

## AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2025

STATEMENT OF FINANCIAL POSITION	Bank		Group	
	31st Dec 2024	31st Dec 2025	31st Dec 2024	31st Dec 2025
	Audited (Ksh'000)	Audited (Ksh'000)	Audited (Ksh'000)	Audited (Ksh'000)
<b>A. ASSETS</b>				
1 Cash balances (both local and foreign)	678,473	485,215	678,473	485,215
2 Balances due from Central Bank of Kenya	1,713,215	1,523,373	1,713,215	1,523,373
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:				
a. Kenya Government securities	3,228,300	3,682,520	3,228,300	3,682,520
b. Other securities	-	-	-	-
b) Available for sale:				
a. Kenya Government securities	13,741,761	24,584,782	13,741,761	24,584,782
b. Other securities	-	-	-	-
6 Deposits and balances due from local banking institutions	1,144,164	58,054	1,144,164	58,054
7 Deposits and balances due from banking institutions abroad	109,136	222,685	109,136	222,685
8 Tax recoverable	219,346	214,599	372,751	365,293
9 Loans and advances to customers (net)	39,797,555	41,901,454	38,861,015	41,107,862
10 Balances due from banking institutions in the group	-	-	-	-
11 Investments in associates	-	-	-	-
12 Investments in subsidiary companies	-	-	-	-
13 Investment in Joint ventures	190,970	190,865	1,668,362	1,828,458
14 Investment properties	810,000	810,000	1,905,000	1,905,000
15 Property and equipment	837,782	1,074,925	872,546	1,149,052
16 Prepaid operating lease rentals	-	-	-	-
17 Intangible assets	307,996	486,398	316,318	494,017
18 Deferred tax asset	1,404,816	945,565	1,654,454	1,229,813
19 Retirement benefit asset	-	-	-	-
20 Other assets	3,377,214	3,317,846	3,882,286	3,763,265
<b>21 TOTAL ASSETS</b>	<b>67,560,727</b>	<b>79,498,280</b>	<b>70,147,782</b>	<b>82,399,388</b>
<b>B. LIABILITIES</b>				
22 Balances due to Central Bank of Kenya	-	-	-	-
23 Customer deposits	47,883,285	56,149,478	47,470,795	55,874,372
24 Deposits and balances due to local banking institutions	388,105	1,022,568	388,105	1,022,568
25 Deposits and balances due to foreign banking institutions	-	-	-	-
26 Other money market deposits	-	-	-	-
27 Borrowed funds	2,743,820	3,601,847	2,743,820	3,601,847
28 Balances due to banking institutions in the group	-	-	-	-
29 Tax payable	-	-	-	-
30 Dividends payable	-	-	246	246
31 Deferred tax liability	-	-	903	-
32 Retirement benefit liability	-	-	-	-
33 Other liabilities	1,751,033	2,276,417	3,862,246	4,226,022
<b>34 TOTAL LIABILITIES</b>	<b>52,766,243</b>	<b>63,050,310</b>	<b>54,466,115</b>	<b>64,725,055</b>
<b>C. SHAREHOLDERS' FUNDS</b>				
35 Paid up /Assigned capital	10,820,000	10,820,000	9,427,440	9,427,440
36 Share premium/(discount)	3,513,662	3,513,662	2,649,338	2,649,338
37 Revaluation reserves	610,666	610,666	1,312,129	1,312,129
38 Retained earnings/Accumulated losses	(5,115,436)	(3,935,839)	(2,691,839)	(1,173,061)
39 Statutory loan loss reserves	4,808,520	4,640,537	4,808,520	4,640,537
40 Other Reserves	157,072	798,944	176,079	817,950
41 Proposed dividends	-	-	-	-
42 Capital grants	-	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>14,794,484</b>	<b>16,447,970</b>	<b>15,681,667</b>	<b>17,674,333</b>
<b>44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>67,560,727</b>	<b>79,498,280</b>	<b>70,147,782</b>	<b>82,399,388</b>

STATEMENT OF COMPREHENSIVE INCOME	31st Dec 2024	31st Dec 2025	31st Dec 2024	31st Dec 2025
	Audited (Ksh'000)	Audited (Ksh'000)	Audited (Ksh'000)	Audited (Ksh'000)
<b>1 INTEREST INCOME</b>				
1.1 Loans and advances	4,819,076	4,791,450	4,765,730	4,629,291
1.2 Government securities	1,583,102	2,826,672	1,583,102	2,826,672
1.3 Deposits and placements with banking institutions	57,775	58,361	57,775	58,361
1.4 Other Interest Income	-	-	-	-
<b>1.5 Total interest income</b>	<b>6,459,953</b>	<b>7,676,483</b>	<b>6,406,607</b>	<b>7,514,324</b>
<b>2 INTEREST EXPENSES</b>				
2.1 Customer deposits	2,944,189	2,761,113	2,937,070	2,750,332
2.2 Deposits and placement from banking institutions	447,643	70,306	447,643	70,306
2.3 Other interest expenses	359,150	330,632	359,359	330,632
<b>2.4 Total interest expenses</b>	<b>3,750,982</b>	<b>3,162,051</b>	<b>3,744,072</b>	<b>3,151,269</b>
<b>3 NET INTEREST INCOME/(LOSS)</b>	<b>2,708,971</b>	<b>4,514,432</b>	<b>2,662,535</b>	<b>4,363,055</b>
<b>4 OTHER OPERATING INCOME</b>				
4.1 Fees and commissions on loans and advances	217,999	249,973	217,999	249,973
4.2 Other fees and commissions	214,648	294,580	346,167	294,580
4.3 Foreign exchange trading income/(Loss)	191,127	106,890	191,127	106,890
4.4 Dividend Income	-	-	-	-
4.5 Other income	122,189	218,303	751,467	1,155,301
<b>4.6 Total Non-interest income</b>	<b>745,963</b>	<b>869,746</b>	<b>1,506,760</b>	<b>1,806,743</b>
<b>5 TOTAL OPERATING INCOME</b>	<b>3,454,934</b>	<b>5,384,178</b>	<b>4,169,295</b>	<b>6,169,798</b>
<b>6 OPERATING EXPENSES</b>				
6.1 Loan loss provision	364,460	408,283	364,460	408,283
6.2 Staff costs	1,643,508	1,984,180	1,894,275	2,311,374
6.3 Directors' emoluments	24,012	14,558	42,851	31,759
6.4 Rental charges	61,776	59,018	61,776	59,018
6.5 Depreciation charge on property and equipment	157,405	144,776	161,748	153,000
6.6 Amortisation charges	76,617	66,901	76,771	67,150
6.7 Other operating expenses	914,172	1,498,283	1,130,664	1,655,160
<b>6.8 Total Other Operating Expenses</b>	<b>3,241,950</b>	<b>4,175,998</b>	<b>3,732,545</b>	<b>4,685,743</b>
<b>7 Profit/(loss) before tax and exceptional items</b>	<b>212,984</b>	<b>1,208,180</b>	<b>436,750</b>	<b>1,484,054</b>
8 Exceptional items	1,412	(106)	23,243	125,431
<b>9 Profit/(loss) after exceptional items</b>	<b>214,396</b>	<b>1,208,074</b>	<b>459,993</b>	<b>1,609,485</b>
10 Current tax	(11,820)	(12,296)	(31,955)	(38,544)
11 Deferred tax	78,627	(184,162)	96,647	(148,650)
<b>12 Profit/(loss) after tax and exceptional items</b>	<b>281,203</b>	<b>1,011,616</b>	<b>524,685</b>	<b>1,422,292</b>
<b>13 Other Comprehensive Income</b>				
13.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-
13.2 Fair value changes in available for sale financial assets	687,796	916,959	687,796	916,959
13.3 Revaluation surplus on Property, plant and equipment	-	-	-	-
13.4 Share of other comprehensive income of associates	-	-	-	-
13.5 Income tax relating to components of other comprehensive income	(206,339)	(275,087)	(206,339)	(275,088)
<b>14 Total Comprehensive Income for the year net of tax</b>	<b>481,457</b>	<b>641,872</b>	<b>481,457</b>	<b>641,872</b>
<b>15 Total comprehensive income for the year</b>	<b>762,660</b>	<b>1,653,488</b>	<b>1,006,143</b>	<b>2,064,163</b>
<b>Earnings Per Share</b>	<b>25.99</b>	<b>93.50</b>	<b>0.90</b>	<b>0.75</b>

III OTHER DISCLOSURES	Bank		Group	
	31st Dec 2024	31st Dec 2025	31st Dec 2024	31st Dec 2025
	Audited (Ksh'000)	Audited (Ksh'000)	Audited (Ksh'000)	Audited (Ksh'000)
<b>1 NON-PERFORMING LOANS AND ADVANCES</b>				
a) Gross non-performing loans and advances	11,964,475	11,063,077	11,964,475	11,063,077
b) Less: Interest in Suspense	3,251,592	3,006,068	3,251,592	3,006,068
<b>c) Total non-Performing loans and advances (a-b)</b>	<b>8,712,883</b>	<b>8,057,009</b>	<b>8,712,883</b>	<b>8,057,009</b>
d) Less: Loan loss provisions	5,155,716	5,647,480	5,155,716	5,647,480
<b>e) Net non-performing loans and advances(c-d)</b>	<b>3,557,167</b>	<b>2,409,530</b>	<b>3,557,167</b>	<b>2,409,530</b>
f) Discounted value of securities	3,557,167	2,409,530	3,557,167	2,409,530
<b>g) Net Exposure(e-f)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2 INSIDER LOANS AND ADVANCES</b>				
a) Directors, shareholders and associates	1,029,924	820,449	1,029,924	820,449
b) Employees	1,395,058	1,420,935	1,395,058	1,420,935
<b>c) Total insider Loans and Advances</b>	<b>2,424,982</b>	<b>2,241,384</b>	<b>2,424,982</b>	<b>2,241,384</b>
<b>3 OFF-BALANCE SHEET ITEMS</b>				
a) Letters of credit, guarantees and acceptances	702,528	4,320,299	702,528	4,320,299
b) Forwards, swaps and options	989,271	1,009,825	989,271	1,009,825
c) Other contingent liabilities	-	-	-	-
<b>d) Total contingent liabilities</b>	<b>1,691,799</b>	<b>5,330,124</b>	<b>1,691,799</b>	<b>5,330,124</b>
<b>4 CAPITAL STRENGTH</b>				
a) Core capital	8,667,269	10,148,987		
b) Minimum Statutory Capital	1,000,000	3,000,000		
c) Excess/Deficiency	7,667,269	7,148,987		
d) Supplementary capital	1,278,755	1,153,527		
<b>e) Total capital (a+d)</b>	<b>9,946,024</b>	<b>11,302,514</b>		
f) Total risk weighted assets	40,507,073	46,488,796		
g) Core capital /Total deposit liabilities	18.1%	18.1%		
h) Minimum Statutory Ratio	8.0%	8.0%		
i) Excess/Deficiency	10.1%	10.1%		
j) Core capital /Total risk weighted assets	21.4%	21.8%		
k) Minimum Statutory Ratio	10.5%	10.5%		
l) Excess/Deficiency (j-k)	10.9%	11.3%		
m) Total capital /Total risk weighted assets	24.6%	24.3%		
n) Minimum Statutory Ratio	14.5%	14.5%		
o) Excess/Deficiency (m-n)	10.1%	9.8%		
<b>5 LIQUIDITY</b>				
a) Liquidity Ratio	41.8%	51.5%		
b) Minimum Statutory Ratio	20.0%	20.0%		
c) Excess(Deficiency) (a-b)	21.8%	31.5%		

**\*Notes**  
These financial statements are extracts from the books of the institution. The complete set of Audited can be accessed on the institutions website [www.hfgroup.co.ke](http://www.hfgroup.co.ke)

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

**Peter Mugeni**  
Managing Director - HFC Ltd

**Robert Kibaara**  
Group Chief Executive Officer

**Prof. Olive Mugenda**  
HF Group Chairperson



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