(613,677)
Net book value	-	-	-	418,457	-	418,457
Proceeds	-	-	-	491,148	-	491,148
Profit/(Loss)	-	-	-	72,691	-	72,691

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

21. Customer deposits	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
Savings Deposits	119,035,846	119,035,846	85,439,480
Demand and Call Deposits	297,780,835	297,780,835	234,297,988
Fixed/Time Deposits	119,262,657	119,262,657	105,407,347
	536,079,338	**536,079,338**	**425,144,815**

21 Customer deposits Maturity analysis of customer deposits GH¢	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009
(a) From Government and parastatals:			
Payable within 90 days	12,329,825	12,329,825	9,778,251
Payable after 90 days and within one year	186,287,570	186,287,570	147,745,493
	198,617,395	**198,617,395**	**157,523,744**
(b) From Private Sector and individuals:			
Payable within 90 days	185,644,275	185,644,275	147,222,717
Payable after 90 days and within one year	151,817,668	151,817,668	120,398,354
	337,461,943	**337,461,943**	**267,621,071**
At 31 December	**536,079,338**	**536,079,338**	**425,144,815**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

22 Borrowed funds

	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
Other Financial Institutions	53,913,984	53,913,984	50,741,529
Central Bank of Ghana	721,970	721,970	732,705
Government of Ghana	37,872,204	37,872,204	36,726,913
Overnight Borrowing	128,891,600	128,891,600	-
	221,399,758	**221,399,758**	**88,201,147**

23. Interest payable & other liabilities

	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
Interest Payable	1,802,764	1,802,764	3,915,224
Payables	34,060,835	34,060,835	46,982,749
Accruals	20,644,304	20,644,304	11,335,273
Other liabilities	48,663,389	63,099,873	35,368,827
Dividend payable	-	-	2,000,000
	105,171,292	**119,607,776**	**99,602,073**

24 Stated Capital

(a) The number of authorised shares is 100,000,000 shares.

(b) Stated Capital is made up as follows:

	2010		2009	
	No. of Shares	Proceeds GH¢	No.of Shares	Proceeds GH¢
Issued for Cash	900,352	450,200	900,352	450,200
For Consideration other than cash	638,772	319,400	638,772	319,400
Transfer from Income Surplus	23,460,876	49,230,400	23,460,876	49,230,400
	25,000,000	**50,000,000**	**25,000,000**	**50,000,000**

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

25 Notes to the statement of cash flows

	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
(a) Reconciliation of profit before taxation to cash generated from operations			
Profit before taxation	34,963,266	34,963,266	13,334,069
Adjustments for:			
Depreciation	2,892,128	2,892,128	3,927,429
Change in provision	(13,673,011)	(13,673,011)	18,130,482
(Gain)/loss on disposal of property and equipment	(72,691)	(72,691)	(73,980)
Movement in PPE	1,385,836	1,385,836	-
Profit before working capital changes	**25,495,528**	**25,495,528**	**35,318,000**
(Increase) /decrease in loans & advances	(228,030,822)	(228,030,822)	(20,388,780)
(Increase)/decrease in other assets	(15,755,699)	(15,763,374)	(758,564)
Increase/(decrease) in customer deposits	110,934,523	110,934,523	105,644,885
Increase/(decrease) in interest payable & other liabilities	5,569,219	20,005,703	10,613,230
Cash generated from operations	**(101,787,251)**	**(87,358,442)**	**130,428,771**

(b) Analysis of the balances of cash and cash equivalents	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
Cash & balances with Bank of Ghana	93,263,879	93,263,879	75,890,943
Government securities	165,924,199	165,924,199	125,593,869
Deposits and balances due from banking institutions	34,848,234	34,848,234	48,952,351
	294,036,312	**294,036,312**	**250,437,163**

For the purposes of the statement of cash flows, cash equivalents include short term liquid investments with maturities less than three months.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

26. Contingencies and commitments including off balance sheet items

In common with other banks, the bank conducts business involving acceptances, guarantees, performances and indemnities. The majority of these facilities are offset by corresponding obligations of third parties.

(a)	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
Letters of credit	30,252,536	30,252,536	8,858,819
Guarantees and Indemnities	114,065,420	114,065,420	126,331,058
	144,317,956	**144,317,956**	**135,189,877**

Letters of credit commit the bank to make payments to third parties, on production of documents, which are subsequently reimbursed by customers.

Concentrations of contingent liabilities are covered under note 2.

27. Management compensation

The remuneration of directors and other members of key management during the year were as follows:

	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
Salaries	2,912,666	2,912,666	1,406,988
Allowances	1,356,912	1,356,912	526,657
	4,269,578	**4,269,578**	**1,933,645**

Management staff constitutes staff with grades Senior Manager and above.

Directors' remuneration	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
Fees for services as directors	170,500	170,500	85,780

28. Retirement benefit obligations

	Bank 2010 GH¢	Group 2010 GH¢	Bank 2009 GH¢
Contributions to the statutory defined contribution pension scheme, the National Social Security Fund	4,187,650	4,187,650	2,228,396
Provident Fund	4,852,825	4,852,825	2,673,066
	9,040,475	**9,040,475**	**4,901,462**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

29. Segmental reporting

A segment is a distinguishable component of the group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Bank currently uses single segmental reporting to management.

30 Assets pledged as security

As at 31 December 2010, there were no assets pledged to secure liabilities.

31 Fair values

The carrying values of financial assets and liabilities are not significantly different from their fair values.

32 Incorporation

The bank is incorporated in Ghana under the Banking Act, Act 673 and the Agricultural Development Bank Act 1965, Act 286.

33 Currency

These financial statements are presented in Ghana Cedis(GH¢)

34 Subsidiary

Name of Subsidiary	Cost of Investment GH¢	Year Formed	Country of Incorporation	Nature of Business	Ownership Interest 2010	2009
ADB Properties	14,436,809	2010	Ghana	Real Estate	100%	-

There was no subsidiary in the prior year hence no comparative for group figures reported in the current year.

34 Social responsibility

Amounts spent on social responsibility amounted to GH¢605,725 (2009: GH¢492,140) which excludes building for the 2009 National Best Farmer of GH¢75,000 (2009: GH¢62,900).

OFFICES IN GHANA

HEAD OFFICE

37 Independence Avenue
P. O. Box 4191, Accra
Tel: (030) 2770403, 2762104, 2783122, 2784394
Fax: (030) 2784893, 2770411
E-mail: adbweb@agricbank.com
Website: www.adb.com.gh
Toll-free: 0800-10034

ZONAL OFFICES

Retail Performance Monitoring – Southern Zone
P. O. Box Ds2270
Tel: 030 – 2302035, 2302036, 2302037
Fax: 030 - 2312039

Retail Performance Monitoring – Northern Zone
P. O. Box 3841, Kumasi
Tel: 032- 2045262, 2045260, 2045265
Tel (Legal Dept): 032- 2045268
Tel (Corporate Banking): 032-2045273
Tel (Estates): 032- 2045271
Fax: 032- 2045270

BRANCHES, AGENCIES & FARM LOAN OFFICES

ASHANTI REGION

Ashanti Bekwai Branch
PMB, Ashanti Bekwai
Tel: 032- 2420315, 2420357
Fax: 032- 2420315

Ejura FLO
c/o P. O. Box 3841, Kumasi
Tel: 032 - 2322042

Kumasi-Adum Branch
P. O. Box 3841, Kumasi
Tel: 032- 2039854, 2031537, 2021521, 2024347, 2024333, 2026892
Fax: 032-2026215, 2031536

Kumasi-Amakom Branch
P. O. Box AH 9428, Kumasi
Tel: 032- 2049576, 2049579, 2049575
Fax: 032- 2049577

Kumasi-Asokwa Branch
P. O. Box AH 9428, Kumasi
Tel: 032- 2033449, 2035461, 2035466
Fax: 032- 2039752

Kumasi-Central Market Branch
P. O. Box R-204, Kumasi
Tel: 032- 2033481, 2033461, 2033455, 2033914, 2033913
Fax: 032- 2033465

Kumasi-Prempeh II St. Branch
P. O. Box KS 8494, Kumasi
Tel: 032- 2045263, 2045275, 2045276, 2045277, 2045279, 2045278
Fax: 032- 2045269

New Edubiase Branch
P. O. Box 33, New Edubiase
Tel: 033- 2194674, 2192202

Obuasi Branch
Private Mail Bag, Obuasi
Tel: 032- 2540701, 2540700
Fax: 032- 2540672

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Brong-Ahafo Region

Atebubu Branch
P. O. Box 18, Atebubu
Tel: 032-2099568, 032-2099574
Fax: 035- 2622026

Berekum Branch
P. O. Box 209, Berekum
Tel: 035- 2222104, 2222153, 2222507
Fax: 035- 2222104

Bonsu Nkwanta Branch
c/o P. O. Box 3841, Kumasi
Tel. 032-2190715

Dormaa Ahenkro Branch
PMB, Dormaa Ahenkro
Tel: 035- 2322037, 2322165
Fax: 035- 2322251

Goaso Branch
P. O. Box 72, Goaso
Tel: 035- 2091918, 2094370, 024- 4312134

Kenyasi Branch
P. O. Box KN2, Kenyasi
Tel: 035- 2084594, 2094858, 2094859

Kwapong Branch
Private Mail Bag, Kwapong
Tel: 032- 2034795

Nkoranza Branch
P. O. Box 70, Nkoranza
Tel: 035- 2043678, 2092074, 2097313
Fax: 035- 2046020

Sunyani Branch
P. O. Box 110, Sunyani
Tel: 035-2027192, 2027075, 2023108, 2025887, 2027158, 2023107
Fax: 035- 2027192

Techiman Branch
P. O. Box 16, Techiman
Tel: 035- 2022304, 2091080, 2091686
Fax: 035 - 2022304

Techiman Agency
P. O. Box 16, Techiman
Tel: 035-2091312
Fax: 035- 2522304

Central Region

Agona Swedru Branch
P. O. Box 200, Agona Swedru
Tel: 033- 2020348, 2020522
Fax: 033-2021683

Assin Fosu Branch
P. O. Box 151, Assin Fosu
Tel: 033- 219220, 2192203, 2192205

Buduburam Agency
c/o P. O. Box 11957, Kaneshie
Tel: 030- 2277092, 2277109

Cape Coast Branch

P. O. Box 160, Cape Coast
Tel: 033- 2132834, 2132836, 2132563
Fax: 033- 2132836

Mankessim Branch
PMB MK 286, Mankessim
Tel. 034-2093015

UCC Branch
P. O. Box 160, Cape Coast
Tel: 033- 2131989, 2131806, 2137791
Fax: 033- 2130630

Winneba Agency
c/o P. O. Box 200
Agona Swedru

Eastern Region

Juapong Branch
P. O. Box 31, Juapong
Tel: 034-2091530, 2094299, 2094376

Koforidua Branch
P. O. Box 124, Koforidua
Tel: 034- 2022292, 2022739
Fax: 034- 2022292

Nkawkaw Branch
P. O. Box 86, Nkawkaw
Tel: 034 - 3122041, 3122068, 3122028, 3122457
Fax: 034 – 3122446

Suhum Branch
Private Mail Bag, Suhum
Tel: 034- 2522373, 2522374
Fax: 034-2522374

Greater-Accra Region

Abeka La-Paz Branch
P. O. Box 4191, Accra
Tel: 030- 2228523, 2244649, 2244688
Fax: 030- 2244649

Accra Makola Branch
c/o P. O. Box 4191, Accra
Tel: 030- 2668265, 2674308, 2675596
Fax: 030- 2668740

Accra New Town Branch
P. O. Box 15, Accra New Town
Tel: 030- 2220989, 2220986, 2220993
Fax: 030- 2220990

Achimota Branch
P. O. Box AT 997, Achimota Market, Accra
Tel: 030- 2420038, 2420036
Fax: 030- 2420038

Adabraka Branch
P. O. Box 452, Accra New Town
Tel: 030- 2221047, 2242417, 2242420
Fax: 030- 2221047

ADB House Branch
P. O. Box 4191, Accra
Tel: 030- 2785473, 2783730
Fax: 030- 2783590

Ashaiman Branch
c/o P. O. Box 692, Tema
Tel: 030 – 3308011, 3308063

Cedi House Branch
PMB, Ministry Post Office, Accra
Tel: 030- 2662745, 2662519
Fax: 030- 2662951

Dansoman Branch
P. O. Box DS 2270, Dansoman, Accra
Tel: 030- 2312414, 2312415, 2318065, 2311636
Fax: 030- 2318064

Gulf House Branch
P. O. Box 4191, Accra
Tel: 030- 2506201, 2506202, 2506203
Fax: 030- 2506220

Kaneshie Branch
P. O. Box 11957, Kaneshie, Accra
Tel: 030- 2688399, 2688400, 2688411-14
Fax: 030- 2688415

Korkordzor Branch
c/o P. O. Box 11957, Kaneshie, Accra
Tel: 030- 2853081, 2853083, 2850428, 2850429
Fax: 030- 2850428

Madina Branch
P. O. Box 4191, Accra
Tel: 030- 2518455, 2518457
Fax: 030- 2518456

Nungua Branch
P. O. Box 875, TNE, Accra
Tel: 030- 2712660, 2717078, 2717079
Fax: 030- 2717078

Osu Branch
P. O. Box 2502, Osu, Accra
Tel: 030- 2782385, 2779696
Fax: 030- 2782386

Ring Road Central Branch
P. O. Box 01557, Osu, Accra
Tel: 030- 2228121, 2229110, 2239409
Fax: 030- 2227280

Spintex Road Branch
P. O. Box 4191, Accra
Tel: 030- 2816212, 2816213, 2816215
Fax: 030- 2816214

Tema Branch
P. O. Box 692, Tema
Tel: 030- 3216100, 3204305, 3203371, 3206396
Fax: 030- 3203372

Tema-Mankoadze Agency
P. O. Box 875, Tema
Tel: 030-3204756, 3200041

Teshie Branch
P. O. Box TNE 875, Accra
Tel: 030- 2712549, 2712664
Fax: 030- 2712549

Northern Region

Savelugu Branch
c/o P. O. Box 600, Tamale
Tel: 037-2095822, 2095820

Tamale-Aboabo Branch
P. O. Box 600, Tamale
Tel: 037- 2026242, 2023700
Fax: 037- 2026242

Tamale-Main Branch
P. O. Box 600, Tamale
Tel: 037- 2022629, 2022936, 2027339
Fax: 037- 2023634

Walewale Agency
P. O. Box 19, Walewale
Tel: 037-2095818, 2095816
Fax: 037-2095818

Yendi Branch
c/o P. O. Box 600, Tamale
Tel: 0244512604, 0244215539, 0240665189

UPPER-EAST REGION

Bawku Branch
P. O. 85, Bawku
Tel: 038- 2222330, 2222298, 2222299
Fax: 038- 2222330

Bolgatanga Branch
P. O. Box 159, Bolgatanga
Tel: 038- 2022321, 2022439, 2022172, 2022178
Fax: 038- 2023443

Navrongo Branch
P. O. Box 47, Navrongo
Tel: 038- 2122200, 2122204, 2122010

UPPER-WEST REGION

Tumu FLO
c/o P. O. Box 130, Wa
Tel: 039- 2022869

Wa Branch
P. O. Box 130, Wa
Tel: 039- 2022095, 2022090, 2022342
Fax: 039- 2022090

VOLTA REGION

Denu Branch
P. O. Box 31, Denu
Tel: 036- 2530612, 2530313, 2530613, 2531210
Fax: 036- 2530612

Ho Branch
P. O. Box HP 1277, Ho
Tel: 036- 2028250, 2028284, 2028289
Fax: 036- 2028274

Hohoe Branch
P. O. Box 143, Hohoe
Tel: 036- 2722027, 2722008
Fax: 036-2722951

Kete Krachie FLO
c/o P. O. Box 27, Hohoe

Kpando Branch
P. O. Box 10, Kpando
Tel: 036-2350939, 2350941, 2350942
Fax: 036-2350940

Kpeve Agency
c/o P. O. Box 10, Kpando
Tel. 036-2095097

Kwamekrom FLO
c/o P. O. Box 27, Hohoe

Nkwanta Branch
P. O. Box 40, Nkwanta
Tel: 054-4338198, 054-4338199

Sogakope Branch
Private Mail Bag, Sogakope
Tel. 036-2095710, 028-9556697
Fax: 036-2095710

Vakpo FLO
c/o P. O. Box 27, Hohoe

WESTERN REGION

Enchi Branch
c/o P. O. Box 3841, Kumasi
Tel: 031 - 2622124
Fax: 031 - 2622082

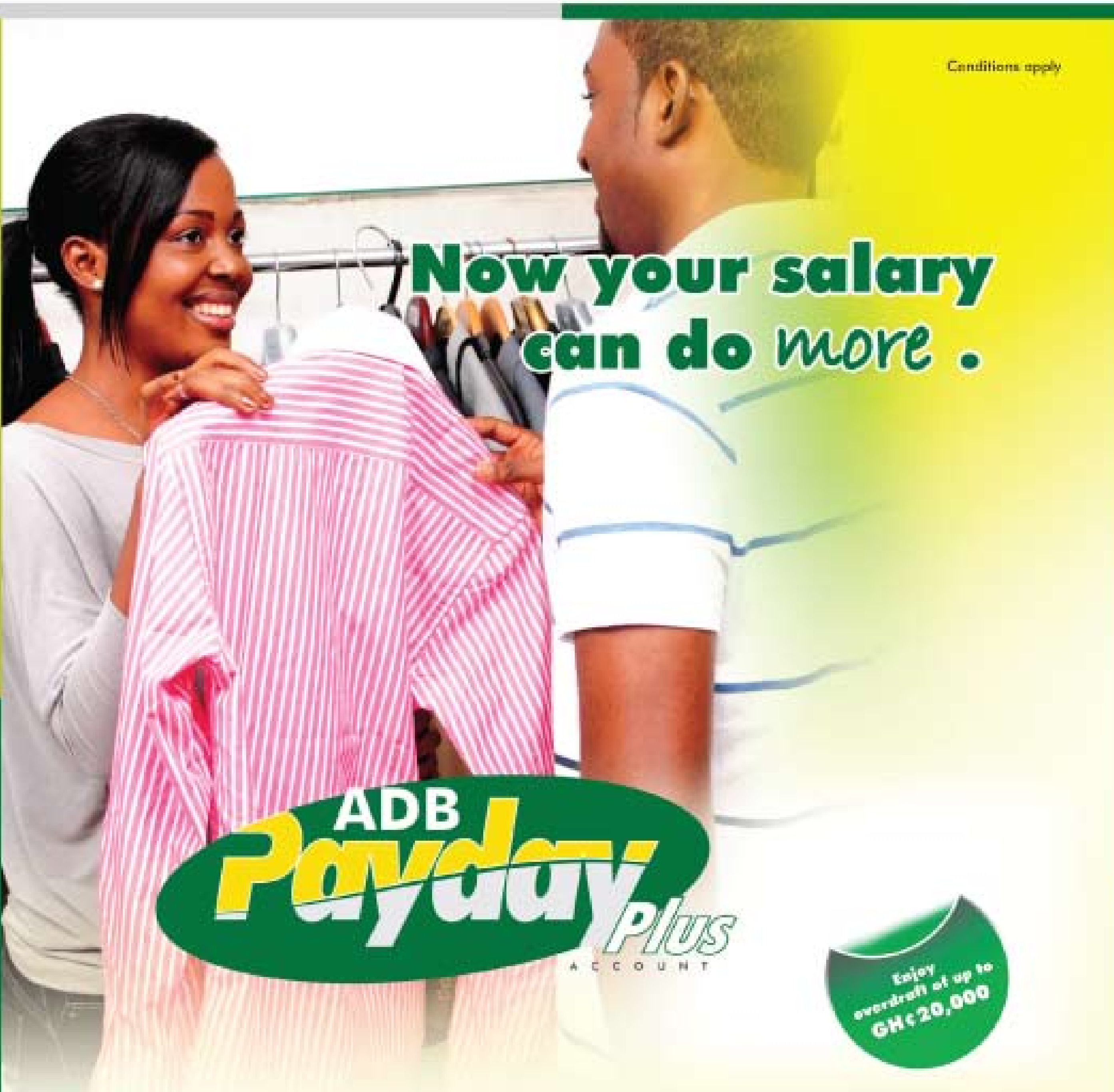
Sefwi Essam Branch
c/o P. O. Box 3841, Kumasi
Tel: 024-0813416

Sefwi Wiawso Branch
P. O. Box 108, Sefwi Wiawso
Tel: 024-3081183, 031- 2092093/2094487

Takoradi Harbour Branch
P. O. Box 600, Takoradi
Tel: 031- 2029049, 2029060, 2029068, 2029080, 2028488
Fax: 031-2029060

Correspondent Banks Abroad

Bank	Currency
Bankers Trust Company P. O. Box 318 Church St. Station, New York N.Y. 10008, USA	USD
BHF-Bank P. O. Box 110311, Brockenheimer Landstrasse 10 D-600 Frankfurt 1, Germany	EURO
Citibank N.A. European Trade Finance Group Cotton Centre, Hays Lane London SE1 2BX United Kingdom	USD
Citibank, N.A. 111 Wall Street, New York N.Y. 10043, USA	USD
Commerzbank AG International Bank Relations Neue Mainzer Strass 32-36 Frankfurt AM Main, Germany	EURO
Ghana International Bank 69 Cheapside Street London EC2 2BB United Kingdom	USD EURO GBP



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