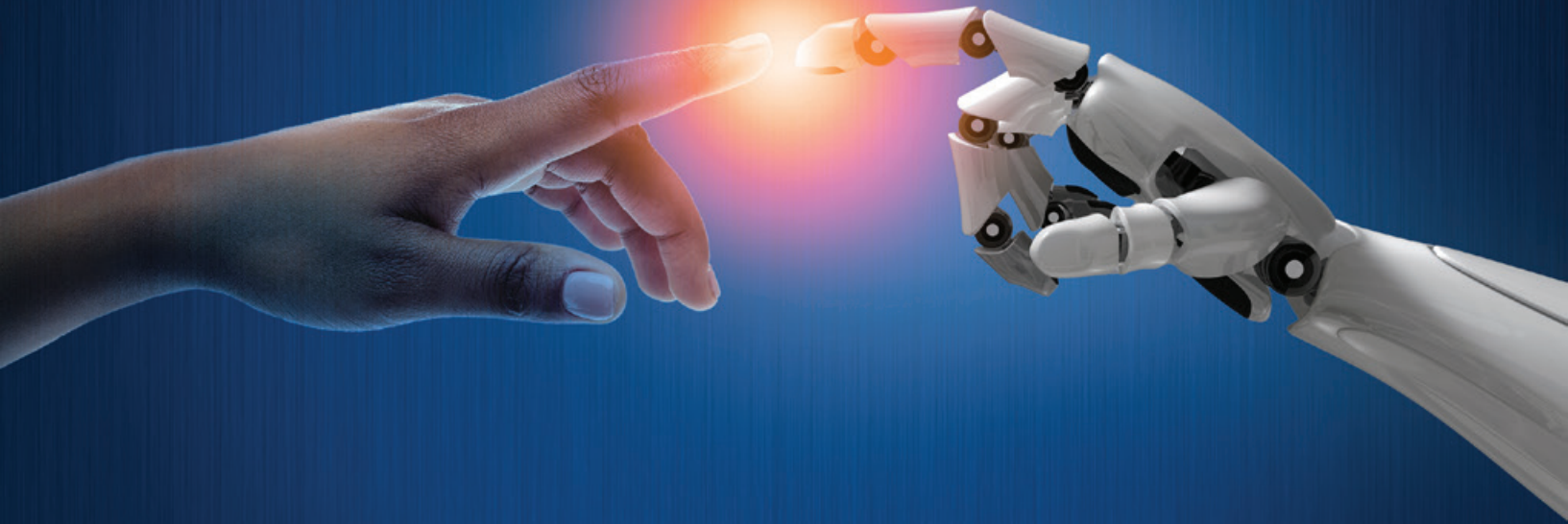


# 2024

## SUSTAINABILITY REPORT



# SUSTAINABILITY

# REPORT



2024 marked a pivotal year in our Group's ESG journey as multiple enabling milestones were achieved at our organization, at the same time, the industry also identified a unifying financial reporting metric, IFRS S1 & S2.

Our Group's growth trajectory was buoyed by the third straight year of profitability and our successful Rights Issue that was subscribed at 138%. These two milestones were pivotal to not only boosting our capabilities and impact as we strive to effectively engender sustainability into our business operations, but critically, as we revamp the HF Foundation which had been inactive for several years.

Another major milestone for the year was the approval by our shareholders to Reposition our Brand. Our ESG and sustainability agenda is greatly anchored on not only our Group's purpose of **Enriching Lives**, but critically on what our renewed Brand Promise means, to and for all our stakeholders.

2024 also saw developments in the regulatory frameworks that impacted our Group, of which one was the development of the IFRS S1 and S2 Disclosures Reporting Template for Banks, in an initiative that seeks to standardize sustainability and climate-related risk reporting across Kenya's banking sector. The International Sustainability Standards Board (ISSB) drove the development of a common reporting standard, helping to reduce the disjointed global sustainability reporting landscape. We acknowledge and laud the efforts of Kenya Bankers Association (KBA), in partnership with the Institute of Certified Public Accountants of Kenya (ICPAK), WWF-Kenya and FSD Kenya in refining this template for Kenya.

This will enable our organization align with global benchmarks, enhance decision-making and unlock opportunities in the transition to a low-carbon and socially-inclusive economy. It will strengthen our capability to integrate mechanisms into decision-making processes to effectively manage and mitigate climate and sustainability-related risks in both the short and long term.

In light of this and against the backdrop of our emboldened strategy, we have been engaging stakeholders to assess where our Group can have greatest impact, as we review and refine the gaps to identify and classify our material issues.

The growth of the e-mobility transportation model presents an opportunity for our Group as we deliver on our growth strategy. As a business and as part of our environmental sustainability, we have embraced electric vehicles and aim to transition the Company's transportation to this in the short to medium term.



“As we pursue embedding sustainability into our business, we are particularly delighted to relaunch our HF Foundation in 2025”

It is on the back of these milestones, anchors and regulatory frameworks and opportunities that we will be launching our ESG Strategy and relaunch our HF Foundation in 2025.

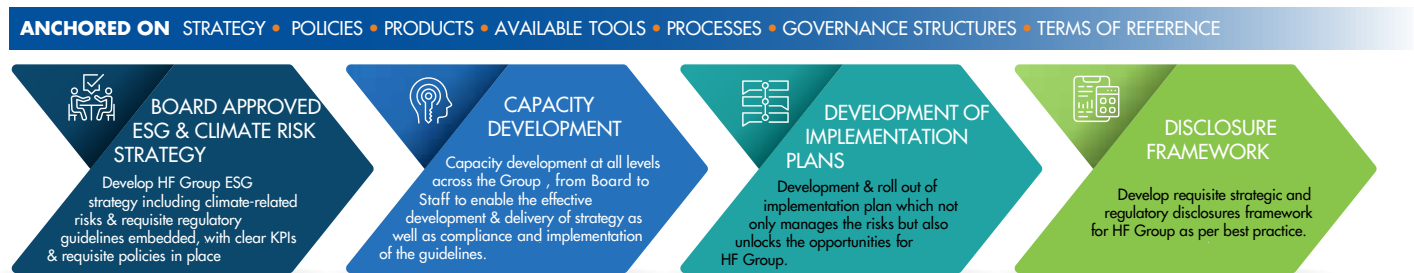
This report outlines our efforts with regards to embedding sustainability into our business in 2024.

**Robert N. Kibaara**

Group Chief Executive Officer

# Our ESG Road Map

In light of the milestones achieved in 2024, we have embarked on various initiatives as outlined in our Road Map below geared at embedding sustainability into our business operations and relaunching our HF Foundation.



## Embedding Sustainability Into Our Business Operations & Relaunching our HF Foundation

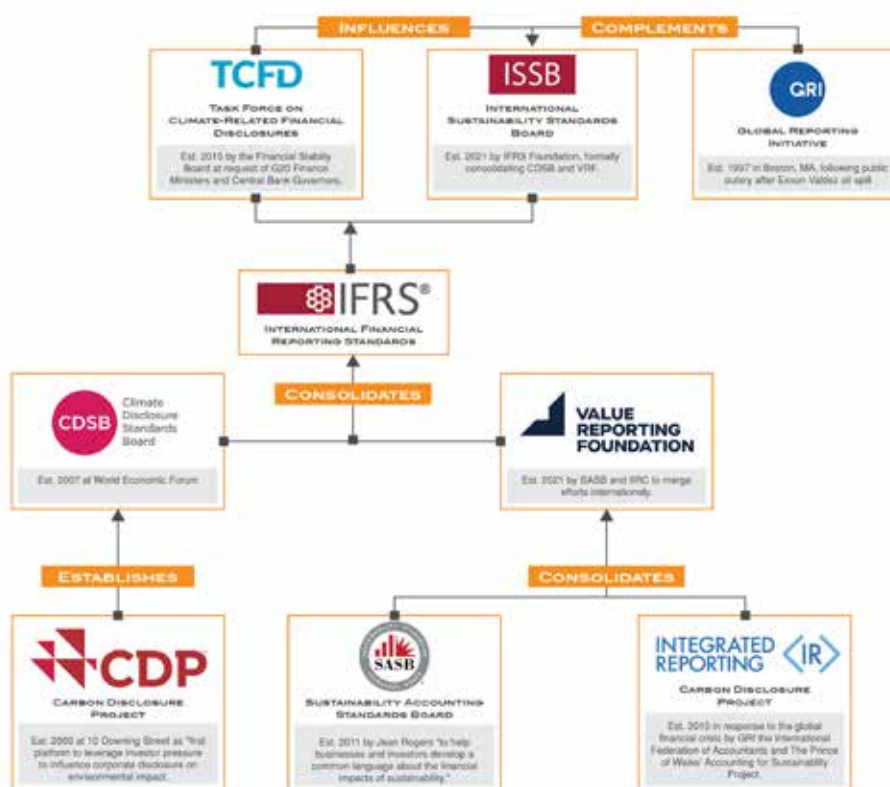
# Our Reporting Framework

Our Group and its subsidiaries has multiple regulators who adopted various Global Sustainability Reporting Frameworks. NSE and CMA utilized GRI whilst CBK adopted TCFD.

From the influence and complementary elements of the TCFD standard and the GRI standard respectively, the International Sustainability Standards Board (ISSB) worked towards providing a global baseline for sustainability reporting. In June 2023, the ISSB introduced IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures). The illustration below outlines the journey to the two new standards.

The Banking industry umbrella body, Kenya Bankers Association (KBA), in partnership with the Institute of Certified Public Accountants of Kenya (ICPAK), WWF-Kenya, and FSD Kenya, has launched the IFRS S1 and S2 Disclosures Reporting Template for Banks, in an initiative that seeks to standardize sustainability and climate-related risk reporting across Kenya's banking sector.

This is the framework that our Group will be adopting and will integrate other emerging regulatory frameworks such as Kenya Green Finance Taxonomy (KGFT).



Source: KBA IFRS Template

# Stakeholder Management

## Our stakeholders

In 2024, these were the stakeholders that our activities, products, services & performance impacted.



## Stakeholder Engagement Approach



## MATERIAL ISSUES

On the back of the various milestones, anchors and regulatory frameworks and opportunities that we have the benefit of enjoying at the outset of our ESG journey, the Draft Gap Analysis has been developed and is under review to enable us identify our material issues. This will also inform the requisite and documented engagement plan for each stakeholder going forward.

That said, even in our nascent stage, we are cognizant of the criticality of all our stakeholders and the impact of our activities, products, services and performance on them. Below are some of the material issues and related enterprise risks at our organization.

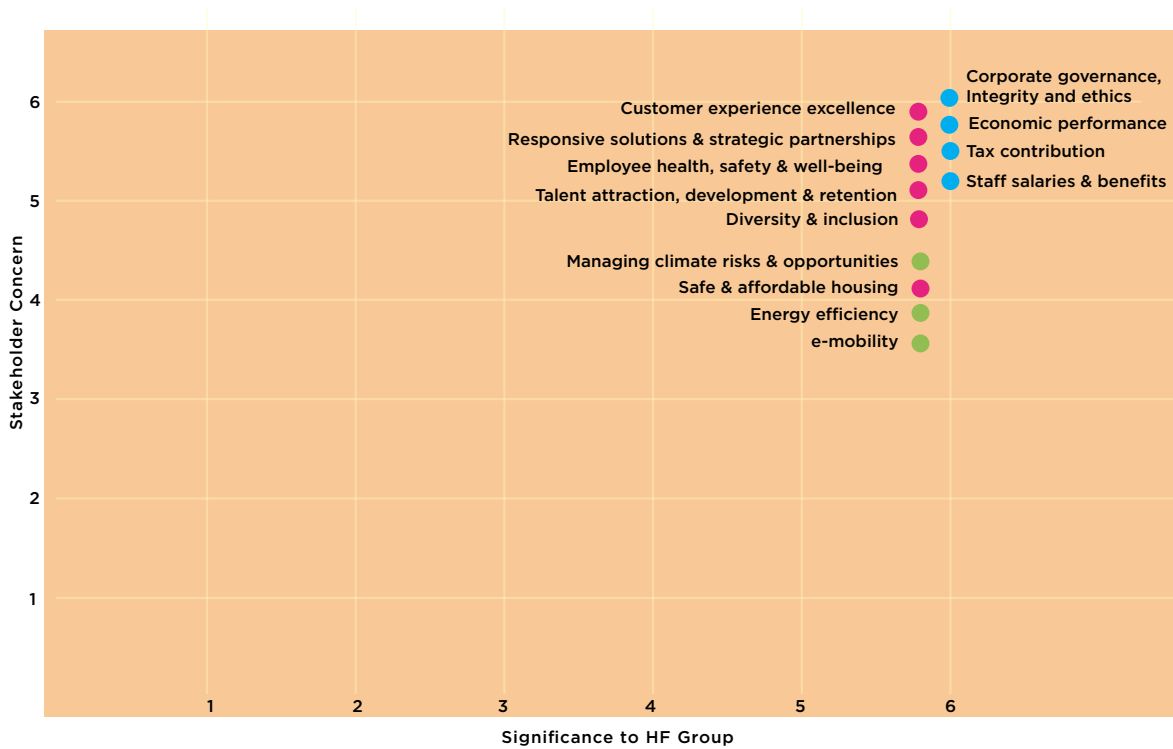
## 2024 Material Issues & Related Enterprise Risks

HF GROUP MATERIAL ISSUES	RELATED ENTERPRISE RISKS
<b>Environmental</b>	
<b>1.</b> Managing climate-related risks & opportunities	<ul style="list-style-type: none"> <li>· Inability to identify and mitigate climate-related physical and transition risks</li> <li>· Inability to incorporate climate-related risk management into our overall strategies including overall Group strategy and risk management strategy</li> <li>· Inability to develop scenario analysis and stress testing frameworks</li> <li>· Inability to invest in resources to deliver on the climate-related risks and opportunities</li> <li>· Non-compliance with regulatory requirements</li> </ul>
<b>2&amp;3.</b> Energy efficiency and e-mobility	<ul style="list-style-type: none"> <li>· Financial investments in renewable energy that may not be cost-effective or sustainable</li> <li>· Technological risks associated with the deployment and use of new renewable energy technologies</li> <li>· Supply chain risks related to sourcing renewable energy materials</li> <li>· Investment in electric mobility</li> </ul>
<b>Social</b>	
<b>4.</b> Talent attraction, development and retention	<ul style="list-style-type: none"> <li>· Shortage of skilled workers or the inability to attract top talent</li> <li>· Succession planning risks</li> <li>· Reputational &amp; talent flight risks if employees feel undervalued or under-compensated</li> <li>· Skills scarcity and the talent war concerning technology and data skills</li> <li>· Inability to effectively respond to emerging workplace and generational trends</li> </ul>
<b>5.</b> Diversity and inclusion	<ul style="list-style-type: none"> <li>· Negative impact on company reputation</li> <li>· Legal and compliance risks related to discrimination or failure to promote diversity and inclusion</li> <li>· Potential loss of market share due to lack of diversity and inclusion</li> </ul>
<b>6.</b> Employee health, safety and well-being	<ul style="list-style-type: none"> <li>· Employee absenteeism</li> <li>· Lost productivity</li> <li>· Reputational risks related to the spread of disease</li> <li>· Compliance risks associated with health and safety regulations</li> </ul>
<b>7.</b> Safe and affordable housing	<ul style="list-style-type: none"> <li>· Compliance with health and safety regulations</li> <li>· Risks related to affordability</li> <li>· Regulatory risks associated with property development and construction</li> <li>· Climate change-related risks associated with property development and construction</li> </ul>
<b>8&amp;9.</b> Responsive solutions and strategic partnerships as well as customer experience excellence	<ul style="list-style-type: none"> <li>· Unresponsive solutions to the market that leads to loss of time, money and resources for the organization</li> <li>· Ineffective solutions that do not meet the diverse and dynamic needs of the market</li> <li>· Loss of opportunities, innovations and growth arising from collaborations and strategic partnerships</li> </ul>
<b>Governance</b>	
<b>10.</b> Economic performance	<ul style="list-style-type: none"> <li>· Macroeconomic conditions</li> <li>· Market fluctuations</li> <li>· Interest rate risks</li> <li>· Forex risks</li> </ul>
<b>11-13</b> Corporate governance, integrity & ethics, tax contributions as well as staff salaries and benefits	<ul style="list-style-type: none"> <li>· Fraud, corruption, and unethical behaviour</li> <li>· Regulatory and legal risks related to non-compliance with corporate governance standards</li> <li>· Reputational risks</li> <li>· Failure to comply with or meet tax obligations</li> </ul>

# Materiality Matrix

The matrix below reflects our understanding of the importance of these risks to our stakeholders and business. We group these material topics into **environmental**, **social** and **governance**, that drive the content, structure and scope of our reporting. They are grouped based on our strategy and our current ability to realize the initiative.

## Stakeholder Concern Vs Significance to HF Group



## Material Topics

### Environment

1. Managing climate-related risks & opportunities
2. Energy efficiency
3. e-mobility

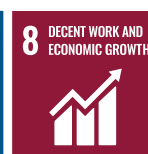
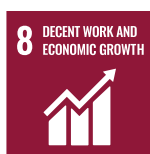
### Social

4. Talent attraction, development & retention
5. Diversity & inclusion
6. Employee health, safety & well-being
7. Safe & affordable housing
8. Responsive solutions & strategic partnerships
9. Customer experience excellence

### Governance

10. Corporate governance, integrity & ethics
11. Financial performance
12. Tax contribution
13. Staff salaries & benefits

## Impacted SDGs





## ENVIRONMENTAL

### 1. MANAGING CLIMATE-RELATED RISKS & OPPORTUNITIES

Managing climate risks and opportunities aligns with **SDG 13: Climate Action** and refers to the proactive approach of identifying and mitigating those risks associated with climate change while capitalising on the opportunities that arise from the transition to a low-carbon economy. This goal aims to take urgent action to combat climate change and its impact.

In preparation for preparedness and adoption of IFRS S1 and IFRS S2 requirements our organization has undertaken the following initiatives with regards to managing climate-related risks and opportunities.

**Climate-Related Risks Gap Analysis:** Our Group commenced the gap analysis of our ESG and climate-related risks & opportunities management preparedness that will inform the road map with reference to strategies, policies, products, available tools, processes as well as governance structures and terms of reference. The Draft Gap Analysis has been developed and is under review.

**Launch of our Green Mortgages Solution:** As part of our Group's commitment to developing solutions in the green financing arena, we have enhanced our heritage mortgage product, by offering mortgage solutions for green certified building projects.

Our Green Mortgages will fund green certified buildings that support the efficiencies outlined below:



Our Group commits to developing solutions that meet the evolving needs of our clients and drive positive sustainability and environmental impact. Our Green Mortgage is benchmarked on partnering with local, regional and international building certifications to ensure eligibility.

Our Green Mortgage Solution is set to be launched in Q3 of 2025.

**Assessing The Extent of Our Green Loan Book:** Our Team is in the process of assessing the veracity and size of our loan book that currently funds green initiatives, with the aim to take a target towards increasingly greening our Loan Book.

## 7 AFFORDABLE AND CLEAN ENERGY



## 2. ENERGY EFFICIENCY

Energy efficiency aligns with **SDG 7: Affordable and Clean Energy**. Energy efficiency speaks to using less to perform the same task or achieve similar output and involves adopting technologies and practices that reduce energy consumption, minimise waste and enhance energy productivity. This goal aims to ensure access to affordable, reliable, sustainable and modern energy for all.

As our commitment to responsible energy consumption, we have made the following commitments:

- i. Implementation of energy-saving fitting systems to reduce the negative environmental impact of inefficient energy consumption in our business activities and operations;
- ii. Review of our motor vehicles policy to adopt use of electric vehicles across the Group over time.
- iii. Digitizing our processes in furtherance of our journey to reduce paper use;
- iv. By adopting IFRS S1 and IFRS S2, we will be able to use the available tools to eventually scope our energy consumption and opportunities and adopt appropriate interventions.
- v. Going forward, as our inaugural ESG Strategy comes alive, giving preference to suppliers and contractors with environmentally friendly practices

From 2021, we set out to reduce energy consumption from non-renewable energy sources. We switched to lower energy consumption bulbs such as LED lighting as well as installations which resulted in a saving of **Kes. 4 Million** in 2022 and a further saving of **Kes. 5.55 Million in 2023. 2024** achieved **Kes 2.6 Million**.

In, 2023 - 2024 total energy consumption at our Head Office at Rehani House was **121,774 KWH** of Solar Power was utilized amounting to **Kes. 2,578,072** versus **501,859 KWH** utilized from KPLC totalling to Kshs **14,484,849** and hence solar energy consumption for the year 2023 - 2024 represented **20%** of the total kilowatt consumption.

Our headquarters at Rehani House delivered 100% Plant Uptime in 2024, with the cost of total electrical power consumed estimated at **Kes. 12,268,275.29** and the grid cost with solar estimated at: **Kes. 10,287,143.41** and the saving at **Kes. 1,981,131.88**. This resulted in an Environmental Impact of **71,076.89 kgs** of CO<sub>2</sub> of emission avoided that year. This avoidance is equivalent to **1832 trees** planted and the avoided CO<sub>2</sub> emission is equivalent to **473,849 km** driven.

We will continue on this trajectory by adopting other renewable and efficient energy sources, acquiring more intelligent office equipment that use lower power consumption and ensuring that our motor vehicle fleet is well maintained and consuming less petrol or diesel. Targets in this regard will be identified once an effective baseline is established.

### 3. E-MOBILITY

In 2024, we acquired 3 electric vehicles which promote **SDG 7: Affordable and Clean Energy** & **SDG 13: Climate Action** pursuits.

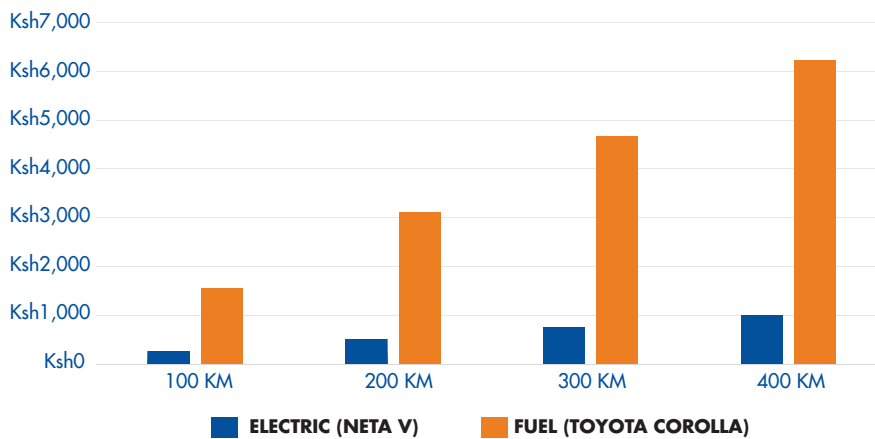
The benefits of acquisition of our Electric Vehicles promotes and enjoy the following benefits:

- **Environmental Protection and Emissions Reduction:** Significantly reduce tailpipe emissions
- **Lower Operating Costs:** Electricity is cheaper and more stable than gasoline.
- **Convenient Charging:** Portable chargers allow our Team to charge anywhere; Home chargers allow our staff who have this facility installed to charge at their convenience. A large network of commercial chargers has already been established in Kenya.

#### 2024 Operational Breakdown for Electric Mobility

	KM	FUEL IN LITRES	PRICE PER LITRE	100KMS COST	400KMS COST
<b>Fuel (Toyota Corolla)</b>	400	8.2	189.94	1,556.68	6,226.75
	KM	CHARGE	PRICE PER UNIT	UNITS	400KMS COST
<b>Electric (Neta V)</b>	400	100%	26.4	38	1,003.58

#### FINANCIAL BENEFITS OF ELECTRIC MOBILITY



In 2024, we acquired 4 Electric Vehicles which are in use across our Group. We intend to eventually replace all our corporate vehicles across the network with Electric Vehicles, in the short and medium term.





8 DECENT WORK AND ECONOMIC GROWTH



## SOCIAL

### 4. TALENT ATTRACTION, DEVELOPMENT & RETENTION

Talent attraction, development and retention align with **SDG 8: Decent Work and Economic Growth**, which promotes sustained, inclusive and sustainable economic growth, full and productive employment and decent work. Developing a skilled workforce contributes to promotion of the advancement of the socio-economic agenda of our country.

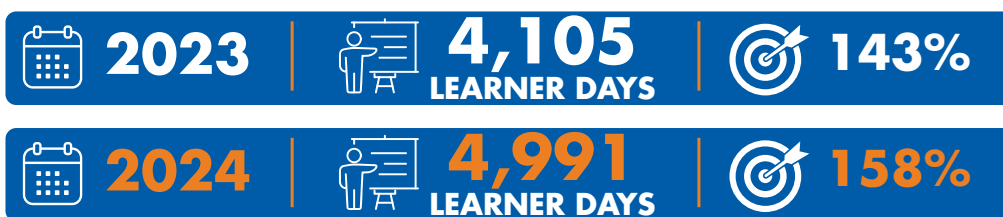
At HF Group, we are anchored on our purpose of **Enriching Lives** and cognizant of the fact that our people are our most valuable asset. We provide avenues to improve productivity, morale and nurture talent.

We recognise that different age groups are at various personal and professional development stages and therefore, have different needs and motivations.

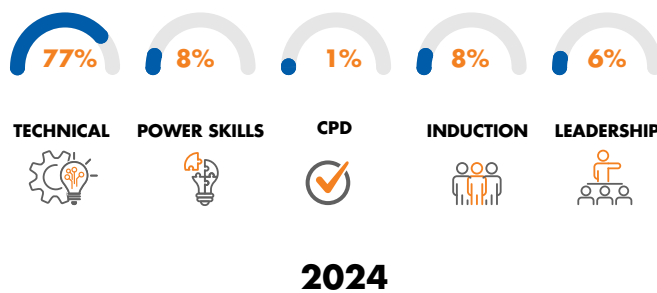
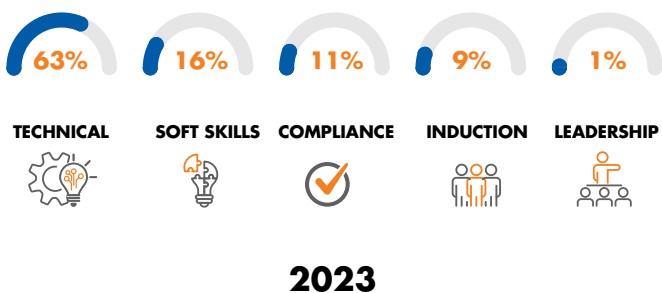
In pursuit of a compelling **Employee Value Proposition (EVP) The Draft Gap Analysis has been developed and is under review to enable us identify our material issues.** This will also inform the requisite and documented engagement plan for our Team going forward.

**Below and overleaf are some of the statistics in this regard.**

- In 2024, we achieved **4,991 Learner Days** across the organisation, which is **158%** of our annual target.

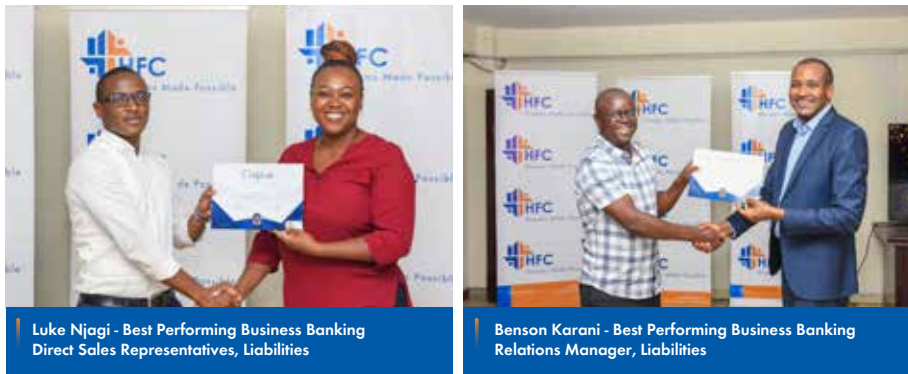


- The main areas of learning included:



We also believe in the power of reward and recognition and undertake frequent award ceremonies for our top performing teams and team members. For instance, every month we reward our top performers in the Retail Team.

**Our Group CEO, Bank MD and Head of Personal Banking, Manager award our various monthly top performers from across our branch network. Further below, our Teams enjoy a masquerade themed awards ceremony at the end of the year.**

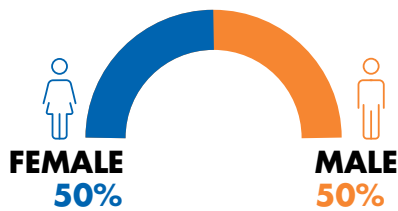


**Our Team delights in an end year Awards Event that promoted Team Spirit and our Happy Bank Thrust.**

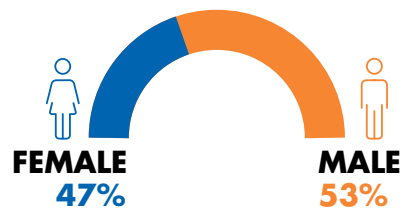


## 5. DIVERSITY & INCLUSION

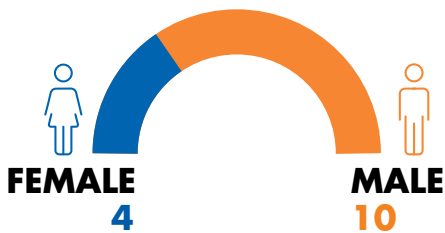
HF Group Board of Directors by Gender 2023



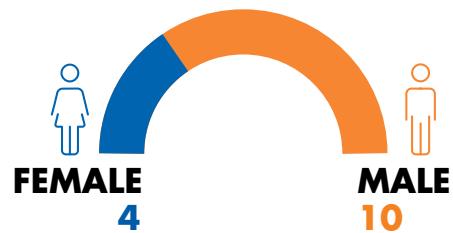
HF Group Board of Directors by Gender 2024



Senior Leadership Team by Gender 2023

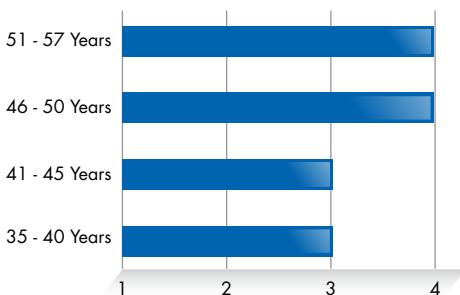


Senior Leadership Team by Gender 2024

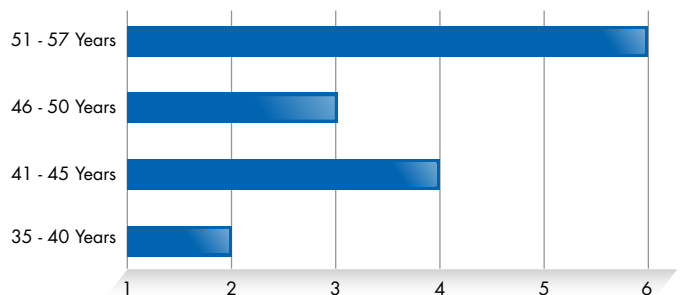


### Age Demographics Senior Management

Age Demographics - Senior Management Previous Year (2024)

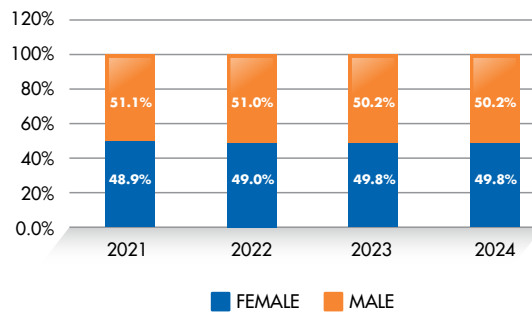


Age Demographics - Senior Management Current Year (2025)

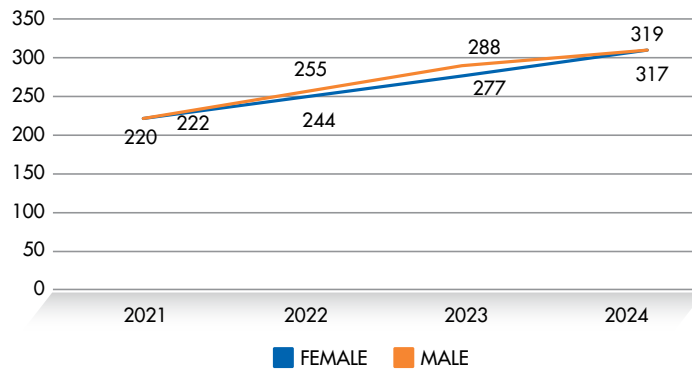


Average age of Senior Management is 47.9 years in 2025

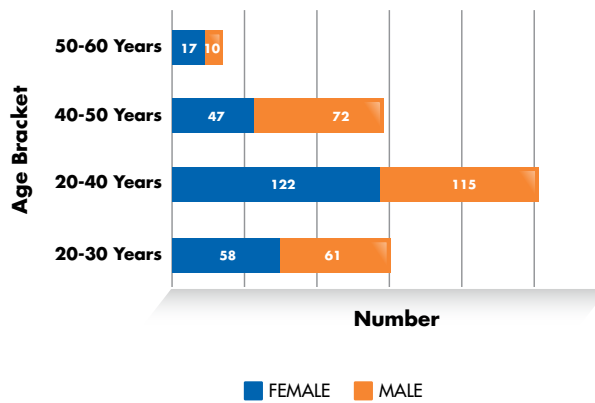
### Overall Population Trend 2023



### Male & Female Employees YoY

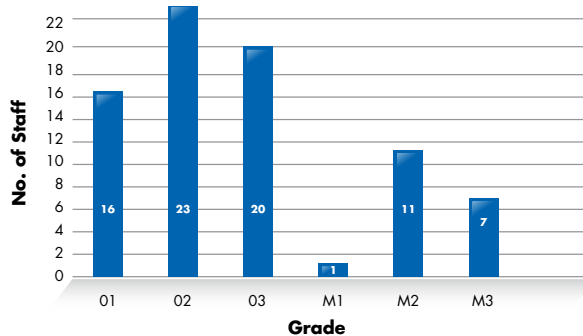


### Age Distribution by Gender: 2024



### 78 Promotions 2024

81 Promotions in 2023



3 GOOD HEALTH AND WELL-BEING



## 6. EMPLOYEE HEALTH, SAFETY & WELL-BEING

**SDG 3** aligns with **Good Health and Well-being**. It refers to one being physically, mentally and socially healthy, living a fulfilling life and contributing positively to society. It seeks to ensure healthy lives and well-being for all ages.

Health and well-being are essential tenets for the financial services sector to create a productive and engaged workforce, capable of delivering on the innovative solutions the sector needs to deliver on, in order to drive the economy.

### Occupational Health & Safety



As we seek to promote employee health, mental health and positive workplace culture and as a responsible employer, we are guided by the law under the **Occupational Health and Safety (OHS) and Occupational Health and Safety Administration (OSHA) Act**.

Our OSHA committee has designated first aiders and fire marshals accountable for executing the approach, based on established risk management practices.

In 2023, the OSHA committee, first aiders, and fire marshals underwent training from certified organisations. The training comprised an examination, and those who passed received certifications. In 2024, we added 50 more first aiders.

The OSHA committee holds periodic meetings, while the first aiders and marshals receive annual refresher training. We are committed to adhering to the OSHA guidelines to guarantee OHS compliance.

We certified the following staff, facilitated by Red Cross:

	2023	2024
 <b>First Aiders</b>	<b>34</b>	<b>+50</b>
 <b>Fire Marshals</b>	<b>34</b>	<b>-</b>



## Workplace Well-being

Currently, we have programs to provide insights and education on good health and wellness via programmes spanning counselling, nutrition, physical and mental health. From the financial wellness front, we offer personal financial planning seminars as well as loans and mortgages, however we ensure that employees only borrow within a limit they can comfortably repay.

As we endeavor to deliver on our purpose of **Enriching Lives**, we also engage our staff in multiple and various activities to enhance our positive work environment and organizational energy. Below are some highlights from the year.



International Womens Day Celebrations 2024.



Our Group CEO celebrates our Basketball Team that emerged 2nd Runners Up at the Interbanks Games at an event hosted in honour of all our colleagues who participated or cheered on our Teams at the Interbank Games 2024.

## In pursuit of one of our Magic 6 Strategic Outcomes - HAPPY BANK!

We undertake various activities within and outside our premises regularly to promote Team spirit and camaraderie. Below are highlights from the activities across the network in 2024. These span Interbank Games, Internal Game Nights, Theme Days based on various dress codes and so on.







8 DECENT WORK AND ECONOMIC GROWTH



## 7. RESPONSIVE SOLUTIONS & STRATEGIC PARTNERSHIPS

### Target Save Solution

Responsive product solutions align with **SDG 8: Decent Work and Economic Growth**. 2023 and 2024 were years that witnessed multiple tumultuous events in the economy resulting from the macro environment in addition to new legislation. As a result, the wallet sizes of residents in the country were impacted. That said, there was still an opportunity for one to save for a rainy day – even under adverse circumstances. Our HFC Whizz App accords individuals around the country the opportunity to save and achieve their financial goals in a targeted manner, suited to one's prevailing or upcoming financial circumstances. Better yet, you don't have to walk into a banking hall to do so, our solution offers fast and simple digital saving at the speed of your lifestyle!

We run a campaign to enlighten our target audience that our digital HFC Whizz App **Target Save Solution** allowed one to save and invest towards their financial goals at their desired pace. The behaviour change we sought to drive was that one can STILL achieve one's financial goals if you develop a consistent and disciplined personal savings and investments culture.

**Download the HFC Whizz App & open the Target Save Account NOW! (Available on iOS & Playstore)**

#### The benefits include:

- Competitive rate of return of up to 10% (Tiered – the more one deposits the better the rate)
- Interest is paid out at the end of your targeted savings period – short or long term
- Withdraw funds at any time to M-Pesa or your HFC Account
- Conveniently open the account on our award-winning HFC Whizz App

#### The solution is suited to those:

- With disposable income
- Predominantly between the ages of 25 and 45 who value growth, stability and a better future for themselves and their families
- In the early stages of wealth creation and have a lot of competing financial needs e.g. growth of their side hustles / businesses
- Are in chamas/investment groups, saccos, all of which serve as a bridge to their aspirations of wealth creation

#### IMPACT AS AT DECEMBER 31<sup>ST</sup> 2024

- Current Number of Accounts **1,160**
- Current Funding **Kes 16.347 Million**
- **70,443** Apps Engagement Sessions

**TIE THE KNOT WITH HFC TARGET SAVE!**  
 Save pole pole towards your wedding goals.



Download the HFC Whizz App today! or text 'Target' to 21938



HFC is regulated by Central Bank of Kenya

**GLAM IT UP WITH HFC TARGET SAVE!**  
 Save pole pole towards your home upgrade goals.



Download the HFC Whizz App today! or text 'Target' to 21938



HFC is regulated by Central Bank of Kenya

**LET THEM SCORE BIG WITH HFC TARGET SAVE!**  
 Save pole pole towards your child's goals.



Download the HFC Whizz App today! or text 'Target' to 21938



HFC is regulated by Central Bank of Kenya

**HATCH A PLAN WITH HFC TARGET SAVE!**  
 Save pole pole towards your hustle goals.



Download the HFC Whizz App today! or text 'Target' to 21938



HFC is regulated by Central Bank of Kenya

**IT'S A PIECE OF CAKE WITH HFC TARGET SAVE!**  
 Save pole pole towards your party goals.



Download the HFC Whizz App today! or text 'Target' to 21938



HFC is regulated by Central Bank of Kenya

**GLAM IT UP WITH HFC TARGET SAVE!**  
 Save pole pole towards your home upgrade goals.



Download the HFC Whizz App today! or text 'Target' to 21938



HFC is regulated by Central Bank of Kenya

**ADVENTURE AWAY WITH HFC TARGET SAVE!**  
 Save pole pole towards your vacay goals.



Download the HFC Whizz App today! or text 'Target' to 21938



HFC is regulated by Central Bank of Kenya

## Diaspora Solutions

Our Diaspora Team has enriched the lives of our existing and potential customers abroad by offering banking, property and insurance solutions.

We partnered with various stakeholders to engage customers in Kenya and in the diaspora. Below are some highlights from our engagements.



**HF GROUP**  
Dreams Made Possible

**Peter Mugeni**  
Managing Director

**Abojani**

**WEBINAR**

**INVESTING BACK HOME:  
A REVIEW OF HF GROUP**

**WEDNESDAY, OCTOBER 23, 2024**

**08:00 PM EASTERN TIME (US AND CANADA)**

**PETER MUGENI**  
MD, HFC (HF GROUP)  
BANKING SUBSIDIARY

**ZOOM JOINING LINK: [HTTPS://BIT.LY/HFGROUPKE](https://bit.ly/HFGROUPKE)  
PASSCODE: HFGROUP**



**FREEDOM TO INVEST BACK HOME**

**Are you in DC, MD or VA?**  
Did you know you can get **Property Financing** from HFC to purchase a plot/building or a construction loan for your properties **back home**?

**JOIN US AND FIND OUT MORE!**

**16 NOV 2024** 2:00pm - 7:00pm

**FOUNDING FARMERS METRO PLAZA, NESTOR, WA 20290**

**Host: Jennifer Kamundi**  
+254 700 274 734  
**Grace N. Mwangi**  
+1 (703) 953-7156

**HFC**  
Dreams Made Possible

**Enriching lives...**



**...through strategic  
partnerships**



## We aim to finance Kes 4 Billion over the next few years to finance players in the affordable housing ecosystem via HFC's Ujenzi na Makao

HF Group, through its banking subsidiary – HFC, entered into a partnership with the **Jua Kali Contractors Federation of Kenya (JKCFK)** that sees the lender support the federation and its members with access to credit and opportunities for enhanced participation in Kenya's real estate value chain. The two parties are creating synergies in the real estate market by supporting Jua Kali artisans with value addition for their products and services for increased revenue generation. The Jua Kali sector has been allocated preferential contracting of doors, windows and other ringfenced items for all affordable housing works by the Government of Kenya, but lack of financing to service the contracts has hindered uptake of this opportunity.

As we focus on the development of the SME sector, we are committed to strategic partnerships with the sector which plays a critical role in empowering lives, poverty eradication and the economic development of our country. Our partnership with the Jua Kali Contractors Federation dubbed **HFC Ujenzi na Makao** provides tailor-made financing solutions to its members and clusters, within HFC's lending policy and is a testament to our commitment to living up to our Group's purpose; **Enriching Lives**.

Through the partnership, HFC provides the artisans with working capital in addition to training and capacity building opportunities, including idea conceptualization to procurement of products and services, financing, joint market research and exposure to strategic partners. These trainings will leverage on a partnership that HF Group has with **Strathmore University's Small Business Development Centers**, which will facilitate the training programs at a subsidized rate of 10% off.

Our Bank provides a bouquet of financial solutions structured to suit the needs of all players in the affordable housing ecosystem. This includes financing for contracts in excavation, masonry, joinery, steel works, plumbing and finishings.

The State Department for Housing and Urban Development welcomed HFC's support of this vision through the provision of mortgage financing, training and working capital to the Jua Kali sector to bolster their capacity to deliver in the supply chain. The State Department has provided access to the market for the Jua Kali sector by ring-fencing doors, windows and other key inputs in the affordable housing supply chain. This provides a growth opportunity for the Jua Kali sector to corporatise and be the developers of tomorrow. Further, the intention is for every Jua Kali artisan to have the chance to be a home owner by providing affordable home financing solutions.

Through the **HFC Ujenzi na Makao** programme, the Federation members have access to working capital to facilitate works contracted for under the Government of Kenya's affordable housing project. **The Federation members have been allocated 10 percent of all the Government of Kenya affordable housing units** but members have faced challenges accessing financing in order to realize this benefit. Our Bank will bridge this gap by providing mortgage financing to enable individual members own decent housing hence giving them dignity and enriching their lives.

**Impact:** Access to **Kes 4 billion** of financing over the next few years to finance players in the affordable housing ecosystem.

Via our funding, we enable **federation members to own homes** that would previously have been inaccessible to them. The Contractors secured 2 contracts in Ruiru for Kes **140 Million** and Kibera for Kes 720 Million. So far we have disbursed 8 loans for the Ruiru development worth **Kes 33 Million**.



## Powering Emerging Entrepreneurs Via Capacity Building & Tailor-Made Financing Solutions With Skill Up Mentorship Programme

Our Banking Subsidiary HFC has partnered with Skill Up Mentorship Programme, an organization whose main goal is to offer practical skills to individuals in society and solve the problem of unemployment. The key objective of the partnership is to Skill up mentorship programme and HFC to drive inclusive economic empowerment through vocational training, entrepreneurship support, and financial inclusion. This financial empowerment prioritizes participation of women, youth, and marginalized groups.

Our partnership will initially focus on training and capacity building in the MSME sector to empower emerging entrepreneurs through capacity building and enhanced access to business financing so as to enable them unlock new opportunities that grow their ventures and enrich their lives. Our Bank provides tailor-made preferential financing

solutions, linkages to strategic partners as well as motivational and leadership engagements where our Teams and other inspirational leaders can rouse our entrepreneurs to convert their cottage industries into thriving and sustainable businesses.

- Tailored financial education on budgeting, savings, and micro-investing.
- Introduction of simplified savings accounts for programme beneficiaries.
- Access to starter microloans and financing facilities for small-scale entrepreneurs.

### The entrepreneurs and benefactors will enjoy:

- Access to financial literacy training on budgeting, savings, and micro-investing



Regina King'ori, Founder of Skill Up Mentorship Programme, The Deputy Governor of Kiambu County H.E. Rosemary Kirika and our HFC Retail & Business Banking Director, Patrick Njunge delight at signing the MoU between Skill Up and HFC



- Mentorship opportunities from our Group Access to our banking products such as savings accounts, youth enterprise loans, or mobile banking.
- Tailor-made financing solutions for SKILL UP MENTORSHIP PROGRAMME within HFC's lending policy.
- Customized Insurance Solutions for members and their businesses within our Insurance subsidiary's policies to help them mitigate the insurable risks.
- Via Data Sharing (with Consent), share relevant anonymized or consented data on trainees' profiles and progress to support impact assessment and potential credit scoring for increased access to funding
- Joint Events to host outreach events, entrepreneurship fairs, or financial wellness sessions.
- Report Impact via regular reports to our Group on program outcomes, especially related to financial inclusion, business startups, or employment.
- Provide Feedback Loop from trainees on HFC products/ services and relay insights for continuous improvement.
- Undertake joint industry research and marketing activities- Jointly participate in industry research, marketing activities and develop a consistent Value proposition for Skill up members.
- Facilitation of community trade exhibitions.
- Showcasing of beneficiary products via HFC's SME networks and events.



Various emerging entrepreneurs showcase their products with delegates at the event.



## Partnering with Strathmore University Business School to Boost MSMEs Growth via Empowerment Programmes

HF Group and Strathmore University Business School entered into a strategic partnership to collaborate on empowerment programmes for micro, small and medium enterprises (MSMEs) within the sectors of manufacturing, real estate, healthcare, education and agriculture value-chain.

The initiative sees MSMEs within our ecosystem benefit from training, capacity building initiatives and tailor-made financing solutions geared towards business growth.

MSMEs are at the heart of Kenya's social, economic and industrial development. With this partnership, the Group and Strathmore will leverage each other's expertise to create a supportive ecosystem specifically designed to propel MSMEs to the next frontier of growth and economic contribution."

The collaboration aims to leverage the respective strengths and areas of expertise of both partners to deliver relevant insights through annual trainings on entrepreneurship, financial literacy, e-commerce, business mentorship and coaching.

MSMEs constitute 98 percent of all businesses in Kenya, responsible for 30 percent of jobs created annually and three percent of the GDP. This sector is critical to the country's economic vitality and we firmly believe that supporting this will expand trade and employment opportunities.

### Impact:

- Enabling MSMEs sustained growth via financial and academic empowerment via pro bono trainings.
- Over **500 SMEs** engaged through the partnership. In 2024, the focus was on women-led SMEs & healthcare sector.
- At the Annual SME Conference, we reached over **670 participants** & issued loans worth **Kes 24M** from the women's event and **Kes 14M** from the healthcare dinner.

A 2018 Kenya National Bureau of Statistics report showed approximately 400,000 micro small and medium enterprises do not celebrate their second birthday and very few SMEs reach their fifth birthday. 46% of Kenya's SMEs reportedly close within a year of founding. With this partnership, we seek to be at the forefront of turning the tides for MSMEs towards sustainability.



**Our HFC Retail & Business Banking Director, Patrick Njunge, addresses the 12th Annual SME Conference & Expo by Strathmore Business School. Our Group has been a key sponsor at this annual event.**



**Our Director - HR & Administration provides insights as an entrepreneur in her own capacity on the Funding & Investment Opportunities for Women Entrepreneurs Panel.**

## 8. CUSTOMER EXPERIENCE EXCELLENCE

One of our core values is **Customer Centricity** and as such our customers are at the heart of everything we do. Accordingly, we strive to deliver a seamless and personalized experience that meets their needs and exceeds their expectations. Our customer-centric approach cuts across all aspects of our business, from product development to customer servicing.

Our goal is to understand the needs and wants of our customers and deliver a tailor-made experience that meets their unique and diverse needs.

We prioritize customer satisfaction and understand that it is a critical pillar of our business as we strive to provide a positive experience for every client interaction. We have established clear procedures for responding to client issues, including a dedicated 24/7 customer service team to handle inquiries and resolve concerns. We can be reached via multiple contact points including face-to-face at our branches, or via call, social media, webchat, WhatsApp and SMS.

We train our team to respond professionally, empathetically, and promptly. We also have a complaints management system to log, track and systematically resolve complaints. We believe in open and transparent communication with our clients and regularly seek feedback on our services and performance via surveys and in-person engagements.

### Award-Winning Solutions



**Winner of the Best Bank in Mortgage Finance for 2023 & 2024 at the Think Business Banking Awards**



**2<sup>nd</sup> Runners Up in 2023 and 1<sup>st</sup> Runners Up in 2024 at the Kenya Bankers Association 2024 Customer Satisfaction Awards.**



**Winner of the Best Turnaround Strategy at the Abojani Economic Empowerment Awards.**



**Winner of the Mortgage Finance Provider of the Year 2024 by Kenya Professional Realtors Association**

## Nation-wide Client Engagements

In pursuit of our purpose - Enriching Lives and our core value - Customer Centricity, we spent a significant amount of time engaging with Clients across the Country. At these forums, our Leadership Team anchored by local teams shared industry trends and insights along with solutions that would enable them to be financially empowered for themselves or their businesses. These included but are not limited to:

Meru: **Customer Appreciation & Lawyers**

Nairobi: **Doctors, Agrovets & Lawyers**

Nanyuki: **Business Community & Customers**

Machakos: **School Owners, Land Owners, Customers & Doctors**

Nyeri: **Doctors**

Naivasha: **School Owners**

Rongai: **School Owners**





11 SUSTAINABLE CITIES AND COMMUNITIES



## 9. SAFE & AFFORDABLE HOUSING

Safe and affordable housing aligns with **SDG 11, Sustainable Cities and Communities**, which aims to make cities and human settlements inclusive, safe, resilient and sustainable. Safe and affordable housing means having access to decent housing that is secure, affordable and meets basic standards of sanitation, privacy and structural integrity.

As a banking, property and insurance value chain player, we perform a critical role in promoting safe and affordable housing. We provide financing and advisory services for affordable housing projects and have partnered with government and industry bodies to curate financial products and services that cater to the needs of those seeking safe and affordable housing.

Further, HF Group, anchored on our rich heritage of over 110 years in the property value chain, offer wealth and project management, advisory, sales & marketing along with other products and services for various clients and partners. Critically, we offer financing and insurance solutions to make the dream of owning or investing in a home possible - true to our Brand Promise - **Dreams Made Possible**.

Another approach that HF Group is taking is providing education and resources on property financing. Many people experience challenges in understanding the financial aspects of buying or renting a home, which can be a significant barrier to safe and affordable housing. We are working to provide information and resources to help people understand the property finance and conveyancing process in order to and make informed decisions.

HFC Kenya  
Published by Endless Otela  
April 4 · 48

Looking to own a home in Kenya? Our Head of Mortgage, Stella Mutai, breaks down the mortgage process and shares valuable insights on home ownership



**Stella Mutai, our Head of Mortgages demystifies Mortgages in a series to our digital audiences on our social media platforms.**



**Our Group CEO engages the audience and fellow panelists at the 2024 Affordable Housing & Urbanization week as part of Mashujaa Day celebrations in Kwale.**

Furthermore, we continue to invest in technology to improve access to property financing. Our award-winning mobile banking platform **HFC Whizz** allows customers to access various services, including saving for their homes via our **HFC Nyumba Yangu Account** and **includes a 15% off tax incentive**. Further, as members of the Kenya Mortgage Refinance Company we are able to offer home loans that are incentivised at **less than 10% interest** for first time home owners of affordable housing properties (less than Kes 10M purchase price).

Our online property market place accessible via **www.hfmarketplace.hfgroup.co.ke** allows potential buyers to view available properties across our value chain, on the portal. This platform has made it easier for people to access information and financing options, thereby improving access to safe and affordable housing. By partnering with stakeholders in the sector, providing education and resources on related financing and investing in technology, the company is making significant strides towards providing safe and affordable housing for all Kenyans.

**In 2024, we partnered to deliver the following developments across different price points to the market with financing available for the eligible parties, including the incentivized KMRC option.**



**BUY AND BUILD YOUR DREAM HOME  
SERVICED PLOTS**  
Off Thika Superhighway, Exit 16  
Along Bob Harris Road

FROM KSHS **2.75M**

**FEATURES**

- Master-planned and controlled gated community
- House typologies to choose from
- Power & water on site
- All-weather roads
- Early childhood educational facility and children's play area
- Perimeter wall with an access gate



**NGONG  
HILLS**

**INVEST IN A PRIME PROPERTY  
IN NGONG TOWN**

EIGHTH ACRE & ABOVE STARTING FROM KSHS **7M**

**FEATURES**

- Multi-dwelling residential plots in a high rental yield area
- Power & water on site
- Sewer on site
- All weather roads



**MASTER PLANNED SERVICED PLOTS**  
40X80 & 30X80 PLOTS IN ATHI RIVER  
With 2 choices of pre-designed house types

FROM KSHS **2.75M**

**FEATURES**

- Murram all-weather road
- Provision of convenience stores, gym and educational facilities
- Perimeter wall with access gate
- Power and water on site
- Borehole backup water supply



**BUY AND BUILD YOUR DREAM**  
¼ ACRE SERVICED PLOTS  
At Sagana Getaway, right off the newly dualized Nairobi - Sagana Highway.

FROM KSHS **2.5M**

**FEATURES**

- Controlled gated community
- Optional house typologies to choose from
- Power & water on site
- All-weather roads





## GOVERNANCE

### 10. CORPORATE GOVERNANCE, INTEGRITY AND ETHICS

Corporate governance, integrity and ethics align with **SDG 16 Peace, Justice & Strong Institutions**. They refer to the principles and values that guide how companies conduct their business, make decisions and interact with stakeholders. It ensures transparency, accountability, fairness and responsible behaviour in the organization's operations.

Our Board of Directors and Senior Management are charged with our organization's corporate governance and their profiles can be viewed on pages 8-17 of this report and are also available on our website.

**Please see pages 40-47 for our Corporate Governance Statement that precedes this Sustainability Report.**





8 DECENT WORK AND ECONOMIC GROWTH



## 11. ECONOMIC PERFORMANCE

Economic performance aligns with **SDG 8, Decent Work & Economic Growth**, which promotes sustained, inclusive and sustainable economic growth, full and productive employment, and decent work.

This annual report and financial statements contain all the information pertaining to our financial performance in 2024 and our contribution to the economy via staff salaries and taxes, over and above getting a view of our assets and liabilities.

Read on to get a glimpse of how our turnaround strategy continues to gain momentum despite the tumultuous year that was 2024, within the macro environment. Indeed, as the theme of our report reads, we remained true to our **Purpose of Enriching Lives** as we built resilience to deliver a profit for another consecutive year in 2024.

HF Group Plc undertook a **successful Rights Issue in Q4 2024 that was oversubscribed by 38.32%**. As a show of confidence in the Group’s growth trajectory, in February 2025, HF Group Plc, was added to the prestigious **Morgan Stanley Frontier Markets Small Cap Index (MSCI)**, a key benchmark for institutional investors such as asset managers and pension funds, to guide investment decisions for those seeking opportunities in high-growth markets.

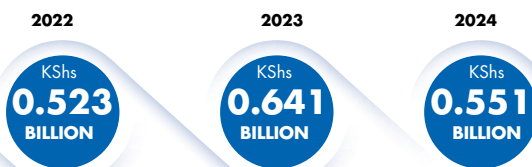


	Dec-23	Dec-24	Movement
Profit After Tax	Ksh. 388 M	Ksh. 525 M	35% ✓
Total Interest Income	Ksh. 5.20 B	Ksh. 6.41 B	23% ✓
Non Funded Income	Ksh. 1.24 B	Ksh. 1.51 B	21% ✓
Interest on Government Securities	Ksh. 1.15 B	Ksh. 1.50 B	30% ✓
Total Operating Income	Ksh. 3.79 B	Ksh. 4.17 B	10% ✓
Total Deposits	Ksh. 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 ✓

Registered by the Central Bank of Kenya

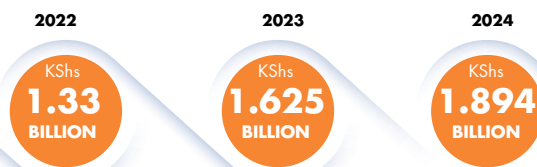
Our audited financial statements can be reviewed from pages 79 - 204

## 12. TAX CONTRIBUTION



Excludes funds collected as agents on behalf of KRA

## 13. STAFF SALARIES & BENEFITS



**HF Group**

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HF Group PLC is regulated as a Non-Operating Holding Company by the Central Bank of Kenya.

