ADAG 074
Other income
Fee and commission expense
Tax expense
Loss for the period
Income surplus
Non-controlling interest
Net trading income
Total liabilities
Other investments
Pledged assets
Non-Pledged trading assets
Cash and cash equivalents
In thousands of GH¢
742

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2016

The financial statements were approved by the Board of directors on February 8, 2017 and signed on its behalf by:

Chairman: Managing Director:

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2016

The Bank The Group The Bank The Group
Assets
Cash and cash equivalents 638,851 642,944 411,920 413,458
Non-Pledged trading assets 68,607 68,607 72,263 72,263
Pledged assets 22,300 22,300 10,000 10,000
Other investments 42,838 28,376 17,423 24,887
Loans and advances to customers 919,964 919,436 29,786 890,890
Investment securities 8,612 26,225 9,949 31,441
Current income tax assets 25,111 25,275 9,830 9,740
Deferred tax assets 15,199 15,263 - -
Intangible asset 6,512 6,685 9,654 9,893
Other assets 45,200 76,724 75,334 -
 Property, plant and equipment 62,977 65,545 57,919 60,424
Total assets 1,856,171 1,877,466 1,566,440 1,600,342
Liabilities and equity
Deposits from banks - - 24,000 24,000
Deposits from customers 1,558,210 1,558,210 1,189,454 1,189,454
Borrowing 41,845 41,845 28,463 28,463
Deferred tax - - 1,189 1,096
Other liabilities 114,967 149,305 143,558 159,987
Total liabilities 1,725,052 1,769,458 1,386,664 1,426,002
Equity
State capital 96,191 96,191 96,191 96,191
Income surplus [47,682] [45,750] (13,475) (167)
Revaluation reserve 32,293 32,309 32,819 32,835
Statutory reserve fund 57,203 57,203 52,708 52,304
Regulatory credit risk reserve 2,400 2,400 6,273 6,273
Housing development assistance reserve 744 744 744 744
Total equity attributable to equity holders of the Bank 141,149 145,097 179,755 193,079
Non-controlling interest - - 2,248 -
Total equity 141,149 145,097 179,755 193,079
Total liabilities and equity 1,856,171 1,877,466 1,566,440 1,600,342

The Board of Directors established the Bank’s Risk Management Frameworks and Assets and Liabilities Committee (ALCO) to be responsible for the monitoring of the Bank’s risks.

The Board also has Risk Management and Compliance Department which is guided by set of policy and procedure manuals which have been instituted by the Board of Directors and Management. A comprehensive set of risk mitigation frameworks within which Management effectively manages and controls risk. Tasks involved in the risk management functions are to identify, evaluate, measure, control, monitor and mitigate potential events that could impair the ability of the Group to generate stable and sustainable financial results from its operations.

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

The summary consolidated and separate financial statements, which comprise the consolidated and separate statement of financial position as at 31 December 2016, consolidated and separate statement of comprehensive income, consolidated and separate statement cash flows for the year then ended, and related notes, are derived from the audited financial statements of HFC Bank (Ghana) Limited and its Subsidiaries for the year ended 31 December 2016.

In our opinion, the accompanying summary consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements, in accordance with the Bank of Ghana Guide for financial publication for banks and Bank of Ghana (BOG) licensed financial Institutions.

Summary consolidated and separate financial statements

The summary consolidated and separate financial statements do not contain all the disclosures required by International Financial Reporting Standards, the Companies Act, 1963 (Act 179) and the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act 2007 (Act 738). Reading the summary consolidated and separate financial statements and the auditor’s report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and the auditor’s report thereon.

The audited consolidated and separate financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 22 March 2017. That report also includes the communication of other key matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

Management’s responsibility for the summary consolidated and separate financial statements

Management is responsible for the preparation of the summary consolidated and separate financial statements in accordance with the Bank of Ghana Guide for financial publication for banks & Bank of Ghana (BOG) licensed financial Institutions.

Auditor’s responsibility

Our responsibility is to express an opinion on whether the summary consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA) 810 (Revised), Engagement to Report on Summary Financial Statements.

Signed by Pamela Des Bordes (ICAG/P/1329)
For and on behalf of Ernst & Young (ICAG/F/2017/126)
Chartered Accountants
Accra, Ghana

Date: 22 March 2017