

UNAUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30TH JUNE 2023

STATEMENT OF FINANCIAL POSITION	BANK			GROUP			30th June 2023
	30th June 2022	31st Dec 2022	31st Mar 2023	30th June 2022	31st Dec 2022	31st Mar 2023	
	UnAudited (Ksh'000)	Audited (Ksh'000)	UnAudited (Ksh'000)	UnAudited (Ksh'000)	Audited (Ksh'000)	UnAudited (Ksh'000)	
AS AT 30 JUNE 2023							
A. ASSETS							
1 Cash balances (both local and foreign)	452,155	544,451	447,487	386,088	452,155	544,451	386,088
2 Balances due from Central Bank of Kenya	1,717,933	1,563,593	1,825,559	2,136,594	1,717,933	1,563,593	1,825,559
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:	2,690,750	3,779,143	3,890,538	3,822,996	2,690,750	3,779,143	3,890,538
a. Kenya Government securities	2,690,750	3,779,143	3,890,538	3,822,996	2,690,750	3,779,143	3,890,538
b. Other securities	-	-	-	-	-	-	-
b) Available for sale:	6,536,468	4,760,994	5,595,710	5,981,268	6,536,468	4,760,994	5,595,710
a. Kenya Government securities	6,536,468	4,760,994	5,595,710	5,981,268	6,536,468	4,760,994	5,595,710
b. Other securities	-	-	-	-	-	-	-
6 Deposits and balances due from local banking institutions	166,204	41,914	680,153	493,904	166,204	41,914	493,904
7 Deposits and balances due from banking institutions abroad	493,797	47,326	20,560	168,284	493,797	47,326	20,560
8 Tax recoverable	235,840	225,496	225,496	224,417	363,906	365,267	358,026
9 Loans and advances to customers (net)	36,114,523	36,909,331	37,403,412	38,376,289	34,886,600	36,299,175	36,966,632
10 Balances due from banking institutions in the group	-	-	-	-	-	-	-
11 Investments in associates	-	-	-	-	-	-	-
12 Investments in subsidiary companies	-	-	-	-	-	-	-
13 Investment in Joint ventures	133,010	194,220	194,220	194,220	1,392,117	1,613,173	1,684,669
14 Investment properties	690,592	780,000	780,000	780,000	1,376,152	1,849,000	1,849,000
15 Property and equipment	1,507,787	573,449	600,909	611,076	1,512,508	579,410	607,072
16 Prepaid operating lease rentals	-	-	-	-	-	-	-
17 Intangible assets	452,789	331,846	288,380	241,641	453,631	332,592	289,066
18 Deferred tax asset	1,417,208	1,383,142	1,415,715	1,376,359	1,640,244	1,614,992	1,647,426
19 Retirement benefit asset	-	-	-	-	-	-	-
20 Other assets	2,507,222	4,033,466	3,596,655	3,715,747	2,058,500	3,604,823	3,126,279
21 TOTAL ASSETS	55,116,279	55,168,371	56,964,794	58,508,883	55,740,965	56,995,854	58,988,177
B. LIABILITIES							
22 Balances due to Central Bank of Kenya	-	499,777	993,697	1,995,677	-	499,777	993,697
23 Customer deposits	39,261,811	39,861,732	41,283,925	40,774,975	39,106,955	39,796,941	41,205,501
24 Deposits and balances due to local banking institutions	781,478	24,317	416,834	2,023,717	781,478	24,317	416,834
25 Deposits and balances due to foreign banking institutions	-	-	-	-	-	-	-
26 Other money market deposits	-	-	-	-	-	-	-
27 Borrowed funds	4,723,356	4,370,617	4,366,042	4,151,548	4,731,306	4,370,617	4,366,042
28 Balances due to banking institutions in the group	-	-	-	-	-	-	-
29 Tax payable	-	-	-	-	246	246	246
30 Dividends payable	-	-	-	-	-	-	-
31 Deferred tax liability	-	-	-	-	-	-	-
32 Retirement benefit liability	-	-	-	-	-	-	-
33 Other liabilities	2,501,530	2,049,245	1,512,677	1,204,942	3,167,424	3,534,326	3,213,917
34 TOTAL LIABILITIES	47,268,175	46,805,688	48,573,175	50,150,859	47,787,409	48,226,224	50,196,237
C. SHAREHOLDERS' FUNDS							
35 Paid up /Assigned capital	5,000,000	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	3,513,662	4,343,512	4,343,512	4,343,512
37 Revaluation reserves	310,662	593,667	593,667	593,667	1,012,125	1,295,128	1,295,128
38 Retained earnings/Accumulated losses	(4,415,833)	(4,471,841)	(4,784,355)	(5,146,193)	(2,783,771)	(2,448,283)	(2,767,329)
39 Statutory loan loss reserves	3,509,473	3,696,575	4,054,552	4,463,428	3,509,473	3,696,575	4,054,555
40 Other Reserves	(69,861)	(59,380)	(75,914)	(156,541)	(50,854)	(40,373)	(56,997)
41 Proposed dividends	-	-	-	-	-	-	-
42 Capital grants	-	-	-	-	-	-	-
43 TOTAL SHAREHOLDERS' FUNDS	7,848,103	8,362,683	8,391,619	8,358,023	7,953,555	8,769,630	8,791,940
44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	55,116,279	55,168,371	56,964,794	58,508,883	55,740,965	56,995,854	58,988,177

III DISCLOSURES	BANK			GROUP			30th June 2023
	30th June 2022	31st Dec 2022	31st Mar 2023	30th June 2022	31st Dec 2022	31st Mar 2023	
	UnAudited (Ksh'000)	Audited (Ksh'000)	UnAudited (Ksh'000)	UnAudited (Ksh'000)	Audited (Ksh'000)	UnAudited (Ksh'000)	
AS AT 30 JUNE 2023							
1 Non-Performing Loans and Advances							
a) Gross non-performing loans and advances	8,323,322	8,486,934	8,778,924	10,539,330	8,323,322	8,486,934	8,778,924
b) Less: Interest in Suspense	2,745,776	2,780,355	2,917,562	3,087,084	2,745,776	2,780,355	2,917,562
c) Total Non-Performing loans and advances (a-b)	5,577,546	5,706,580	5,861,362	7,452,246	5,577,546	5,706,580	5,861,362
d) Less: Loan loss provisions	3,714,942	3,910,868	4,232,472	4,502,667	3,714,942	3,910,868	4,232,472
e) Net non-performing loans and advances(c-d)	1,862,604	1,795,712	1,628,890	2,949,579	1,862,604	1,795,712	1,628,890
f) Discounted value of securities	1,862,604	1,795,712	1,628,890	2,949,579	1,862,604	1,795,712	1,628,890
g) Net Exposure(e-f)	-	-	-	-	-	-	-
2 Insider loans and advances							
a) Directors, shareholders and associates	2,169,046	1,784,069	1,588,522	1,469,646	2,169,046	1,784,069	1,588,522
b) Employees	885,237	1,049,491	1,063,605	1,140,641	885,237	1,049,491	1,063,605
c) Total insider Loans and Advances	3,054,283	2,833,560	2,652,127	2,610,287	3,054,283	2,833,560	2,652,127
3 Off-Balance Sheet items							
a) Letters of credit, guarantees and acceptances	1,195,329	1,935,097	1,738,712	1,622,131	1,195,329	1,935,097	1,738,712
b) Forwards, swaps and options	1,167,210	1,815,854	1,982,895	1,601,939	1,167,210	1,815,854	1,982,895
c) Other contingent liabilities	-	-	-	-	-	-	-
d) Total contingent liabilities	2,362,539	3,750,951	3,721,607	3,224,070	2,362,539	3,750,951	3,721,607
4 Capital Strength							
a) Core Capital	3,066,840	3,185,061	2,786,090	2,441,634			
b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000			
c) Excess/Deficiency	2,066,840	2,185,061	1,786,090	1,441,634			
d) Supplementary Capital	1,473,039	1,532,252	1,502,726	1,445,078			
e) Total Capital (a+d)	4,539,879	4,717,313	4,288,816	3,886,712			
f) Total Risk Weighted Assets	37,843,107	38,520,149	38,824,731	38,212,930			
g) Core capital /Total deposit liabilities	7.8%	8.0%	6.7%	6.0%			
h) Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%			
i) Excess/Deficiency	-0.2%	0.0%	-1.3%	-2.0%			
j) Core capital /Total risk weighted assets	8.1%	8.3%	7.2%	6.4%			
k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%			
l) Excess/Deficiency(i-k)	-2.4%	-2.2%	-3.3%	-4.1%			
m) Total capital /Total risk weighted assets	12.0%	12.2%	11.0%	10.2%			
n) Minimum Statutory Ratio	14.5%	14.5%	14.5%	14.5%			
o) Excess/Deficiency(m-n)	-2.5%	-2.3%	-3.5%	-4.3%			
5 Liquidity							
a) Liquidity Ratio	26%	25.2%	24.7%	21.0%			
b) Minimum Statutory Ratio	20%	20.0%	20.0%	20.0%			
c) Excess/Deficiency (a-b)	6%	5.2%	4.7%	1.0%			

Summary Consolidated Statement of Cashflow as at 30 June 2023	30th June 2022	31st Dec 2022	30th June 2023
	Un Audited (Ksh'000)	Audited (Ksh'000)	UnAudited (Ksh'000)
Net cash used in operating activities	(654,699)	(173,240)	1,464,610
Cash flows from investing activities	90,041	(41,527)	(47,370)
Cash flows from financing activities	643,125	(122,315)	(281,012)
Net increase/(decrease) in cash and cash equivalents	78,467	(337,082)	1,136,228
Cash and cash equivalents at 1 January	1,185,773	1,185,773	848,691
Cash and cash equivalents at period end	1,264,240	848,691	1,984,919

Summary Consolidated Statement of Changes in Equity as at 30 June 2023	Share capital (Ksh'000)	Share premium (Ksh'000)	Revenue and other reserve (Ksh'000)	Total (Ksh'000)
At 1 January 2023	1,923,071	4,343,512	2,503,048	8,769,631
Profit for the period	-	-	181,984	181,984
Other comprehensive income	-	-	(93,809)	(93,809)
	1,923,071	4,343,512	2,591,223	8,857,806

***Notes**
These financial statements are extracts from the books of the institution. The complete set of UnAudited financial statements, statutory and qualitative disclosures can be accessed on the institutions website 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 HFC Managing Director
Robert Kibaara Group Chief Executive Officer
Dr.Kaushik Manek HFC Chairman