



Annual Report & Accounts 2000



HOME FINANCE COMPANY LIMITED

FIVE-YEAR FINANCIAL HIGHLIGHTS

	2000 (¢' 000)	1999 (¢' 000)	1998 (¢' 000)	1997 (¢' 000)	1996 (¢' 000)
Total Income	37,953,031	13,736,116	11,495,246	7,851,275	4,659,008
Profit Before Tax	7,866,844	4,694,490	3,849,954	2,636,345	1,367,411
Profit After Tax	6,224,869	4,081,875	3,226,401	2,262,613	1,076,785
Total Assets	216,796,600	119,152,819	87,607,801	66,615,348	44,198,399
Mortgages	155,869,261	89,738,781	62,101,607	44,660,776	29,266,121
Short-Term Investments	17,197,953	11,559,467	17,194,181	15,896,581	9,927,298
Shareholders' Funds	33,019,943	15,198,311	12,769,610	5,224,274	3,674,191



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 10th Annual General Meeting of the Company will be held at the International Conference Centre at eleven (11:00) o'clock in the forenoon on Thursday, the 26th day of April, 2001 to transact the following business:

AGENDA

1. To receive the Chairman's Statement and the Managing Director's report on the operations of the Group for the year 2000.
2. To consider and approve consolidated Accounts and Financial Statements of Home Finance Company Limited and its wholly owned subsidiary, Home Finance Investment Fund Limited (HFIF) for the financial year ended 31st December, 2000 together with the Auditor's Report thereon.
3. To receive the Directors' report and approve their recommendation for the payment of dividend for the year ended 31st December 2000.
4. To authorise the Directors to increase the Company's stated capital to ¢ 16 billion by capitalising ¢8 billion from the capital surplus account.
5. To elect Mr. Paul Koranteng for two years to replace Mr. Ken Ofori-Atta who is retiring in accordance with Regulation 65 of the Company's Regulations and Section 298(d) of the Companies Code, 1963 (Act 179).
6. To re-elect Mr. S. K. Botchway (Chairman) for one year in accordance with Regulation 65 of the Company's Regulations and section 298(d) of the Companies Code, 1963 (Act 179).
7. To re-elect Mr. Henry Dei as a Director for one year in accordance with Regulation 65 of the Company's regulations and section 298(d) of the Companies Code, 1963 (Act 179).
8. To authorize the Directors to approve the remuneration of the Auditors for the year 2001.

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, Ebankese, No. 35, 6th Avenue, North Ridge, Accra, aforesaid 48 hours prior to the commencement of the meeting in accordance with the Company's Regulations.

Dated this 21st day of March 2001

BY ORDER OF THE BOARD

MERCY MAMLETETTEH (Mrs)

BOARD OF DIRECTORS, OFFICIALS AND REGISTERED OFFICE

DIRECTORS

Samuel K Botchway	(Chairman)
Stephanie Baeta Ansah (Mrs)	(Managing Director)
Edusei Derkyi	(Deputy Managing Director)
Asare Akuffo	(Finance Director)
E.N.A. Adjei	
Christopher N. N. Nartey	
Esther Kumado (Mrs)	
Kwadwo Duku	
Francis Nsiah Afriyie	
Ken Ofori-Atta	
Henry Dei	

SECRETARY

Mercy Mamle Tetteh (Mrs)
Ebankese
No. 35 Sixth Avenue, North Ridge, Accra

REGISTERED OFFICE

Ebankese
No. 35 Sixth Avenue, North Ridge, Accra
P.O.Box CT 4603
Accra

PRINCIPAL PLACE OF BUSINESS

Ebankese
No. 35 Sixth Avenue, North Ridge, Accra
P.O.Box CT 4603
Accra

AUDITORS

PricewaterhouseCoopers
Chartered Accountants
4th Floor - Gulf House
Legon Road
PMB CT42
Cantonments, Accra

PRINCIPAL BANKERS

Bank of Ghana	Accra
Merchant Bank (Ghana) Limited	Accra
SSB Bank Limited	Accra
Agric. Development Bank	Accra
Ghana International Bank	London
Marine Midland Bank	New York

BOARD OF DIRECTORS



(Left to Right)

Mrs. Mercy M. Tetteh (Board Secretary), Mr. E. N. A. Adjei, Mr. C. N. N. Nartey, Mr. Ken Ofori - Atta, Mr. Kwadwo Duku, Mr. Samuel K. Botchway (Chairman), Mrs. Stephanie Baeta Ansah (Managing Director), Mr. Edusei Derkyi (Deputy Managing Director), Mr. Asare Akuffo (Finance Director), Mrs. Esther Kumado, Mr. Henry Dei

DIRECTORS' REPORT

The directors have pleasure in submitting their report together with the audited consolidated financial statements for the year ended 31 December 2000.

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 period. In preparing these financial statements the directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent and followed Ghana Accounting Standards.

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.

Activities

The principal activities of the company and its subsidiary continued to be:

- i. to operate and manage a fund for the provision of long term resources for home mortgage financing;
- ii. to issue and deal in bonds and other financial instruments.
- iii. to undertake the business of housing finance.
- iv. to undertake the management of investments including real estate and arrangement of capitalisation / financing packages for its clientele.

Results

The group made a profit after tax of ¢6,225 million for the year ended 31 December 2000. The Income Surplus account amounted to ¢11,681 million. The directors consider the state of affairs of the group to be satisfactory.

Subsidiary

Home Finance Investment Fund Limited, a company incorporated in Ghana to manage investments including real estate and arrangement of capitalisation / financing package for its clientele, is a wholly-owned subsidiary of the company and its results have been consolidated in these accounts.

Dividends

The directors recommend the payment of a dividend of ¢37 per share (1999: ¢29), amounting to ¢2,109 million for the year ended 31 December 2000.

Auditors

In accordance with Section 134(5) of the Ghana Companies Code, 1963, (Act 179) PricewaterhouseCoopers will continue in office as auditors of the group.

SAMUEL KORTEI BOTCHWAY
Chairman

STEPHANIE BAETA ANSAH
Managing Director

21st March, 2001

CHAIRMAN'S STATEMENT

Dear Shareholders, Ladies and Gentlemen,

Welcome to the 10th Annual General Meeting of your Company. Once again I am happy to announce that HFC has had a very successful year in the midst of very difficult economic circumstances.

The Macroeconomy

From mid-1999, Ghana's economy has been caught in a cycle of deteriorating terms of trade and rising budgetary deficits. While the prices of our major export commodities plummeted, the cost of crude oil imports tripled. The resultant decline in net export revenues put considerable strain on government finances and affected the central bank's ability to support the cedi during the year. Consequently, key indicators of macroeconomic stability deteriorated in year 2000. The rate of inflation increased from 13.8 per cent at the end of 1999 to 40.5 per cent compared to a target of 23.0 per cent set for the year. The local currency virtually lost its value against the US Dollar, depreciating by 96.6 per cent compared to a lower depreciation of 33.0 per cent at the end of 1999. At the beginning of the year, one US dollar was exchanging for ₵3,500. By year-end, one US dollar was exchanging in excess of ₵7,000, in some cases.

Against a planned budgetary deficit of 6.1 per cent of GDP, the year ended with a larger deficit of 8.5 per cent of GDP. The continued build up in Government debt through financing from the banking system caused very significant distortions on the financial markets. Short-term interest rates were so high during the year as to threaten HFC's core business of mortgage lending. Interest rate on the benchmark 91-day treasury bill averaged 39.08 per cent during the year under review, forcing a significant asset allocation into that instrument to take advantage of the high yields. That was the unstable environment within which the Company operated during the past year.

Operational Issues

With sound management and a lot of imagination, I am proud to report that HFC has once again done very well. The number of mortgages continued to grow, rising from 3,241 at the end of 1999 to 3,639. The Company's total assets also increased from ₵120.1 billion at the end of 1999 to ₵216.7 billion. Profit before tax increased by 46.3 per cent to ₵7.8 billion. The Directors have recommended a dividend of ₵37.00 per share, representing ₵8.00 increase over the previous year. These results are well in line with the Company's Business Plan (2000-2004) approved by the Board of Directors during the year.

Competition in the financial services industry is getting keener by the day as operators develop several schemes and products to protect their businesses. The targets set in the Company's Business Plan are quite ambitious but my colleagues and I on the Board of Directors have great confidence in the capabilities of the Management and staff to withstand the competition. The Board will continue to motivate Management and staff by providing the appropriate working environment and resources to deliver the required results.

Conclusion

On behalf of the Board of Directors and on my own behalf, I wish to extend HFC's gratitude to all our customers and business partners whose support and encouragement have made our story so sweet to tell. In particular, I like to mention our investment counterparties who continue to trust us in the midst of the macroeconomic instability that the country went through last year. Our gratitude also goes to the Government, Bank of Ghana, Securities and Exchange Commission, Ghana Stock Exchange for a fruitful working relationship during the year and also to management and the staff for work well done in the past year. On behalf of my colleagues, I would like to extend our sincere thanks to Mr. Ken Ofori-Atta who is retiring from membership of the Board of Directors after five years of distinguished service. We wish him well.

Finally, to you the shareholders of HFC I like to thank you for your support and encouragement in the past year and hope for the same in the coming year.

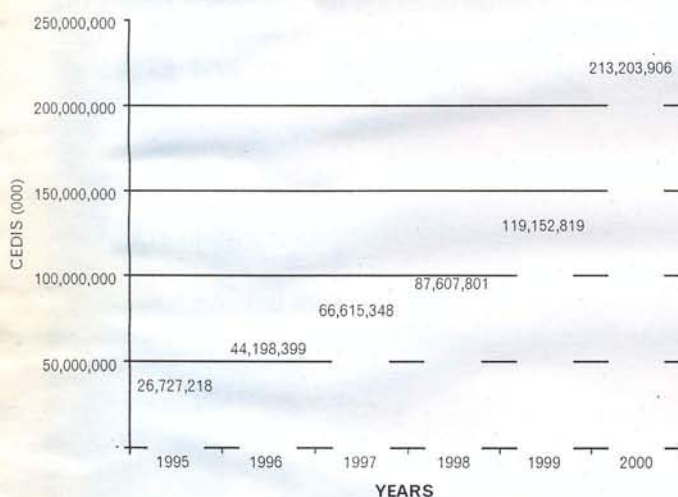
SAMUEL KORTEI BOTCHWAY

MANAGING DIRECTOR'S REPORT

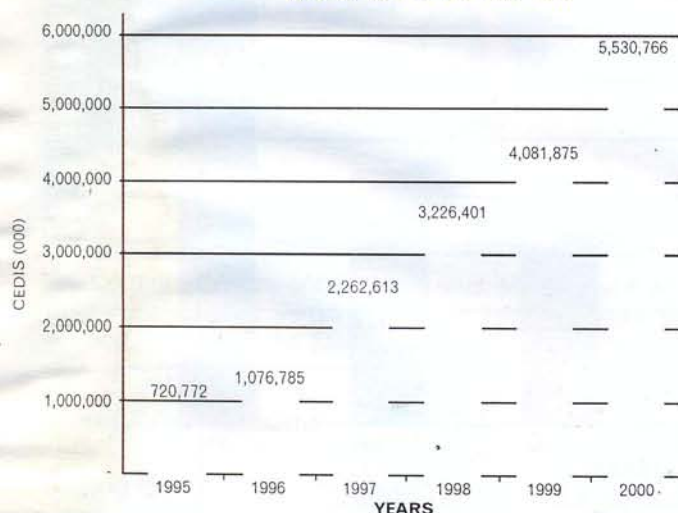
Mr. Chairman, Fellow Directors, and Valued Shareholders

This year's Annual General Meeting is a special one, marking as it does, HFC's tenth year of operations. I am very pleased to present to you once again, the results of your company and its wholly-owned subsidiary for another successful year, the year ended December 31, 2000.

HFC: TOTAL ASSETS



HFC: PROFIT AFTER TAX



Results

The HFC Group, comprising Home Finance Company Limited (HFC) and its subsidiary company, Home Finance Investment Fund Limited (HFIF), made a pre-tax profit of ¢ 7.8 billion (consolidated) for the year ended December 31, 2000. This represents an increase of ¢2.4 billion (consolidated) or 46.3% over the previous year's results. These are good results, considering the very adverse macro-economic environment within which we operated during the year, and the fact that the pre-tax profit was in excess of our projections by almost one billion cedis, representing a percentage increase of 25%.

However, our business could do better, if the company is licensed to take deposits. With the very high costs of raising funds currently our margins are very narrow, especially when compared to the banks.

Our mortgage portfolio continued to grow, increasing from ¢89.7 billion at the end of 1999 to ¢155.8 billion at the end of year 2000. Out of a total number of loans disbursed of 3,631, we are happy to say that a total of 1,083 had been fully repaid as at 31st December, 2000. We are indeed satisfied with the repayment rate of our mortgage loans.

During the year under review, your company successfully raised an additional US\$1.5 million in Series E Housbonds. The total amount raised out of the US\$35 million shelf registration, as at the end of the year, stands at US\$11.7 million.

The subsidiary company, Home Finance Investment Fund Ltd. (HFIF) has been able to hold its own during the year, and has contributed ¢864.3 million to the Group's pre-tax profits. Management will continue to focus on the growth of our subsidiary company, which complements our core business and promises to be a strong force on the market.

It is evident that HFC's tradition of prudence and professionalism continues to show impressive results, as is summarised in the 5-year accounts provided in the inside cover of this Annual Report. We shall launch two (2) new products and

services, tailored to address the challenges of the deteriorated macro-economic environment in which we have to operate.

Our Business

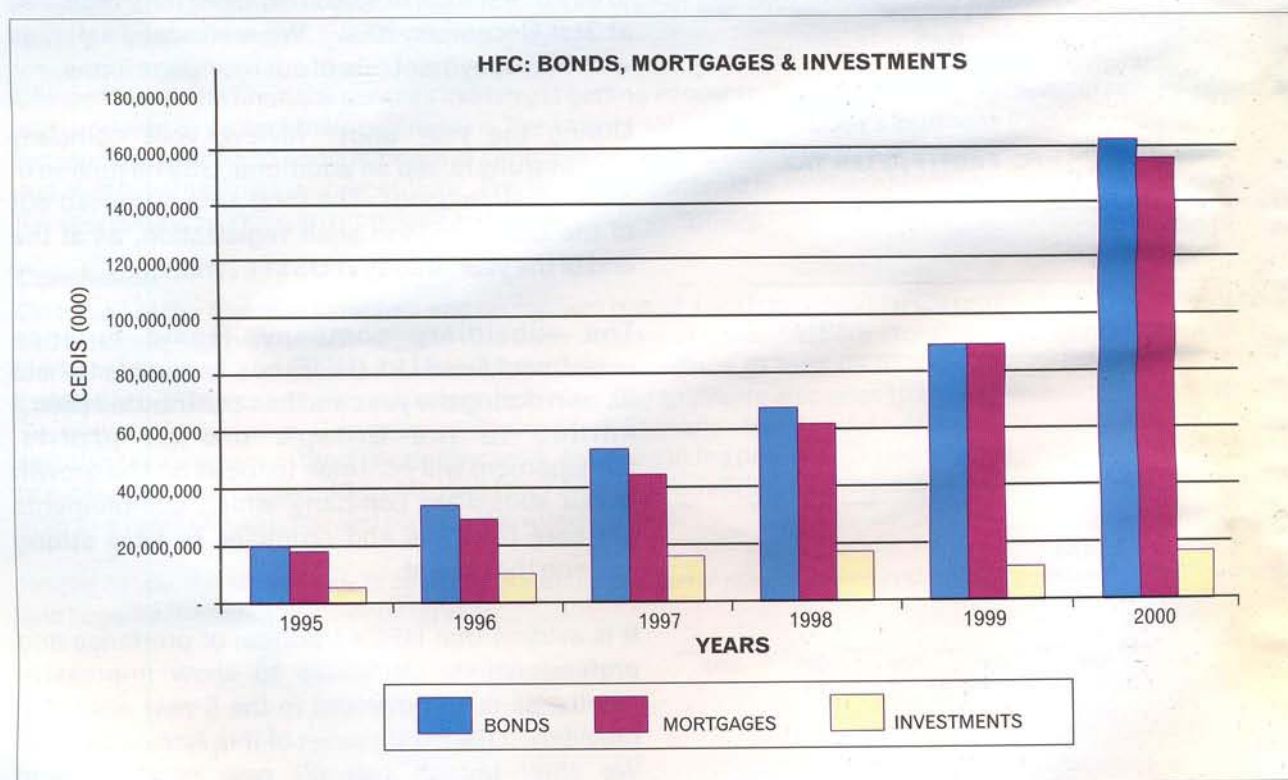
No new branches or representative offices were opened during the past year. Our Kumasi branch, located at Adum Roundabout, is doing healthy business but could do much more within the appropriate regulatory framework. The Tema Representative office is also doing well, developing our collective investment schemes and servicing our mortgagors resident in Tema. Our informal sector business continues to operate mainly from the Makola market.

HFC Managed Funds

The two funds under the Group's management, performed well, within the context of the very difficult macro-economic environment and high yields on Treasury Bills. While the HFC-REIT posted a yield of 32%, the HFC Unit Trust yielded 30% compared to an average inflation of 25.2% for the year. Being the pioneer in the management of collective investment schemes in this country, HFC is well poised to face likely competition from new schemes expected to be licensed by the Securities and Exchange Commission (SEC).

HFC Bank

Ladies and Gentlemen, for the fourth year in succession, I have to report on our efforts to obtain a banking license. The application was submitted to the Bank of Ghana as we were mandated. The response to this application came finally after a long period of discussion, and the results were that we have been advised by the Bank of Ghana to go for a savings and loans license in view of recent increase in minimum capital requirements for financial institutions.



Joint Ventures And Partnerships

During the past year, a high powered delegation from Union Homes Savings and Loans Limited (UHSL) of Nigeria, a subsidiary of Nigeria's largest Bank, Union Bank (formerly Barclays Bank) paid a working visit to HFC. In the true spirit of ECOWAS, we shared our experiences with our Nigerian colleagues and had fruitful discussions. We hope to further develop these and other contacts we have made within the West African Sub-region.

In response to various requests we have received from the African region, management has established a consultancy unit at your company's head office. We have agreed to invest in and provide technical assistance to The Gambia Home Finance Company Limited. One of our managers will be seconded to the new company on a short-term consultancy assignment, for which HFC will be paid professional fees.



Sod Cutting ceremony of UG-HFC Project: Mr. Samuel K. Botchway (Chairman of HFC) laying the foundation stone. Others in the picture are (sixth from left) Prof. Ivan Addae Mensah, Vice Chancellor of the University of Ghana, and (second from right) Mrs. Stephanie Baeta Ansah, Managing Director of HFC.

Other Joint-Ventures

During the year, we embarked through HFIF, on a joint-venture with SSNIT to build houses on SSNIT's serviced plots at Asuoyeboa, Kumasi. This is to enhance the operations of our Kumasi Branch. We also started construction of the first phase of our joint commercial complex with the University of Ghana, at a prime location in Accra.

REIT Projects

Unfortunately, HFIF's efforts to build houses at East Legon are being thwarted by a competitor developer. The matter is in Court, but we are confident of eventual victory. The project at Batsonaa also suffered a set-back owing to adverse title claims, but work is progressing on the provision of serviced plots for sale.

Computerisation

We have purchased the hardware and software of a modern well-integrated financial services program and have spent several months training our staff to use it effectively. This new program has afforded the company the flexibility required for the diversification of its operations.

Conclusion

With the instability that the Ghanaian economy is going through currently, our innovativeness, integrity and prudence have been put to the severest test. Whilst it is true that portfolio investors made losses over the past year on account of the devaluation of the cedi, HFC's share price on the Ghana Stock Exchange (GSE), was quite stable, and indeed made a gain of 26.93%. We are doing everything in our power to create value for you, our shareholders, whose support we very much appreciate. You will notice from the accounts, that the revaluation of our assets has added value to our capital surplus account.

I wish to assure shareholders that management of HFC is well poised to meet the challenges that face us. The staff are of high calibre and are being given constant training and encouragement to meet the challenges ahead. Even though the combination of skills and talents that we have assembled at HFC is good, we are certainly not resting on our oars. We shall continue to improve on our customer care and services and strive to remain the best in our business.

My colleagues in management and the staff take this opportunity to thank our shareholders for their support over the years.

I would like to conclude by expressing our gratitude to the Chairman and members of the Board of Directors as well, for the guidance and support they have provided in achieving good results for year 2000.

Happy 10th Anniversary to all of us.

Thank you.

STEPHANIE BAËTA ANSAH (Mrs)

REPORT OF THE AUDITORS

TO THE MEMBERS OF HOME FINANCE COMPANY LIMITED AND ITS SUBSIDIARY

We have audited the consolidated financial statements on pages 12 to 24 which have been prepared in accordance with the accounting policies set out on pages 15 and 16. We report in terms of section 23(2) of the Financial Institutions (Non-Banking) Law, 1993 (PNDCL 328).

Respective responsibilities of directors and auditors

As stated on page 3, the directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes an examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

Opinion

In our opinion the group's transactions were within its powers, proper books of account have been kept and the financial statements which are in agreement therewith give a true and fair view of the state of affairs of the group at 31 December 2000 and of the profit and cash flows of the group for the year then ended and comply with the Ghana Accounting Standards, the Ghana Companies Code, 1963 (Act 179) and the Financial Institutions (Non-Banking) Law, 1993 (PNDCL 328).

PricewaterhouseCoopers

Chartered Accountants

21st March, 2001

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(All amounts are expressed in thousands of Cedis)

	Notes	2000		1999	
		The Company	The Group	The Company	The Group
Income					
Operating Income	1	29,082,270	32,032,968	17,525,848	18,160,728
Fees and Commissions		1,312,175	1,633,418	1,025,844	1,355,169
Other Income		4,263,189	4,286,645	3,092,171	3,099,279
		<u>34,657,634</u>	<u>37,953,031</u>	<u>21,643,863</u>	<u>22,615,176</u>
Expenditure and charges					
Interest Charges		20,717,851	19,270,988	11,538,670	11,538,670
Commissions		217,587	217,587	193,243	193,243
General, Selling and Administrative Expenses	2	6,719,715	10,597,612	5,217,460	5,507,097
		<u>27,655,153</u>	<u>30,086,187</u>	<u>16,949,373</u>	<u>17,239,010</u>
Profit before tax		<u>7,002,481</u>	<u>7,866,844</u>	<u>4,694,490</u>	<u>5,376,166</u>
Tax	3	(1,471,715)	(1,641,975)	(612,615)	(623,553)
Profit after tax transferred to Income surplus account		<u>5,530,766</u>	<u>6,224,869</u>	<u>4,081,875</u>	<u>4,752,613</u>

INCOME SURPLUS ACCOUNT

Balance at 1 January		6,583,416	7,841,500	4,358,809	4,946,155
Profit for the year		<u>5,530,766</u>	<u>6,224,869</u>	<u>4,081,875</u>	<u>4,752,613</u>
		<u>12,114,182</u>	<u>14,066,369</u>	<u>8,440,684</u>	<u>9,698,768</u>
Transfer to Housing Development Assistance Fund ¹⁷		(276,538)	(276,538)	(204,094)	(204,094)
Proposed dividend	4	(2,109,222)	(2,109,222)	(1,653,174)	(1,653,174)
Balance at 31 December		<u>9,728,422</u>	<u>11,680,609</u>	<u>6,583,416</u>	<u>7,841,500</u>

The accounting policies and notes on pages 15 to 24 form an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET

(All amounts are expressed in thousands of Cedis)

	Notes	2000		1999	
		The Company	The Group	The Company	The Group
Employment of Capital					
Fixed Assets	5	17,491,921	17,683,171	4,782,008	4,893,329
Mortgages	6	155,869,261	155,869,261	89,738,781	89,738,781
		173,361,182	173,552,432	94,520,789	94,632,110
Investment at Cost	7	250,000	150,000	250,000	150,000
		173,611,182	173,702,432	94,770,789	94,782,110
Current Assets					
Short-term Investments	8	16,406,093	17,197,953	11,559,467	12,148,947
Other Assets	9	13,489,040	13,907,605	9,788,898	9,841,688
Bank and cash balances	10	9,697,591	11,988,610	3,033,665	3,361,863
		39,592,724	43,094,168	24,382,030	25,352,498
Current Liabilities:-					
Deposits		11,313,492	13,216,381	5,000,760	5,171,225
Creditors and Accruals	11	4,222,798	3,884,218	2,175,694	1,770,496
Bank Overdraft		-	-	286,576	286,576
Dividend Payable	4	2,109,222	2,109,222	1,791,794	1,791,794
Tax	3	818,965	895,163	102,000	60,438
Deferred Credit	12	186,159	186,159	255,516	255,516
Short Term Loan	13	477,795	477,795	4,241,221	4,241,221
		19,128,431	20,768,938	13,853,561	13,577,266
Net Current Assets					
		20,464,293	22,325,230	10,528,469	11,775,232
Total Assets Less Current Liabilities					
Long Term Liabilities					
Long Term Bonds	14	162,713,815	162,713,815	89,910,338	89,910,338
Long Term Loans	15	293,904	293,904	190,609	190,609
		163,007,719	163,007,719	90,100,947	90,100,947
Net Assets					
Capital Employed:					
Stated Capital	16	8,027,310	8,027,310	8,027,310	8,027,310
Housing Development Assistance Fund	17	864,123	864,123	587,585	587,585
Income Surplus Account		9,728,422	11,680,609	6,583,416	7,841,500
Capital Surplus Account	18	12,447,901	12,447,901	-	-
		31,067,756	33,019,943	15,198,311	16,456,395

The consolidated financial statements on pages 12 to 24 were approved by the Board of Directors on 21st March, 2001 and signed on its behalf by:

SAMUEL KORTEI BOTCHWAY
Chairman

STEPHANIE BAETA ANSAH
Managing Director

The accounting policies and notes on pages 15 to 24 form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

(All amounts are expressed in thousands of Cedis)

	Notes	2000	1999
Operating activities			
Net cash used in operating activities	19	(7,234,758)	(13,169,851)
Investing activities			
Purchase of fixed assets	5	(1,047,101)	(2,531,435)
Proceeds from sale of investments	5	22,413	71,832
Net cash used in investing activities		(1,024,688)	(2,459,603)
Financing activities			
Loans received	13 & 15	103,295	6,011,936
Dividend paid		(1,791,794)	(1,235,122)
Issue of bonds	14	27,982,220	7,030,950
Redemption of bonds	14	(101,499)	
Repayment of loan	13	(3,970,447)	(2,000,000)
Net cash from financing activities		22,221,775	9,807,764
Increase/(decrease) in cash and cash equivalents		13,962,329	(5,821,690)
Movement in cash and cash equivalents			
At beginning of the year		15,224,234	21,045,924
Increase/(decrease) during the year		13,962,329	(5,821,690)
At end of the year	20	29,186,563	15,224,234

The accounting policies and notes on pages 15 to 24 form an integral part of these financial statements.

ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below:

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of landed property.

(b) Consolidation

The consolidated financial statements of the Group include the accounts of the company and its subsidiary Home Finance Investment Fund Limited made up to 31 December 2000.

(c) Fixed assets

Land and buildings are stated at valuation less accumulated depreciation. Furniture equipment and motor vehicles are stated at historical cost less accumulated depreciation. Depreciation is calculated using the straight-line method to write off the cost/gross value of each asset over their useful lives. The principal rates used for these purposes are: -

Building	2%
Furniture and equipment	20%
Motor vehicles	20%

(d) Foreign currencies

Transactions in foreign currencies during the year are converted into cedis at rates prevailing at the time of transaction. Assets and liabilities denominated in foreign currencies at the balance sheet date are translated into cedis at the exchange rate ruling at that date. Gains and losses resulting from the conversion and translation are dealt with in the profit and loss account for the Year.

(e) Grants

(i) Revenue Grants

Grants of revenue nature are dealt with in the profit and loss account.

(ii) Capital Grants

Capital based grants are shown as deferred credit and transferred to the profit and loss account over the estimated life of the related asset.

(f) Mortgages and Bonds

Mortgages and Bonds are stated in the financial statements at face value except for the International Development Association and Social Security and National Insurance Trust financed Pilot and uncompleted housing mortgage schemes and their related bonds, where an adjustment for inflation is made based on the consumer price index. Additionally specific provision is made for defaults on mortgages.

(g) Provision for bad and doubtful debts

Provision for bad and doubtful debts are made, having regard to specific risks.

The provisions are made in respect of those mortgage advances that have been individually reviewed and specifically identified as bad or doubtful. In determining the level of provision required, management considers numerous factors including, but not limited to, domestic economic conditions, the composition of the advance portfolio and prior bad debt experience.

Provisions made during the year are charged as a separate amount in the profit and loss account. When mortgage advance is deemed uncollectable it is written off against the related Bad Debt provision. Subsequent recoveries of mortgage advance that have been written off are credited to the income statement.

(h) Inflation adjustment

Inflation adjustment on pilot and uncompleted housing scheme mortgages are treated as Interest Income. Inflation adjustment on indexed bonds are treated as interest expense.

(i) Deferred tax

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying value for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

Deferred tax assets are recognised for tax losses carried forward only to the extent that Realisation of the related tax benefit is probable.

(j) Treasury bills

Treasury bills are debt securities issued by the Bank of Ghana. These bills are stated at face value less unearned interest

(k) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid, investments and bank overdrafts.

(l) Post balance sheet events

Events subsequent to the balance sheet date are reflected only to the extent that they relate to the Accounts and when their effect is material.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

1. OPERATING INCOME

	2000		1999	
	The Company	The Group	The Company	The Group
This is made up of:				
Interest Income	23,212,111	23,212,111	12,763,832	12,763,832
Investment Income	5,870,159	8,820,857	4,762,016	5,396,896
	<u>29,082,270</u>	<u>32,032,968</u>	<u>17,525,848</u>	<u>18,160,728</u>

2. GENERAL AND ADMINISTRATIVE EXPENSES

These include:

Depreciation	680,972	705,160	701,660	711,411
Directors' Emoluments	617,914	669,923	386,769	406,281
Auditors' Remuneration	40,000	49,799	25,700	30,000

3. TAX

The Company	Balance 1/1/00	Charge for the year	Payments during year	Balance 31/12/00
Current tax				
Tax Year				
1996	(3,808)	-	-	(3,808)
1998	20,308	-	-	20,308
1999	85,500	-	(154,750)	(69,250)
2000	-	820,326	(600,000)	220,326
	<u>102,000</u>	<u>820,326</u>	<u>(754,750)</u>	<u>167,576</u>
Deferred tax	-	651,389	-	651,389
	<u>102,000</u>	<u>1,471,715</u>	<u>(754,750)</u>	<u>818,965</u>
The Group	Balance 1/1/00	Charge for the year	Payments during year	Balance 31/12/00
Current tax				
Tax Year				
1996	(3,808)	-	-	(3,808)
1998	20,308	-	-	20,308
1999	43,938	-	(154,750)	(110,812)
2000	-	990,586	(652,500)	338,086
	<u>60,438</u>	<u>990,586</u>	<u>(807,250)</u>	<u>243,774</u>
Deferred tax	-	651,389	-	651,389
	<u>60,438</u>	<u>1,641,975</u>	<u>(807,250)</u>	<u>895,163</u>

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 32.5% (1999: 35%)

4. DIVIDEND (GROSS)

	2000		1999	
	The Company	The Group	The Company	The Group
Balance as at 1 January	1,791,794	1,791,794	1,373,742	1,373,742
Proposed dividend	2,109,222	2,109,222	1,653,174	1,653,174
Dividend paid	3,901,016 (1,791,794)	3,901,016 (1,791,794)	3,026,916 (1,235,122)	3,026,916 (1,235,122)
Balance as at 31 December	2,109,222	2,109,222	1,791,794	1,791,794

Payment of dividend is subject to deduction of 10% withholding tax.

5. FIXED ASSETS
The Company

	Leasehold Land and Building	Motor Vehicles	Furniture	Equipment	Total
Cost/valuation					
At 1 January 2000	2,720,510	1,029,015	409,233	1,797,998	5,956,756
Additions	115,209	140,273	88,502	599,000	942,984
Revaluation surplus	12,447,901	-	-	-	12,447,901
Released on disposal	-	(23,672)	-	(798)	(24,470)
At 31 December 2000	15,283,620	1,145,616	497,735	2,396,200	19,323,171
Depreciation					
At 1 January 2000	106,472	367,047	127,301	573,928	1,174,748
Charge for the year	73,148	193,486	59,667	354,671	680,972
Released on disposals	-	(23,672)	-	(798)	(24,470)
At 31 December 2000	179,620	536,861	186,968	927,801	1,831,250
Net book value at 31 December 2000	15,104,000	608,755	310,767	1,468,399	17,491,921
31 December 1999	2,614,038	661,968	281,932	1,224,070	4,782,008

The Group

Cost/valuation					
At 1 January 2000	2,720,510	1,145,860	409,233	1,821,885	6,097,488
Additions	115,209	140,273	88,502	703,117	1,047,101
Revaluation surplus	12,447,901	-	-	12,447,901	
Released on disposals	-	(23,672)	-	(798)	(24,470)
At 31 December 2000	15,283,620	1,262,461	497,735	2,524,204	19,568,020
Depreciation					
At 1 January 2000	106,472	382,957	127,301	587,429	1,204,159
Charge for the year	73,148	205,170	59,667	367,175	705,160
Released on disposals	-	(23,672)	-	(798)	(24,470)
At 31 December 2000	179,620	564,455	186,968	953,806	1,884,849
Net Book Value at 31 December 2000	15,104,000	698,006	310,767	1,570,398	17,683,171
31 December 1999	2,614,038	762,903	281,932	1,234,456	4,893,329

The company's landed properties were revalued at open market value on 31 December 2000, by Messrs. Real Estate Partnership, an independent chartered valuer.

5. FIXED ASSETS (Continued)

Profit on Sale of Fixed Assets

	2000		1999	
	The Company	The Group	The Company	The Group
Cost	24,470	24,470	82,667	82,667
Depreciation	(24,470)	(24,470)	(43,652)	(43,652)
Net Book Value	-	-	39,015	39,015
Proceeds of Sale	22,413	22,413	71,832	71,832
Profit on Sale	22,413	22,413	32,817	32,817

6. MORTGAGES

	2000		1999	
	The Company	The Group	The Company	The Group
Balance at 1 January	90,909,850	90,909,850	62,772,676	62,772,676
Disbursements during year	38,990,282	38,990,282	19,210,015	19,210,015
Interest Charged	9,661,514	9,661,514	4,856,085	4,856,085
Exchange Gain	33,633,008	33,633,008	9,488,787	9,488,787
Inflation Adjustment	13,550,596	13,550,596	7,611,554	7,611,554
	186,745,250	186,745,250	103,939,117	103,939,117
Less:				
Repayments	(29,084,233)	(29,084,233)	(13,029,267)	(13,029,267)
	157,661,017	157,661,017	90,909,850	90,909,850
Provision for Bad and Doubtful Debts	(1,791,756)	(1,791,756)	(1,171,069)	(1,171,069)
Balance at 31 December	155,869,261	155,869,261	89,738,781	89,738,781

7. INVESTMENTS AT COST

Investment in Subsidiary Company	100,000	-	100,000	-
Investment in another company	150,000	150,000	150,000	150,000
	250,000	150,000	250,000	150,000

Investment in another company represents a 6.2% of equity shares in Metropolitan and Allied Bank Limited.

8. SHORT-TERM INVESTMENTS

	2000		1999	
	The Company	The Group	The Company	The Group
These are made up as follows:				
Fixed Deposits	3,219,337	3,219,337	1,280,000	1,280,000
Treasury Bills	8,300,050	8,300,050	5,071,047	5,071,047
Government Bonds	-	-	700,000	700,000
Unit and Investment Trust	4,886,706	5,678,566	4,508,420	5,097,900
	16,406,093	17,197,953	11,559,467	12,148,947

9. OTHER ASSETS

These are made up as follows:

	2000		1999	
	The Company	The Group	The Company	The Group
Staff loans (a)	754,278	754,278	513,242	513,242
Accrued Income	257,665	283,067	488,300	488,300
Construction Finance	11,816,177	8,539,769	6,785,685	4,531,593
Other Receivables	660,920	4,330,491	2,001,671	4,308,553
	<u>13,489,040</u>	<u>13,907,605</u>	<u>9,788,898</u>	<u>9,841,688</u>

(a) The maximum amount of such indebtedness by officers during the year did not exceed ₦754million (1999: ₦513 million)

10. BANK AND CASH BALANCES

These consist of:

Local Banks	8,046,876	10,337,895	688,630	1,016,828
Foreign Banks	1,282,126	1,282,126	1,381,802	1,381,802
Call Accounts	368,589	368,589	863,233	863,233
Cash on Hand	-	-	100,000	100,000
	<u>9,697,591</u>	<u>11,988,610</u>	<u>3,033,665</u>	<u>3,361,863</u>

11. CREDITORS AND ACCRUALS

Interest on Bonds	1,270,570	1,270,570	701,476	701,476
Others	2,952,228	2,613,648	1,474,218	1,069,020
	<u>4,222,798</u>	<u>3,884,218</u>	<u>2,175,694</u>	<u>1,770,496</u>

12. DEFERRED CREDIT

This represents the balance on capital based grants and consists of:

Balance as at 1 January	255,516	255,516	324,873	324,873
Transfers to Profit and loss Account	(69,357)	(69,357)	(69,357)	(69,357)
Balance at 31 December	<u>186,159</u>	<u>186,159</u>	<u>255,516</u>	<u>255,516</u>

13. SHORT TERM LOAN

	2000		1999	
	The Company	The Group	The Company	The Group
Balance at 1 January	4,241,221	4,241,221	-	-
Drawdowns	-	-	5,821,327	5,821,327
Interest charged	207,021	207,021	419,894	419,894
	<u>4,448,242</u>	<u>4,448,242</u>	<u>6,241,221</u>	<u>6,241,221</u>
Repayments	(3,970,447)	(3,970,447)	(2,000,000)	(2,000,000)
Balance at 31 December	<u>477,795</u>	<u>477,795</u>	<u>4,241,221</u>	<u>4,241,221</u>

The International Development Association through the Government of Ghana made available **US\$2.3 million** to HFC under the Urban II Project. The facility which is payable within a year of the initial drawdown, attracts interest at one percentage point below the average of commercial banks 180 day fixed deposits rate.

14. LONG TERM BONDS

	2000		1999	
	The Company	The Group	The Company	The Group
These consist of:				
Balance at 1 January	89,910,338	89,910,338	67,968,945	67,968,945
Issues during the year	27,982,220	27,982,220	7,030,950	7,030,950
Interest charged	4,619,938	4,619,938	2,140,938	2,140,938
Exchange loss	30,312,671	30,312,671	9,109,008	9,109,008
Inflation adjustment	14,671,575	14,671,575	8,259,877	8,259,877
	<u>167,496,742</u>	<u>167,496,742</u>	<u>94,509,718</u>	<u>94,509,718</u>
Less: Redemptions	(101,499)	(101,499)	(1,094,898)	(1,094,898)
Interest paid	(4,681,428)	(4,681,428)	(3,504,482)	(3,504,482)
Balance at 31 December	<u>162,713,815</u>	<u>162,713,815</u>	<u>89,910,338</u>	<u>89,910,338</u>
The breakdown is as follows: -				
Ghana Government Bond (Note (i) below)	30,145,028	30,145,028	24,477,310	24,477,310
Social Security & National Insurance				
Trust Bonds (Note (ii) below)	60,221,023	60,221,023	33,697,783	33,697,783
HFC Unit Trust	507,256	507,256	489,628	489,628
Total Cedi Bonds (Note (iii) below)	<u>90,873,307</u>	<u>90,873,307</u>	<u>58,664,721</u>	<u>58,664,721</u>
HFC Dollar Housbonds (Note (iv) below)	71,840,508	71,840,508	31,245,617	31,245,617
Balance at 31 December	<u>162,713,815</u>	<u>162,713,815</u>	<u>89,910,338</u>	<u>89,910,338</u>

(i) Ghana Government Bond

The International Development Association has made available to the Government of Ghana (GOG) a credit of **US\$70 million** for the Urban II Project. GOG has on-lent an amount of **US\$7 million** from the proceeds of the Credit to HFC for home mortgage financing. As at 31 December 2000, the outstanding balance on the facility stood at **¢30,145million** (1999: ¢22,477 million). The term of the bond is 30 years. These are fully indexed to inflation and attract interest at the rate of 1% per annum.

(ii) Social Security and National Insurance Trust Bonds
(a) Uncompleted Housing Scheme

A loan of **¢2,000 million** was contracted to finance the Uncompleted Housing Scheme. The loan which is fully indexed to inflation, has a 20 year maturity period and attracts interest at the rate of 1.5% per annum on amounts drawn-down. The initial disbursement was made in 1993.

(b) Pilot Scheme

Social Security and National Insurance Trust agreed to lend the cedi equivalent of **US\$16.2 million** for the implementation of the Home Finance Pilot Scheme. The loan which has a 20 year term is fully indexed to inflation and attracts interest at the rate of 1% per annum on amounts drawn down.

(iii) Total Cedi Bonds

The movement on the account is as follows: -

	2000		1999	
	The Company	The Group	The Company	The Group
Balance at 1 January	58,664,721	58,664,721	52,208,254	52,208,254
Issues during the year	17,700,000	17,700,000	-	-
Interest charges	876,713	876,713	593,956	593,956
Inflation adjustment	14,671,575	14,671,575	8,259,877	8,259,877
	91,913,009	91,913,009	61,062,087	61,062,087
Less: Redemption	(101,499)	(101,499)	-	-
Interest repayments	(938,203)	(938,203)	(2,397,366)	(2,397,366)
Balance at 31 December	90,873,307	90,873,307	58,664,721	58,664,721

(iv) HFC Dollar Housbonds

The company on 17 September 1996 made a shelf registration of **US\$35 million** bonds on the Ghana Stock Exchange. The issued bonds have a maturity of five years and investors have the option to redeem their holdings at a discount value of **US\$98.25** for every **US\$100** at the end of the second year of issue. The bonds are also listed and traded in, on the Ghana Stock Exchange.

As at 31 December 2000 **US\$11 million** (1999 **US\$9.5m**) has been issued. The movement on the account is as follows:

	2000		1999	
	The Company	The Group	The Company	The Group
Balance at 1 January	31,245,617	31,245,617	15,760,691	15,760,691
Issues during the year	10,282,220	10,282,220	7,030,950	7,030,950
Interest charges	3,743,225	3,743,225	1,546,982	1,546,982
Exchange loss	30,312,671	30,312,671	9,109,008	9,109,008
	75,583,733	75,583,733	33,447,631	33,447,631
Less: Interest repayments	(3,743,225)	(3,743,225)	(1,107,116)	(1,107,116)
Redemption	-	-	(1,094,898)	(1,094,898)
Balance at 31 December	71,840,508	71,840,508	31,245,617	31,245,617

15. LONG TERM LOAN

	2000		1999	
	The Company	The Group	The Company	The Group
Balance at 1 January	190,609	190,609	-	-
Drawdowns	103,295	103,295	190,609	190,609
Balance at 31 December	293,904	293,904	190,609	190,609

This represents an IDA co-ordinated loan through the Non-Bank Financial Institution (NBFI) Project for the procurement of computer systems and accessories. The loan represent **US\$500,000** out of a total IDA Credit of **SDR16,000,000** given to the Government of Ghana under a Development Credit Agreement, dated 26th February, 1996. The loan has a ten year term, with a three year grace period from the date of first draw down. The first draw down was made in September 1999. Repayment of the loan is in cedis at an interest rate based on the market determined average cost of 180-days fixed deposits, with the Government of Ghana bearing the foreign exchange risk.

16. STATED CAPITAL

These consist of:

	2000		1999	
	No. of Shares '000		No. of Shares '000	
Authorised Shares	1,000,000	-	1,000,000	-
Share issued for cash consideration	57,006	8,027,310	57,006	8,027,310

There are no unpaid liabilities on any share and there are no calls or instalments unpaid. There are no treasury shares.

17. HOUSING DEVELOPMENT ASSISTANCE FUND

	2000		1999	
Balance 1 January	587,585	587,585	383,491	383,491
Additions during year	276,538	276,538	204,094	204,094
Balance at 31 December	864,123	864,123	587,585	587,585

(c) The Housing Development Assistance Fund has been set up to fund housing related research and new technologies and is as such restricted from distribution as dividend.

18. CAPITAL SURPLUS ACCOUNT

This represents the unrealised surplus arising on the revaluation of the company's landed property at 31 December 2000.

19. RECONCILIATION OF OPERATING PROFIT TO NET CASH FROM OPERATIONS

	2000	1999
Profit before tax	7,866,844	5,376,166
Depreciation	705,160	711,411
Increase in provision for losses on mortgages	620,687	500,000
Profit on disposal of fixed assets	(22,413)	(32,817)
Net interest receivable	(9,661,514)	(4,856,085)
Net increase in mortgages	(9,906,049)	(6,180,748)
Net increase in other assets accounts	(4,065,917)	(6,547,782)
Net exchange (gain)/loss	(2,199,358)	47,180
Net increase/(decrease) in creditors and accruals	2,113,722	(2,371,646)
Decrease in deferred credits	(69,357)	(69,357)
Increase in deposits	8,045,156	2,963,020
Interest on bonds and loans	4,826,959	2,782,196
Repayment of interest	(4,681,428)	(4,599,380)
Tax paid	(807,250)	(892,009)
Net cash from operating activities	(7,234,758)	(13,169,851)

20. CASH AND CASH EQUIVALENTS

Analysis of balances	2000	1999	Change in year
Cash and Short term investments	29,186,563	15,510,810	13,675,753
Bank overdraft	-	(286,576)	286,576
	29,186,563	15,224,234	13,962,329

For purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, unit and investment trust and investment in treasury bills and bonds.

21. COMPARATIVE FIGURES

The comparative figures have been restated to conform with current presentation.

22. CAPITAL COMMITMENTS

There were no outstanding capital commitments at the financial year end (1999: Nil)

23. CONTINGENT LIABILITY

There were no contingent liabilities at the financial year end (1999: Nil)

SHAREHOLDING STRUCTURE

AS AT 31ST DECEMBER 2000

Holding	No. Of Holders	No. of Shares
1 - 1,000	317	138,945
1,001 - 5,000	149	347,108
5,001 - 10,000	43	335,015
10,001 and above	59	56,184,819
	568	57,005,887

Directors' Holdings

Name	No. of Shares
1. Samuel Kortei Botchway	5,000
2. Stephanie Baeta Ansah (Mrs)	101,638
3. Edusei Derkyi	80,860
4. Asare Akuffo	62,737
5. Esther Kumado (Mrs)	10,000
6. Kenneth Ofori-Atta	20,000
7. Kwadwo Duku	30,000

Included in the HFC ESPW Fund are the following shares held by the Executive Directors:

1. Stephanie Baeta Ansah (Mrs)	15,106
2. Edusei Derkyi	27,953
3. Asare Akuffo	18,256

20. MAJOR SHAREHOLDERS

AS AT 31ST DECEMBER 2000

Name	Shares	% Of Issued Capital
1. SOCIAL SEC. & NAT. INS. TRUST C/O HEAD OF INVESTMENT DEPARTMENT SSNIT, GULF HOUSE P. O. BOX M. 149, ACCRA	12,242,831	21.48
2. MERCHANT BANK GHANA LIMITED P. O. BOX 401, ACCRA	9,712,765	17.04
3. BANK OF GHANA C/O THE SECRETARY P. O. BOX 2674, ACCRA	7,410,765	13.00
4. GHANA UNION ASSURANCE CO. LTD. P. O. BOX 1322, ACCRA	7,125,303	12.50
5. STATE INSURANCE CO. LTD P. O. BOX 2363, ACCRA	6,020,680	10.56
6. GHANA REINSURANCE CO. P. O. BOX 7509, ACCRA-NORTH	3,500,000	6.14
7. BBG NOMINEE/CHASE MANHATTAN ONSHORE BARCLAYS BANK OF GHANA P. O. BOX 2949, ACCRA	2,814,480	4.94
8. HFC UNIT TRUST PRIVATE MAIL BAG, G.P.O., ACCRA	1,906,573	3.34
9. ENTERPRISE INSURANCE CO. LTD. P. O. BOX 50, ACCRA	783,420	1.3
10. BBG NOMINEES LTD/SSB AND TRUST G.E. INVESTMENT GROUP TRUST BACLAYS BANK P. O. BOX 2949, ACCRA	722,599	1.27
11. BBG NOMINEES/SSB FEDERATED EMERGING MARKETS FUND C/O BARCLAYS BANK OF GH. NOMINEES HEAD OFFICE ACCRA	719,280	1.26
12. HFC ESPW FUND PENSION HOUSE TOWER BLOCK PMB, GPO-ACCRA	387,019	0.68
13. VANGURAD ASSURANCE COMPANY LIMITED P. O. BOX 1868, ACCRA	346,123	0.61

Name	Shares	% Of Issued Capital
14. BBG NOMINEES LTD/SSB GNA ZW5D BARCLYAS BANK OF GH. NOMINEES LTD HEAD OFFICE, ACCRA	326,752	0.57
15. BBG NOMINEES LTD/SSB AND TRUST GENERAL ELECTRICAL PENSION TRUST BARCLAYS BANK P. O. BOX 2949, ACCRA	242,876	0.43
16. MR. K.T. AGYARE 14 BERNARD GARDEN LONDON SW19 7BE, UK	199,840	0.35
17. FANEL LIMITED P. O. BOX C.232 CANTONMENTS, ACCRA	110,000	0.19
18. MRS. S.H.B. ANSAH P. O. BOX CT. 4603 CANTONMENTS, ACCRA	101,638	0.18
19. REGIMANUEL GRAY LTD. P. O. BOX 8124 ACCRA-NORTH	100,400	0.18
20. BBG NOMINEES LTD/SSB GNA GE9H BARCLAYS BANK OF GH. LTD. HEAD OFFICE, ACCRA	100,258	0.18
TOTAL	<u>54,873,962</u>	<u>96.26</u>
NOT REPORTED	<u>2,131,925</u>	<u>3.74</u>
GRAND TOTAL	<u>57,005,887</u>	<u>100.00</u>



HOME FINANCE COMPANY LIMITED

PROXY

I/We

of

being members of HOME FINANCE COMPANY LIMITED hereby appoint.....

Or failing him MR. SAMUEL KORTEI BOTCHWAY, Chairman of Home Finance Company Limited, P. O. Box CT 4603, Cantonments, 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 International Conference Centre, Accra at eleven (11:00) o'clock in the forenoon on the 26th day of April, 2001 and at any adjournment thereof.

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

RESOLUTIONS

1. To consider and approve consolidated accounts and financial Statement of Home Finance Company Limited and its wholly owned subsidiary, HFIF for the financial year ended 31st December 2000 together with the Auditors Report thereon.
2. To receive the Directors' report and approve their recommendations for the Payment of dividend for the year ended 31st December, 2000
3. To approve the Directors' recommendation to increase the Company's stated capital to c 16 billion by capitalising c 8 billion from the capital surplus account.
4. To elect Mr. Paul Koranteng for two years to replace Mr. Ken Ofori-Atta who is retiring in accordance with Regulation 65 of the company's regulations and Section 298(d) of the Companies Code, 1963 (Act 179)
5. To re-elect Mr. S. K. Botchway (Chairman) for one year in accordance with Regulation 65 of the company's regulations and Section 298(d) of the Companies Code, 1963 (Act 179)
6. To re-elect Mr. Henry Dei as a Director for one year in accordance with Regulation 65 of the company's regulations and Section 298(d) of the Companies Code, 1963 (Act 179)
7. To authorize the Directors to approve the remuneration of the Auditors

FOR	AGAINST

On 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 2001 Signature of Shareholder



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

1. 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 personally attend.
2. Provision has been made on the form for MR. SAMUEL KORTEI BOTCHWAY the Chairman of the meeting to act as your Proxy but if 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.
3. In the case of joint holder, each holder must sign. In case of a company, the Proxy Form must be by a director or its Common Seal appended.
4. 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 5:00 p.m. on 24th day of April, 2001
5. The Proxy must produce the Admission Form printed overleaf to obtain entrance to the meeting.



FIRST FOLD HERE

THIRD FOLD HERE

THE SECRETARY
HOME FINANCE COMPANY LIMITED
'EBANKSE'
P. O. BOX CT 4603
CANTONMENTS
ACCRA- GHANA

SECOND FOLD HERE

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



ADMISSION CARD

Annual General Meeting of the Company to be held at the International Conference Centre at eleven (11:00) o'clock on the 26th day of April 2001 and at any adjournment thereof.

Name of Shareholder HFC/29775
Name of Proxy MR K. OFORI-ATTA
Signature of Person Attending & ANGELA OFORI-ATTA
MINISTRIES
C/O DATABANK FIN.SERVICES
P.M.B.
448

IMPORTANT

- This Admission Form must be produced by the shareholder or his Proxy in order to obtain entrance to the Annual General Meeting.
- Shareholders or their Proxy are requested to complete and sign the Admission Form before the meeting.



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