



# Consolidated Balance Sheet

(All amounts are expressed in Ghana cedis)

At 31 December

Assets	Notes	The Bank 2008	The Bank 2007	The Group 2008	The Group 2007
Cash and balances with Bank of Ghana	12	43,304,159	12,927,821	43,361,144	13,246,348
Due from other banks	13	138,755,442	4,389,019	139,480,036	4,297,783
Government securities	14	19,538,770	13,182,435	19,915,085	13,500,326
Pledged assets (Repos)	15	13,217,150	16,552,558	13,217,150	16,552,558
Derivative financial assets	16	22,686	25,556	22,686	25,556
Loans and advances to customers	17	141,567,851	102,625,677	141,506,562	102,625,677
Loans and advances to banks and financial institutions	18	1,250,000	137,949	1,250,000	137,949
Investment securities	19	194,141	266,059	346,460	300,692
Other short-term investments	20	3,041,831	2,108,213	4,211,352	2,976,330
Interest receivable and other assets	21	8,211,046	3,696,676	8,738,387	4,320,902
Investment in subsidiaries and associated companies	22	1,159,166	1,159,166	124,499	124,499
Investment properties	23	-	-	-	82,557
Property and equipment	24	6,198,639	4,066,265	6,440,944	4,279,058
Deferred income tax assets	25	-	296,587	-	300,058
Current income tax assets	26	-	17,938	-	24,482
<b>Total assets</b>		<b>376,460,881</b>	<b>161,451,919</b>	<b>378,614,305</b>	<b>162,794,775</b>
<b>Liabilities and shareholders funds</b>					
Deposits from customers	27	85,205,083	63,795,343	85,205,083	63,795,343
Deposits from banks and financial institutions	28	21,736,041	19,763,969	21,736,041	19,763,969
Due to other banks	29	15,000,000	9,000,000	15,000,000	9,000,000
Derivative financial liability	30	197,816	79,707	197,816	79,707
Interest payable and other liabilities	31	174,174,377	8,644,323	175,382,066	9,345,000
Deferred income tax liabilities	25	323,705	-	325,159	-
Current income tax liabilities	26	208,680	-	203,626	-
Long-term bonds	32	36,266,221	33,143,635	36,266,221	33,143,635
Long-term loans	33	15,844,743	14,130,142	15,844,743	14,130,142
<b>Total liabilities</b>		<b>348,956,666</b>	<b>148,557,119</b>	<b>350,160,755</b>	<b>149,257,796</b>



## Consolidated Balance Sheet

(All amounts are expressed in Ghana cedis)



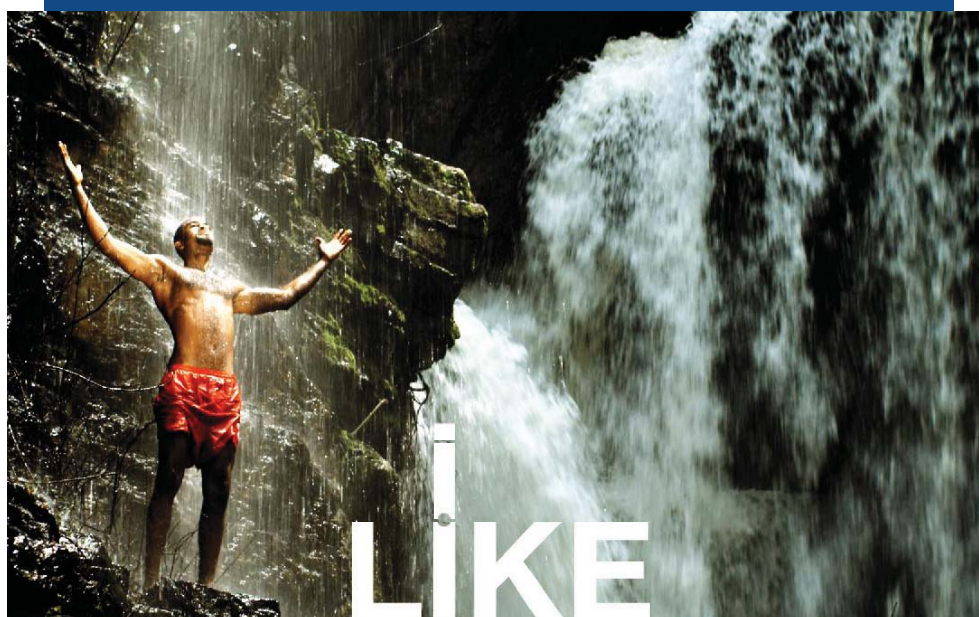
### Equity

Stated capital	34	<b>16,943,859</b>	7,025,239	<b>16,943,859</b>	7,025,239
Income surplus account	45	<b>1,618,794</b>	643,776	<b>2,740,552</b>	1,392,326
Statutory reserve fund	35	<b>7,076,086</b>	4,171,557	<b>7,076,086</b>	4,171,557
Capital surplus account	36	<b>546,366</b>	546,366	<b>562,010</b>	562,010
Housing development assistance fund	37	<b>462,264</b>	171,812	<b>462,264</b>	171,812
Regulatory credit risk reserve	38	<b>831,991</b>	311,195	<b>831,991</b>	311,195
Share deals account	39	<b>24,855</b>	24,855	<b>24,855</b>	24,855
Total shareholders' funds before non controlling interest		<b>27,504,215</b>	12,894,800	<b>28,641,617</b>	13,658,994
Minority interest	40	<b>-</b>	-	<b>(188,067)</b>	(122,015)
Total shareholders' funds		<b>27,504,215</b>	12,894,800	<b>28,453,550</b>	13,536,979
Total liabilities and shareholders' funds		<b>376,460,881</b>	161,451,919	<b>378,614,305</b>	162,794,775

The consolidated financial statements on pages 28 to 80 were approved by the Board of Directors on 4th March, 2009 and signed on its behalf by:

*Mama Agyei Dulcu*  
Chairman

*Asare Akuffo*  
Managing Director



# LIKE Freedom

**Because freedom is exhilarating**

At HFC Bank Internet and SMS Banking give you the Ultimate Banking Freedom  
*What would you like to experience?*





# Consolidated Income Statement

(All amounts are expressed in Ghana cedis)

Year ended 31 December

	Notes	The Bank 2008	The Bank 2007	The Group 2008	The Group 2007
Interest income	4	<b>34,265,629</b>	23,135,366	<b>35,680,024</b>	23,938,904
Interest expense	5	<b>(17,843,959)</b>	(10,957,924)	<b>(17,854,263)</b>	(10,963,336)
<b>Net interest income</b>		<b>16,421,670</b>	12,177,442	<b>17,825,761</b>	12,975,568
Fee and commission income	6	<b>4,519,127</b>	864,892	<b>4,900,957</b>	911,199
Fee and commission expense	6	<b>(221,236)</b>	(91,664)	<b>(221,236)</b>	(91,664)
<b>Net fee and commission income</b>		<b>4,297,891</b>	773,228	<b>4,679,721</b>	819,535
Other operating income		<b>26,421</b>	35,181	<b>73,112</b>	63,061
<b>Operating income</b>		<b>20,745,982</b>	12,985,851	<b>22,578,594</b>	13,858,164
Operating expenses	7	<b>(14,021,131)</b>	(8,990,087)	<b>(15,882,852)</b>	(10,229,959)
Impairment charge for credit losses	17	<b>(2,318,823)</b>	(1,216,926)	<b>(2,407,147)</b>	(1,216,926)
<b>Operating profit</b>		<b>4,406,028</b>	2,778,838	<b>4,288,595</b>	2,411,279
Other income	9	<b>3,509,008</b>	113,696	<b>4,029,401</b>	449,975
<b>Profit before tax</b>		<b>7,915,036</b>	2,892,534	<b>8,317,996</b>	2,861,254
Tax	10	<b>(2,207,641)</b>	(814,528)	<b>(2,303,445)</b>	(860,328)
Minority interest	40	-	-	<b>66,052</b>	122,015
<b>Profit for the year</b>		<b>5,707,395</b>	2,078,006	<b>6,080,603</b>	2,122,941
<b>Attributable to:</b>					
Equity holders of the parent		<b>5,707,395</b>	2,078,006	<b>6,080,603</b>	2,122,941
Minority interest	40	-	-	-	-
		<b>5,707,395</b>	2,078,006	<b>6,080,603</b>	2,122,941
<b>Profit after taxation transferred to income surplus</b>		<b>5,707,395</b>	2,078,006	<b>6,080,603</b>	2,122,941
<b>Basic and diluted earnings per share (Ghana pesewas)</b>	48	<b>4.71</b>	1.90	<b>5.01</b>	1.94



# Consolidated Statement of Changes in Equity

(All amounts are expressed in Ghana cedis)



## Attributable to equity holders to the Bank

	Stated capital	Income surplus account	Statutory Surplus account	Capital surplus account	Housing Development assistance Fund	Share deals account	Regulatory credit risk reserve	Total equity
<b>The Bank</b>								
<b>Year ended</b>								
<b>31 December 2008</b>								
At 1 January	7,025,239	643,776	4,171,557	546,366	171,812	24,855	311,195	<b>12,894,800</b>
Profit for the year	-	5,707,395	-	-	-	-	-	<b>5,707,395</b>
Transfer to statutory reserve	-	(2,904,529)	2,904,529	-	-	-	-	-
Transfer to housing development assistance fund	-	(290,452)	-	-	290,452	-	-	-
Transfer to regulatory credit risk reserve	-	(520,796)	-	-	-	-	520,796	-
Right issue proceeds	9,918,620	-	-	-	-	-	-	<b>9,918,620</b>
Approved dividend	-	(1,016,600)	-	-	-	-	-	<b>(1,016,600)</b>
<b>At 31 December</b>	<b><u>16,943,859</u></b>	<b><u>1,618,794</u></b>	<b><u>7,076,086</u></b>	<b><u>546,366</u></b>	<b><u>462,264</u></b>	<b><u>24,855</u></b>	<b><u>831,991</u></b>	<b><u>27,504,215</u></b>
<b>Year ended</b>								
<b>31 December 2007</b>								
At 1 January	7,025,239	578,998	3,132,554	546,366	67,912	24,855	-	11,375,924
Profit for the year	-	2,078,006	-	-	-	-	-	2,078,006
Transfer to statutory reserve	-	(1,039,003)	1,039,003	-	-	-	-	-
Transfer to housing development assistance fund	-	(103,900)	-	-	103,900	-	-	-
Transfer to regulatory credit risk reserve	-	(311,195)	-	-	-	-	311,195	-
Approved dividend	-	(559,130)	-	-	-	-	-	(559,130)
At 31 December	<u>7,025,239</u>	<u>643,776</u>	<u>4,171,557</u>	<u>546,366</u>	<u>171,812</u>	<u>24,855</u>	<u>311,195</u>	<u>12,894,800</u>





# Consolidated Statement of Changes in Equity

(All amounts are expressed in Ghana cedis)

## Attributable to equity holders of the parent company

	Stated capital	Income surplus account	Statutory reserve fund	Capital surplus account	Housing Development assistance Fund	Share deals account	Statutory credit risk reserve	Non controlling interest	Total equity
<b>The Group</b>									
<b>Year ended</b>									
<b>31 December 2008</b>									
At 1 January	7,025,239	1,392,326	4,171,557	562,010	171,812	24,855	311,195	(122,015)	<b>13,536,979</b>
Profit for the year	-	6,080,603	-	-	-	-	-	(66,052)	<b>6,014,551</b>
Transfer to statutory reserve	-	(2,904,529)	2,904,529	-	-	-	-	-	-
Transfer to Housing Development assistance fund	-	(290,452)	-	-	290,452	-	-	-	-
Statutory credit loss	-	(520,796)	-	-	-	-	520,796	-	-
Right issue proceeds	9,918,620	-	-	-	-	-	-	-	<b>9,918,620</b>
Approved dividend	-	<b>(1,016,600)</b>	-	-	-	-	-	-	<b>(1,016,600)</b>
<b>At 31 December</b>	<b><u>16,943,859</u></b>	<b><u>2,740,552</u></b>	<b><u>7,076,086</u></b>	<b><u>562,010</u></b>	<b><u>462,264</u></b>	<b><u>24,855</u></b>	<b><u>831,991</u></b>	<b><u>(188,067)</u></b>	<b><u>28,453,550</u></b>
<b>Year ended</b>									
<b>31 December 2007</b>									
At 1 January	7,025,239	1,282,613	3,132,554	562,010	67,912	24,855	-	-	12,095,183
Profit for the year	-	2,122,941	-	-	-	-	-	(122,015)	2,000,926
Transfer to statutory reserve	-	(1,039,003)	1,039,003	-	-	-	-	-	-
Transfer to housing Development assistance fund	-	(103,900)	-	-	103,900	-	-	-	-
Transfer to credit risk Reserve	-	-	-	-	-	-	311,195	-	-
Revaluation of land	-	(311,195)	-	-	-	-	-	-	-
Approved dividend	-	(559,130)	-	-	-	-	-	-	(559,130)
<b>At 31 December</b>	<b><u>7,025,239</u></b>	<b><u>1,392,326</u></b>	<b><u>4,171,557</u></b>	<b><u>562,010</u></b>	<b><u>171,812</u></b>	<b><u>24,855</u></b>	<b><u>311,195</u></b>	<b><u>(122,015)</u></b>	<b><u>13,536,979</u></b>



# Consolidated Cash Flow Statement

(All amounts are expressed in Ghana cedis)



At 31 December

	Notes	The Bank 2008	The Bank 2007	The Group 2008	The Group 2007
<b>Cash flows from operating activities</b>					
Cash generated from operations	42	<b>160,249,542</b>	2,222,043	<b>159,789,709</b>	2,141,482
Interest paid	32	<b>(601,655)</b>	(400,679)	<b>(601,655)</b>	(400,679)
Tax paid	26	<b>(1,360,731)</b>	(928,870)	<b>(1,450,120)</b>	(991,162)
<b>Net cash from operating activities</b>		<b><u>158,287,156</u></b>	<u>892,494</u>	<b><u>157,737,934</u></b>	<u>749,641</u>
<b>Cash flows from investing activities</b>					
Purchase of property and equipment	24	<b>(3,154,015)</b>	(1,308,116)	<b>(3,252,991)</b>	(1,424,295)
Proceeds from sale of property and equipment	24	<b>51,623</b>	3,947	<b>51,623</b>	3,947
Sale/(purchase) of government securities (including pledged assets)	14 & 15	<b>1,817,448</b>	(8,356,849)	<b>1,922,569</b>	(7,513,584)
(Purchase)/sale of other investments	20	<b>(2,433,618)</b>	844	<b>(2,735,022)</b>	(662,932)
Proceeds from sale of investment properties	23	-	-	<b>180,000</b>	75,035
(Sale)/purchase of investment securities	19	<b><u>71,918</u></b>	<u>76,666</u>	<b><u>(45,768)</u></b>	<u>136,381</u>
<b>Net cash used in investing activities</b>		<b><u>(3,646,644)</u></b>	<u>(9,583,508)</u>	<b><u>(3,879,589)</u></b>	<u>(9,385,448)</u>
<b>Cash flows from financing activities</b>					
Dividend paid	11	<b>(956,636)</b>	(466,345)	<b>(956,636)</b>	(466,345)
Bonds issued	32	<b>2,330,000</b>	3,637,678	<b>2,330,000</b>	3,637,678
Redemption of bonds	32	<b>(4,065,961)</b>	-	<b>(4,065,961)</b>	-
Loans repaid	33	<b>(11,521,956)</b>	(2,560,606)	<b>(11,521,956)</b>	(2,560,606)
Loan drawdown	33	<b>13,236,557</b>	9,570,276	<b>13,236,557</b>	9,570,276
Proceeds from right issue	34	<b><u>9,918,620</u></b>	-	<b><u>9,918,620</u></b>	-
<b>Net cash from financing activities</b>		<b><u>8,940,624</u></b>	<u>10,181,003</u>	<b><u>8,940,624</u></b>	<u>10,181,003</u>
<b>Increase in cash and cash equivalents</b>		<b><u>163,581,136</u></b>	<u>1,489,989</u>	<b><u>162,798,969</u></b>	<u>1,545,196</u>
<b>Movement in cash and cash equivalents</b>					
At 1 January		<b>8,624,884</b>	8,634,895	<b>10,444,145</b>	8,898,949
Increase during the year		<b><u>163,581,136</u></b>	<u>1,489,989</u>	<b><u>162,798,969</u></b>	<u>1,545,196</u>
At 31 December	43	<b><u>172,206,020</u></b>	<u>10,124,884</u>	<b><u>173,243,114</u></b>	<u>10,444,145</u>

