



PRESS RELEASE

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**HFC BANK (GHANA) LIMITED (HFC) -
UN-AUDITED FINANCIAL STATEMENTS FOR
THE HALF YEAR ENDED JUNE, 2013**

HFC has released its un-audited Financial Statements for the half year ended June 30, 2013 as per the extracts attached.

Issued at Accra, this 29th
day of July, 2013

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att'd.

Distribution:

1. All LDMs
2. General Public
3. Company Secretary, HFC
4. MBG Registrars, (Registrars for HFC shares)
5. SEC
6. GSE Securities Depository
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8. GSE Notice Board

For enquiries, contact:

General Manager/Head of Listings, GSE on 669908, 669914, 669935

*By



HFC BANK GHANA LTD

UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30TH JUNE, 2013

STATEMENT OF FINANCIAL POSITION FOR THE SIX MONTHS ENDED 30TH JUNE, 2013

	THE BANK		THE GROUP	
	AT 30TH JUNE	AT 30TH JUNE	AT 30TH JUNE	AT 30TH JUNE
	2013	2012	2013	2012
	GH¢	GH¢	GH¢	GH¢
Assets				
Cash & balances with Bank of Ghana	74,390,753	69,441,473	74,390,753	69,441,473
Due from other banks	90,419,039	52,232,118	90,419,039	52,232,118
Government securities	70,719,462	62,020,170	73,643,715	65,205,443
Pledge assets (Repos)	6,000,000	6,500,000	6,000,000	6,500,000
Loans and advances to customers	378,522,577	270,999,008	372,264,194	271,245,808
Loans and advances to financial institutions	3,474,493	3,660,354	3,474,493	3,660,354
Investment securities	1,408,934	1,000,000	2,750,964	1,377,965
Other investment	18,539,937	5,692,547	18,939,934	5,692,547
Investment in subsidiaries	5,172,922	4,455,813	-	-
Investment in associated co	2,705,926	1,379,790	2,705,926	1,894,381
Other assets	15,769,962	7,549,651	28,505,962	17,144,888
Derivative Asset	6,360,480	-	6,360,480	-
Property and equipment	14,505,876	12,980,825	16,121,193	16,764,249
Current income tax assets	-	689,237	-	692,067
Total assets	687,991,362	498,600,986	697,586,655	511,851,293
Liabilities and equity				
Deposit from customers	360,055,895	258,906,847	359,187,497	257,954,628
Deposits from other banks	36,322,629	39,380,170	36,322,629	39,380,170
Due to other financial institutions	-	49,800,000	-	49,800,000
Other liabilities	33,040,431	15,845,203	35,702,520	25,947,898
Derivative Liability	6,346,494	-	6,346,494	-
Current income tax	279,342	-	279,342	-
Deferred income tax liability	540,484	1,111,994	581,050	1,256,844
Bonds	62,426,143	53,305,437	62,426,143	53,305,437
Borrowings	47,751,168	4,143,058	47,751,168	4,143,058
Total liabilities	546,762,586	422,492,709	548,596,843	431,688,035
Equity				
Stated Capital	95,126,624	45,000,624	95,126,624	45,000,624
Income surplus account	5,039,837	11,135,016	12,566,086	14,707,809
Statutory reserve fund	28,225,932	13,012,779	28,515,553	13,012,779
Capital surplus account	4,618,495	4,618,495	4,634,139	4,618,495
Housing development assistance reserve	743,680	743,680	743,680	743,680
Regulatory credit risk reserve	6,280,394	1,402,888	6,280,394	1,402,888
Other reserve	193,794	193,794	193,794	193,794
Total equity before non controlling interest	141,228,776	76,108,277	148,160,270	79,680,069
Non controlling interest	-	-	829,542	483,189
Total equity	141,228,776	76,108,277	148,989,812	80,163,258
Total liabilities and equity	687,991,362	498,600,986	697,586,655	511,851,293

STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30TH JUNE, 2013

	THE BANK		THE GROUP	
	AT 30TH JUNE	AT 30TH JUNE	AT 30TH JUNE	AT 30TH JUNE
	2013	2012	2013	2012
	GHC	GHC	GHC	GHC
INCOME				
Interest income	17,625,537	29,258,493	49,557,436	31,355,250
Interest expense	(14,768,344)	(10,078,227)	(14,785,436)	(10,208,921)
Net interest income	37,857,193	19,180,266	34,872,000	21,146,329
Fees and commission income	8,322,505	4,998,562	11,568,568	6,692,178
Fee and commission expense	(372,717)	(117,650)	(372,717)	(117,650)
Net fees and commission income	7,949,788	4,880,912	11,195,851	6,574,528
Other operating income	329,355	409,480	1,482,124	409,480
Trading Income	2,781,373	1,848,624	2,781,373	1,848,624
Operating income	43,917,710	25,319,282	50,331,448	29,978,959
Operating expenses	(22,336,742)	(17,050,657)	(27,061,767)	(20,712,071)
Impairment charge for credit losses	(4,505,999)	(1,731,334)	(4,505,999)	(1,731,334)
Operating profit	17,074,969	7,537,291	18,763,682	7,535,554
Other income	883,817	299,794	930,354	606,641
Profit for the period	17,958,786	7,837,085	19,694,036	8,142,195
Income tax expense	(3,421,053)	(1,500,000)	(3,895,218)	(1,556,334)
Non controlling interest	-	-	(247,007)	(45,238)
Profit after tax and non controlling interest	14,537,733	6,337,085	15,551,811	6,440,623
Attributable to:				
Equity holders of the parent	14,537,733	6,337,085	15,798,818	6,485,861
Non controlling interest	-	-	(247,007)	(45,238)
Total comprehensive income for the period	14,537,733	6,337,085	15,551,811	6,440,623
Basic and diluted earnings per share (Ghana pesewas)	9.75	6.30	10.42	7.00

STATEMENT OF CASH FLOW FOR THE SIX MONTHS ENDED 30TH JUNE, 2013

	THE BANK		THE GROUP	
	AT 30TH JUNE	AT 30TH JUNE	AT 30TH JUNE	AT 30TH JUNE
	2013	2012	2013	2012
	GHC	GHC	GHC	GHC
Statement of Cash flows				
Cash flows from operating activities				
Cash generated from operations	51,639,900	(22,084,790)	53,578,255	(22,387,089)
Interest paid on borrowings and long term bonds	(1,335,873)	(875,764)	(1,335,873)	(875,764)
Tax paid	(2,521,052)	(1,564,832)	(2,858,690)	(1,717,391)
Net cash from operating activities	47,782,975	(24,525,406)	49,383,692	(24,980,243)
Cash flows from investing activities				
Purchase of property and equipment	(2,385,297)	(1,335,067)	(3,129,714)	(1,502,982)
Proceeds from sale of property and equipment	-	-	13,000	2,502
(Purchase)/sale of government securities	(20,305,679)	8,406,562	(20,350,091)	9,638,866
Purchase of other investment	(12,241,504)	(136,642)	(11,641,501)	(136,642)
(Purchase)/Sale of investment securities	62,204	-	(108,528)	(377,965)
Investment in associate and subsidiary	(2,043,245)	(881,596)	(901,545)	(832,391)
Arbitrage placement	(11,509,918)	-	(11,509,918)	-
Net cash used in investing activities	(48,423,439)	6,052,857	(47,718,296)	6,701,388
Cash flows from financing activities				
Dividend paid	-	(4,040,535)	-	(4,040,535)
Redemption of bonds	(745,342)	(8,941,711)	(745,342)	(8,941,711)
Loans repaid	(2,369,750)	(1,837,683)	(2,369,750)	(2,870,417)
Proceeds from Loans	29,194,168	-	29,194,168	-
Proceeds from share issue	-	-	-	-
Net cash from financing activities	26,079,076	(14,809,929)	26,079,076	(15,852,663)
Increase in cash and cash equivalents	25,438,612	(33,282,478)	27,744,472	(34,131,518)
Movement in Cash and Cash Equivalents				
At 1st January	153,596,920	85,678,222	156,215,313	89,712,534
Increase/(Decrease) in cash and cash equivalents	25,438,612	(33,282,478)	27,744,472	(34,131,518)
Net foreign exchange difference	2,266,503	4,575,540	2,266,503	4,575,540
At 30TH JUNE	181,302,035	56,972,284	186,226,288	60,157,557

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH JUNE, 2013

1. The accounting policies underlying the accounts for the six months ended 30th June, 2013 are consistent with the policies for the 31st December 2012 financial statement which is IFRS compliant.

	AT 30TH JUNE	AT 30TH JUNE	AT 30TH JUNE	AT 30TH JUNE
	2013	2012	2013	2012
	GHC	GHC	GHC	GHC
Cash generated from operations				
Profit before income tax	17,958,786	7,837,085	19,694,035	8,142,195
Profit on disposal of property and equipment	-	-	-	(2,502)
Depreciation	1,158,585	837,456	1,473,538	988,076
Impairment for credit losses	4,505,999	1,731,334	4,505,999	1,731,334
Interest expense on long term bonds	951,686	838,815	951,686	838,815
Exchange loss on long term bonds	979,032	1,997,829	979,032	1,997,829
Inflation adjustment on long term bonds	3,834,429	3,123,558	3,834,429	3,123,558
Exchange gain on cash and cash equivalents	(2,266,503)	(4,575,540)	(2,266,503)	(4,575,540)

Cash generated from operations before changes in operating assets and liabilities	27,122,114	11,789,537	29,172,217	12,242,764
Increase in loans and advances to customers	(21,004,941)	(66,843,324)	(20,042,138)	(66,843,324)
Decrease/(Increase) in loans and advances to banks and fin inst	86,287	(200,092)	86,287	(200,092)
(Increase)/Decrease in other assets	(9,747,173)	2,969,016	(10,807,183)	702,408
Increase in deposits from customers	47,092,681	28,196,503	46,807,793	27,652,043
Decrease in deposits from banks and fin inst.	(8,522,189)	(176,846)	(8,522,189)	(176,846)
Increase in other liabilities	16,613,122	2,180,016	16,883,468	4,235,958
Cash generated from operations	51,639,900	(22,084,790)	53,578,255	(22,387,089)
Analysis of cash and cash equivalents as shown in cash flow statement				
Cash and balances with Bank of Ghana	74,390,753	41,807,390	74,390,753	41,807,390
Due from other banks	90,419,039	52,232,118	90,419,039	52,232,118
Treasury bills maturing within 90 days at date of acquisition	16,492,243	12,732,776	21,416,496	15,918,049
Due to other banks	-	(49,800,000)	-	(49,800,000)
	181,302,035	56,972,284	186,226,288	60,157,557
"The financial statements do not contain untrue statements, misleading facts, or omit material facts, to the best of our knowledge"				
Charles Ofori-Acquah		Asare Akuffo		
Executive Director (Business Development)		Managing Director		