



FEATURE

HFC BANK (GHANA) LIMITED (HFC)

HFC Bank (Ghana) Limited, formerly Home Finance Company Limited was incorporated on May 7, 1990 under the Companies Code, 1963 (Art 179) as a private limited liability company. It effectively commenced business on December 2, 1991 and on August 1, 1994, the Bank of Ghana licensed HFC as a non-bank financial institution. HFC became a public company on October 5, 1994 and was subsequently listed on the Ghana Stock Exchange on March 17, 1995. By a special resolution on June 11, 2006, the Board of HFC with the approval of the Registrar of Companies changed the institution's name from Home Finance Company Limited to HFC Bank (Ghana) Limited. Since then, HFC has evolved from a non-bank finance institution to a fully-fledged universal bank. Currently, HFC has four subsidiaries, HFC Investment Services Limited, HFC Realty Limited, HFC Brokerage Services Limited and HFC Bofo Microfinance Services. The first three companies are wholly owned by the bank while the bank holds a 51% equity interest in the microfinance company.

HFC Bank delivers, in addition to its mortgage finance business, a broad range of financial services, personal, business and corporate banking, spanning retail and wholesale banking. In addition to long-term financing, HFC also offers short term and medium-term finance to meet the needs of its clients. Its subsidiaries also provide fund management, brokerage services and real estate services.

In terms of financial performance, the HFC Group has for the last five financial years consistently registered improvement in its top line indicator while its bottom line indicator has seen occasional dips. The Group's financials show a steady rise in its Net interest income from GH¢12.98 million in 2007 to GH¢45.46 million 2012 signifying a Compounded Annual Growth Rate (CAGR) of 28.49% over the period. Group Net Profit also went up from GH¢2.00 million to GH¢15.42 million during the same period representing a CAGR of 50.46% for the same period.

Financial statement released by the HFC Group for the year ended 31st December 2013 show a remarkable improvement over the 2012 performance. Net Interest Income, Net Fees and Commission Income, Other Operating Income and Trading Income rose by 77.40%, 47.23%, 45.36% and 231.79% respectively resulting in an Operating Income of GH¢127.77 million. This compares favourably to the Operating Income of GH¢71.31 million earned by the Group in 2012. On the other hand, Operating Expenses, Impairment charge for Credit Losses and Tax and levies also went up by 40.71%, 82.95% and 261.76% respectively during the period. With Other Income of GH¢1.93 million coming in after these deductions, the Profit after tax position of the Group stood at GH¢39.78 million, a 157.94% improvement over 2012's Profit after tax. Of this amount, GH¢39.33 million is attributable to the equity holders of HFC Bank (Ghana) Limited.

Relating to price trend and level of activity, HFC has had a mixed history on the Ghana Stock Exchange since its listing in March 1995. From an initial listing price of GH¢0.0102 the stock's price increased steadily amid fluctuations to end 2004 at GH¢1.00. Thereafter, HFC's share price declined gradually to GH¢0.54 in 2007 before appreciating from April 2008 to end that year at GH¢0.62. In the subsequent four years (2009-2013), HFC continued to witness mixed movements in price and by 2013 year-end, the

stock closed at GH¢0.96. Presently, the share price of HFC is trading at GH¢1.20 as at Friday 4th April, 2014.

Income Statement

(All figures are expressed in thousand Ghana cedis)

	2010	2011	2012	2013
Revenue	67,071	76,747	95,915	169,659
Net Interest Income	32,827	39,739	45,463	80,652
Net Profit	8,636	10,853	15,424	39,785

Balance Sheet Summary

(All figures are expressed in thousand Ghana cedis)

	2010	2011	2012	2013
Total Assets	364,493	435,301	595,226	999,011
Total Liabilities	292,489	358,100	462,280	826,281
Shareholders Fund	72,004	77,201	132,946	172,731

Ratios/Statistics

	2010	2011	2012	2013
Profit Margin (%)	12.88	14.14	16.08	23.45
Return on Assets (%)	2.37	2.49	2.59	3.98
Return on Equity (%)	11.99	14.06	11.60	23.03
Group Earnings Per Share (GH¢)	0.0472	0.0591	0.0520	0.1342
Dividend Per Share (GH¢)	0.0160	0.0220	0.0278	0.0350
Net Assets Per Share (GH¢)	0.3958	0.4203	0.4486	0.5828
Share price				
High (GH¢)	0.62	0.45	0.45	0.96
Low (GH¢)	0.44	0.33	0.45	0.41
Close (GH¢)	0.44	0.45	0.45	0.96

Investor Ratios

	2012	2013
Price to Book Value	1.00	1.65
Price Revenue Ratio	1.39	1.68
Price Earnings Ratio	8.65	7.15
Year-to-date Return (%)	-	113.33



Price Information

Year	Week	Current	Weekly	Weekly	Year
Opening	Opening	Price	Change	Change	To
Price	Price		(GHS)	(%)	Date
(GH¢)	(GH¢)	(GH)			(%)
01.01.14	28.03.04	04.04.14			
0.2668	0.3003	0.3009	0.0006 ▲	0.20 ▲	12.77 ▲

GHANA STOCK EXCHANGE NEWS

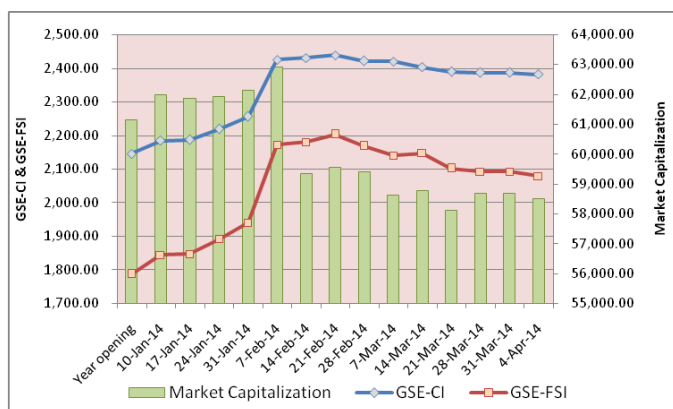
At the end of trading for the week under review, total trade volume stood at 2,659,171 shares with a total value of GHC6,853,564.46. This compared to the previous week's figures represents a fall of 45.35% for total volume and 6.5% in value. CAL Bank Limited recorded a trade of 1,437,390 shares to lead market trade while Tullow Oil Ghana Limited saw the least trade of 60 shares.

There was a decline in the performance of the Ghanaian stock market as measured by the GSE Composite Index (GSE-CI). The main index shed off 4.52 points from a week opening level of 2,386.39 points to 2,381.87 points representing a year-to-date return of 11.03%. Similarly, the GSE Financial Stocks Index (GSE-FSI) fell by 13.32 points moving from 2,092.75 point to 2,079.43 points with a year-to-date return of 16.39% at the end of the week.

Market capitalization stood at GHC58,515.49 million from a week opening position of GHC58,684.66 million. This was against the backdrop of share price decline in some of highly weighted equities during the period.

Graph below shows the trend in the GSE Composite Index, GSE Financial Stocks Index and Market capitalization since the beginning of the year.

Chart 1 – Trend of Market Indicators



MONEY MARKET NEWS

Cedi Loses Ground to Internationally Traded Currencies

Activity on the foreign exchange currency market for the week under review closed with the Ghana cedi losing grounds against the five major trading currencies. The local currency lost 1.82% of its value to the US Dollar, 2.24% to the British Pounds, 1.64% to the Euro, 2.53% to the South African Rand and 0.39% to the Japanese Yen.

The Cedi has recorded year-to-date depreciations to stand at 24.82%, 25.70%, 24.41%, 22.72 and 26.21% against the Dollar, the Pound, the Euro, the Rand and the Yen by respectively.

The following table summarizes the interbank rates for the week under review.

Table 1 – Summary of Interbank Rates

	Buying		Selling	
	28.03.14	04.04.14	28.03.14	04.04.14
US Dollar	2.6500	2.6983	2.6526	2.7009
Pound	4.3895	4.4878	4.3946	4.4935
Euro	3.6533	3.7135	3.6570	3.7167
Rand	0.2468	0.2530	0.2469	0.2532
Yen	0.0259	0.0260	0.0259	0.0260

Source: Ghana Association of Bankers

Interest Rates

For the week under review, the 91 and 182-day Treasury bills were the only Government-backed debt instruments that recorded changes in their rates. The 91-day Treasury bill added 0.18% to its yield while that of the 182-day bill went up by 0.03% to stand at 23.6876% and 21.2425% respectively. Rates on the 1-year note and the 2-year fixed rate note remained unchanged during the period.

Total tenders received last week for short term securities amounted to GHC653.04 million out of which GHC609.34 million was sold. The medium term security pulled tenders totalling GHC14.07 million and for which GHC10.33 were sold.

This week, the Government is targeting raising a total of GHC477.00 million from the sale of both short and medium term securities.

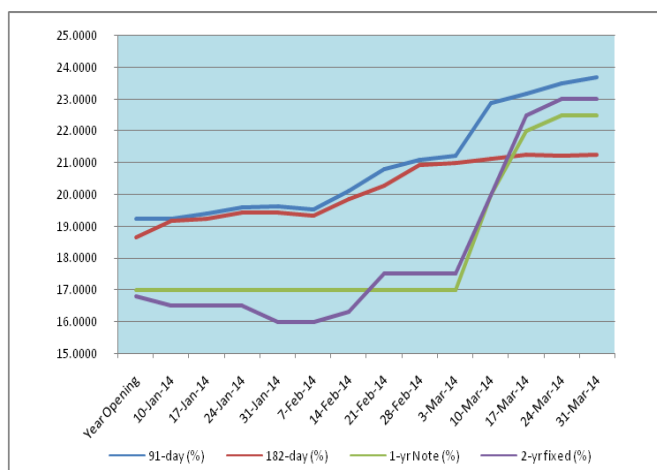
The table below shows the rates for the week under review alongside that of the previous week while the chart displays the trend of the rates so far this year.

Table 2 – Prevailing Interest Rates

Interest Rates (for Weeks Beginning)			
	28.03.14 (% p.a.)	04.04.14 (% p.a.)	Week Change (%)
91 Day	23.5065	23.6876	0.1811 ▲
182 Day	21.2148	21.2425	0.0277 ▲
1-Year Note	22.5000	22.5000	-
2-Year Fixed Rate Note	23.0000	23.0000	-

Source: Bank of Ghana

Chart 2 – Trend of Yields on Money Market Securities



RELEVANT CORPORATE NEWS

UNIL – REGISTRATION OF A DIRECTOR

Unilever Ghana Limited has announced the resignation of Ms. Aurore Lokko as Director of the board with effect from February 1, 2014.

GSE Press Release: 060/2014

EBG – FINAL DIVIDEND AND CLOSURE OF REGISTER AND ANNUAL GENERAL MEETING

Following the upcoming Annual General Meeting, EBG has announced that the Company's Directors would be recommending to the shareholders the payment of a final dividend of GH¢0.43 per share in respect of the 2013 financial year.

Shareholders registered in the books of EBG at the close of business on Monday, 21st April, 2014 would qualify for the final dividend. The books of the bank would be closed from Tuesday; 22nd April, 2014 to Tuesday, 29th April, 2014 (both dates inclusive).

The final dividend would be paid on Wednesday, 14th May, 2014.

GSE Press Release: 062/2014

BOPP – ANNUAL GENERAL MEETING

The Annual General Meeting of Benso Oil Palm Plantation Limited is scheduled to take place on Friday, 9th May, 2014 at Akroma Plaza, Police Reserve near MTTU, Takoradi.

GSE Press Release: 064/2014

HFC BANK- FINAL DIVIDEND AND CLOSURE OF REGISTER ANNUAL GENERAL MEETING

HFC has announced that the company's directors would be recommending to the shareholders at the upcoming Annual General Meeting, the payment of a final dividend of GH¢0.035 per share in respect of the 2013 financial year.

Shareholders registered in the books of HFC by close of business on Monday, 21st April, 2014 to qualify for the final dividend.

Book closure for shareholders would be from Tuesday, 22nd April, 2014 to Wednesday, 23rd April, 2014 (both dates inclusive).

Schedule date for the payment of dividend is Thursday, 15th May, 2014 while the bank's Annual General Meeting would be held on Thursday, 24th April, 2014 at the Novotel Hotel, Barnes Road, Accra. The time for the meeting is 11am prompt.

GSE Press Release: 068&071/2014

COMPANIES THAT DECLARED FINAL DIVIDENDS IN 2012

Company	Final Dividend Per Share	Qualifying date	Book Closure	Payment Date
AYRTN	GH¢0.00125	Jun 25	Jun 26 - 27	Aug 8
AADS	GH¢0.0009			Apr 2
AGA	GH¢0.0900			Apr 2
BOPP	GH¢0.0770	Apr 23	April 24 - 26	May 10
CAL	GH¢0.035	Mar 22	Mar 25 - 26	Apr 30
CMLT	GH¢0.0060	Jun 26	Jun 27	Aug 30
EBG	GH¢0.29	Apr 10	Apr 11 - 18	May 10
EGL	GH¢0.016	May 17	May 20 - 22	Jun 28
ETI	0.4 US cents	Jul 5	Jul 5	Jul 19
FML	GH¢0.06	Apr 19	April 22 - 24	May 8
GCB	GH¢0.14	May 31	Jun 3 - 7	Jun 28
GOIL	GH¢0.015	Aug 15	Aug 16	Aug 30
MLC	GH¢0.015	Jun 25	June 26 - 28	July 19
PBC	GH¢0.0062	Mar 15	March 18 - 22	May 7
PZ	GH¢0.0046	Sept 23	Sept 24 - 27	Oct 14
SCB	GH¢0.47	May 17	May 20 - 21	Jun 28
SOGEGH	GH¢0.04	Mar 22	Mar 25 - 26	May 15
SPL	GH¢0.0022	Sept 26	Sept 27	Oct 8
TBL	20 Bututs	Apr 18	Apr 19	Apr 30
TOTAL	GH¢0.69	Jul 18	Jul 19 - 24	Jul 26
UNIL	GH¢0.2560	Apr 10	April 11 - 24	May 24
UTB	GH¢0.02	Apr 12	Apr 15 - 17	May 31

COMPANIES THAT HAVE DECLARED DIVIDENDS FOR 2013

Company	Dividend Per Share	Qualifying date	Book Closure	Payment Date
INTERIM DIVIDEND				
EGL	GH¢0.020	Oct 1 (2013)	Oct 2 - 3	Nov 4
TOTAL	GH¢0.0771	Dec 18 (2013)	Dec 19 - 20	Dec 24
FINAL DIVIDEND*				
CAL	GH¢0.053	Mar 21	Mar 24 - 26	Apr 30
SOGEGH	GH¢0.06	Mar 27	Mar 28 - 31	May 15
EBG	GH¢0.43	April 21	April 22-29	14 May
HFC	GH¢0.035	April 21	April 22-23	15 May

**All dates for final dividends are in 2014*

Listed Equities	% of Market Capitalization	Week Opening Price (GH¢)	Week Closing Price (GH¢)	Price Change (GH¢)	Weekly Return (%)	Year-to-Date Return (%)	P/E Ratio	Dividend Yield (%)	Return on Assets (%)	Price/Book Value	Price/Revenue
	04.04.14	31.03.14	04.04.14		04.04.14	04.04.14	04.04.14	04.04.14	04.04.14	04.04.14	04.04.14
ACI	0.004	0.06	0.06	-	-	-	-	-	-11.48	0.37	0.49
AGA	25.38	37.00	37.00	-	-	-	-	0.24	-19.21	2.07	1.67
ALW	0.02	0.06	0.06	-	-	20.00	-	-	-2.66	0.11	0.07
AYRTN	0.07	0.18	0.18	-	-	5.88	28	0.69	4.94	1.90	3.26
BOPP	0.18	3.01	3.10	0.09 ▲	2.99	-3.43	19	2.48	10.29	2.54	3.81
CAL	0.92	0.98	0.93	0.05 ▼	-5.10	-4.12	6	3.76	4.67	0.88	0.93
CLYD	0.002	0.04	0.04	-	-	-	8	-	1.10	0.02	0.002
CMLT	0.002	0.16	0.16	-	-	-	-	3.75	2.54	0.63	0.36
CPC	0.07	0.02	0.02	-	-	-	-	-	-2.68	-7.77	0.66
EBG	3.58	7.15	7.12	0.03 ▼	-0.42	26.92	11	4.07	3.20	3.28	3.37
EGL	0.52	2.39	2.39	-	-	27.13	6	0.67	7.91	0.50	0.82
ETI	6.27	0.23	0.23	-	-	21.05	6	-	1.16	0.63	0.76
FML	1.48	7.45	7.55	0.10 ▲	1.34	14.05	41	0.79	18.86	12.28	8.81
GCB	1.85	4.09	4.08	0.01 ▼	-0.24	-15.88	5	3.43	4.16	2.84	2.27
GGBL	2.13	5.90	5.87	0.03 ▼	-0.51	-5.32	-	-	9.59	5.79	3.95
GOIL	0.35	0.81	0.85	0.04 ▲	4.94	-4.49	15	1.76	5.52	3.06	0.02
GSR	1.20	2.75	2.75	-	-	-	-	-	1.09	0.01	0.03
GWEB	0.002	0.04	0.04	-	-	-	-	-	2.25	-0.60	2.48
HFC	0.61	1.20	1.22	0.02 ▲	1.67	27.08	11	-	2.26	1.11	2.48
MLC	0.03	0.35	0.34	0.01 ▼	-2.86	-10.53	9	4.41	1.66	0.17	0.26
PKL	0.003	0.06	0.06	-	-	-	-	-	-35.20	-1.47	1.70
PBC	0.13	0.16	0.17	0.01 ▲	6.25	-	6	3.65	0.92	1.48	0.21
PZ	0.18	0.63	0.63	-	-	-20.25	-	-	11.44	2.70	1.11
SCB	3.94	19.98	19.89	0.09 ▼	-0.45	33.13	12	2.36	4.14	0.94	1.02
SIC	0.17	0.52	0.52	-	-	33.33	22	-	1.09	1.42	1.20
SPL	0.005	0.04	0.04	-	-	-	5	-	6.14	1.04	0.64
SOGEGH	0.57	1.00	1.00	-	-	33.33	10	4.00	2.40	1.83	2.55
SWL	0.001	0.03	0.03	-	-	-	12	-	7.65	1.00	0.19
TBL	0.09	0.25	0.25	-	-	-28.57	5	-	2.11	1.82	0.01
TOTAL	1.24	6.50	6.55	0.05 ▲	0.77	28.57	18	10.53	8.16	0.89	0.09
TRANSOL	0.004	0.03	0.03	-	-	-	16	-	11.50	-0.70	13.71
TLW	46.89	30.25	30.25	-	-0.53	-13.98	23	-	7.10	5.11	11.60
UNIL	1.93	18.09	18.09	-	-	-1.20	46	1.42	12.68	33.24	4.83
UTB	0.34	0.43	0.41	0.02 ▼	-4.65	-8.89	9	4.88	0.54	0.92	2.37
Depository Shares											
AADS	0.09	0.52	0.52	-	-	-	-	0.17	-	-	-
Preference Shares											
SCB-PREF	0.02	0.52	0.52	-	-	-	-	-	-	-	-
ETF											
GLD	0.02	23.00	23.00	-	-	-11.98	-	-	-	-	-

Key ABL—Accra Brewery Ltd, ACI—African Champion Industries, AGA—AngloGold Ashanti Ltd, ALW—Aluworks Ltd, AYRTN—Ayrton Drug Manufacturing Ltd, BOPP—Benso Oil Palm Plantation Ltd, CAL—CAL Bank Ltd, CFAO—CFAO Ghana Ltd, CLYD—Clydestone Ghana Ltd, CMLT—Camelot Ghana Ltd, CPC—Cocoa Processing Company Ltd, EBG—Ecobank Ghana Ltd, EGL—Enterprise Group Ltd, ETI—Ecobank Transnational Incorporated, FML—Fan Milk Ltd, GCB—Ghana Commercial Bank Ltd, GGBL—Guinness Ghana Breweries Ltd, GOIL—Ghana Oil Company Ltd, GSR—Gold Star Resources Ltd, GWEB—Golden Web Ltd, HFC—HFC Bank Ltd, MLC—Mechanical Lloyd Company Ltd, PKL—Pioneer Kitchenware Ltd, PBC—Produce Buying Company Ltd, PZ—PZ Cussons Ghana Company Ltd, SCB—Standard Chartered Bank Ltd, SIC—SIC Insurance Company Ltd, SPL—Starwin Products Ltd, SOGEGH—Société Générale Ghana Ltd, SWL—Sam Woode Ltd, TBL—Trust Bank (The Gambia) Ltd, TOTAL—Total Petroleum Ghana Ltd, TRANSOL—Transaction Solutions Ghana Ltd, UNIL—Unilever Ghana Ltd, UTB—UT Bank Ltd, AADS—AngloGold Ashanti Depository

■ As at September 2013 ■ As at June 2013 ■ As at May 2013 ■ As at March 2013 ■ As at December 2012 ■ As at September 2012 ■ As at September 2012 ▲ Price Gainers ▼ Price Decliners