

UNAUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES

STATEMENT OF FINANCIAL POSITION  AS AT 31 MARCH 2024	Bank			Group		
	31st Mar 2023	31st Dec 2023	31st Mar 2024	31st Mar 2023	31st Dec 2023	31st Mar 2024
	UnAudited (Ksh'000)	Audited (Ksh'000)	UnAudited (Ksh'000)	UnAudited (Ksh'000)	Audited (Ksh'000)	UnAudited (Ksh'000)
A. ASSETS						
1 Cash balances (both local and foreign)	447,487	367,507	332,693	447,487	367,507	332,693
2 Balances due from Central Bank of Kenya	1,825,559	1,475,340	2,320,513	1,825,559	1,475,340	2,320,513
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:	3,890,538	4,036,868	3,247,859	3,890,538	4,036,868	3,247,859
a. Kenya Government securities	3,890,538	4,036,868	3,247,859	3,890,538	4,036,868	3,247,859
b. Other securities	-	-	-	-	-	-
b) Available for sale:	5,595,710	5,645,273	6,847,803	5,595,710	5,645,273	6,847,803
a. Kenya Government securities	5,595,710	5,645,273	6,847,803	5,595,710	5,645,273	6,847,803
b. Other securities	-	-	-	-	-	-
6 Deposits and balances due from local banking institutions	680,153	547,903	1,321,741	680,153	547,903	1,321,741
7 Deposits and balances due from banking institutions abroad	20,560	361,791	138,452	20,560	361,791	138,452
8 Tax recoverable	225,496	219,180	229,621	358,026	367,255	365,557
9 Loans and advances to customers (net)	37,403,412	38,787,793	38,128,098	36,966,632	38,787,793	38,128,098
10 Balances due from banking institutions in the group	-	-	-	-	-	-
11 Investments in associates	-	-	-	-	-	-
12 Investments in subsidiary companies	-	-	-	-	-	-
13 Investment in Joint ventures	194,220	189,558	189,558	1,684,669	1,645,120	1,703,133
14 Investment properties	780,000	810,000	810,000	1,849,000	1,885,000	1,885,000
15 Property and equipment	600,909	768,530	770,035	607,072	792,635	793,865
16 Prepaid operating lease rentals	-	-	-	-	-	-
17 Intangible assets	288,380	277,353	304,707	289,066	277,897	305,198
18 Deferred tax asset	1,415,715	1,533,269	1,541,134	1,647,426	1,764,469	1,772,798
19 Retirement benefit asset	-	-	-	-	-	-
20 Other assets	3,596,655	4,125,606	3,628,616	3,126,279	3,595,579	3,121,662
21 TOTAL ASSETS	56,964,794	59,145,971	59,810,830	58,988,177	61,550,430	62,284,372
B. LIABILITIES						
22 Balances due to Central Bank of Kenya	993,697	1,500,000	2,815,463	993,697	1,500,000	2,815,463
23 Customer deposits	41,283,925	43,868,948	43,876,573	41,205,501	43,847,644	43,757,527
24 Deposits and balances due to local banking institutions	416,834	3,193	395,250	416,834	3,193	395,250
25 Deposits and balances due to foreign banking institutions	-	-	-	-	-	-
26 Other money market deposits	-	-	-	-	-	-
27 Borrowed funds	4,366,042	3,793,292	3,388,480	4,366,042	3,793,292	3,388,480
28 Balances due to banking institutions in the group	-	-	-	-	-	-
29 Tax payable	-	-	-	-	-	-
30 Dividends payable	-	-	-	246	246	246
31 Deferred tax liability	-	-	-	-	487	487
32 Retirement benefit liability	-	-	-	-	-	-
33 Other liabilities	1,512,677	1,678,714	1,000,394	3,213,916	3,540,238	2,924,265
34 TOTAL LIABILITIES	48,573,175	50,844,147	51,476,160	50,196,237	52,685,100	53,281,718
C. SHAREHOLDERS' FUNDS						
35 Paid up /Assigned capital	5,090,000	5,090,000	5,090,000	1,923,071	1,923,071	1,923,071
36 Share premium/(discount)	3,513,662	3,513,662	3,513,662	4,343,512	4,343,512	4,343,512
37 Revaluation reserves	593,667	610,667	610,667	1,295,128	1,312,129	1,312,129
38 Retained earnings/Accumulated losses	(4,784,352)	(5,442,593)	(5,502,565)	(2,767,329)	(3,262,477)	(3,217,971)
39 Statutory loan loss reserves	4,054,555	4,854,473	4,960,310	4,054,555	4,854,473	4,960,310
40 Other Reserves	(75,914)	(324,385)	(337,405)	(56,997)	(305,378)	(318,397)
41 Proposed dividends	-	-	-	-	-	-
42 Capital grants	-	-	-	-	-	-
43 TOTAL SHAREHOLDERS' FUNDS	8,391,619	8,301,824	8,334,670	8,791,940	8,865,330	9,002,654
44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	56,964,794	59,145,971	59,810,830	58,988,177	61,550,430	62,284,372

II STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2024	Bank			Group		
	31st Mar 2023	31st Dec 2023	31st Mar 2024	31st Mar 2023	31st Dec 2023	31st Mar 2024
	UnAudited (Ksh'000)	Audited (Ksh'000)	UnAudited (Ksh'000)	UnAudited (Ksh'000)	Audited (Ksh'000)	UnAudited (Ksh'000)
1 INTEREST INCOME						
1.1 Loans and advances	920,708	4,086,150	1,166,542	900,585	4,020,677	1,161,213
1.2 Government securities	267,217	1,145,637	317,942	267,511	1,145,637	317,942
1.3 Deposits and placements with banking institutions	10,075	27,413	31,631	10,075	38,096	34,349
1.4 Other Interest Income	-	-	-	-	-	-
1.5 Total interest income	1,198,000	5,259,200	1,516,115	1,178,170	5,204,410	1,513,504
2 INTEREST EXPENSES						
2.1 Customer deposits	413,048	2,016,876	656,686	412,754	2,013,449	655,252
2.2 Deposits and placement from banking institutions	32,308	255,476	89,738	32,308	255,476	89,738
2.3 Other interest expenses	103,715	387,832	91,118	103,715	385,900	91,187
2.4 Total interest expenses	549,071	2,660,184	837,542	548,777	2,654,825	836,177
3 NET INTEREST INCOME/(LOSS)	648,929	2,599,016	678,573	629,393	2,549,585	677,327
4 OTHER OPERATING INCOME						
4.1 Fees and commissions on loans and advances	52,278	222,214	59,091	52,278	222,214	59,091
4.2 Other fees and commissions	25,513	140,053	45,866	25,513	192,555	62,235
4.3 Foreign exchange trading income/(Loss)	42,065	174,407	48,127	42,065	174,407	48,127
4.4 Dividend Income	-	-	-	-	-	-
4.5 Other income	29,336	200,905	25,520	154,813	653,930	217,128
4.6 Total Non-interest income	149,193	737,579	178,604	274,670	1,242,806	386,581
5 TOTAL OPERATING INCOME	798,122	3,336,595	857,177	904,063	3,792,391	1,063,908
6 OPERATING EXPENSES						
6.1 Loan loss provision	101,749	309,299	109,086	101,749	309,299	109,086
6.2 Staff costs	320,260	1,441,417	384,787	357,902	1,625,812	437,212
6.3 Directors' emoluments	5,566	20,930	4,510	7,437	38,684	8,775
6.4 Rental charges	15,848	61,179	15,735	16,554	65,047	16,292
6.5 Depreciation charge on property and equipment	33,406	153,827	38,591	33,941	156,085	39,268
6.6 Amortisation charges	46,946	212,907	22,370	46,987	213,093	22,412
6.7 Other operating expenses	227,220	971,317	232,843	249,446	1,081,833	272,195
6.8 Total Other Operating Expenses	750,995	3,170,876	807,922	814,016	3,489,852	905,240
7 Profit/(loss) before tax and exceptional items	47,127	165,719	49,255	90,046	302,538	158,668
8 Exceptional items	-	(4,662)	-	-	31,946	-
9 Profit/(loss) after exceptional items	47,127	161,057	49,255	90,046	334,484	158,668
10 Current tax	(1,656)	(13,464)	(3,391)	(6,730)	(29,687)	(8,325)
11 Deferred tax	-	39,553	-	-	83,359	-
12 Profit/(loss) after tax and exceptional items	45,471	187,147	45,864	83,316	388,156	150,343
13 Other Comprehensive Income						
13.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-	-	-
13.2 Fair value changes in available for sale financial assets	(25,905)	(378,578)	(20,114)	(25,905)	(378,578)	(20,114)
13.3 Revaluation surplus on Property, plant and equipment	-	20,000	-	-	20,000	-
13.4 Share of other comprehensive income of associates	-	-	-	-	-	-
13.5 Income tax relating to components of other comprehensive income	7,771	110,573	6,034	7,771	110,573	6,034
14 Other Comprehensive Income for the year net of tax	(18,134)	(248,005)	(14,080)	(18,134)	(248,005)	(14,080)
15 Total comprehensive income for the year	27,337	(60,858)	31,784	65,182	140,152	136,263
Earnings Per Share	35.73	36.77	36.04	0.87	1.01	1.56

III DISCLOSURES AS AT 31 MARCH 2024	BANK			GROUP		
	31st Mar 2023	31st Dec 2023	31st Mar 2024	31st Mar 2023	31st Dec 2023	31st Mar 2024
	UnAudited (Ksh'000)	Audited (Ksh'000)	UnAudited (Ksh'000)	UnAudited (Ksh'000)	Audited (Ksh'000)	UnAudited (Ksh'000)
1 Non-Performing Loans and Advances						
a) Gross non-performing loans and advances	8,778,924	10,819,714	11,200,531	8,778,924	10,819,714	11,200,531
b) Less: Interest in Suspense	2,917,562	3,102,378	3,418,361	2,917,562	3,102,378	3,418,361
c) Total non-Performing loans and advances (a-b)	5,861,362	7,717,337	7,782,170	5,861,362	7,717,337	7,782,170
d) Less: Loan loss provisions	4,232,472	4,997,717	4,918,613	4,232,472	4,997,717	4,918,613
e) Net non-performing loans and advances(c-d)	1,628,890	2,719,620	2,863,557	1,628,890	2,719,620	2,863,557
f) Discounted value of securities	1,628,890	2,719,620	2,863,557	1,628,890	2,719,620	2,863,557
g) Net Exposure(e-f)	-	-	-	-	-	-
2 Insider loans and advances						
a) Directors, shareholders and associates	1,588,522	1,009,689	1,005,291	1,588,522	1,009,689	1,005,291
b) Employees	1,063,605	1,252,502	1,257,303	1,063,605	1,252,502	1,257,303
c) Total insider Loans and Advances	2,652,127	2,262,191	2,262,594	2,652,127	2,262,191	2,262,594
3 Off-Balance Sheet items						
a) Letters of credit, guarantees and acceptances	1,738,712	2,468,039	2,224,325	1,738,712	2,468,039	2,224,325
b) Forwards, swaps and options	1,982,895	289,511	440,811	1,982,895	289,511	440,811
c) Other contingent liabilities	-	-	-	-	-	-
d) Total contingent liabilities	3,721,607	2,757,550	2,665,136	3,721,607	2,757,550	2,665,136
4 Capital Strength						
a) Core capital	2,786,090	2,082,282	1,989,487			
b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000			
c) Excess/Deficiency	1,786,090	1,082,282	989,487			
d) Supplementary capital	1,502,726	1,464,572	1,401,557			
e) Total capital (a+d)	4,288,816	3,546,854	3,391,044			
f) Total risk weighted assets	38,824,731	39,372,404	38,331,192			
g) Core capital /Total deposit liabilities	6.7%	4.7%	4.5%			
h) Minimum Statutory Ratio	8.0%	8.0%	8.0%			
i) Excess/Deficiency	-1.3%	-3.3%	-3.5%			
j) Core capital /Total risk weighted assets	7.2%	5.3%	5.2%			
k) Minimum Statutory Ratio	10.5%	10.5%	10.5%			
l) Excess/Deficiency(j-k)	-3.3%	-5.2%	-5.3%			
m) Total capital /Total risk weighted assets	11.0%	9.0%	8.8%			
n) Minimum Statutory Ratio	14.5%	14.5%	14.5%			
o) Excess/Deficiency(m-n)	-3.5%	-5.5%	-5.7%			
a) Liquidity Ratio	24.7%	24.5%	24.9%			
b) Minimum Statutory Ratio	20.0%	20.0%	20.0%			
c) Excess/Deficiency(o-b)	4.7%	4.5%	4.9%			

**\*Notes**  
These financial statements are extracts from the books of the institution. The complete set of UnAudited Financial Statements 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

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