

# ANNUAL REPORT 2013

## HFC BANK (GH) LIMITED AND SUBSIDIARIES

ANNUAL GENERAL MEETING  
INFORMATION DIGEST



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## NOTICE

NOTICE IS HEREBY GIVEN that the 23rd Annual General Meeting of HFC Bank (Ghana) Limited (the “Company”) will be held at the Novotel Hotel, Barnes Road, Accra at eleven o’clock in the forenoon (11.00 a.m.) on Thursday, 24th April, 2014 to transact the following business:

## AGENDA

### ORDINARY BUSINESS

1. To receive the Chairman’s Statement and the Managing Director’s Report for the year ended 31st December 2013.
2. To receive the Annual Report and Financial Statements of HFC Bank (Ghana) Limited and its Subsidiaries for the financial year ended 31st December 2013 together with the Auditors’ Report thereon.
3. To receive the Directors’ Report and recommendation for the payment of dividend for the year ended 31st December 2013.
4. To elect / re-elect Institutional Directors under Regulation 63 of the Company’s Regulations and Section 298(d) of the Companies Act 1963, (Act 179) (“Companies Code”).
5. To re-elect Mr. Francis Koranteng as a Director under Regulation 65 of the Company’s Regulations and Section 298(e) of the Companies Code.
6. To re-elect Mrs. Muriel Edusei as a Director under Regulation 65 of the Company’s Regulations and Section 298(e) of the Companies Code.
7. To authorize the Directors to approve the remuneration of the Auditors for the year 2014.

## NOTE

A member of the Company is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not also be a member.

Proxies may be deposited at the Company’s Registered Office at Ebankese, No. 35, 6th Avenue, North Ridge, Accra, 48 hours to the commencement of the Meeting in accordance with the Company’s Regulations.

Dated this 26th day of February 2014

*Beatrix Amoah*

BY ORDER OF THE BOARD  
BEATRIX AMA AMOAH  
COMPANY SECRETARY

## REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements for the year ended 31 December, 2013, which shows the state of affairs of the Bank standing alone and its subsidiaries (together called the “Group”).

### Statement Of Directors' Responsibilities

The directors are responsible for the preparation of financial statements for each financial year, which give a true and fair view of the state of affairs of the Group and of the profit or loss and cash flows for that year. In preparing these financial statements, the directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are reasonable and prudent and followed International Financial Reporting Standards (IFRS) and complied with the requirements of the Companies Act, 1963, (Act 179) and the Banking Act 2004 (Act 673) as amended by Banking (Amendment) Act 2007 (Act 738).

The directors are responsible for ensuring that the Group keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group. The directors are also responsible for safeguarding the assets of the Group and taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Principal Activities

The principal activities of the Group are:

- to carry on the business of universal banking;
- to provide residential and commercial mortgages;
- to provide brokerage services;
- to provide microfinance services to low income earners;
- to provide property development and management services;
- to provide fund and asset management services;
- to undertake venture capital activities.

### Results From Operations

	<b>The Bank GH¢</b>	<b>The Group GH¢</b>
Profit before income tax for the year is	<b>47,530,368</b>	52,058,777
From which is deducted national stabilization levy of	<b>(1,188,259)</b>	(1,297,877)
From which is deducted income tax expense of	<b>(10,003,151)</b>	(10,975,991)
Giving a profit after income tax expense for the year of	<b>36,338,958</b>	39,784,909
From which is deducted a non-controlling interest of	<b>-</b>	(452,753)
Leaving profit after non-controlling interest of	<b>36,338,958</b>	39,332,156
To which is added balance brought forward on the income surplus account of	<b>1,067,248</b>	5,669,364
Giving a balance before distribution of	<b>37,406,206</b>	45,001,520
Out of which is transferred to statutory reserve fund of	<b>(21,519,145)</b>	(21,129,524)
Out of which is transferred to regulatory credit risk reserve of	<b>(4,000,585)</b>	(4,000,585)
Leaving a balance carried forward on income surplus account of	<b>11,886,476</b>	19,871,411

## Subsidiaries

The Bank has the following subsidiaries:

- HFC Investment Services Limited, a wholly owned subsidiary of the Bank;
- HFC Realty Limited, a wholly owned subsidiary of the Bank;
- HFC Brokerage Services Limited, a wholly owned subsidiary of HFC Investment Services Limited;
- Boafu Microfinance Services Limited, a company in which the Bank has 51% equity holding;
- HFC Capital Partners Limited, a wholly owned subsidiary of the Bank;
- UG-HFC, a company in which the Bank has 60% equity holding.

The results of these subsidiaries have been included in the Group's financial statements.

## Going Concern

The Bank has a strong capital and liquidity position and its business remains profitable with a competitive return on equity and good business franchise. The directors therefore have a reasonable expectation that the Bank has adequate resources to continue in operational existence for the foreseeable future. Thus we continue to adopt the going concern basis in preparing the annual financial statements.

## Dividends

Dividend of GH¢0.035 per share amounting to GH¢10,372,632 has been recommended by the Directors for approval by the Shareholders (2012: Dividend of GH¢0.028 per share amounting to GH¢5,105,767 was paid)

## Auditor

The Auditor, Ernst & Young Chartered Accountants, will continue in office in accordance with Section 134 (5) of the Companies Act, 1963 (Act 179).

## Appreciation

The Board of Directors expresses its sincere appreciation to valued customers, shareholders, management, staff and other stakeholders for their continued interest, support and dedication during the past year.

Chairman

Date: 17th March, 2014

Managing Director

Date: 17th March, 2014

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HFC BANK GROUP

## Report On The Financial Statements

We have audited the accompanying financial statements of HFC Bank (Ghana) Limited, (the Bank) and its subsidiaries (together, the Group) which comprise the statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended of the Bank; together with the consolidated statements of financial position as at 31 December 2013, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended of the Group; and a summary of significant accounting policies and other explanatory information, and the directors' report, as set out on pages 9 to 14.

## Directors' Responsibility for the Financial Statements

The Bank's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by Companies Act, 1963 (Act 179) and the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act 2007 (Act 738), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 financial statements. The procedures selected depend on the auditor's judgment, 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 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the 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 financial statements present fairly, in all material respects, the financial position of the Bank and the Group as at 31 December 2013 and of their financial performance and their cash flows for the year then ended, in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act, 1963 (Act 179) and the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act 2007 (Act 738).

## Report on other Legal Requirements

The Companies Act, 1963 (Act 179) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- 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;
- in our opinion proper books of account have been kept by the Group, so far as appear from our examination of those books
- proper returns adequate for the purpose of our audit have been received from branches not visited by us; and
- the (balance sheet) statement of financial position and the (profit and loss account) income statement portion statements of the statement of comprehensive income are in agreement with the books of account.

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

- i. The accounts give a true and fair view of the state of affairs of the Bank and its results for the period.
- ii. The Bank's transactions were within the powers of the Bank and
- iii. We were able to obtain all relevant information and explanations required for the efficient performance of our functions.
- iv. The Bank has generally complied with the provisions of the Banking Act, 2004 (Act 673), as amended.

Pamela De Bordes (ICAG/P/1329)

For and on behalf of Ernst & Young (ICAG/F/2014/126)

Chartered Accountants

Accra, Ghana

Date: 17th March, 2014



# HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES

## Statements of Financial Position as at 31 December 2013

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

	At 31 December			
	The Bank 2013	The Bank 2012	The Group 2013	The Group 2012
<b>Assets</b>				
Cash and balances with Bank of Ghana	180,209,971	71,930,479	184,337,284	71,930,479
Due from other banks	55,071,312	60,104,578	55,071,312	60,104,578
Government securities	122,526,748	65,097,445	128,782,871	67,715,838
Pledged assets (Repos)	6,000,000	6,500,000	6,000,000	6,500,000
Loans and advances to customers	516,063,047	335,814,761	515,708,022	330,164,156
Loans and advances to banks and financial institutions	3,610,933	3,560,780	3,610,933	3,560,780
Investment securities	1,432,230	1,471,137	2,515,431	2,562,436
Other investments	22,445,427	6,298,433	22,695,427	7,298,433
Other assets	20,699,495	12,383,269	40,048,863	24,059,259
Derivative Asset	7,501,515	4,561,425	7,501,515	4,561,425
Investment in Subsidiaries	5,517,334	4,031,222	-	-
Investment in venture capital fund	9,705,926	1,804,381	9,705,926	1,804,381
Property, plant and equipment	16,454,491	13,280,265	18,142,644	14,361,896
Intangible asset - Goodwill	3,931,286	-	3,931,286	-
Current income tax assets	1,896,339	948,817	959,680	602,045
<b>Total assets</b>	<b>973,066,054</b>	<b>587,786,992</b>	<b>999,011,194</b>	<b>595,225,706</b>
<b>Liabilities and equity</b>				
Deposits from customers	453,589,211	312,963,215	453,589,211	312,379,704
Deposits from banks and financial institutions	41,937,066	44,844,818	41,937,066	44,844,818
Due to other banks	35,000,000	-	35,000,000	-
Other liabilities	46,328,934	18,642,450	63,194,499	21,076,365
Derivative Liability	6,898,391	4,410,695	6,898,391	4,410,695
Bonds	67,437,494	58,128,268	67,437,494	58,128,268
Borrowings	49,249,559	20,901,374	49,249,559	20,901,374
Short-term borrowing	108,165,010	-	108,165,010	-
Deferred tax	765,743	540,484	809,451	538,878
<b>Total liabilities</b>	<b>809,371,408</b>	<b>460,431,304</b>	<b>826,280,681</b>	<b>462,280,102</b>
<b>Equity</b>				
Stated capital	95,126,624	95,126,624	95,126,624	95,126,624
Income surplus account	11,886,476	1,067,248	19,871,411	5,669,364
Statutory reserve fund	40,844,598	19,325,453	40,844,598	19,715,074
Capital surplus account	4,618,495	4,618,495	4,634,139	4,634,139
Housing development assistance reserve	743,680	743,680	743,680	743,680
Regulatory credit risk reserve	10,280,979	6,280,394	10,280,979	6,280,394
Other reserve	193,794	193,794	193,794	193,794
<b>Total equity before non controlling interest</b>	<b>163,694,646</b>	<b>127,355,688</b>	<b>171,695,225</b>	<b>132,363,069</b>
Non controlling interest	-	-	1,035,288	582,535
<b>Total equity</b>	<b>163,694,646</b>	<b>127,355,688</b>	<b>172,730,513</b>	<b>132,945,604</b>
<b>Total liabilities and equity</b>	<b>973,066,054</b>	<b>587,786,992</b>	<b>999,011,194</b>	<b>595,225,706</b>

The financial statements were approved by the Board of Directors on 17th March, 2014 and signed on its behalf by:

*NANA AGYEI DUKU*  
Chairman

*Akwe Akuffo*  
Managing Director

# HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES

## Statements of Comprehensive Income as at 31 December 2013

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

	The Bank 2013	The Bank 2012	The Group 2013	The Group 2012
Interest income	115,623,273	66,121,784	119,959,015	68,768,032
Interest expense	(39,412,557)	(23,336,427)	(39,306,755)	(23,304,605)
Net interest income	76,210,716	42,785,357	80,652,260	45,463,427
Fee and commission income	18,404,540	12,603,162	25,582,454	17,218,865
Fee and commission expense	(615,660)	(284,399)	(650,441)	(284,399)
Net fee and commission income	17,788,880	12,318,763	24,932,013	16,934,466
Other operating income	773,763	812,155	5,756,206	3,960,090
Trading Income	16,427,374	4,951,139	16,427,374	4,951,139
Operating income	111,200,733	60,867,414	127,767,853	71,309,122
Operating expenses	(55,172,046)	(40,584,921)	(67,460,692)	(47,942,821)
Impairment charge for credit losses	(10,182,707)	(5,565,880)	(10,182,707)	(5,565,880)
Operating profit	45,845,980	14,716,613	50,124,454	17,800,421
Other income	1,684,388	998,958	1,934,323	1,016,393
Profit for the year	47,530,368	15,715,571	52,058,777	18,816,814
National Stabilisation Levy	(1,188,259)	-	(1,297,877)	-
Tax expense	(10,003,151)	(2,690,224)	(10,975,991)	(3,392,858)
Profit after tax	36,338,958	13,025,347	39,784,909	15,423,956
Attributable to:				
Equity holders of the parent	36,338,958	13,025,347	39,332,156	15,271,999
Non controlling interest	-	-	452,753	151,957
	36,338,958	13,025,347	39,784,909	15,423,956
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the year	36,338,958	13,025,347	39,332,156	15,271,999
Basic earnings per share (Ghana pesewa)	12.26	6.75	13.27	7.90
Diluted earnings per share (Ghana pesewas)	12.03	6.43	13.02	7.52

# HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES

## Statements of Changes in Equity, 31 December 2013

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

Attributable to equity holders of the Bank								
The Bank-2013	Stated Capital	Income surplus account	Statutory reserve	Capital surplus account	Housing dev't assistance reserve	Regulatory credit risk reserve	Other reserves	Total Equity
Balance at 1 January 2013	95,126,624	1,067,248	19,325,453	4,618,495	743,680	6,280,394	193,794	127,355,688
Profit for the year	-	36,338,958	-	-	-	-	-	36,338,958
Transfer to statutory reserve	-	(21,519,145)	21,519,145	-	-	-	-	-
Transfer to regulatory credit risk reserve	-	(4,000,585)	-	-	-	4,000,585	-	-
<b>At 31 December</b>	<b>95,126,624</b>	<b>11,886,476</b>	<b>40,844,598</b>	<b>4,618,495</b>	<b>743,680</b>	<b>10,280,979</b>	<b>193,794</b>	<b>163,694,646</b>

Attributable to equity holders of the Bank									
The Bank-2012	Stated Capital	Income surplus account	Statutory reserve	Capital surplus account	Share deals account	Housing development assistance reserve	Regulatory credit risk reserve	Other Reserve	Total Equity
1 January	45,000,624	9,237,074	12,812,779	4,618,495	-	743,680	1,402,888	193,794	74,009,334
Profit for the year	-	13,025,347	-	-	-	-	-	-	13,025,347
Proceeds from Executive Share Option Plan (ESOP)	126,000	-	-	-	-	-	-	-	126,000
Proceeds from Share Issue	50,000,000	-	-	-	-	-	-	-	50,000,000
Dividend	-	(9,146,302)	-	-	-	-	-	-	(9,146,302)
Transfer to statutory reserve	-	(6,512,674)	6,512,674	-	-	-	-	-	-
Repurchase of shares	-	-	-	-	(658,691)	-	-	-	(658,691)
Transfer to Share deals	-	(658,691)	-	-	658,691	-	-	-	-
Transfers to regulatory credit risk reserve	-	(4,877,506)	-	-	-	-	4,877,506	-	-
<b>At 31 December</b>	<b>95,126,624</b>	<b>1,067,248</b>	<b>19,325,453</b>	<b>4,618,495</b>	<b>-</b>	<b>743,680</b>	<b>6,280,394</b>	<b>193,794</b>	<b>127,355,688</b>

# HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES

## Statements of Changes in Equity, 31 December 2013

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

Attributable to equity holders of the parent company									
The Group-2013									
	Stated capital	Income surplus account	Statutory Reserve	Capital surplus account	Housing development assistance Reserve	Regulatory credit risk reserve	Other reserves	Non control-ling interest	Total Equity
Balance at 1 January	95,126,624	5,669,364	19,715,074	4,634,139	743,680	6,280,394	193,794	582,535	132,945,604
Profit for the year	-	39,332,156	-	-	-	-	-	452,753	39,784,909
Transfer to statutory reserve	-	(21,129,524)	21,129,524	-	-	-	-	-	-
Transfer to Regulatory credit risk reserve	-	(4,000,585)	-	-	-	4,000,585	-	-	-
At 31 December	<u>95,126,624</u>	<u>19,871,411</u>	<u>40,844,598</u>	<u>4,634,139</u>	<u>743,680</u>	<u>10,280,979</u>	<u>193,794</u>	<u>1,035,288</u>	<u>172,730,513</u>

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Attributable to equity holders of the parent company										
The Group-2012										
Year	Stated capital	Income surplus account	Statutory reserve	Capital surplus account	Housing development assistance reserve	Share deals account	Regulatory credit risk reserve	Other Reserves	Non controlling interest	Total Equity
Balance at 1 January	45,000,624	11,592,538	13,202,400	4,634,139	743,680	-	1,402,888	193,794	430,578	77,200,641
Profit for the year	-	15,271,999	-	-	-	-	-	-	151,957	15,423,956
Proceeds from ESOP	126,000	-	-	-	-	-	-	-	-	126,000
Proceeds from Share Issue	50,000,000	-	-	-	-	-	-	-	-	50,000,000
Dividend	-	(9,146,302)	-	-	-	-	-	-	-	(9,146,302)
Transfer to statutory reserve	-	(6,512,674)	6,512,674	-	-	-	-	-	-	-
Transfer to Share deals	-	(658,691)	-	-	-	658,691	-	-	-	-
Repurchase of shares	-	-	-	-	-	(658,691)	-	-	-	(658,691)
Transfer to regulatory credit risk reserve	-	(4,877,506)	-	-	-	-	4,877,506	-	-	-
At 31 December	<u>95,126,624</u>	<u>5,669,364</u>	<u>19,715,074</u>	<u>4,634,139</u>	<u>743,680</u>	<u>-</u>	<u>6,280,394</u>	<u>193,794</u>	<u>582,535</u>	<u>132,945,604</u>

# HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES

## Statement of Cash Flows for the year ended 31 December 2013

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

	Twelve Months ended 31 December			
	The Bank		The Group	
	2013	2012	2013	2012
<b>Cash flows from operating activities</b>				
Cash generated from operations	160,649,344	8,671,810	167,717,950	14,296,837
Interest paid-long term bonds and borrowing	(4,275,074)	(1,287,369)	(4,275,074)	(1,287,369)
Mandatory deposits with Bank of Ghana	(91,804,108)	(35,837,506)	(91,804,108)	(35,837,506)
Tax paid	(10,725,414)	(3,586,165)	(11,063,053)	(4,162,398)
National stabilization levy paid	(1,108,550)	-	(1,218,168)	-
<b>Net cash generated from operating activities</b>	<b>52,736,198</b>	<b>(32,039,230)</b>	<b>59,357,547</b>	<b>(26,990,436)</b>
<b>Cash flows from investing activities</b>				
Purchase of property and equipment	(5,638,309)	(2,760,792)	(6,774,110)	(3,314,004)
Proceeds from sale of property and equipment	3,455	31,834	84,054	75,930
(Purchase)/Sale of government securities	(29,538,818)	14,710,487	(29,584,131)	10,706,584
Purchase of other investments	(16,146,994)	(742,528)	(15,396,994)	(1,742,528)
Sale of investment securities	38,907	-	47,005	-
Purchase of branches	(5,707,780)	-	(5,707,780)	-
Investment in associate subsidiaries and venture capital fund	(9,387,657)	(881,996)	(7,951,545)	(742,391)
Purchase of debt securities	-	(471,137)	-	(1,562,436)
<b>Net cash used in investing activities</b>	<b>(66,377,196)</b>	<b>9,885,868</b>	<b>(65,283,501)</b>	<b>3,421,155</b>
<b>Cash flows from financing activities</b>				
Dividend paid	(3,839)	(9,144,899)	(3,839)	(9,144,899)
Redemption of bonds	(665,546)	(8,184,204)	(665,546)	(8,184,204)
Loans repaid	(5,728,668)	(3,581,431)	(5,728,668)	(3,581,431)
Proceeds from Loan	32,254,718	18,845,500	32,254,718	18,845,500
Proceeds from ESOP issue	-	63,000	-	63,000
Proceeds from share issue	-	50,000,000	-	50,000,000
<b>Net cash generated from financing activities</b>	<b>25,856,665</b>	<b>47,997,966</b>	<b>25,856,665</b>	<b>47,997,966</b>
Increase in cash and cash equivalents	12,215,667	25,844,604	19,980,711	24,428,685
Net foreign exchange difference	6,578,507	6,236,588	6,578,507	6,236,588
At 1 January	117,759,414	85,678,222	120,377,807	89,712,534
<b>At 31 December</b>	<b>136,553,588</b>	<b>117,759,414</b>	<b>146,937,025</b>	<b>120,377,807</b>

# HFC BANK (GHANA) LIMITED AND ITS SUBSIDIARIES

## Notes to the Financial Statements 31 December 2013

### REPORTING ENTITY

HFC Bank (Ghana) Limited (the “Bank”) is a limited liability company incorporated and domiciled in Ghana. The address of the Bank’s registered office is Ebankese, No. 35, Sixth Avenue, North Ridge, Accra. The financial statements as at and for the twelve months ended 31 December 2013 comprise the Bank standing alone and its subsidiaries (together referred to as the “Group”). The Group primarily is involved in investment banking, corporate banking, retail banking, mortgage banking, asset management services and property management and development. The Bank is listed on the Ghana Stock Exchange.

### SIGNIFICANT ACCOUNTING POLICIES

The detailed accounting policies which form part of the annual report and have been consistently applied can be found in the annual financial statement which are available for inspection at the Bank’s Head Office at Ebankese, No. 35, Sixth Avenue, North Ridge, Accra.

### QUANTITATIVE DISCLOSURES

	<b>2013</b>	<b>2012</b>
(i) Capital adequacy ratio	22.61%	29.19%
(ii) Non-performing loan ratio	9.28%	11.98%

### QUALITATIVE DISCLOSURES

- (i) The Bank is exposed to credit, market, liquidity, operational and compliance risks.
- (ii) Risk Management and Compliance Frameworks

The Board of Directors established the Bank’s Risk Management Frameworks and Assets and Liabilities Committee (ALCO) to be responsible for the monitoring of some of the Bank’s risks.

The Bank also has a Risk Management and Compliance Department which is guided by set of policy and procedure manuals which have been instituted by the Board of Directors and Management. A comprehensive departmental manual has established a framework within which Management effectively manages and controls risks. Tasks involved in the risk management functions are to identify, define, measure, control, monitor and mitigate potential events that could impair the ability of the Group to generate stable and sustainable financial results from its operations.

### CORPORATE SOCIAL RESPONSIBILITY

Amount spent on fulfilling social responsibility obligations was GH¢0.276 million (2012: GH¢0.120 million).

### CONTINGENCIES AND COMMITMENTS

Letters of Credit, Guarantees and Indemnities

	<b>2013</b>	<b>2012</b>
Letters of Credit	97,661,977	68,952,505
Guarantees and Bonds without cash collateral	20,753,812	14,441,366
	<b>118,415,789</b>	<b>83,393,871</b>

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

The financial statements presented is an extract from the annual financial statements of the Bank for the year ended 31 December, 2013. The full version of the annual report is available for inspection at the Bank’s Head Office at Ebankese, No. 35, Sixth Avenue, North Ridge, Accra.

# HFC Bank (Ghana) Limited

## PROXY

I/We.....Of  
 .....being members of HFC BANK (GHANA) LIMITED hereby  
 appoint.....

Or failing him, NANA AGYEI DUKU, Chairman of HFC Bank (Ghana) Limited, P.O. Box CT4603, Cantonment, Accra, as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at the Novotel Hotel, Barnes Road, Accra at eleven o'clock (11:00am) in the forenoon on the 24th day of April, 2014 and at any adjournment thereof.

**Please indicate with an X in the space below how you wish your votes to be cast**

	YES	NO
1.		
2.		
3.		
4.		
5.		
6.		

### RESOLUTIONS

- To consider and approve the Financial Statements of the HFC Bank Group.
- To receive the Directors' report and approve dividend as recommended.
- To elect / re-elect Institutional Directors.
- To re-elect Mr. Francis Koranteng as a Director.
- To re-elect Mrs. Muriel Edusei as a Director.
- To authorise the Directors to approve the Auditors' fees.

Or any other business transacted at the Meeting and otherwise instructed in the paragraphs above, the Proxy will vote as he/she thinks fit.

Signed this.....day of .....2014



**THIS FORM SHOULD NOT BE COMPLETED AND SENT TO THE SECRETARY IF THE SENDER WILL BE ATTENDING THE MEETING**

- A member (shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote by Proxy. The Proxy Form has been prepared to enable you exercise your vote if you cannot attend.
- Provision has been made on the form for NANA AGYEI DUKU, the Chairman of the Meeting, to act as your Proxy but if you so wish, you may insert in the blank space the name of any person, whether a member of the Company or not, who will attend the Meeting and vote on your behalf instead of the Chairman.
- In the case of joint holder, each holder must sign. In case of a company, the Proxy Form must be signed by a Director or its Common Seal appended.
- If you intend to sign a Proxy, please sign the above Proxy Form and post it to reach the address shown overleaf not later than 5:00p.m on 23rd April, 2014.
- The Proxy must produce the Admission Form printed overleaf to obtain entrance into the Meeting.



SECOND FOLD HERE

THIRD FOLD HERE

**THE SECRETARY**  
HFC BANK (GHANA) LIMITED  
EBANKESE  
P.O. BOX CT4603  
CANTONMENTS  
ACCRA, GHANA

FIRST FOLD HERE

BEFORE POSTING THE ABOVE FORM, TEAR OFF AND RETAIN THE PART BELOW



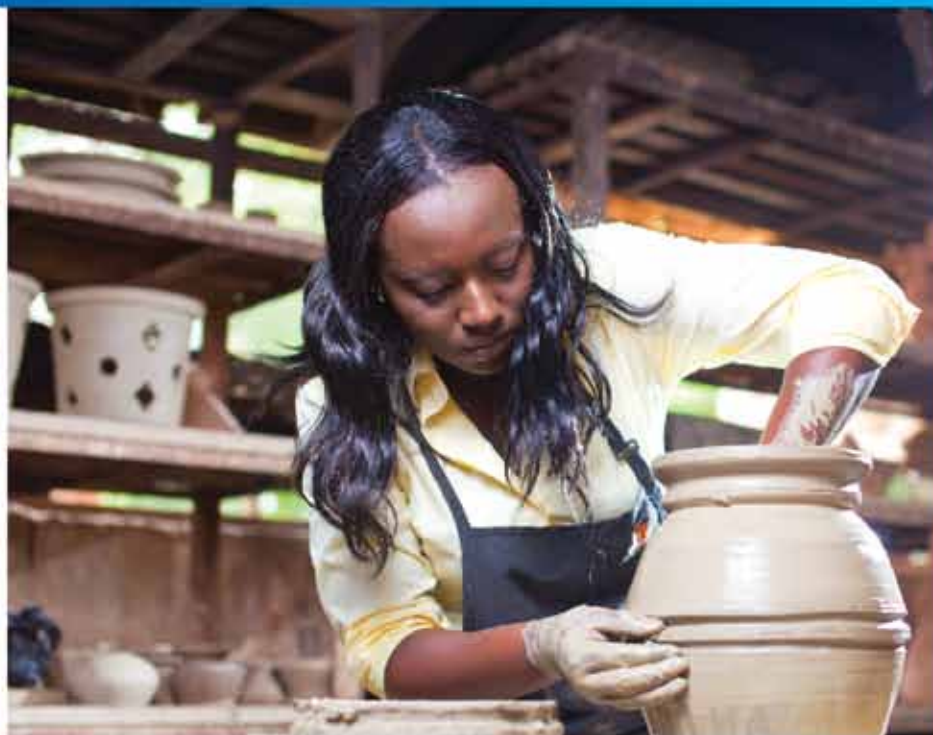


# Together we'll go far

At HFC Bank, we believe that no distance is too far when we walk hand in hand with you.

(233-0302) 242090-4  
[www.hfcbank.com.gh](http://www.hfcbank.com.gh)





## HFC increases presence in the Western Region

We have deepened our banking services in the Western Region with eight(8) new branches and agencies.

**Branches:** Sefwi Wiawso, Asankragua and Sefwi Essam

**Agencies:** Adabokrom, Akontombra, Juabeso, Sefwi Bekwai, and Asempaneye

(233-0302) 242090-4  
[www.hfcbank.com.gh](http://www.hfcbank.com.gh)

 **hfc**bank  
possible together



## Livelihood that can be enriched with an HFC Home Loan

(233-0302) 242090-4  
[www.hfcbank.com.gh](http://www.hfcbank.com.gh)





**HFC Bank (Ghana) Limited**  
Ebankese, #35, Sixth Avenue,  
North Ridge, Accra.  
P.O Box CT 4603, Cantoments,  
Accra, Ghana.