

HF Group PLC

Head Office: Rehani House, Koinange/Kenyatta Avenue St.
P.o. Box 30088, 00100 - Nairobi, Kenya.

Tel: (+254 0) 709 438888, 3262000 Fax: (+254 20) 340299,

Email: Mybank@hfgroup.co.ke, Website: www.hfgroup.co.ke



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Audited 31.12.2022 (Ksh'000)	Audited 31.12.2021 Restated (Ksh'000)
ASSETS		
Cash and balances with Central Bank of Kenya	2,184,939	2,708,074
Balances with Banks	12,346	33,311
Investments in Government Securities	8,540,137	6,550,168
Loans and advances to customers	36,299,175	34,692,625
Other assets	6,574,383	5,160,727
Property and equipment	579,410	1,133,965
Right of use asset	492,613	456,489
Intangible assets	332,592	519,873
Current income tax	365,267	342,746
Deferred income tax asset	1,570,538	1,567,993
TOTAL ASSETS	56,951,400	53,165,971
LIABILITIES		
Balances with Central Bank	499,777	-
Deposits and current accounts from Banks and Customers	39,821,258	38,316,520
Lease liability	434,488	579,403
Other liabilities	3,086,813	1,659,116
Derivative liabilities	13,268	28,982
Government of Kenya income notes	52,860	52,860
Borrowings	4,317,757	4,298,349
TOTAL LIABILITIES	48,226,221	44,935,230
EQUITY		
Ordinary share capital	1,923,071	1,923,071
Ordinary share premium	4,343,512	4,343,512
Accumulated losses	(2,492,735)	(2,475,247)
Statutory credit risk reserve	3,696,575	3,413,517
Other reserves	1,254,756	1,025,888
TOTAL EQUITY	8,725,179	8,230,741
TOTAL LIABILITIES AND EQUITY	56,951,400	53,165,971

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDING 31 DECEMBER 2022

	Audited 31.12.2022 (Ksh'000)	Audited 31.12.2021 Restated (Ksh'000)
Net interest income	2,253,924	1,879,947
Non-interest revenue	955,444	486,033
Total income	3,209,368	2,365,980
Credit impairment charges	(194,130)	(280,645)
Income after impairment charges	3,015,238	2,085,335
Total operating expenses	(2,824,844)	(3,050,543)
Profit/(Loss) before taxation	196,659	(949,468)
Exceptional items	(6,265)	(15,740)
Profit/(Loss) after exceptional item	190,394	(965,208)
Income tax expense	75,176	297,462
Profit/(Loss) for the period	265,570	(667,746)

SUMMARY CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2022

	Audited 31.12.2022 (Ksh'000)	Audited 31.12.2021 (Ksh'000)
Profit/(Loss) for the period	265,570	(667,746)
Other Comprehensive Income		
Revaluation surplus on Property, plant and equipment	404,292	-
Fair value changes on FVOCI	(77,337)	(299)
Deferred income tax on fair valuation	(98,087)	90
Total comprehensive gain/(loss)	228,868	(209)
Total Profit/(loss) charged to: Equity holders of the parent	494,438	(667,955)
Earnings per share basic and diluted (in Shs):	0.69	(1.78)

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2022

	Share capital Shs' 000	Share premium Shs' 000	Revaluation reserve Shs' 000	Statutory credit risk reserve Shs' 000	Accumulated losses Shs' 000	Fair value reserves Shs' 000	Total Shs' 000
Year ended 31 December 2021							
At start of year- as previously stated	1,923,071	4,343,512	1,012,125	3,653,888	(2,384,780)	13,972	8,561,788
Effect of change in accounting policy for investment property	-	-	-	-	336,908	-	336,908
as restated	1,923,071	4,343,512	1,012,125	3,653,888	(2,047,872)	13,972	8,898,696
Loss for the year (restated)	-	-	-	-	(667,746)	-	(667,746)
Transfer from statutory credit risk reserve	-	-	-	(240,371)	240,371	-	-
At fair value through other comprehensive income	-	-	-	-	-	(209)	(209)
At end of year	1,923,071	4,343,512	1,012,125	3,413,517	(2,475,247)	13,763	8,230,741
Year ended 31 December 2022							
At start of year	1,923,071	4,343,512	1,012,125	3,413,517	(2,475,247)	13,763	8,230,741
Profit for the year	-	-	-	-	265,570	-	265,570
Transfer from statutory credit risk reserve	-	-	-	283,058	(283,058)	-	-
At fair value through other comprehensive income	-	-	-	-	-	(54,136)	(54,136)
Revaluation surplus on property and equipment	-	-	283,004	-	-	-	283,004
At end of year	1,923,071	4,343,512	1,295,129	3,696,575	(2,492,735)	(40,373)	8,725,179

SUMMARY CONSOLIDATED STATEMENT OF CASHFLOW AS AT 31 DECEMBER 2022

	Audited 31.12.2022 (Ksh'000)	Audited 31.12.2021 (Ksh'000)
Net cash from operating activities	(103,140)	(210,846)
Net cash flows from investing activities	(111,627)	(181,553)
Net cash flows from financing activities	(122,315)	521,043
Effects of exchange rate differences	-	(1,287)
Net (decrease)/increase in cash and cash equivalents	(337,082)	127,357
Cash and cash equivalents at 1 January	1,185,773	1,058,416
Cash and cash equivalents at period end	848,691	1,185,773

DISCLAIMER: This announcement is for information purposes only. It has been issued with the approval of the Capital Markets Authority pursuant to the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations 2002 as amended. As a matter of policy, the Capital Markets Authority assumes no responsibility for the correctness of the statements appearing in this announcement.

Regulated by the Central Bank of Kenya

SUMMARY OF DIRECTORS' REMUNERATION REPORT

During the year the Group paid Kshs 17,194,000 (2021: Kshs 15,944,000) as directors' emoluments.

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF HF GROUP PLC

Opinion

We have audited the summary financial statements of HF Group Plc, which comprise the summary consolidated statement of financial position at 31 December 2022 and the summary consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended which are derived from the audited financial statements of HF Group Plc and its subsidiaries (together, the "Group") for the year ended 31 December 2022. The Group's financial statements dated are prepared in accordance with International Financial Reporting Standards and the Companies Act, 2015.

In our opinion the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements of the Group which are prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act, 2015.

The summary directors' remuneration report is derived from the directors' remuneration report for the year ended 31 December 2022.

Summary financial statements and directors' remuneration report

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards applied in the preparation of the consolidated financial statements and in the manner required by the Companies Act, 2015. In addition, the summary directors' remuneration report does not contain all the disclosures required by the Companies (General) (Amendment) (No. 2) Regulations, 2017.

Reading the summary financial statements, the summary directors' remuneration report and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements, the directors' remuneration report and the auditor's report thereon. The summary financial statements, the summary directors' remuneration report and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our audit report dated 31 March 2023 and also confirmed that the auditable part of the directors' remuneration report was prepared in accordance with the Companies Act, 2015. That audit report also includes the communication of key audit 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.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements and the summary directors' remuneration report in accordance with the International Financial Reporting Standards and Companies Act 2015.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements and the summary directors' remuneration report are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to report on summary financial statements*.

CPA Kang'e Saiti, Practicing Certificate Number 1652

Engagement partner responsible for the audit

For and on behalf of PricewaterhouseCoopers LLP

Certified Public Accountants

Nairobi

27 April 2023