

# HF GROUP PLC

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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Audited 31.12.2021 Shs '000	Audited 31.12.2020 Shs '000
<b>ASSETS</b>		
Cash and balances with Central Bank of Kenya	2,708,074	2,284,217
Balances with Banks	33,311	202,435
Investments in Government Securities	6,550,168	7,105,617
Loans and advances to banks	-	201,509
Loans and advances to customers	34,692,625	36,796,964
Other assets	4,853,820	4,720,410
Property and equipment	1,133,965	1,237,680
Right of use asset	456,489	543,174
Prepaid operating lease	-	-
Other Intangible assets	519,873	703,254
Current tax recoverable	342,746	344,930
Deferred income tax asset	1,612,447	1,305,059
<b>TOTAL ASSETS</b>	<b>52,903,518</b>	<b>55,445,249</b>
<b>LIABILITIES</b>		
Deposits and current accounts - Customers	37,714,914	39,944,490
Deposits and current accounts - Banks	601,606	1,190,118
Lease liability	579,403	650,751
Other liabilities	1,688,098	1,417,015
Government of Kenya income notes	52,860	52,860
Borrowings	4,298,349	3,628,227
<b>TOTAL LIABILITIES</b>	<b>44,935,230</b>	<b>46,883,461</b>
<b>EQUITY</b>		
Ordinary share capital	1,923,071	1,923,071
Ordinary share premium	4,343,512	4,343,512
(Accumulated losses)/retained earnings	(2,737,700)	(2,384,780)
Statutory credit risk reserve	3,413,517	3,653,888
Other reserves	1,025,888	1,026,097
<b>TOTAL EQUITY</b>	<b>7,968,288</b>	<b>8,561,788</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>52,903,518</b>	<b>55,445,249</b>

## SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDING 31 DECEMBER 2021

	Audited 31.12.2021 Shs '000	Audited 31.12.2020 Shs '000
Net interest income	1,879,947	1,882,462
Non-interest revenue	486,033	496,264
<b>Total income</b>	<b>2,365,980</b>	<b>2,378,726</b>
Credit impairment charges	(280,645)	(405,069)
<b>Income after impairment charges</b>	<b>2,085,335</b>	<b>1,973,657</b>
Total operating expenses	(2,945,348)	(3,653,406)
<b>Loss before taxation</b>	<b>(860,013)</b>	<b>(1,679,749)</b>
Exceptional items	(15,740)	(96,133)
<b>Loss after exceptional item</b>	<b>(875,753)</b>	<b>(1,775,882)</b>
Income tax expense	282,462	69,019
<b>Loss for the period</b>	<b>(593,291)</b>	<b>(1,706,863)</b>

## SUMMARY CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2021

	Audited 31.12.2021 Shs '000	Audited 31.12.2020 Shs '000
<b>Loss for the period</b>	<b>(593,291)</b>	<b>(1,706,863)</b>
<b>Other Comprehensive Income</b>		
Revaluation surplus on Property, plant and equipment	-	137,076
Fair value changes on FVOCI	(299)	(75,772)
Deferred income tax on fair valuation	90	15,878
<b>Other comprehensive loss net of tax</b>	<b>(209)</b>	<b>77,182</b>
<b>Total comprehensive loss</b>	<b>(593,500)</b>	<b>(1,629,681)</b>
<b>Total loss charged to: Equity holders of the parent</b>	<b>(593,291)</b>	<b>(1,706,863)</b>
<b>Total comprehensive loss attributable to: Equity holders of the parent</b>	<b>(593,500)</b>	<b>(1,629,681)</b>
<b>Earnings per share basic and diluted (in Shs):</b>	<b>(1.54)</b>	<b>(4.44)</b>
<b>Dividend per share (in Shs):</b>	<b>-</b>	<b>-</b>

## SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2021

	Share capital Shs '000	Share premium Shs '000	(Accumulated losses)/ retained earnings	Statutory reserve	Other reserves Shs '000	Total equity Shs '000
<b>At 1 January 2020</b>	<b>1,923,071</b>	<b>4,343,512</b>	<b>307,902</b>	<b>2,668,069</b>	<b>948,915</b>	<b>10,191,469</b>
Changes on initial application of IFRS 16, net of deferred income tax	-	-	-	-	-	-
Loss for the year	-	-	(1,706,863)	-	-	(1,706,863)
Transfer to statutory credit risk reserve	-	-	(985,819)	985,819	-	-
Other comprehensive income net of tax	-	-	-	-	77,182	77,182
<b>At 31 December 2020</b>	<b>1,923,071</b>	<b>4,343,512</b>	<b>(2,384,780)</b>	<b>3,653,888</b>	<b>1,026,097</b>	<b>8,561,788</b>
<b>At 1 January 2021</b>	<b>1,923,071</b>	<b>4,343,512</b>	<b>(2,384,780)</b>	<b>3,653,888</b>	<b>1,026,097</b>	<b>8,561,788</b>
Loss for the year	-	-	(593,291)	-	-	(593,291)
Transfer to statutory credit risk reserve	-	-	240,371	(240,371)	-	-
Other comprehensive loss net of tax	-	-	-	-	(209)	(209)
<b>At 31 December 2021</b>	<b>1,923,071</b>	<b>4,343,512</b>	<b>(2,737,700)</b>	<b>3,413,517</b>	<b>1,025,888</b>	<b>7,968,288</b>

## SUMMARY CONSOLIDATED STATEMENT OF CASHFLOW AS AT 31 DECEMBER 2021

	Audited 31.12.2021 Shs '000	Audited 31.12.2020 Shs '000
Net cash from operating activities	(210,846)	1,156,198
Net cash flows from investing activities	(181,553)	(136,879)
Net cash flows from financing activities	521,043	(2,312,646)
Effects of exchange rate differences	(1,287)	13,964
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>127,357</b>	<b>(1,279,363)</b>
Cash and cash equivalents at 1 January	1,058,416	2,337,779
<b>Cash and cash equivalents at period end</b>	<b>1,185,773</b>	<b>1,058,416</b>

## SUMMARY OF DIRECTORS' REMUNERATION REPORT

During the year the Group paid Kshs 15,944,000 (2020: Kshs 14,894,000) as directors' emoluments.

## INDEPENDENT AUDITORS 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 2021 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 2021. The Group's financial statements 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 2021.

### 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 2022 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  
26 April 2022.

The above summary financial statements are extracts from the records of the Group. They were approved by the Board of Directors on 31 March 2022 and signed on its behalf by:-

<b>Robert Kibaara</b> Group Chief Executive Officer	<b>Prof.Olive Mugenda</b> Chairlady
<b>Benson Wairegi</b> Director	<b>Regina Anyika</b> Company Secretary

**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.