



UNLOCKING POSSIBILITIES

**HIGHLIGHTS ON
STRATEGIC PRIORITIES**

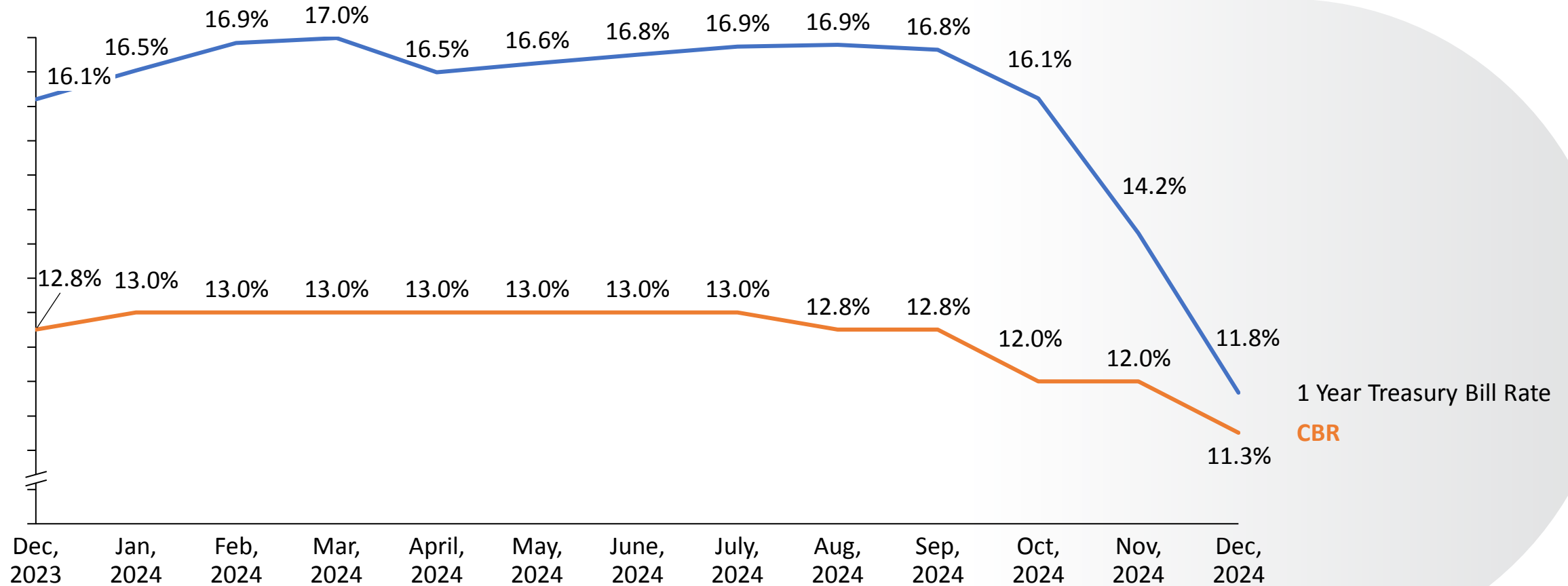
Agenda

- 1 **Operating Environment Review**
- 2 **About Us: Business Structure**
- 3 **Our True North: Themes Of Our Strategy and our Foundations**
- 4 **FY 2024 Transformation Highlights**
- 5 **FY 2024 Performance: An Early Reward for Shareholders**
- 6 **Looking Ahead**

FY 2024 Macro Economic Review

Macro Economic Environment: High interest rates in the first three quarters of 2024, followed by sharp declines in the fourth quarter.

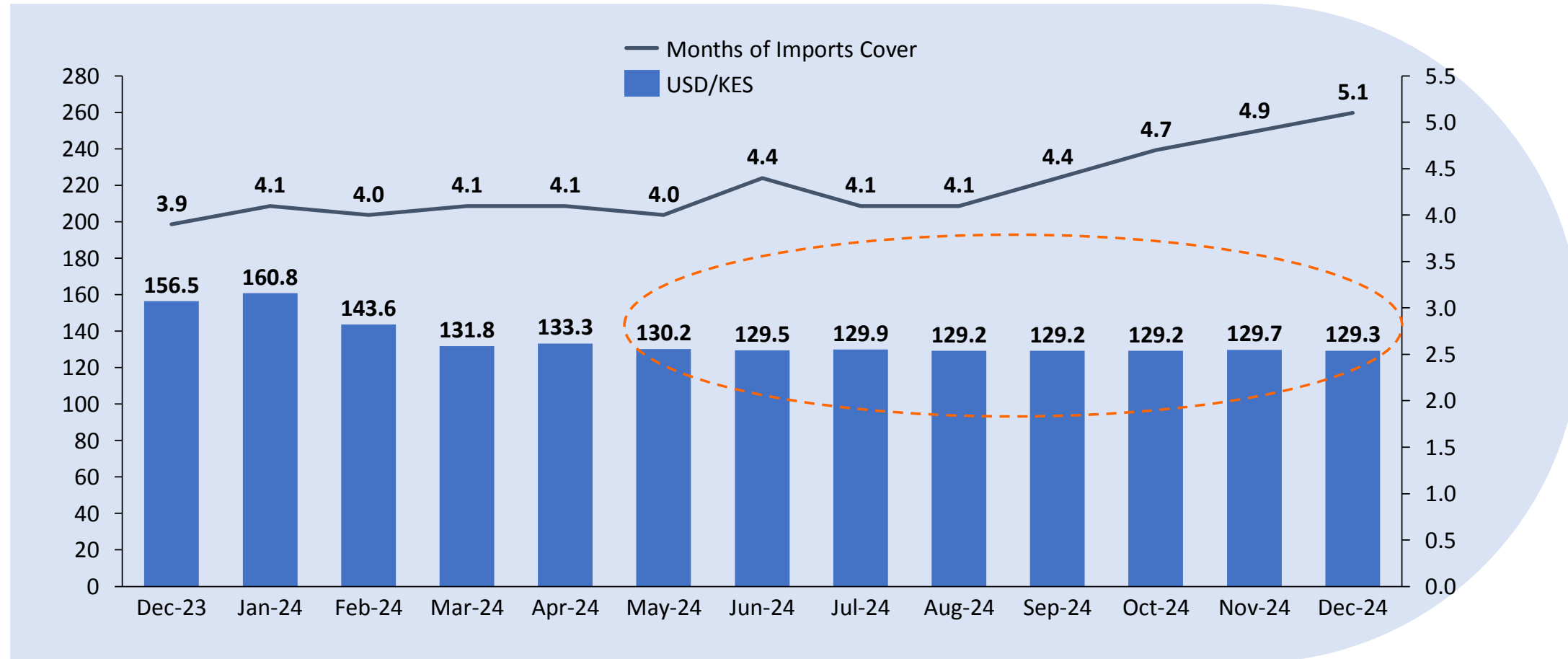
- Easing monetary stance toward end of 2024, which is expected to boost private sector growth



Macro Economic Environment:

Kenya - Currency & FX Reserves

- Kes **held steady** against the USD supported by **improved diaspora remittances** and **improved forex reserves**
- Kes now stable & **projected to remain stable**

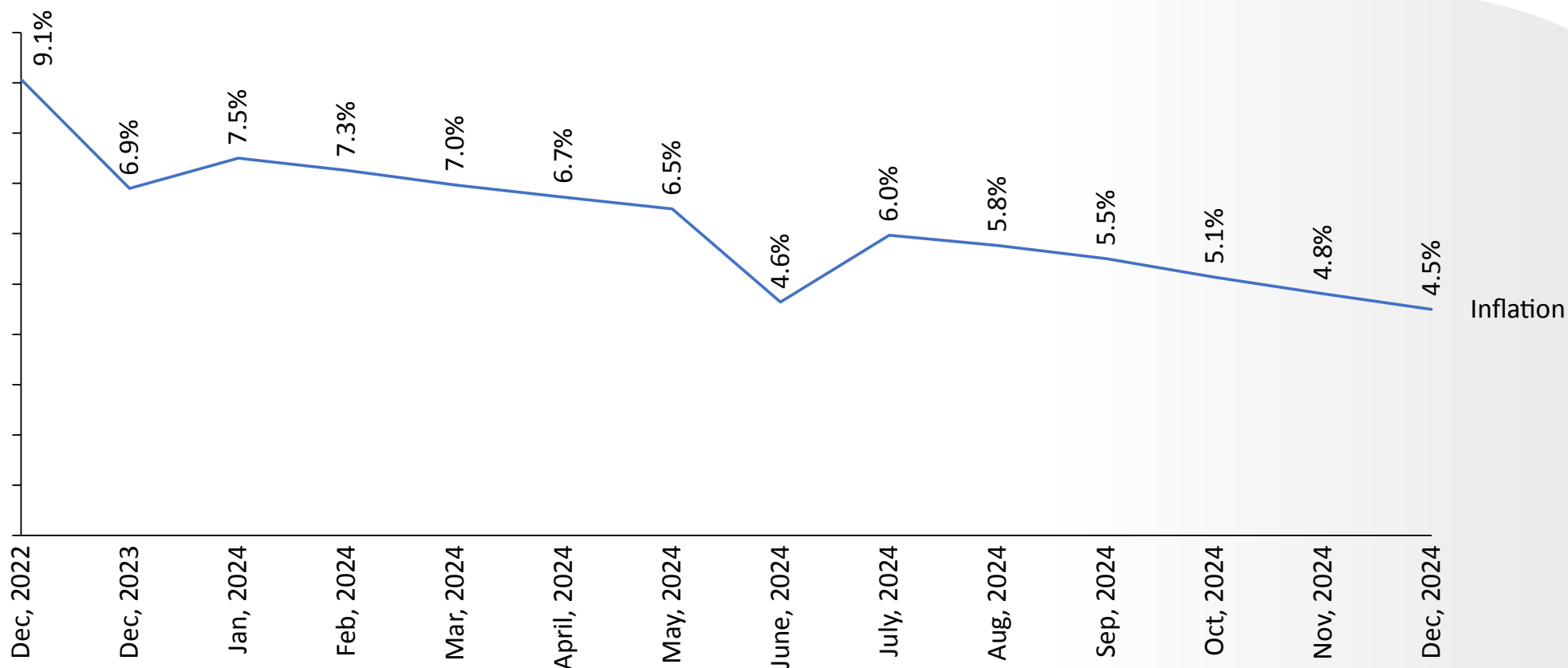


Macro Economic Environment:

The 2024 annual inflation rate in Kenya softened

Key drivers

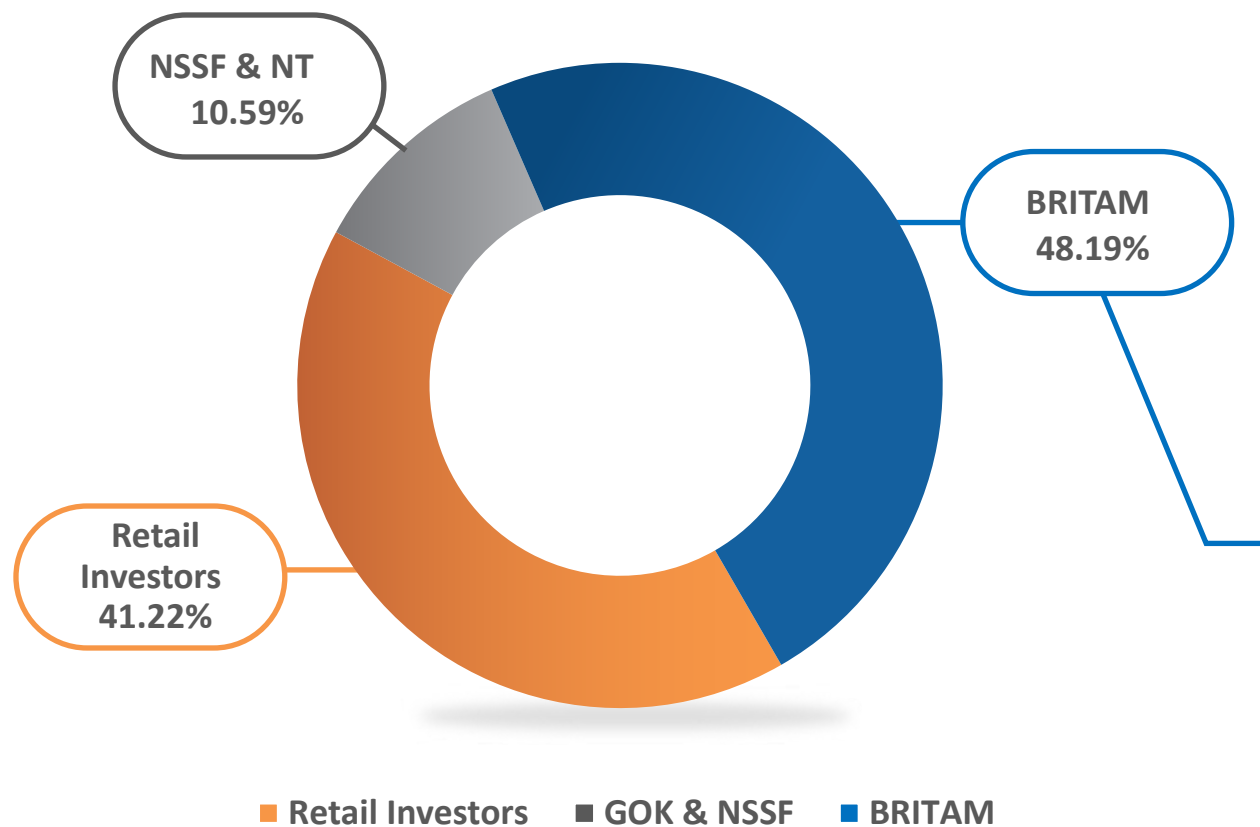
- Lower food and utilities inflation
- Stable foreign currency exchange rate





About Us Business Structure

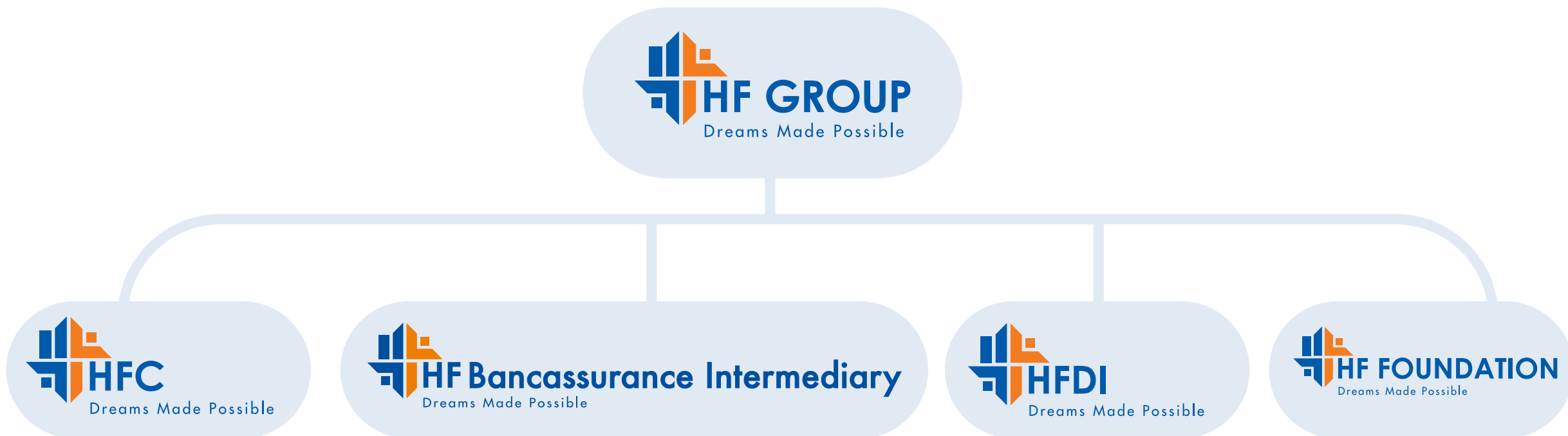
Our Shareholding Profile



Britam Shareholding

Equity Investment	16.05%
Afric Invest SPV	17.55%
Propaco	
FMO	
DEG	
Afric Invest	13.81%
Swiss Re	
NSSF	
IFC	
Others	32.19%

We are HF Group



HF Group and HFC are regulated by the Central Bank of Kenya

Multiple business segments, diverse product offering

Single product,
single sector



Personal Banking



Commercial Banking



Personal Banking



Government Banking

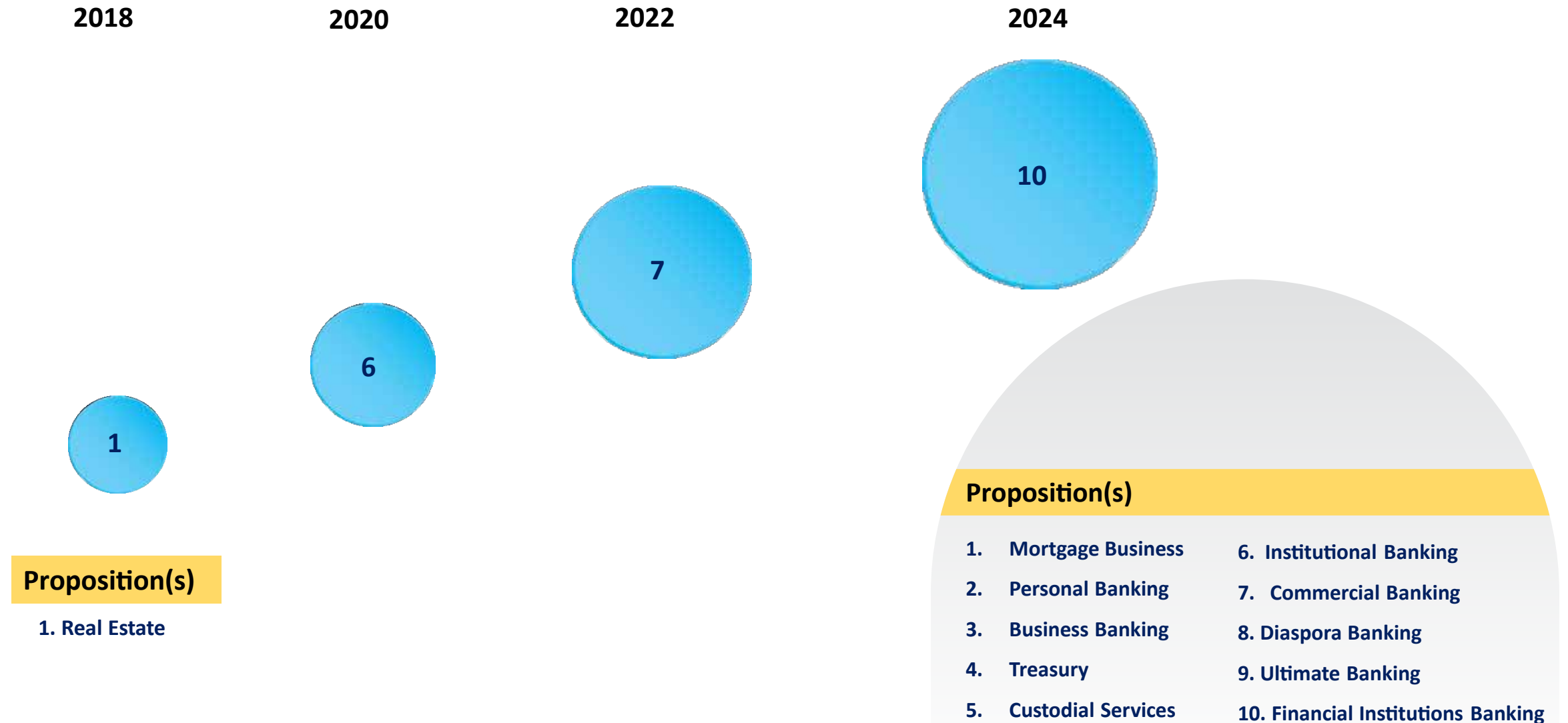


Diaspora Banking



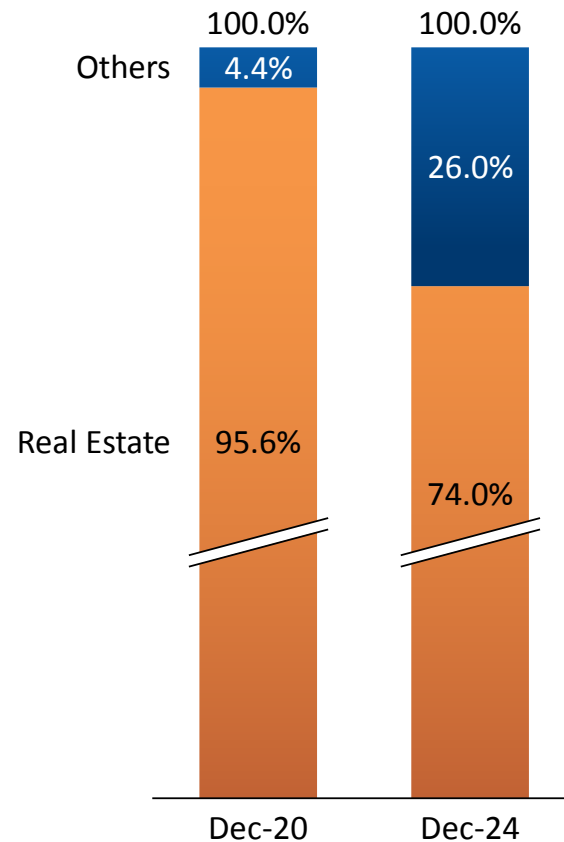
Mortgage Business

HFC: Evolution of our customer value propositions tailored on evolving customer needs



HFC Business Segments Performance

De-risking the Bank from economic sector concentration has progressed well



HFC Segments Performance			
Kes "Mn"	Deposits	Gross Loans	Income Contribution
Personal Banking	19,736M	14,546M	32%
Ultimate Banking	8,913M	6,252M	5%
Business Banking	3,994M	4,351M	13%
Commercial Banking	2,103M	8,592M	14%
Diaspora Banking	1,419M	955M	4%
Institutional Banking	6,768M	-	2%
Treasury, Custody & FI	4,496M	-	30%
Special Assets (Legacy Book)	41M	9,249M	

The New Businesses are making a positive contribution to our performance

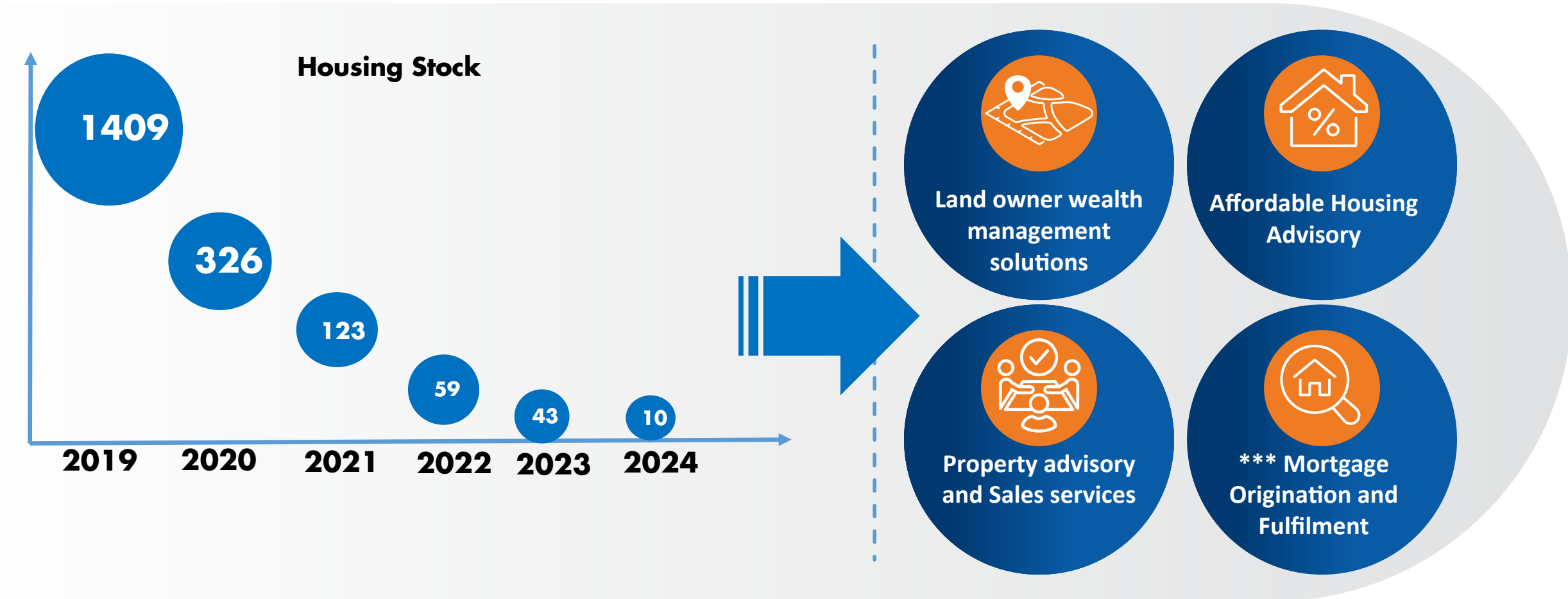
2024 Revenue Contribution(Bn)



Key

PB	BB	CIB	Treasury, FI & Cust	UB	DB	Special Assets
Personal Banking	Business Banking	Commercial & Institutional Banking	Treasury, Financial Insitutions & Custodial Services	Ultimate Banking	Diaspora Banking	Project Finance (Legacy)

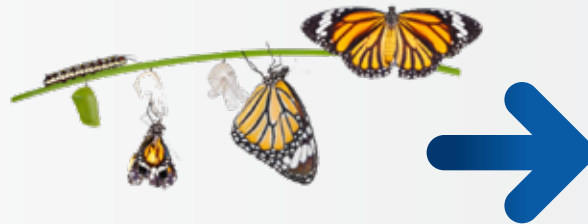
HFDI: The Evolution of our property business remained on course



Exit of property development has progressed well with our focus now shifting to partnerships , project management and advisory on property

HFBI : We have enriched our Bancassurance proposition

**Mortgage
insurance only**



INSURANCE SOLUTIONS
A variety of Insurance solutions under one roof



Our solutions include:

- Motor Insurance
- Domestic Package Insurance
- Mortgage Life Protection Including Retrenchment Cover
- Personal Accident Insurance
- SME Package
- Travel Insurance
- Contractor All Risk Insurance
- Work Injury Insurance (WIBA)
- AyaMed Individual Medical Insurance
- Education Insurance

Underwritten by: Britam, CIC, General Accident, APA, Heritage, Jubilee, Sanlam, AIG, Kenyan Alliance, Madison, ICEA Lion, Pioneer and Prudential.

Call **0709 438000**
Email bancassurance@hfgroup.co.ke

 **HF Group**
www.hfgroup.co.ke

 **HF Bancassurance Intermediary**
Dreams Made Possible

Our Strategy

Our Strategic Foundations



OUR PURPOSE

Enriching Lives



OUR VISION

To be a top ten
banking group
by being the most
dependable and
loved financial
services provider



OUR MISSION






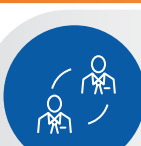
Enriching Lives
Through Financial
Empowerment



OUR VALUES

Stewardship
Teamwork
Innovative
Customer Centric
Integrity

The Key Themes of the Strategy we developed

- | | | | |
|---|----------|--|--|
|  | 1 | Reposition | Achieve a complete shift of perception from a single product house to a full service niche bank offering superior capabilities for the selected segments |
|  | 2 | Scale up the Engines of Growth | Achieve the desired growth in Commercial, SME, Institutional, affluent, mass affluent and Diaspora segments to build a less concentrated, stable lower-cost funding base and selectively increase exposure in segments with higher risk-return |
|  | 3 | Drive Efficiency Through Technology | Provide capabilities that will enable delivery of the brand promise to the customer cost effectively |
|  | 4 | Beyond Service Excellence | Deliver an omni channel experience with an “all under one roof” product & service suite for our chosen segments |
|  | 5 | Solidify the Capital Base | Set up the bank to be able to accommodate accelerated investment and returns in the selected segments by having a healthy capital base (Tier I & II) |
|  | 6 | Culture and Capabilities | Create a Performance Culture with a superior EVP (Bias for Execution) by investing in the people capabilities required to ensure sustained performance |



Who we are becoming : Strategic Outcomes



Highlights on Strategic Priorities

We continued to Solidify our Capital Base



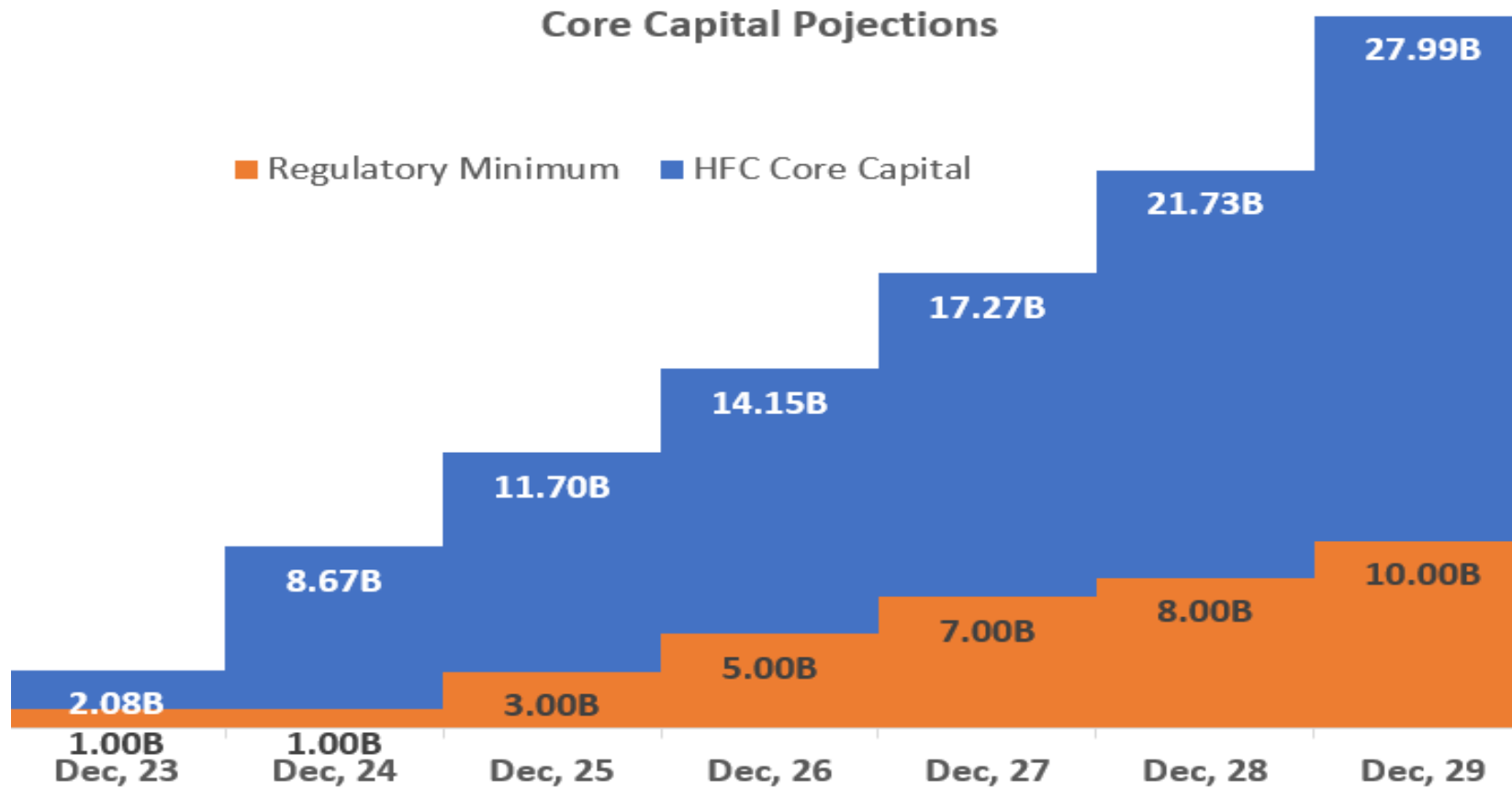
- Accelerated business growth
- Greater returns to our shareholders
- Enhanced systems & customer value propositions
- Improved employee value proposition

RATIOS	Regulatory Minimum	Dec-24	Compliance
Liquidity	20%	42%	✓
Core Capital (KShs M)	1,000 M	8,650 M	✓
Single Obligor Limit (KShs M)	25% of core capital	2,163 M	✓
Aggregate Insider Borrowing Limit	100% of core capital	28%	✓
Holding in Land & Property	20% of core capital	9%	✓
Core Capital to RWA	11%	21%	✓
Total Capital to RWA	15%	25%	✓

Bell Ringing–January 2025



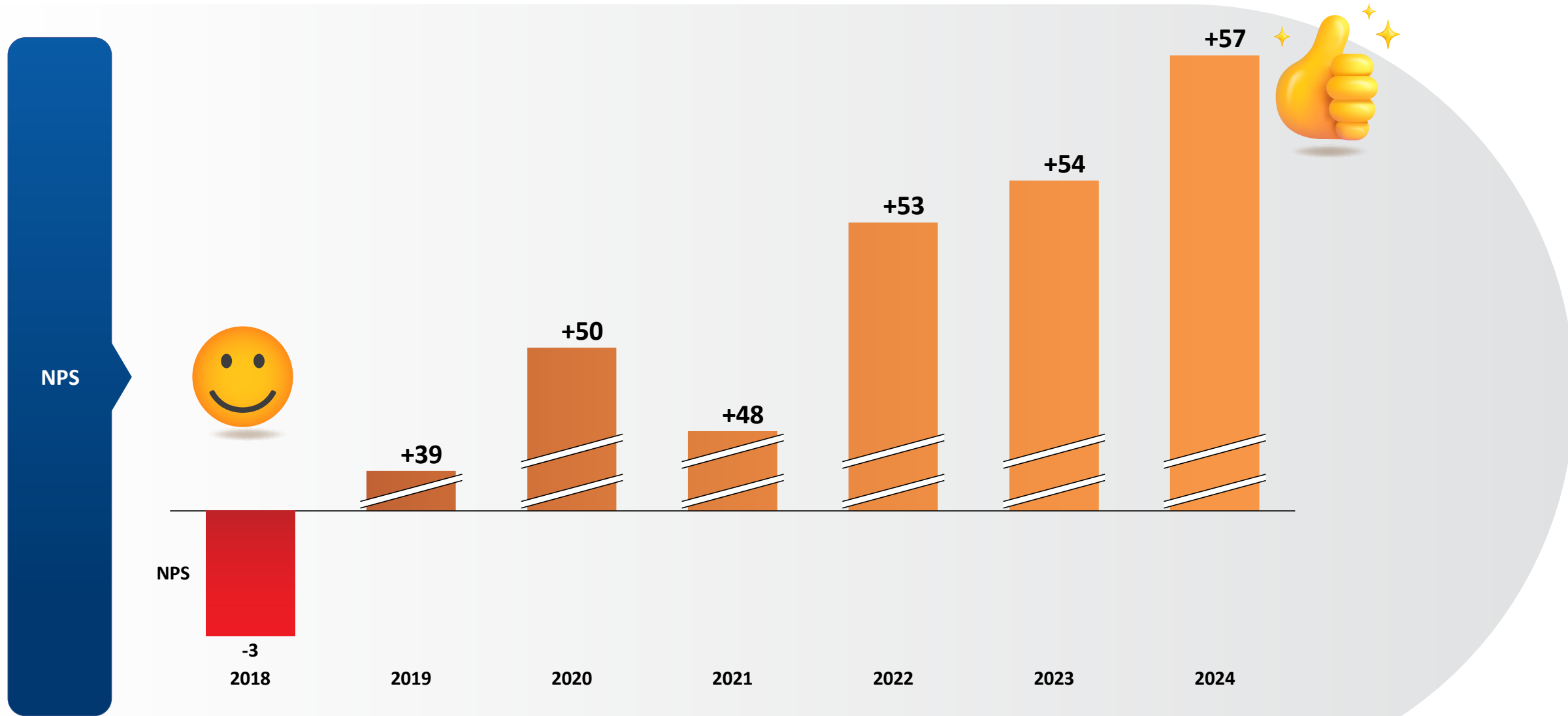
We have sufficient buffers above the regulatory minimum



To continue strengthening our profile we will;

- Focus on Profitability
- Focus on NPLs recoveries to release statutory reserves & prevent erosions

Service Excellence remained our guiding mantra



Scaling up the engines of growth – Select milestones achieved

4.4B
Deposit YoY Growth

41.8%
Liquidity Ratio

8.87B
Total Assets Growth

1.77B
Introduction of
Fanaka High Yield
account

1.2B
Total Interest
Income
YoY Growth 23%

482M
Investment Income
YoY Growth 41%

2.06B
FY HFDI Collections

672.9M
FY HFBI GWPs

6.7B
Institutional
Banking Growth

1.5B
NPL Collections

Relocation of
Gill House to
Harambee
Avenue

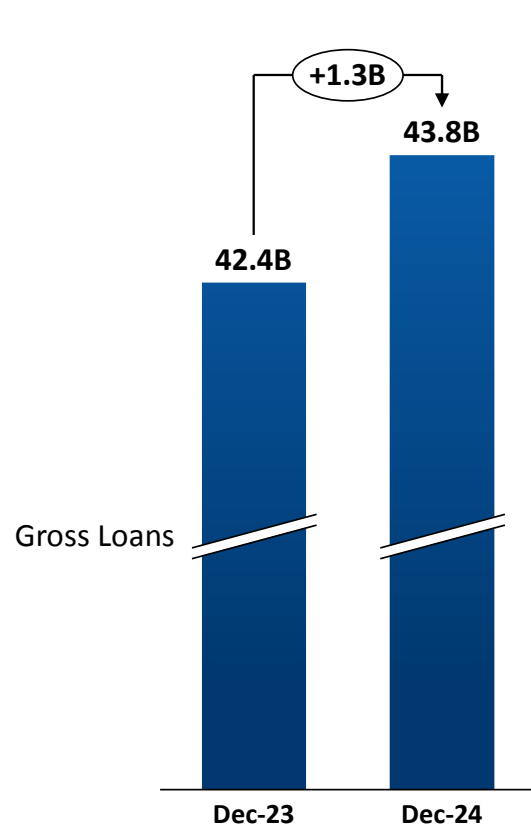
34%
YoY Growth of
Digital Transactions
Reduction of Branch
Transactions by 4%

FY 2024 Performance Highlights

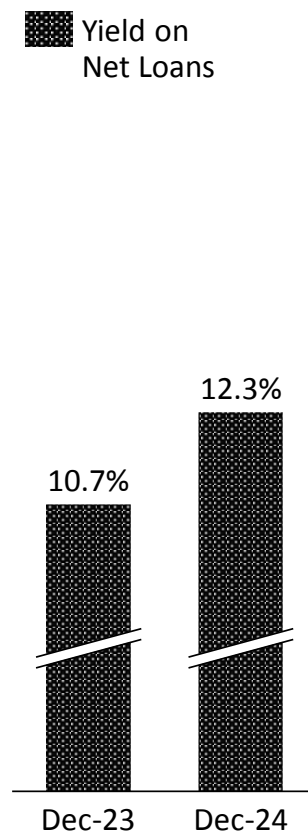
Key Financial Performance Highlights - Improvement in Interest

Income by 1.2B YoY due to increase in earning assets and yields

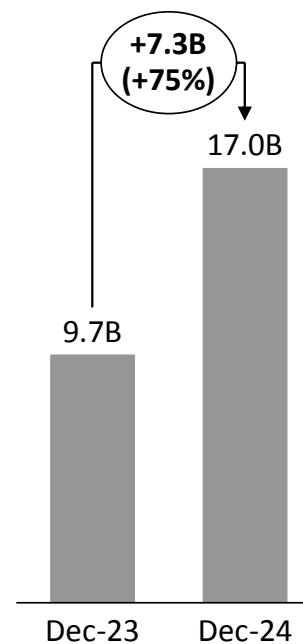
Gross Loans



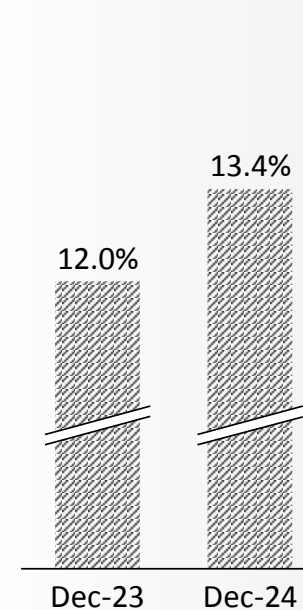
Yield on Net Loans



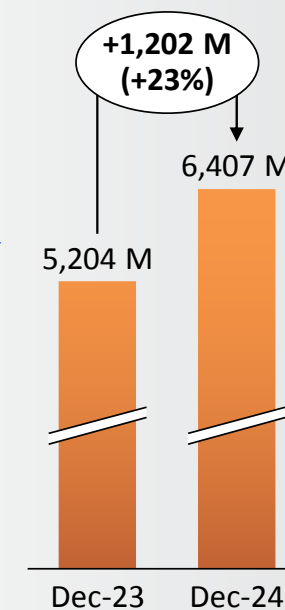
Government Securities



Yield on Govt Securities



Interest Income

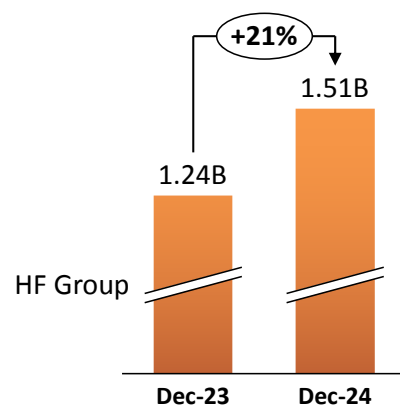


Business Diversification Efforts

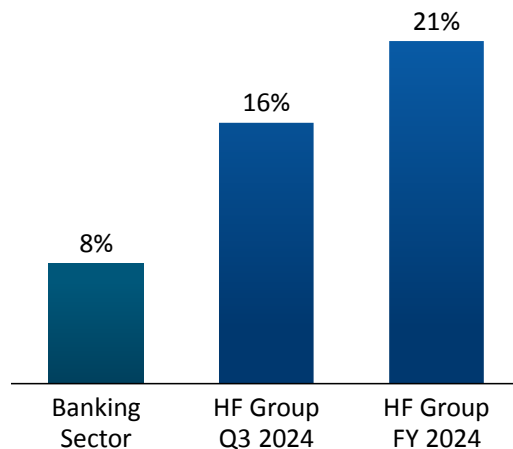
Diversification Highlights;

- De-risking from economic sector concentration has helped us safeguard margins during a turbulent period
- The full service banking strategy has supported NFI growth
- New business model for HFDI has come in handy in growing NFIs
- HFBI continues to take advantage of new opportunities in other subsidiaries and externally, adding momentum to NFI growth

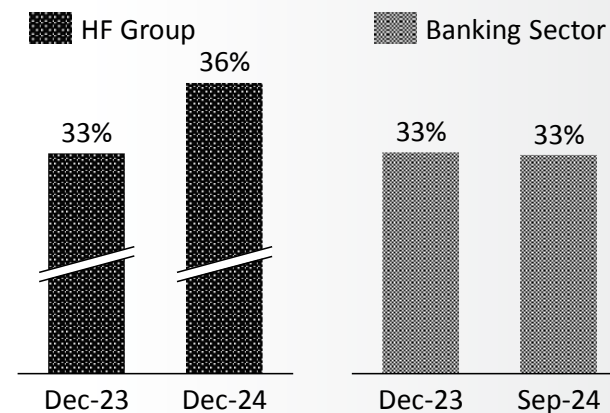
Non Funded Income (NFI)



Q3 2024 NFI Growth Rates

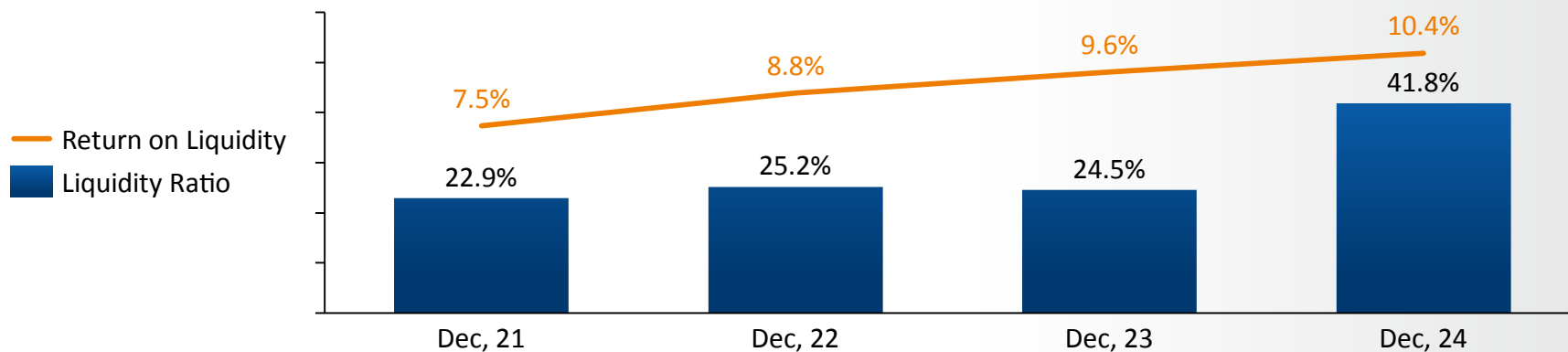


NFI/Total Revenue

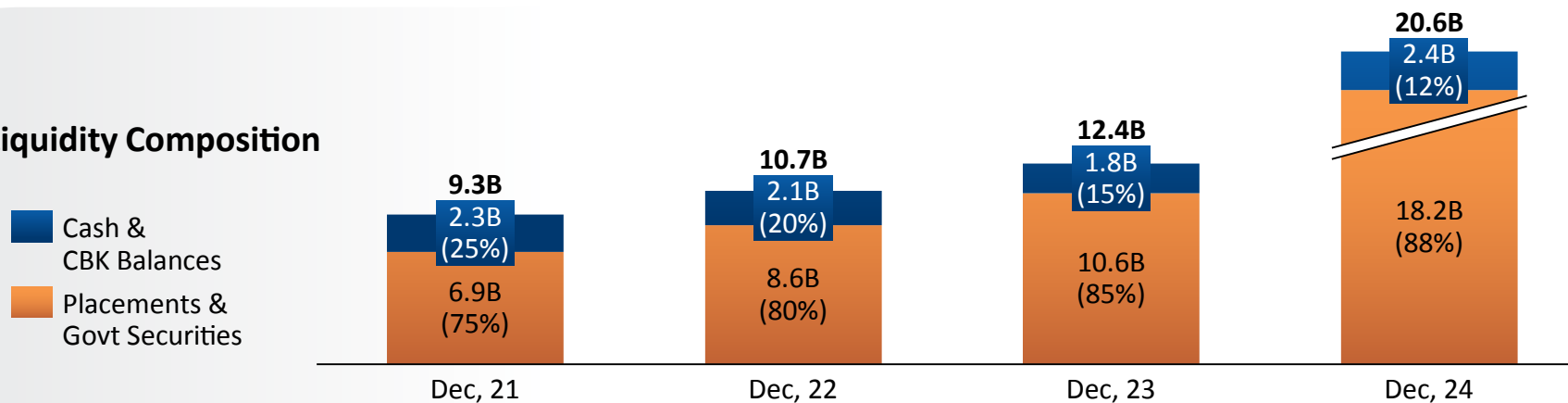


Liquidity Optimization

The Liquid Assets are Increasingly Becoming Agile, More Yielding & Capital Optimal



Liquidity Composition



As the Bank's **liquidity profile improves** there is **less dependence on cash** as source of liquidity.

Treasury Division has evolved to be a **key business segment**

Group Income Statement in Summary -

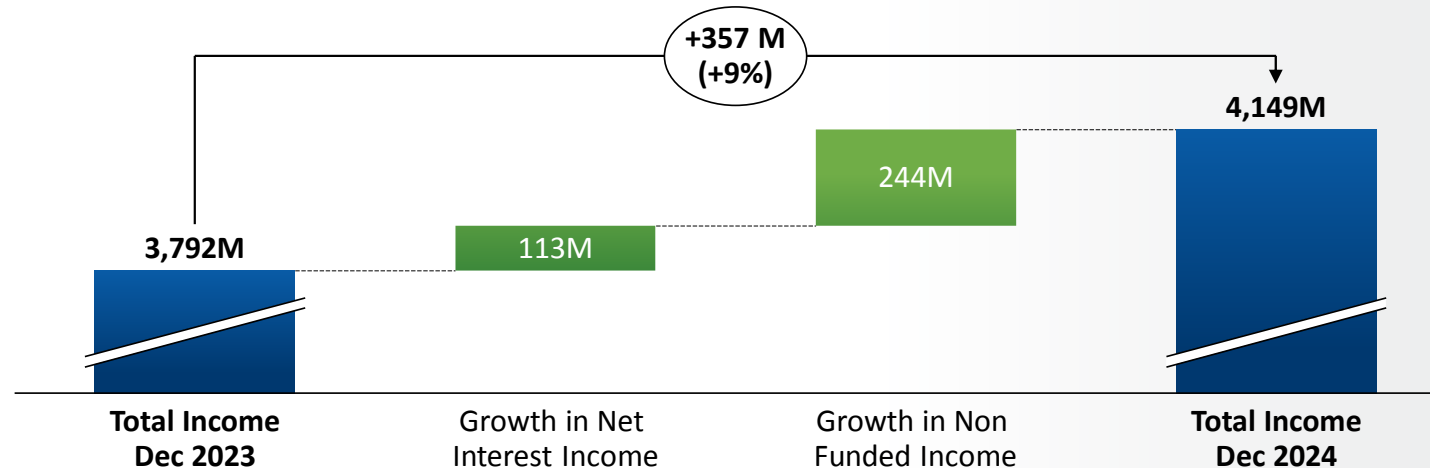
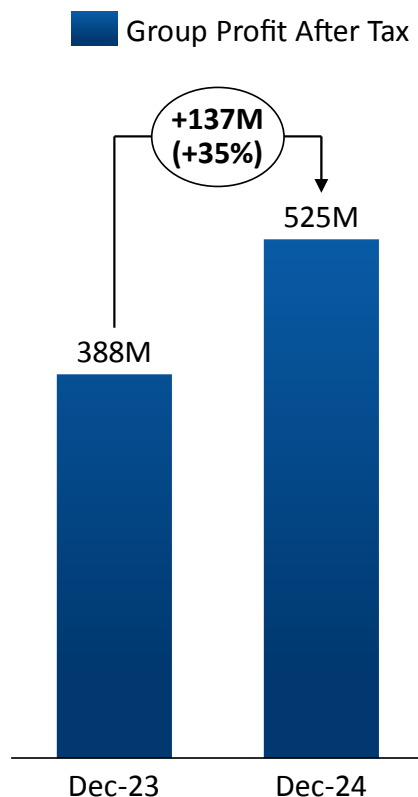
Group registers a PAT of KES 525M representing 35% growth.

Key Highlights

a) Net Interest Income grew by 113M driven by;

b) Non Funded Income grew by 244M driven by;

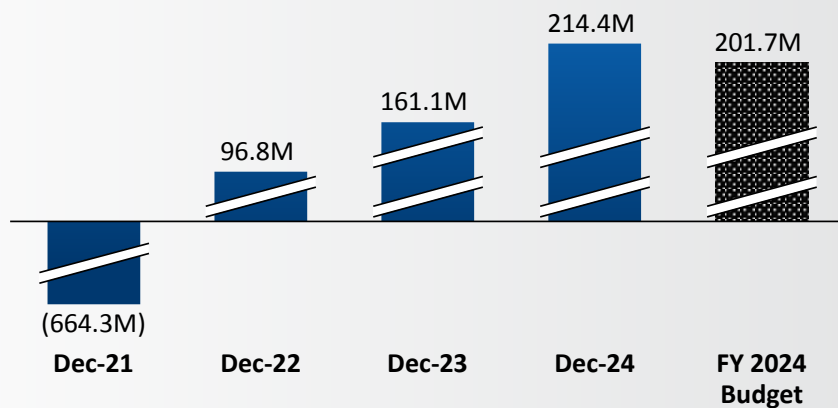
- FX income grew by 30%
- Growth in custody income from 19M in 2023 to 81M in 2024.
- Bancassurance and HFDI revenue growth



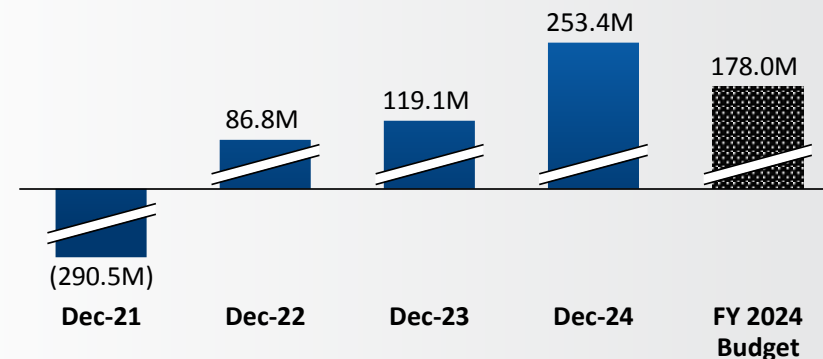
c) Total Operating Expenses grew by 6% on the back of key strategic investments in talent, digitization & innovation of key customer journeys

We target to sustain the positive momentum into the future – PBT per company

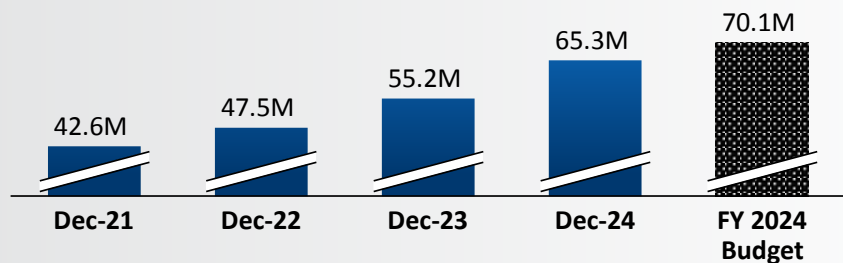
HFC



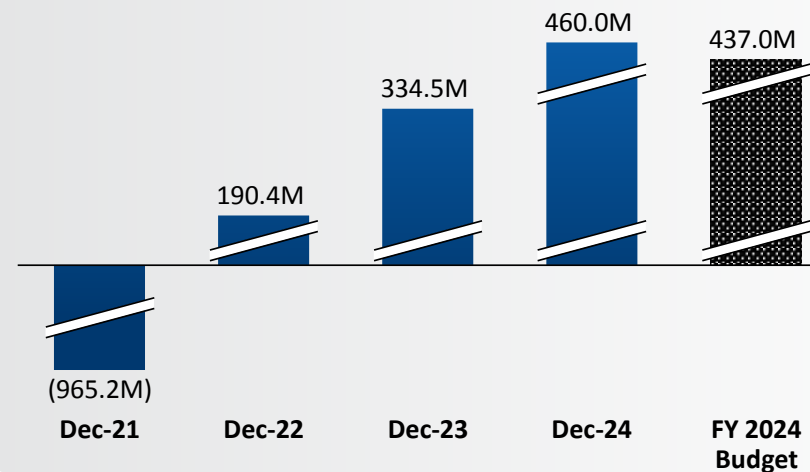
HFDI



HFBI



HF Group



YOY HIGHLIGHTS

HF Group FY 2024 Performance Highlights

	Dec-23	Dec-24	Movement	
Profit After Tax	Ksh. 388 M	Ksh. 525 M	35%	✓
Total Interest Income	Ksh. 5.20 B	Ksh. 6.41 B	23%	✓
Non Funded Income	Ksh. 1.24 B	Ksh. 1.51 B	21%	✓
Interest on Government Securities	Ksh. 1.15 B	Ksh. 1.58 B	38%	✓
Total Operating Income	Ksh. 3.79 B	Ksh. 4.17 B	10%	✓
Total Deposits	Ksh. 43.85 B	Ksh. 47.86 B	9%	✓
Total Assets	Ksh. 61.55 B	Ksh. 70.15 B	14%	✓
Core Capital Ratio	5.3%	21.4%	4.0 Times	✓
Liquidity Ratio	24.5%	41.8%	1.7 Times	✓

Regulated by the Central Bank of Kenya

Looking ahead we will...



**Strengthen the base
for the future**



**Remain ever so
close to our
stakeholders**



**Significantly Scale
Up Our Growth
Engines**



**Invest in Our
People and
Culture**

Thanks