

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 six subsidiaries, HFC Investment Services Limited, HFC Realty Limited, HFC Brokerage Services Limited, HFC Capital Partners, Bofo Microfinance Services and UG-HFC Limited. The first four companies are wholly owned by the bank while the bank holds a 51% and 60% equity interest in HFC Bofo Microfinance and UG-HFC respectively.

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

In terms of financial performance, the HFC Group has for the last five financial years consistently registered improvement in its top and bottom line indicators. The Group's financials show a steady rise in its Net interest income from GHS32.83 million in 2010 to GHS124.25 million in 2014 signifying a Compounded Annual Growth Rate (CAGR) of 30.50% over the period. Group Net Profit also went up from GHS8.64 million to GHS57.90 million during the same period representing a CAGR of 46.31% for the same period.

Financial statement released by the HFC Group for the first quarter ended 31st March 2015 shows remarkable improvement over the Group's financial performance in the first quarter of 2014. Net Interest Income, Net Fees and Commission Income, Other Operating Income and Trading Income grew by 53.85%, 91.34%, 429.56% and 102.53% respectively resulting in an Operating Income of GHS60.40 million. This compares favourably to the Operating Income of GHS36.00 million earned by the Group in the first quarter of 2014. On the other hand, Operating Expenses, Impairment charge for Credit Losses and Tax and levies also went up by 47.48%, 127.55% and 47.97% respectively during the period. With Other Non-operating Income of GHS0.20 million and Non-Minority Interest of GHS0.20 million coming in after these deductions, the Profit after tax position of the Group stood at GHS19.16 million, signifying an improvement of 100.00% over last year's Net Profit of GHS9.58 million.

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 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. Over the next five years (2009-2014), HFC continued to witness mixed movements in price and by 2014 year-end, the stock closed at GHS1.50. Currently, the share price of HFC is trading at GHS1.72 as at Friday, 19th June 2015.

Income Statement

(All figures are stated in thousands of Ghana Cedis)

	2012	2013	2014	2015 Q1
Revenue	95,915	169,659	264,387	81,832
Net Interest Income	45,463	80,652	124,251	40,652
Net Profit	15,424	39,785	57,895	19,163

Balance Sheet Summary

(All figures are stated in thousands of Ghana Cedis)

	2012	2013	2014	2015 Q1
Total Assets	595,226	999,011	1,343,392	1,331,156
Total Liabilities	462,280	826,281	1,094,656	1,064,862
Total Equity	132,946	172,731	248,736	266,294

Ratios/Statistics

	2012	2013	2014	2015 Q1
Profit Margin (%)	16.08	23.45	21.90	23.42
Return on Assets (%)	2.59	3.98	4.31	1.44
Return on Equity (%)	11.60	23.03	23.28	7.20
Group EPS (GHS)	0.0520	0.1342	0.1951	0.0644
Dividend Per Share (GHS)	0.0278	0.0350	0.0600	-
Net Assets Per Share (GHS)	0.4486	0.5828	0.8381	0.8955
Share price				
High (GHS)	0.45	0.96	1.60	1.55
Low (GHS)	0.45	0.41	0.94	1.15
Close (GHS)	0.45	0.96	1.50	1.55

Investor Ratios

	2014	2015 Q1
Price to Book Value	1.79	1.73
Price Revenue Ratio	1.68	5.63
Price Earnings Ratio	7.69	24.05
Dividend Yield (%)	0.04	-
Year-to-date Return (%)	56.25	3.33


Price Information

Year Opening Price (GHS)	Week Opening Price (GHS)	Current Price (GHS)	Weekly Change (GHS)	Weekly Change (%)	Year To Date (%)
01.01.15	15.06.15	19.06.15			
0.2973	0.2984	0.3041	0.0057 ▲	0.02 ▲	2.28 ▲

GHANA STOCK EXCHANGE NEWS

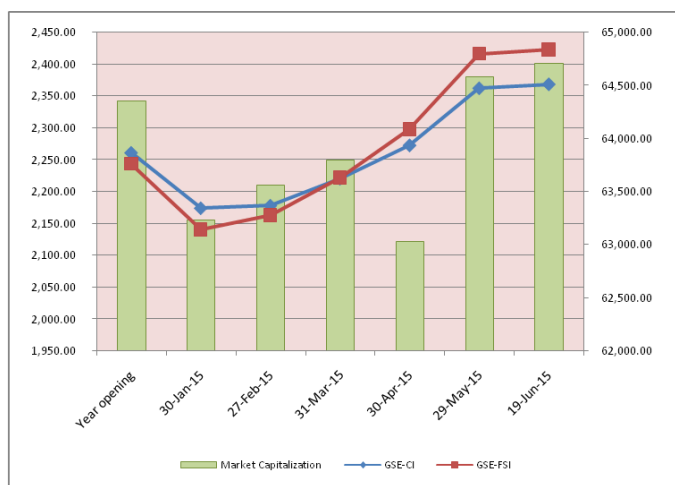
Activity on the Ghanaian bourse picked up significantly during the week under review. A total of 2,598,635 shares were traded for a total consideration of GH\$5,870,492.56 compared to last week's total volume of 1,124,244 shares valued at GH\$1,081,562.70. This represents increases of 131.15% and 442.78% in total volume and value respectively. Société Generale Ghana Limited, Enterprise Group Limited, GCB Bank Limited, CAL Bank Limited and Ecobank Transnational Incorporated were the period's five most actively traded equities with 1,152,841, 316,594, 220,312, 218,367 and 208,665 shares respectively. Benso Oil Palm Plantation recorded the least trade of 39 shares.

The GSE Composite index (GSE-CI) added 9.42 points to the 2,359.43 points recorded as at the end of last week to settle at 2,368.85 points, bringing its year-to-date return to 4.77%. The GSE Financial Stocks Index (GSE-FSI) also added 10.18 points to its week opening level of 2,413.25 points. The GSE-FSI thus ended the week at 2,423.43 points corresponding with a year-to-date return of 8.01%.

Market capitalisation subsequently increased from last Friday's closing position of GH\$64,655.74 million to GH\$64,707.07 million, signifying growth of GH\$51.33 million.

The 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 Performs Poorly

On the foreign currency market, the Ghana cedi this week put up a poor performance against the major trading currencies. The local currency lost 2.64%, 4.69%, 3.41%, 3.80% and 2.32% of its value to the US Dollar, the British Pound, the Euro, the South African Rand and the Japanese Yen respectively.

On year-to-date basis, the cedi has so far recorded depreciations of 24.67%, 26.34%, 19.51%, 21.19% and 23.19% against the Dollar, Pound, Euro, Rand and Yen respectively.

The following table gives a summary of the interbank rates for the week under review.

Table 1 – Summary of Interbank Rates

	Buying		Selling	
	12.06.15	19.06.15	12.06.15	19.06.15
US Dollar	4.1341	4.2460	4.1382	4.2502
Pound	6.4252	6.7418	6.4337	6.7493
Euro	4.6790	4.8446	4.6845	4.8490
Rand	0.3349	0.3482	0.3352	0.3484
Yen	0.0337	0.0345	0.0337	0.0345

Source: Ghana Association of Bankers

Interest Rates

Money market investments continued to earn lower rates during the week under review. The interest rates on the 91 and 182-day Treasury bills went down by 0.0082% and 0.0040% to end the week at 25.1549% and 25.8984% respectively. The rates on the 1-Year Note and the 2-Year Fixed Rate Note, however, remain unchanged at 22.5000% and 23.0000% respectively.

A total of GH\$907.00 million was received for short term securities at the previous week's tender and GH\$2.63 million for medium term securities. However, only GH\$906.44 million of the short term securities was sold while the medium term securities were sold out.

The government envisages raising a total of GH\$716.00 million from this week's issue of short and medium term securities.

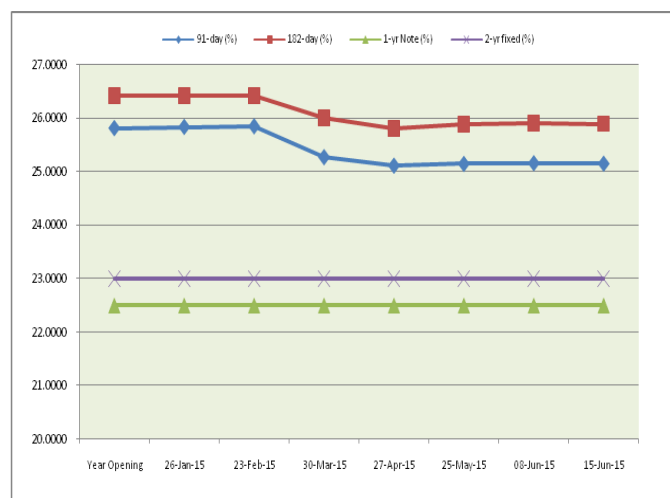
The table below shows the rates for the week under review alongside those of the previous week while the chart displays the trend of the rates so far this year.

Table 2 – Prevailing Interest Rates

Interest Rates (for Weeks Beginning)			
	08.06.15 (% p.a.)	15.06.15 (% p.a.)	Week Change (%)
91 Day	25.1631	25.1549	0.0082 ▼
182 Day	25.9024	25.8984	0.0040 ▼
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

ESTABLISHMENT OF GHANA FIXED INCOME MARKET

A number of key stakeholders in Ghana's financial market have collaborated to set up the Ghana Fixed Income Market (GFIM). These stakeholders include the Bank of Ghana, The Ghana Stock Exchange (GSE), the Central Securities Depository Ghana Limited (CSD), the Ghana Association of Bankers (GAB), ACI Ghana and Licensed Dealing Members (LDM) of the Ghana Stock Exchange.

The objective of GFIM is to provide a fair, orderly, transparent and efficient market for all fixed income and similar securities as well as bring secondary trading activities in fixed income securities and other similar securities and to provide a market for the secondary trading of such securities.

Relating to securities, all Government of Ghana treasury bills, notes and bonds and Bank of Ghana money market instruments are to be admitted and traded on the GFIM. In addition, quasi-Government of Ghana institutions' money market instruments, notes and bonds; corporate notes and bonds; municipal and/or metropolitan bonds; supra-national bonds; repos; and other fixed income or money market securities may be admitted and traded on the GFIM.

Trading on the GFIM would be limited to entities licensed by the Securities and Exchange Commission to deal in securities (dealers) and in addition authorized by the Bank of Ghana as a primary dealer or licensed by the Bank of Ghana as a bank or licensed by the Ghana Stock Exchange as an LDM. The Bank of Ghana, for monetary policy purposes, is permitted to deal in Government of Ghana and Bank of Ghana securities listed of the GFIM.

In terms of Infrastructure, secondary trading of securities on the GFIM will be by way of an electronic trading and market surveillance system provided by Bloomberg L. P. Cash settlement of trades will be done through the Bank of Ghana while securities settlement will be done at the CSD.

For governance, the GFIM will be governed by an eleven-member governing committee to be chaired by the first deputy governor of the Bank of Ghana. There will be representatives from GSE, CSD, GAB, ACI Ghana, the Ghana Securities Industry Association and the Bank of Ghana and the Debt Management Division of the Ministry of Finance on the committee.

Trading of fixed income securities on GFIM is expected to commence by the end of June 2015.

GSE Press Release: 187/2015

SPL – NOTICE OF EXTRAORDINARY GENERAL MEETING

Starwin Products Limited (SPL) gives notice to shareholders that pursuant to Section 297 (3) of the Companies Act, 1963 (Act 179) and at the instance of Dannex Ltd., a shareholder of Starwin Products Limited (the "Company"), an Extra Ordinary General Meeting of the company is to be held at the GNAT Hall, Accra on Friday, 8th July, 2015 at 10:00am.

The Agenda and Business to be transacted are as follows;

- To remove Dr. Albert Gyan Boohene as a Director with immediate effect.
- To remove Mr. Justice Awuku-Sao as a Director with immediate effect.
- To remove Mr. Samuel Anthony De-Abba as a Director with immediate effect.
- To remove Dr. Esther Oduraa Ofei-Aboagye as a Director with immediate effect.
- To elect and appoint new Directors to fill all vacancies on the Board of Directors.

5b. The new recommended board members are as follows;

- Mr. Nik Amarteifio
- Mr. Yaw Opare-Asamoah
- Dr. Barima Afrane
- Mr. Alex Bonney
- Ms. Amartekor Amarteifio
- Mr. Samuel Atta- Mensah

6. A Special Resolution for a merger between Dannex and Starwin Products Limited.

7. A Special Resolution to modify/change name to Dannex Starwin Limited pursuant to section 176 of the Companies Code, Act 179.

GSE Press Release: 203/2015

2013 DIVIDEND INFORMATION

Company	Dividend Per Share	Qualifying date	Book Closure	Payment Date
INTERIM DIVIDEND				
EGL	GHS0.020	Oct 1 (2013)	Oct 2 - 3	Nov 4
TOTAL	GHS0.0771	Dec 18 (2013)	Dec 19 - 20	Dec 24
FINAL DIVIDEND*				
CAL	GHS0.053	Mar 21	Mar 24 - 26	Apr 30
SOGEGH	GHS0.06	Mar 27	Mar 28 - 31	May 15
EBG	GHS0.43	April 21	April 22-29	May 14
HFC	GHS0.035	April 21	April 22-23	May 15
FML	GHS 0.09	May 5th	May 6-7	June 12
BOPP	GHS0.0334	May 7th	May 8-9	June 20
EGL	GHS0.025	May 19th	May 20-22	June 30
SCB	GHS1.15	May23rd	May 26-27	June 30
TBL	25 bututs	May 29th	May 30	June 4
TOTAL	GHS0.0985	June 11	June 18	June 25
GOIL	GHS0.0160	June 11	June 12	
MLC	GHS0.010	June 25	June 26-28	July 21
CMLT	GHS0.006	July 10	July 11	Aug 15

**All dates for final dividends are in 2014*

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

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
	19.06.15	15.06.15	19.06.15		19.06.15	19.06.15	19.06.15	19.06.15	19.06.15	19.06.15	19.06.15
ACI	0.001	0.02	0.02	-	-	-	-	-	-11.48	0.12	0.16
AGA	23.11	37.00	37.00	-	-	-	-	-	-22.74	4.55	1.67
ALW	0.03	0.07	0.07	-	-	250.00	-	-	-3.52	0.30	0.13
AYRTN	0.06	0.18	0.18	-	-	-	17	-	4.94	1.90	3.26
BOPP	0.27	5.00	5.00	-	-	21.95	39	1.41	12.64	3.99	4.91
CAL	0.93	1.10	1.10	-	-	8.91	4	7.36	5.92	0.95	0.79
CLYD	0.002	0.03	0.03	-	-	-	14	-	1.10	0.01	0.002
CMLT	0.001	0.12	0.12	-	-	-	-1	-	3.86	0.48	0.21
CPC	0.06	0.01	0.02	0.01 ▲	100.00	-	-	-	-2.68	-7.77	0.66
EBG	4.11	9.19	9.08	0.11 ▼	-1.20	19.47	7	8.70	1.42	0.41	9.73
EGL	0.39	1.78	1.90	0.12 ▲	6.74	8.57	18	10.00	11.47	1.50	0.78
ETI	12.19	0.37	0.37	-	-	32.14	5	-	1.16	1.02	1.23
FML	1.01	5.60	5.60	-	-	6.67	43	1.61	21.45	8.51	4.68
GCB	1.99	4.90	4.85	0.05 ▼	-1.02	-8.49	4	6.60	6.73	2.76	2.26
GGBL	1.03	3.19	3.15	0.04 ▼	-1.25	-1.56	-	-	3.77	3.16	2.95
GOIL	0.55	1.43	1.41	0.02 ▼	-1.40	34.29	11	1.42	5.52	5.08	0.04
GSR	0.79	1.99	1.99	-	-	-14.96	-3	-	1.09	0.01	0.02
GWEB	0.001	0.02	0.02	-	-	-33.33	-	-	2.25	-0.30	1.24
HFC	0.79	1.72	1.72	-	-	14.67	8	3.49	3.73	1.34	1.30
MAC	0.07	5.50	5.50	-	-	22.22	2	0.91	27.56	2.28	4.68
MLC	0.01	0.17	0.17	-	-	-39.29	-	-	-1.31	0.09	0.09
PKL	0.003	0.05	0.05	-	-	-16.67	-	-	-35.20	-1.23	1.41
PBC	0.08	0.12	0.11	0.01 ▼	-8.33	-8.33	3	-	-2.70	1.34	0.05
PZ	0.09	0.28	0.35	0.07 ▲	25.00	16.67	-	-	0.26	1.52	0.78
SCB	3.57	19.00	19.98	0.98 ▲	5.16	-1.82	17	1.75	1.70	1.06	2.22
SIC	0.06	0.21	0.21	-	-	-43.24	8	-	228.66	0.56	0.38
SPL	0.02	0.03	0.04	0.01 ▲	33.33	100.00	20	-	8.45	1.07	0.44
SOGEGH	0.52	1.05	0.91	0.14 ▼	-13.33	-9.00	7	-	2.99	1.57	1.54
SWL	0.001	0.04	0.04	-	-	-	12	-	38.67	0.38	0.08
TBL	0.11	0.30	0.34	0.04 ▲	13.33	41.67	6	-	2.94	0.15	0.09
TOTAL	0.92	5.33	5.30	0.03 ▼	-0.56	-13.11	10	1.45	10.59	0.68	0.06
TRANSOL	0.004	0.03	0.03	-	-	-	111	-	11.50	-0.70	13.71
TLW	46.25	33.00	33.00	-	-	-5.69	-	-	1.88	5.48	11.27
UNIL	0.73	7.55	7.52	0.03 ▼	-0.40	-29.72	9	-	7.32	14.40	1.45
UTB	0.13	0.19	0.19	-	-	-24.00	8	-	0.73	0.04	0.18
Depository Shares											
AADS	0.08	0.52	0.52	-	-	-	-	-	-	-	-
Preference Shares											
SCB-PREF	0.02	0.69	0.69	-	-	18.97	-	-	-	-	-
GAX											
SAMBA	0.01	0.73	0.73	-	-	-	-	-	-	-	-
ETF											
GLD	0.03	35.80	35.80	-	-	-	-	-	-	-	-

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, MAC—Mega African Capital, 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 Shares, SCB-PREF—Standard Chartered Bank Preference Shares, ETF—Everbance Traded Fund, GLD—New Gold, GAX—Ghana Alternative Everbance

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

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