



# FINANCIALS

# HFC BANK (GHANA) LIMITED AND SUBSIDIARIES

Statement of Financial Position as at 31 December 2014

(All amounts are expressed in thousands of Ghana cedis unless otherwise stated)

	Note	At 31 December			
		The Bank 2014	The Bank 2013	The Group 2014	The Group 2013
<b>Assets</b>		<b>GH¢'000</b>	<b>GH¢'000</b>	<b>GH¢'000</b>	<b>GH¢'000</b>
Cash and balances with Bank of Ghana	14	185,771	180,210	187,723	184,337
Due from other banks	15	37,577	55,071	37,577	55,071
Government securities	16	284,140	122,527	288,528	128,783
Pledged assets (Repos)	17	10,000	6,000	10,000	6,000
Loans and advances to customers	18	664,875	516,063	641,780	515,708
Loans and advances to banks and financial institutions	19	15,259	3,611	15,259	3,611
Investment securities	20	-	1,432	2,313	2,515
Other investments	21	28,220	22,445	30,258	22,695
Other assets	22	11,944	20,700	46,911	40,049
Derivative Asset	23	-	7,502	-	7,502
Investment in subsidiaries	24a	5,537	5,517	-	-
Investment in venture capital fund	24b	22,050	9,706	22,050	9,706
Property, plant and equipment	25	55,046	16,455	57,062	18,143
Intangible asset - Goodwill	13	3,931	3,931	3,931	3,931
Current income tax assets	27	-	1,896	-	960
<b>Total assets</b>		<b>1,324,350</b>	<b>973,066</b>	<b>1,343,392</b>	<b>999,011</b>
<b>Liabilities and equity</b>					
Deposits from customers	28	660,933	453,589	660,933	453,589
Deposits from banks and financial institutions	29	24,180	41,937	24,180	41,937
Due to other banks	30	30,401	35,000	30,401	35,000
Other liabilities	31	64,662	46,329	70,095	63,194
Derivative Liability	32	-	6,898	-	6,898
Bonds	33	86,468	67,437	86,468	67,437
Borrowings	35	51,948	49,250	51,948	49,250
Short term borrowings	34	168,478	108,165	168,478	108,165
Deferred tax	26	1,030	766	1,074	810
Current income tax	27	180	-	1,079	-
<b>Total liabilities</b>		<b>1,088,280</b>	<b>809,371</b>	<b>1,094,656</b>	<b>826,280</b>
<b>Equity</b>					
Stated capital	36	95,424	95,127	95,424	95,127
Income surplus account	47	20,180	11,886	31,318	19,871
Statutory reserve fund	37	57,203	40,845	57,203	40,845
Capital surplus account	38	32,819	4,618	32,835	4,634
Housing development assistance reserve	39	744	744	744	744
Regulatory credit risk reserve	40	29,506	10,281	29,506	10,281
Other reserve	41	194	194	194	194
<b>Total equity before non-controlling interest</b>		<b>236,070</b>	<b>163,695</b>	<b>247,224</b>	<b>171,696</b>
<b>Non controlling interest</b>	42	-	-	1,512	1,035
<b>Total equity</b>		<b>236,070</b>	<b>163,695</b>	<b>248,736</b>	<b>172,731</b>
<b>Total liabilities and equity</b>		<b>1,324,350</b>	<b>973,066</b>	<b>1,343,392</b>	<b>999,011</b>

The financial statements on pages 17 to 99 were approved by the Board of directors on 3<sup>rd</sup> March 2015 and signed on its behalf by:

Chairman:

*Muhammad Edusei*

Managing Director:

*Akwasi Agyemang*

# HFC BANK (GHANA) LIMITED AND SUBSIDIARIES

Statements of Comprehensive Income for the year ended 31 December 2014

(All amounts are expressed in thousands of Ghana cedis unless otherwise stated)

	Note	Twelve Months ended 31 December			
		The Bank	The Bank	The Group	The Group
		2014 GH¢'000	2013 GH¢'000	2014 GH¢'000	2013 GH¢'000
Interest income	4	183,500	115,623	188,897	119,959
Interest expense	5	(64,646)	(39,413)	(64,646)	(39,307)
Net interest income		118,854	76,210	124,251	80,652
Fee and commission income	6	27,227	18,405	38,136	25,582
Fee and commission expense	7	(587)	(616)	(620)	(650)
Net fee and commission income		26,640	17,789	37,516	24,932
Other operating income	8a	803	774	9,636	5,756
Trading Income	8b	27,718	16,428	27,718	16,428
Operating income		174,015	111,201	199,121	127,768
Operating expenses	9	(93,647)	(55,172)	(113,727)	(67,461)
Impairment charge for credit losses	18	(14,262)	(10,183)	(14,262)	(10,183)
Operating profit		66,106	45,846	71,132	50,124
Other income	10	2,255	1,684	2,458	1,935
Profit for the year		68,361	47,530	73,590	52,059
National Stabilisation Levy	51	(3,418)	(1,188)	(3,652)	(1,298)
Tax expense	11	(10,678)	(10,003)	(12,043)	(10,976)
Profit after tax		54,265	36,339	57,895	39,785
Attributable to:					
Equity holders of the parent		54,265	36,339	57,418	39,332
Non controlling interest	42	-	-	477	453
		54,265	36,339	57,418	39,785
Other comprehensive income, net of tax					
Gains on revaluation		28,201	-	28,201	-
Total comprehensive income for the year		82,466	36,339	85,619	39,785
Attributable to:					
Equity holders of the parent		82,466	36,339	85,619	39,332
Non controlling interest	42	-	-	477	453
		82,466	36,339	86,096	39,785
Basic earnings per share (Ghana pesewa)	50	18.28	12.26	19.35	13.27
Diluted earnings per share (Ghana pesewas)	50	17.92	12.03	18.97	13.02

The attached notes 1 to 54 form an integral part of these financial statements.

## HFC BANK (GHANA) LIMITED AND SUBSIDIARIES

Statements of changes in equity at 31 December 2014

(All amounts are expressed in thousands of Ghana cedis unless otherwise stated)

Attributable to equity holders of the Bank

The Bank-2014	Stated Capital (note 36)	Income surplus account (note 47)	Statutory reserve (note 37)	Capital surplus account (note 38)	Housing dev't assistance reserve (note 39)	Regulatory credit risk reserve (note 40)	Other reserves (note 41)	Total Equity
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 January	95,127	11,886	40,845	4,618	744	10,281	194	163,695
Profit for the year		54,265	-	-	-	-	-	54,216
Proceeds from ESOP	297	-	-	-	-	-	-	297
Dividend	-	(10,388)	-	-	-	-	-	(10,388)
Transfer to statutory reserve	-	(16,358)	16,358	-	-	-	-	-
Gains on revaluation	-	-	-	28,201	-	-	-	28,201
Transfer to regulatory credit risk reserve	-	(19,225)	-	-	-	19,225	-	-
<b>At 31 December</b>	<b><u>95,424</u></b>	<b><u>20,180</u></b>	<b><u>57,203</u></b>	<b><u>32,819</u></b>	<b><u>744</u></b>	<b><u>29,506</u></b>	<b><u>194</u></b>	<b><u>236,070</u></b>

Attributable to equity holders of the Bank

	Stated Capital (note 36)	Income surplus account (note 47)	Statutory reserve (note 37)	Capital surplus account (note 38)	Housing development assistance reserve (note 39)	Regulatory credit risk reserve (note 40)	Other Reserve (note 41)	Total Equity
<b>The Bank-2013</b>								
1 January	GHC'000 95,127	GHC'000 1,067	GHC'000 19,326	GHC'000 4,618	GHC'000 744	6,280	GHC'000 194	GHC'000 127,356
Profit for the year	-	36,339	-	-	-	-	-	36,339
Dividend	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	(21,519)	21,519	-	-	-	-	-
Repurchase of shares	-	-	-	-	-	-	-	-
Transfer to Share deals	-	-	-	-	-	-	-	-
Transfers to regulatory credit risk reserve	-	(4,001)	-	-	-	4,001	-	-
<b>At 31 December</b>	<b><u>95,127</u></b>	<b><u>11,886</u></b>	<b><u>40,845</u></b>	<b><u>4,618</u></b>	<b><u>744</u></b>	<b><u>10,281</u></b>	<b><u>194</u></b>	<b><u>163,695</u></b>

## HFC BANK (GHANA) LIMITED AND SUBSIDIARIES

Statements of changes in equity at 31 December 2014

(All amounts are expressed in thousands of Ghana cedis unless otherwise stated)

Attributable to equity holders of the parent company

The Group-2014	Stated capital (note 36)	Income surplus account (note 47)	Statutory Reserve (note 37)	Capital surplus account (note 38)	Housing development assistance Reserve (note 39)	Regulatory credit risk reserve (note 40)	Other reserves (note 41)	Non-controlling interest (note 42)	Total Equity
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 January	95,127	19,871	40,845	4,634	744	10,281	194	1,035	172,731
Profit for the year	-	57,418	-	-	-	-	-	477	57,846
Proceeds from ESOP	297	-	-	-	-	-	-	-	297
Gains on revaluation	-	-	-	28,201	-	-	-	-	28,201
Dividend	-	(10,388)	-	-	-	-	-	-	(10,388)
Transfer to statutory reserve	-	(16,358)	16,358	-	-	-	-	-	-
Transfer to share deals	-	-	-	-	-	-	-	-	-
Transfer to Regulatory credit risk reserve	-	(19,225)	-	-	-	19,225	-	-	-
<b>At 31 December</b>	<b>95,424</b>	<b>31,318</b>	<b>57,203</b>	<b>32,835</b>	<b>744</b>	<b>29,506</b>	<b>194</b>	<b>1,512</b>	<b>248,736</b>

Attributable to equity holders of the parent company

The Group-2013	Stated capital (note 36)	Income surplus account (note 47)	Statutory reserve (note 37)	Capital surplus account (note 38)	Housing development assistance reserve (note 39)	Regulatory credit risk reserve (note 40)	Other Reserves (note 41)	Non controlling interest (note 42)	Total Equity
Year	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 January	95,127	5,669	19,716	4,634	744	6,280	194	582	132,946
Profit for the year	-	39,332	-	-	-	-	-	453	39,785
Dividend	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	(21,129)	21,129	-	-	-	-	-	-
Repurchase of shares	-	-	-	-	-	-	-	-	-
Transfer to regulatory credit risk reserve	-	(4,001)	-	-	-	4,001	-	-	-
<b>At 31 December</b>	<b>95,127</b>	<b>19,871</b>	<b>40,845</b>	<b>4,634</b>	<b>744</b>	<b>10,281</b>	<b>194</b>	<b>1,035</b>	<b>172,731</b>

## HFC BANK (GHANA) LIMITED AND SUBSIDIARIES

Statement of cash flows For the year ended 31 December 2014

(All amounts are expressed in thousands of Ghana cedis unless otherwise stated)

	Note	Twelve Months ended 31 December			
		The Bank		The Group	
		2014	2013	2014	2013
		GHC'000	GHC'000	GHC'000	GHC'000
<b>Cash flows from Operating activities</b>					
Cash generated from operations	44	264,517	160,649	267,320	167,718
Interest paid-long term bonds and borrowing	33/35	(10,588)	(4,275)	(10,588)	(4,275)
Mandatory deposits with Bank of Ghana	14	55,735	(91,804)	55,735	(91,804)
Tax paid	27	(9,117)	(10,725)	(10,519)	(11,063)
National stabilization levy paid	51	(3,139)	(1,109)	(3,373)	(1,218)
<b>Net cash generated from operating activities</b>		<b>297,408</b>	<b>52,736</b>	<b>298,575</b>	<b>59,358</b>
<b>Cash flows from investing activities</b>					
Purchase of property ,plant and equipment	25	(15,500)	(5,638)	(16,488)	(6,774)
Proceeds from sale of property, plant and equipment	25	269	3	301	84
(Purchase)/Sale of government securities		(52,620)	(29,539)	(53,877)	(29,584)
Purchase of other investments		(5,775)	(16,147)	(7,563)	(15,397)
Sale of investment securities		1,432	39	203	47
Purchase of branches		-	(5,708)	-	(5,708)
Investment in associates, subsidiaries and venture capital fund		(12,364)	(9,387)	(12,345)	(7,902)
<b>Net cash used in investing activities</b>		<b>(84,558)</b>	<b>(66,377)</b>	<b>(89,769)</b>	<b>(65,234)</b>
<b>Cash flows from financing activities</b>					
Dividend paid	12	(10,388)	(4)	(10,388)	(4)
Redemption of bonds	33	(38,201)	(665)	(38,201)	(665)
Borrowings repaid	35	(75,093)	(5,729)	(75,093)	(5,729)
Proceeds from bonds issue	33	43,671	-	43,671	-
Proceeds from borrowings	35	73,364	32,255	73,364	32,255
Proceeds from share issue	36	-	-	-	-
<b>Net cash generated from financing activities</b>		<b>(6,647)</b>	<b>25,857</b>	<b>(6,647)</b>	<b>25,857</b>
Increase in cash and cash equivalents		206,203	12,216	202,159	19,981
Net foreign exchange difference		11,038	6,578	11,038	6,578
At 1 January		136,553	117,759	146,937	120,378
<b>At 31 December</b>	45	<b>353,794</b>	<b>136,553</b>	<b>360,134</b>	<b>146,937</b>

The attached notes 1 to 54 form an integral part of these financial statements.