



HFC BANK (GHANA) LIMITED

**UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30TH SEPTEMBER 2009.**

**INCOME STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER
2009**

	THE BANK		THE GROUP	
	AT 30TH SEPTEMBER		AT 30TH SEPTEMBER	
	2009	2008	2009	2008
	GH¢	GH¢	GH¢	GH¢
Interest Income	34,350,130	24,508,273	35,074,642	25,155,590
Interest Expense	(19,969,589)	(12,543,220)	(19,969,589)	(12,655,506)
Net Interest Income	<u>14,380,541</u>	<u>11,965,053</u>	<u>15,105,053</u>	<u>12,500,084</u>
Fee & Commission income	3,472,726	2,919,597	4,502,056	3,689,800
Fee & Commission expenses	(195,104)	(221,236)	(195,104)	(221,236)
Net Commission income	<u>3,277,622</u>	<u>2,698,361</u>	<u>4,306,952</u>	<u>3,468,564</u>
Other operating Income	<u>1,926,327</u>	<u>26,421</u>	<u>1,961,877</u>	<u>33,140</u>
Operating income	19,584,490	14,689,835	21,373,882	16,001,787
Operating Expenses	(13,290,672)	(9,196,209)	(15,269,538)	(10,398,858)
Impairment charge for credit losses	<u>(1,488,374)</u>	<u>(1,778,480)</u>	<u>(1,528,374)</u>	<u>(1,778,480)</u>
Operating Profit	4,805,444	3,715,146	4,575,970	3,824,449
Other Income	502,216	1,241,334	656,527	1,275,907
Profit before tax and non controlling interest	5,307,660	4,956,480	5,232,497	5,100,356
Taxation	<u>(1,153,845)</u>	<u>(934,298)</u>	<u>(1,160,431)</u>	<u>(996,717)</u>
Non controlling interest	-	-	(27,169)	55,645
Profit after tax and non controlling interest	<u>4,153,815</u>	<u>4,022,182</u>	<u>4,044,897</u>	<u>4,159,284</u>
Attributable to:				
Equity holders of the parent	4,153,815	4,022,182	4,044,897	4,159,284
Profit after tax transferred to income surplus	<u>4,153,815</u>	<u>4,022,182</u>	<u>4,044,897</u>	<u>4,159,284</u>
Basic and diluted earnings per share (Ghana pesewas)	<u>3.27</u>	<u>3.16</u>	<u>3.18</u>	<u>3.27</u>

BALANCE SHEET
AS AT 30TH SEPTEMBER 2009

	<u>THE BANK</u>		<u>THE GROUP</u>	
	<u>AT 30TH SEPTEMBER</u>		<u>AT 30TH SEPTEMBER</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>	<u>GH¢</u>	<u>GH¢</u>	<u>GH¢</u>	<u>GH¢</u>
Cash & Balances with Bank of Ghana	19,073,415	8,199,715	19,149,756	8,303,118
Due from Other Banks	14,476,596	18,058,240	14,708,862	18,201,629
Government Securities	9,560,041	8,174,421	9,697,333	8,567,039
Interest Receivable & Other Assets	13,524,388	8,440,500 *	13,820,104	8,342,121
Loans & Advances to Customers	154,367,188	134,071,864	154,388,319	134,077,125
Loans & Advances to Banks	1,125,000	1,358,982	1,125,000	1,358,982
Pledged Assets	19,500,000	21,500,000	19,500,000	21,500,000
Derivative Financial Assets	0	21,351		21,351
Investment Securities	295,000	180,000	1,351,390	352,992
Other Short Term Investments	4,406,875	2,774,513	4,792,004	3,733,886
Investment in Subsidiary & Associated Co.	1,203,806	1,159,166	169,139 *	124,499
Investment Properties	-	-		862,091
Property, Plant and Equipment	8,228,621	5,254,268	8,723,875 *	5,323,092
Tax	234,736	-	234,736	-
Total Assets	<u>245,995,666</u>	<u>209,193,020</u>	<u>247,660,518</u>	<u>210,767,925</u>
<u>LIABILITIES</u>				
Deposits from Customers	115,812,603	91,395,265	115,812,603	91,395,265
Deposits from Banks and Financial Institutions	13,779,675	12,272,884	13,779,675	12,272,884
Due to Other Banks	17,000,000	17,500,000	17,000,000	17,500,000
Interest Payable & Other Liabilities	9,871,295	5,805,577	10,636,154	6,495,237
Deferred Tax Liability	323,705	58,060	327,713	56,975
Derivative Financial Liability	-	190,571	-	190,571
Long Term Bonds	43,797,507	35,931,422	43,797,507	35,931,422
Long Term Loans	15,023,775	18,573,089	15,023,775	18,573,089
Taxation	0	519,039	28,399	559,718
Total Liabilities	<u>215,608,560</u>	<u>182,245,907</u>	<u>216,405,826</u>	<u>182,975,161</u>
<u>SHAREHOLDERS FUNDS</u>				
Stated Capital	16,943,859	16,943,859	16,943,859	16,943,859
Income Surplus	1,844,994	2,256,002	3,229,927	3,141,654
Statutory Credit Risk	1,204,083	0	831,991	0
Statutory Reserve Fund	9,152,994	6,746,704	9,152,994	6,746,704
Capital Surplus Account	546,366	546,366	562,010	562,010
Housing Dev't Reserve	669,955	429,327	669,955	429,327
Share Deals Account	24,855	24,855	24,855	24,855
Total Shareholders' Funds before Non Controlling Interest	<u>30,387,106</u>	<u>26,947,113</u>	<u>31,415,590</u>	<u>27,848,409</u>
Non Controlling Interest	-	-	(160,898)	(55,645)
Total Shareholders' Funds after Non Controlling Interest	<u>30,387,106</u>	<u>26,947,113</u>	<u>31,254,692</u>	<u>27,792,764</u>
TOTAL LIABILITIES & SHAREHOLDERS FUNDS	<u>245,995,666</u>	<u>209,193,020</u>	<u>247,660,518</u>	<u>210,767,925</u>

CASH FLOW STATEMENT FOR THE PERIOD ENDED
30TH SEPTEMBER 2009

	<u>THE BANK</u>		<u>THE GROUP</u>	
	2009	2008	2009	2008
	GH¢	GH¢	GH¢	GH¢
Operating Activities				
Net Cashflow from operations	(148,152,029)	(10,752,941)	(148,423,069)	(9,710,760)
Interest paid	(900,521)	(528,318)	(900,521)	(528,318)
Tax paid	(1,084,322)	(759,750)	(1,126,651)	(789,750)
Net cash generated from operating activities	<u>(150,136,872)</u>	<u>(12,041,009)</u>	<u>(150,450,241)</u>	<u>(11,028,828)</u>
Investing Activities				
Purchase of property and equipment	(3,118,974)	(1,838,167)	(3,397,921)	(1,930,911)
(Purchase)/ sale of Government securities	(1,280,388)	6,125,683	(1,296,881)	6,142,926
Proceeds from sale of property, plant and equipment	20,096	43,922	20,096	43,922
(Purchase)/sale of other Investments	(1,365,044)	(666,300)	(580,652)	(757,556)
Proceeds from Investment Property	-	-	0	(779,534)
Proceeds from sale of Subsidiary	(44,640)		(44,640)	
Purchase/ Proceeds from sale of Investment Security	(100,859)	86,059	(1,004,930)	(52,300)
Net cash used in Investing activities	<u>(5,889,809)</u>	<u>3,751,197</u>	<u>(6,304,928)</u>	<u>2,666,547</u>
Financing Activities				
Dividends paid	(1,868,040)	(946,273)	(1,868,040)	(946,273)
Bonds issued	7,856,494	2,330,000	7,856,494	2,330,000
Bonds redeemed	(4,626,661)	(3,065,344)	(4,626,661)	(3,065,344)
Proceeds from Right Issue		9,918,620		9,918,620
Loans Repaid	(3,222,689)	(7,557,063)	(3,222,689)	(7,557,063)
Loans drawdown	2,401,721	12,000,010	2,401,721	12,000,010
Net cash generated from financing activities	<u>540,825</u>	<u>12,679,950</u>	<u>540,825</u>	<u>12,679,950</u>
Increase in cash and cash equivalents	<u>(155,485,856)</u>	<u>4,390,138</u>	<u>(156,214,344)</u>	<u>4,317,669</u>
<u>Movement in Cash and Cash Equivalents</u>				
At 1st January	172,206,020	10,124,884	173,243,114	10,444,145
Increase/(Decrease) in cash and cash equivalents	(155,485,856)	4,390,138	(156,214,344)	4,317,669
Balance at 30th September 2009	<u>16,720,164</u>	<u>14,515,022</u>	<u>17,028,770</u>	<u>14,761,814</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 30TH SEPTEMBER 2009**

The accounting policies underlying the accounts for the period ended 30th September,2009 are consistent with the policies for the 31st December 2008 financial statement which is IFRS compliant.

Reconciliation of Profit to cashflow from

Operating Activities	<u>THE BANK</u>		<u>THE GROUP</u>	
	2009 GH¢	2008 GH¢	2009 GH¢	2008 GH¢
Profit before Tax	5,307,661	4,956,480	5,232,498	5,100,356
Profit on sale of fixed assets	(20,096)	(39,844)	(20,096)	(39,844)
Depreciation	1,089,050	638,641	1,167,786	701,925
Increase in impairment for credit losses	1,488,374	1,778,480	1,528,374	1,778,480
Interest expense on long term bonds	779,517	466,296	779,517	466,296
Exchange loss on long term bonds	1,555,780	1,096,527	1,555,780	1,096,527
Inflation adjustment on longterm bonds	1,910,316	(1,227,867)	1,910,316	(1,227,867)

**Cash from operations before changes
in operating assets and liabilities**

	<u>12,110,602</u>	<u>7,668,713</u>	<u>12,154,175</u>	<u>7,875,873</u>
(Increase) in loans and advances to customers	(12,997,231)	(34,881,389)	(13,068,711)	(34,886,650)
Decrease in loans from banks and financial institutions	(125,000)	137,949	(125,000)	137,949
Decrease(Increase) in derivative financial assets	(22,686)	(21,351)	(22,686)	(21,351)
(Increase)/Decrease in other assets	(5,267,970)	(4,739,619)	(5,068,271)	(4,017,014)
Increase in deposits from customers	30,607,520	10,881,199	30,607,520	10,881,199
Decrease in deposits from banks and financial institutions	(7,758,550)	12,272,884	(7,758,550)	12,272,884
Decrease/Increase in derivative financial liabilities	(197,816)	(190,571)	(197,816)	(190,571)
Decrease in creditors and accruals	(164,500,898)	(2,092,678)	(164,943,729)	(1,975,001)
Net cashflow from operating activities	<u>(148,152,029)</u>	<u>(10,964,863)</u>	<u>(148,423,069)</u>	<u>(9,922,682)</u>

Analysis of cash and cash equivalent

Cash & balances with BOG	19,073,415	8,199,715	19,149,756	8,303,118
Due from other Banks	14,476,596	18,058,240	14,708,862	18,201,629
Treasury bills	170,152	5,757,067	170,152	5,757,067
Due to other Banks	(17,000,000)	(17,500,000)	(17,000,000)	(17,500,000)
	<u>16,720,164</u>	<u>14,515,022</u>	<u>17,028,770</u>	<u>14,761,814</u>

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

Akwete Akita
Executive Director

Asare Akuffo
Managing Director