

FEATURE
HFC BANK LIMITED (HFC)

Home Finance Company was incorporated on May 7, 1990 under the companies Code, 1963 (Act 179) as a private limited liability company and commenced business on December 2, 1991 with The Government of Ghana, SSNIT and Merchant Bank (Ghana) as Promoters. Home Finance Company was licensed as a mortgage financing institution to implement the IDA/SSNIT funded Pilot Housing finance Program in Ghana. The Company was licensed by the Bank of Ghana as a non-bank financial institution on August 1, 1994 and in that same year, Home Finance Company became a publicly traded company and subsequently listed on the Ghana Stock Exchange in 1995. By a special resolution dated 11th June, 2003 and approved by the Registrar of Companies, Home Finance Company Ltd changed its name to HFC Bank Ghana Ltd and adopted a new logo. HFC Bank Ghana Ltd was issued with a universal banking license by the Bank of Ghana in November and has since evolved into a fully-fledged universal bank. On May 13, 2015, the Securities and Exchange Commission signed off the results of a Mandatory Tender Offer (MTO) which formally made HFC Bank a subsidiary of Republic Bank family. Republic Bank is the leading Bank in the Caribbean region, headquartered in Trinidad and Tobago with a 178-year old history.

HFC Bank Ghana Limited has the following subsidiaries: HFC Investment Services Limited (an Investment bank); HFC Realty Limited (Real estate Company); HFC Brokerage Services Limited (a brokerage firm) Boafo Microfinance Services Limited (a microfinance company); HFC Capital Partners Limited (Corporate finance and Private equity firm) and UG-HFC

HFC Bank (Ghana) Limited is a leading financial institution in Ghana that offers one-stop financial services that include Corporate Banking, International Trade Services, E-banking, Private Banking, Commercial and Retail Banking; Investment Banking; Mortgage Banking and Microfinance. These services make HFC Bank arguably the most diversified universal banking institution in the Ghanaian Banking industry.

HFC's operations in terms of its financial performance for the five years under review show consistent improvement. From Top line of GHS 67.07 million in 2010, total Gross Revenue jumped to GHS 266.85 million in 2014 signifying a CAGR of 31.81%. The bottom line followed the same successful trend from GHS 12.71 million in 2010 to GHS 57.89 million in 2014 representing a CAGR of 35.43%. The parallel upward trend of both top line and bottom line is indicative of the management and control imposed on the direct and indirect expenses of HFC.

Recent financials released for the accounting period ended December, 2015 shows a converse relationship between the top line and bottom line of HFC Bank Ltd. Total Gross Revenue leaped by 21.67% to GHS 324.68 million in 2015 from GHS 266.85 million in 2014 while the bottom line fell by 158.36% to a loss of GHS 30.99 million in 2015 from a profit of GHS 57.89 million in 2014. The sharp decline in the bottom line can be attributed to the quadrupling of the impairment loss and a possibility of overhauling expenses to restructure processes and structures after HFC was taken over by the Republic Bank to facilitate operations in the coming years as inferred from the increment in operating expenses. On its financial position, HFC's debt to equity rose from 4.56% in 2014 to 7.35% in 2015 to show how much

creditors have committed to the company compared to the investment of the shareholders. Earnings per share fell to GHS 0.64 per share in 2015 from GHS 0.81 per share in 2014

HFC has had a mixed history on the Ghana Stock Exchange since its listing in March 1995. From an IPO price of GHS0.0102 the stock's price increased steadily amid fluctuations to end 2004 at GHS1.00. Thereafter, HFC's share price declined gradually to GHS0.54 in 2007 before appreciating from April 2008 to end that year at GHS0.62. HFC continued to witness fluctuations in price and by 2015 year-end, the stock closed at GHS0.90. Currently, the share price of HFC is trading at GHS1.03 as at Friday, 26th February, 2016.

Income Statement
(All figures are expressed in Ghana Cedis)

	2012	2013	2014	2015
Turnover	71,309,122	127,767,853	199,121,083	205,134,077
Operating Expense	(47,942,821)	(67,460,692)	(113,727,040)	(160,052,015)
Net Profit	15,271,999	39,332,156	57,417,678	(33,508,208)

Balance Sheet Summary
(All figures are expressed in Ghana Cedis)

	2012	2013	2014	2015
Total Assets	595,226,050	999,011,194	1,343,391,642	1,600,735,975
Total Liabilities	462,280,102	826,280,681	1,101,708,201	1,409,101,343
Total Equity	132,945,604	172,730,513	241,683,441	191,634,632

Ratios/Statistics

	2012	2013	2014	2015
Net Profit Margin (%)	15.92%	23.18%	21.52%	-10.32%
Return on Assets (%)	2.57%	3.94%	4.27%	-2.09%
Return on Equity (%)	11.54%	22.91%	23.91%	-17.67%
Earnings Per Share (GHS)	0.06	0.18	0.25	(0.10)
Dividend Per Share (GHS)		0.035	0.06	
Net Assets Per Share (GHS)	0.45	0.58	0.81	0.64
Share price				
High (GHS)	0.45	0.96	1.60	1.72
Low (GHS)	0.43	0.41	0.94	0.78
Close (GHS)	0.45	0.96	1.50	0.90

Investor Ratios

	2014	2015
Price to Book Value	1.85	1.28
Price Revenue Ratio	0.00	0.00
Price Earnings Ratio	6.05	-8.64
Year-to-date Return (%)	56.25	-40.00


Price Information

Year Opening Price (GHS)	Week Opening Price (GHS)	Current Price (GHS)	Weekly Change (GHS)	Weekly Change (%)	Year To Date (%)
01.01.16	19.02.16	26.02.16			
0.3163	0.3211	0.3213	0.0002 ▲	0.06 ▲	1.58 ▲

GHANA STOCK EXCHANGE NEWS

Trading activity on the local bourse witnessed a substantial increase for the week under review in relation to last week's performance.

A total of 3,583,448 shares valued at GHS 1,837,745.19 were traded for the week ended compared to 473,757 shares valued at GHS 841,492.67 traded on the local bourse for the preceding week. This represents an increment of 656.39% and 118.39% in volume and value respectively.

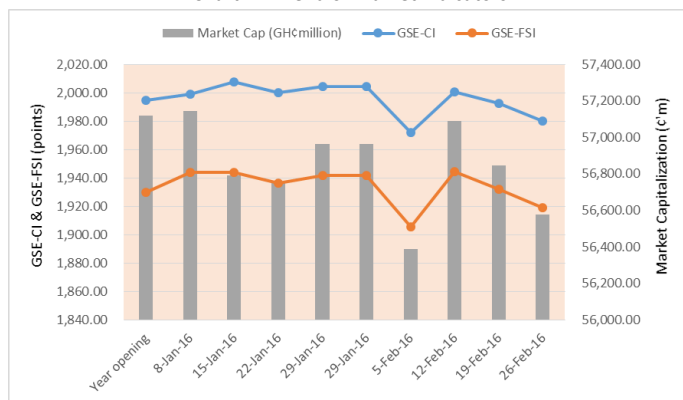
Ecobank Transnational Incorporated was the most actively traded stock on the GSE for the week under review with 3,027,325 shares traded representing 84.48% of total share trade with Cocoa Processing Company and Enterprise Group Limited following with 102,300 shares and 94,275 shares, representing 2.85% and 2.63% respectively. Meridian Marshall Holdings was the least traded equity with only 100 shares exchanging hands for the week representing 0.003% of total shares traded.

Both the GSE Composite Index (GSE-CI) and the GSE Financial Stocks Index (GSE-FSI) declined for the week under review. The GSE-CI and the GSE-FSI lost 12.50 points and 13.06 points to close the week at 1,980.13 points and 1,918.95 points from the preceding week's 1,992.63 points and 1,932.00 points respectively. In percentage terms, the two indices fell by 0.63% for the GSE-CI and 0.68% for the GSE-FSE bringing the year-to-date returns for both Indices to -0.74% and 0.58% respectively.

The market capitalization for the week under review consequently declined by 0.47% to close the week at GHS 56,578.02 million from the preview week level of GHS 56,846.60 million.

The chart below gives historical view of the key indicators on the market so far this year.

Chart 1 – Trend of Market Indicators



MONEY MARKET NEWS

Cedi Records mixed Performance

The cedi depreciated against three of the major trading currencies under review but appreciated against the other two. The local currency depreciated against the US Dollar, the South African Rand and the Japanese Yen by 0.46%, 3.78%, and 2.30% but appreciated against the British Pound and the Euro by 0.53% and 0.52% respectively.

This week's performance brought the year-to-date depreciation of the Cedi to 2.67%, 3.41%, 3.76% and 9.34% against the Dollar, the Euro, the Rand and the Yen while chalking a year-to-date appreciation of 2.15% against the Pound.

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

Table 1 – Summary of Interbank Rates

	Buying		Selling	
	19.02.16	26.02.16	19.02.16	26.02.16
US Dollar	3.8840	3.9021	3.8880	3.9061
Pound	5.5351	5.5059	5.5423	5.5131
Euro	4.3196	4.2981	4.3246	4.3014
Rand	0.2484	0.2582	0.2486	0.2583
Yen	0.0340	0.0348	0.0340	0.0348

Source: Ghana Association of Bankers

INTEREST RATES

The yields on the 91-day and 182-Day Treasury bills both went up marginally for the week under review. While the rate on the 91-day Treasury bill saw a 0.0359% increase to 22.6787% from the previous week's 22.6428%, the rate on the 182-day Treasury bill saw a 0.0433% increase to 24.6103% from the previous week rate of 24.5670%. The 1-Year Fixed Rate Note as well as the 2 and 3 Year Notes saw no transaction during the period.

For the previous week, a total amount of GHS 1,024.08 million was tendered out of which GHS 1,021.07 million was sold for short term securities while GHS 57.65 million was sold out of the GHS 57.70 million that was tendered for the 1-Year Note.

The Government of Ghana's target for this week is GHS 1,392 million cedis for short term securities with no intention to take on long term debt.

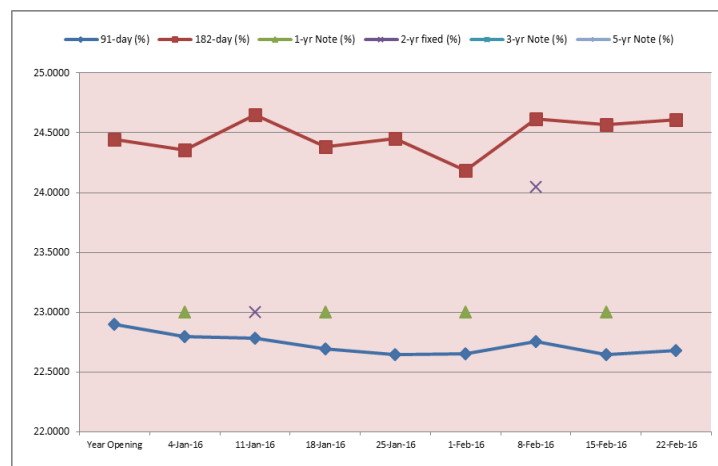
The table below shows the rates for the week under review alongside that of the previous week while the chart displays the trend of the rates so far this year.

Table 2 – Prevailing Interest Rates

Interest Rates (for Weeks Beginning)			
	15.02.16 (% p.a.)	22.02.16 (% p.a.)	Week Change (%)
91 Day	22.6428	22.6787	0.0359 ▲
182 Day	24.5670	24.6103	0.0433 ▲
1-Year Note	23.0000	-	-
2-Year Fixed Rate Note	-	-	-

Source: Bank of Ghana

Chart 2 – Trend of Yields on Money Market Securities



RELEVANT CORPORATE NEWS

ADB ANNOUNCES EXTENSION OF IPO OFFER PERIOD

The Agricultural Development Bank Limited (“ADB” or the “Company”) announces that the Securities and Exchange Commission has granted the Company an extension (the “Extension”) to its Initial Public Offer (“IPO”) Offer Period which was supposed to have ended on 26 February, 2016. As a result of the Extension, the Offer Period will now end on 24 March, 2016.

GSE Press Release: 051/2016

SOCIETE GENERALE GHANA (SOGEGH) - NOTICE OF ANNUAL GENERAL MEETING

SOGEGH announces that the Bank’s Annual General Meeting will be held on Thursday, March 31, 2016 at the Accra International Conference Centre at 11.00 am.

GSE Press Release: 050/2016

CIRCULATION OF ANNUAL REPORTS BY LISTED COMPANIES

The Exchange wishes to bring to the attention of the investing public the following new option or approach by which companies listed on the Ghana Stock Exchange can reach out to shareholders regarding circulation of annual reports. This new option or approach satisfies Section 335A of the Companies Code of 1963 (Act 179) as per the Companies (Amendment) Act of 2012, Act 835.

The new option or approach requires listed companies which choose to adopt same to apply as many, if not all, of the four steps itemised below as possible.

- Collect email addresses of company’s shareholders from the Central Securities Depository Ghana Limited (CSD) and send an electronic version of the annual report by email to such holders.
- Give prior notice of: (i) a date; and (ii) a widely circulating newspaper and on the said date publish the full version of the following documents required by the Companies Act of 1963 in the said newspaper: Statement of Comprehensive Income; Statement of Financial Position; Statement of Cash Flows; Directors’ Report; and Auditors’ Report.
- Put the full electronic version of the annual report containing the financial statements on the website of the company and inform shareholders of same.
- Make a limited number of hard copies of the annual report available at the grounds of the annual general meeting for use by shareholders who would attend the annual general meeting.

GSE Press Release: 047/2016

2014 DIVIDEND INFORMATION

Company	Dividend Per Share	Qualifying date	Book Closure	Payment Date
PREFERENCE SHARES				
SCB PREF.	GHS 0.0758	Feb. 27 (2015)	Mar. 2 – 4	Mar. 30
SCB PREF.	GHS 0.0762	Aug. 28 (2015)	Aug. 31 – Sep. 2	Mar. 30
INTERIM DIVIDEND				
TBL	43.60 bututs	Oct. 9 (2014)	Oct. 10	Oct. 13
TOTAL	GHS 0.0771	Dec. 3 (2014)	Dec. 4 - 11	Dec. 14
EGL	GHS 0.19	Dec. 8 (2014)	Dec. 9 - 10	Dec. 11
FINAL DIVIDEND				
CAL	GHS 0.081	Mar. 23 (2015)	Mar. 24 - 26	Apr. 30
MAC	GHS 0.05	Apr. 7 (2015)	Apr. 8 - 10	May 7
GCB	GHS 0.32	May 15 (2015)	May 18 - 21	June 22
HFC	GHS 0.06	Apr. 22 (2015)	Apr. 23 - 24	May 22
EBG	GHS 0.79	Apr. 24 (2015)	Apr. 27 – May 6	May 21
BOPP	GHS 0.0706	May 7 (2015)	May 8	Jun. 18
FML	GHS 0.09	May 4 (2015)	May 5 - 6	Jun. 1
TBL	30 Bututs	May 4 (2015)	May 5	May 12
GOIL	GHS 0.02	May 6 (2015)	May 7 - 8	
SCB	GHS 0.35	May 15 (2015)	May 18 - 19	June 30
EGL	GHS 0.025	June 16 (2015)	June 17 - 18	July 28

2015 DIVIDEND INFORMATION

Company	Dividend Per Share	Qualifying date	Book Closure	Payment Date
INTERIM DIVIDEND				
TOTAL	GHS 0.0902	Nov. 27 (2015)	Nov. 30 – Dec. 3	Dec. 14
MLC	GHS 0.02	Dec. 2 (2015)	Dec. 3	Dec. 8



National Trust Holding Company as a group has the following subsidiaries:

- NTHC Asset Management
- NTHC Commodities
- NTHC Finance House
- NTHC Infrastructure Ltd
- NTHC Properties
- NTHC Registrars
- NTHC Securities
- NTHC Trustees

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Listed Equities	% of Market Capitalization	Week Opening Price (GHS)	Week Closing Price (GHS)	Price Change (GHS)	Weekly Return (%)	Year-to-Date Return (%)	P/E Ratio	Dividend Yield (%)	Return on Assets (%)	Price/Book Value	Price/Revenue
	26.02.16	22.02.16	26.02.16		26.02.16	26.02.16	26.02.16	26.02.16	26.02.16	26.02.16	26.02.16
ACI	0.001	0.02	0.02	-	-	-	n/m	-	-3.65	(0.95)	0.56
AGA	26.44	37.00	37.00	-	-	-	n/m	-	0.06	5.34	13.32
ALW	0.03	0.08	0.08	-	-	(42.86)	n.m.	-	-5.83	0.35	0.46
AYRTN	0.03	0.13	0.13	-	-	(27.78)	n.m.	-	6.93	1.89	1.31
BOPP	0.05	3.11	3.11	-	-	24.40	13.27	0.02	12.78	1.79	1.86
CAL	0.19	0.98	0.97	0.01 ▼	(1.02)	(3.00)	4.65	0.05	3.78	1.15	1.87
CLYD	0.94	0.03	0.03	-	-	-	5.62	-	7.74	5.56	0.53
CMLT	0.00	0.12	0.12	-	-	-	n.m.	0.06	3.59	0.37	0.15
CPC	0.00	0.01	0.01	-	-	(50.00)	n.m.	-	-1.45	1.98	2.29
EBG	0.04	7.06	7.05	0.01 ▼	(0.14)	0.57	5.21	0.11	4.49	2.46	2.79
EGL	3.65	2.42	2.42	-	-	0.83	18.06	0.01	5.97	1.28	1.29
ETI	0.57	0.26	0.25	0.01 ▼	(3.85)	(7.41)	5.23	-	0.51	0.64	3.23
FML	10.63	7.35	7.35	-	-	-	23.38	0.01	22.11	7.98	3.85
GCB	1.51	3.70	3.71	0.01 ▲	0.27	(2.11)	4.40	0.09	3.45	1.33	1.57
GGBL	1.74	1.97	1.96	0.01 ▼	(0.51)	(1.51)	n.m.	-	-4.07	5.51	1.49
GOIL	0.73	1.45	1.45	-	-	3.57	7.49	0.14	6.71	2.99	0.10
GSR	0.65	1.99	1.99	-	-	-	n.m.	-	-3.87	(3.49)	9.00
GWEB	0.90	0.01	0.01	-	-	-	n.m.	-	0.00	-	-
HFC	0.00	1.05	1.03	0.02 ▼	(1.90)	14.44	-8.60	0.06	3.59	1.60	1.52
MAC	0.54	6.00	6.00	-	-	-	5.21	0.01	10.15	1.06	3.61
MLC	0.10	0.20	0.20	-	-	5.26	6.25	0.05	1.88	0.28	0.28
PKL	0.02	0.05	0.05	-	-	-	n.m.	-	-4.06	0.25	7.94
PBC	0.00	0.10	0.08	0.02 ▼	(20.00)	(20.00)	n.m.	0.11	1.65	0.98	0.04
PZ	0.07	0.31	0.30	0.01 ▼	(3.23)	(11.76)	n.m.	0.08	-2.87	1.64	1.68
SCB	0.09	16.30	16.29	0.01 ▼	(0.06)	(0.06)	12.45	0.02	4.27	2.93	47.38
SIC	3.33	0.20	0.19	0.01 ▼	(5.00)	35.71	3.90	-	4.78	0.46	0.27
SPL	0.07	0.02	0.02	-	-	(50.00)	11.11	-	1.29	0.62	0.77
SOGEGH	0.01	0.80	0.81	0.01 ▲	1.25	1.25	6.67	-	1.78	1.17	1.51
SWL	0.53	0.04	0.04	-	-	-	0.99	-	27.84	0.72	0.17
TBL	0.00	0.37	0.37	-	-	-	8.20	0.06	2.30	0.11	0.13
TOTAL	0.13	5.15	5.12	0.03 ▼	(0.58)	0.39	13.60	0.02	8.52	4.00	0.32
TRANSOL	1.01	0.03	0.03	-	-	-	n.m.	-	7.42	(0.90)	6.51
TLW	0.00	27.93	27.93	-	-	(0.25)	n.m.	0.00	-14.36	6.30	11.45
UNIL	44.77	8.50	8.50	-	-	-	14.86	0.03	11.82	8.42	1.02
UTB	0.94	0.12	0.12	-	-	20.00	n.m.	-	-1.42	0.49	0.74
Depository Shares											
AADS	0.09	0.52	0.52	-	-	-	-	-	-	-	-
Preference Shares											
SCB-PREF	0.02	0.71	0.71	-	-	-	-	-	1.70	0.03	0.07
GAX											
SAMBA	0.01	0.73	0.73	-	-	-	-	-	(5.46)	0.99	35.06
MMH	0.02	0.11	0.11	-	-	-	-	-	-	-	-
HORDS	0.02	0.09	0.09	-	-	12.50	-	-	-	-	-
IIL	0.04	0.09	0.09	-	-	-	-	-	(3.30)	3.07	2.71
ETF											
GLD	0.03	38.80	38.80	-	-	(0.51)	-	-	-	-	-

Key ABL—Accra Brewery Ltd, ACI—African Champion Industries, AGA—AngloGold Ashanti Ltd, ALW—Aluworks Ltd, AYRTN—Ayrtan 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, MAC—Main Africa Capital, MLC—Mechanical Liquid Company Ltd, PKL—Pinnacle Kiribanyasa Ltd, PBC—PBC Produce Buying Company Ltd, PZ—PZ Cereals Ghana Company Ltd, SCB—Standard Chartered Bank Ltd, SIC—SIC

■ 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