

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31ST DECEMBER 2024

I STATEMENT OF FINANCIAL POSITION		Bank		Group	
		31st Dec 2023 Audited (Ksh'000)	31st Dec 2024 Audited (Ksh'000)	31st Dec 2023 Audited (Ksh'000)	31st Dec 2024 Audited (Ksh'000)
A. ASSETS					
1 Cash balances (both local and foreign)		367,507	678,473	367,507	678,473
2 Balances due from Central Bank of Kenya		1,475,340	1,713,215	1,475,340	1,713,215
3 Kenya Government and other securities held for dealing purposes		—	—	—	—
4 Financial Assets at fair value through profit and loss		—	—	—	—
5 Investment Securities:		—	—	—	—
a) Held to Maturity:		4,036,868	3,228,300	4,036,868	3,228,300
a. Kenya Government securities		4,036,868	3,228,300	4,036,868	3,228,300
b. Other securities		—	—	—	—
b) Available for sale:		5,645,273	13,741,761	5,645,273	13,741,761
a. Kenya Government securities		5,645,273	13,741,761	5,645,273	13,741,761
b. Other securities		—	—	—	—
6 Deposits and balances due from local banking institutions		547,903	1,144,163	547,903	1,144,163
7 Deposits and balances due from banking institutions abroad		361,791	109,136	361,791	109,136
8 Tax recoverable		219,180	219,346	367,255	372,751
9 Loans and advances to customers (net)		38,787,793	39,797,555	38,787,793	38,861,015
10 Balances due from banking institutions in the group		—	—	—	—
11 Investments in associates		—	—	—	—
12 Investments in subsidiary companies		—	—	—	—
13 Investment in Joint ventures		189,558	190,970	1,645,120	1,668,362
14 Investment properties		810,000	810,000	1,885,000	1,905,000
15 Property and equipment		768,530	837,782	792,635	872,546
16 Prepaid operating lease rentals		—	—	—	—
17 Intangible assets		277,353	307,996	277,897	316,318
18 Deferred tax asset		1,533,269	1,404,816	1,764,469	1,654,454
19 Retirement benefit asset		—	—	—	—
20 Other assets		4,125,606	3,377,214	3,595,579	3,882,288
21 TOTAL ASSETS		59,145,971	67,560,727	61,550,430	70,147,782
B. LIABILITIES					
22 Balances due to Central Bank of Kenya		1,500,000	—	1,500,000	—
23 Customer deposits		43,868,949	47,883,285	43,847,644	47,470,795
24 Deposits and balances due to local banking institutions		3,193	388,105	3,193	388,105
25 Deposits and balances due to foreign banking institutions		—	—	—	—
26 Other money market deposits		—	—	—	—
27 Borrowed funds		3,793,292	2,743,820	3,793,292	2,743,820
28 Balances due to banking institutions in the group		—	—	—	—
29 Tax payable		—	—	—	—
30 Dividends payable		—	—	246	246
31 Deferred tax liability		—	—	487	903
32 Retirement benefit liability		—	—	—	—
33 Other liabilities		1,678,713	1,751,033	3,540,238	3,862,246
34 TOTAL LIABILITIES		50,844,147	52,766,243	52,685,100	54,466,115
C. SHAREHOLDERS' FUNDS					
35 Paid up /Assigned capital		5,090,000	10,820,000	1,923,071	9,427,440
36 Share premium/(discount)		3,513,662	3,513,662	4,343,512	2,649,338
37 Revaluation reserves		610,666	610,666	1,312,129	1,312,129
38 Retained earnings/Accumulated losses		(5,442,592)	(5,115,436)	(3,262,477)	(2,691,839)
39 Statutory loan loss reserves		4,854,473	4,808,520	4,854,473	4,808,520
40 Other Reserves		(324,385)	157,072	(305,378)	176,079
41 Proposed dividends		—	—	—	—
42 Capital grants		—	—	—	—
43 TOTAL SHAREHOLDERS' FUNDS		8,301,824	14,794,484	8,865,330	15,681,667
44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		59,145,971	67,560,727	61,550,430	70,147,782

II STATEMENT OF COMPREHENSIVE INCOME		Bank		Group	
1 INTEREST INCOME					
1.1 Loans and advances		4,086,150	4,819,076	4,020,677	4,765,730
1.2 Government securities		1,145,637	1,583,102	1,145,637	1,583,102
1.3 Deposits and placements with banking institutions		27,413	57,775	38,096	57,775
1.4 Other Interest Income		—	—	—	—
1.5 Total interest income		5,259,200	6,459,953	5,204,410	6,406,607
2 INTEREST EXPENSES					
2.1 Customer deposits		2,016,876	2,944,189	2,013,449	2,937,070
2.2 Deposits and placement from banking institutions		255,476	447,643	255,476	447,643
2.3 Other interest expenses		387,832	359,150	385,900	359,359
2.4 Total interest expenses		2,660,184	3,750,982	2,654,825	3,744,072
3 NET INTEREST INCOME/(LOSS)		2,599,016	2,708,971	2,549,585	2,662,535
4 OTHER OPERATING INCOME					
4.1 Fees and commissions on loans and advances		222,214	217,999	222,956	217,999
4.2 Other fees and commissions		140,053	214,648	192,555	346,167
4.3 Foreign exchange trading income/(Loss)		174,407	191,127	174,407	191,127
4.4 Dividend Income		—	—	—	—
4.5 Other income		200,905	122,189	652,888	751,467
4.6 Total non-interest income		737,579	745,963	1,242,806	1,506,760
5 TOTAL OPERATING INCOME		3,336,595	3,454,934	3,792,391	4,169,295
6 OPERATING EXPENSES					
6.1 Loan loss provision		309,299	364,460	309,299	364,460
6.2 Staff costs		1,441,417	1,643,508	1,625,812	1,894,275
6.3 Directors' emoluments		20,930	24,012	38,684	42,851
6.4 Rental charges		61,179	61,776	65,047	61,776
6.5 Depreciation charge on property and equipment		153,827	157,405	156,085	161,748
6.6 Amortisation charges		212,907	76,617	213,093	76,771
6.7 Other operating expenses		971,317	914,172	1,081,833	1,130,664
6.8 Total Other Operating Expenses		3,170,876	3,241,950	3,489,853	3,732,545
7 Profit/(loss) before tax and exceptional items		165,719	212,984	302,538	436,750
8 Exceptional items		(4,662)	1,412	31,946	23,243
9 Profit/(loss) after exceptional items		161,057	214,396	334,484	459,993
10 Current tax		(13,464)	(11,820)	(29,687)	(31,955)
11 Deferred tax		39,553	78,627	83,359	96,647
12 Profit/(loss) after tax and exceptional items		187,146	281,203	388,156	524,685
13 Other Comprehensive Income					
13.1 Gains/(Losses) from translating the financial statements of foreign operations		—	—	—	—
13.2 Fair value changes in available for sale financial assets		(378,578)	687,796	(378,578)	687,796
13.3 Revaluation surplus on Property, plant and equipment		20,000	—	20,000	—
13.4 Share of other comprehensive income of associates		—	—	—	—
13.5 Income tax relating to components of other comprehensive income		110,573	(206,339)	110,573	(206,339)
14 Other Comprehensive Income for the year net of tax		(248,005)	481,457	(248,005)	481,457
15 Total comprehensive income for the year		(60,858)	762,660	140,152	1,006,142
Earnings Per Share		36.77	25.99	1.01	0.9

III DISCLOSURES		Bank	
		31st Dec 2023 Audited (Ksh'000)	31st Dec 2024 Audited (Ksh'000)
1 NON-PERFORMING LOANS AND ADVANCES			
a) Gross non-performing loans and advances		10,819,714	11,964,475
b) Less: Interest in Suspense		3,102,377	3,251,592
c) Net non-Performing loans and advances (a-b)		7,717,337	8,712,883
Less: Loan loss provisions		4,997,717	5,155,716
e) Net non-performing loans and advances(c-d)		2,719,620	3,557,167
f) Discounted value of securities		2,719,620	3,557,167
g) Net Exposure(e-f)		—	—
2 INSIDER LOANS AND ADVANCES			
a) Directors, shareholders and associates		1,009,689	1,029,924
b) Employees		1,252,502	1,395,058
c) Total insider Loans and Advances		2,262,191	2,424,982
3 OFF-BALANCE SHEET ITEMS			
a) Letters of credit, guarantees and acceptances		2,468,039	702,528
b) Forwards, swaps and options		289,511	989,271
c) Other contingent liabilities		—	—
d) Total contingent liabilities		2,757,550	1,691,799
4 CAPITAL STRENGTH			
a) Core capital		2,082,282	8,667,269
b) Minimum Statutory Capital		1,000,000	1,000,000
c) Excess/Deficiency		1,082,282	7,667,269
d) Supplementary capital		1,464,572	1,278,755
e) Total capital (a+d)		3,546,854	9,946,024
f) Total risk weighted assets		39,372,404	40,507,073
g) Core capital /Total deposit liabilities		4.7%	18.1%
h) Minimum Statutory Ratio		8.0%	8.0%
i) Excess/Deficiency		-3.3%	10.1%
j) Core capital /Total risk weighted assets		5.3%	21.4%
k) Minimum Statutory Ratio		10.5%	10.5%
l) Excess/Deficiency (i-k)		-5.2%	10.9%
m) Total capital /Total risk weighted assets		9.0%	24.6%
n) Minimum Statutory Ratio		14.5%	14.5%
a) Excess/Deficiency (m-n)		-5.5%	10.1%
5 LIQUIDITY			
a) Liquidity Ratio		24.5%	41.8%
b) Minimum Statutory Ratio		20.0%	20.0%
c) Excess/Deficiency) (a-b)		4.5%	21.8%

NOTES

These financial statements are extracts from the books of the institution. The complete set of Audited financials can be accessed on the institutions website www.hfgroup.co.ke

They may also be accessed at the institutions head office located at Rehani House, Kenyatta Avenue/Koinange Street, Nairobi

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