

Un-audited financial results of the Bank and Group for the period ended 31st March, 2020.

I STATEMENT OF FINANCIAL POSITION	BANK			COMPANY			GROUP		
	31st March, 2020 Un-audited Shs'000	31st Dec, 2019 Audited Shs'000	31st March, 2019 Un-audited Shs'000	31st March, 2020 Un-audited Shs'000	31st Dec, 2019 Audited Shs'000	31st March, 2019 Un-audited Shs'000	31st March, 2020 Un-audited Shs'000	31st Dec, 2019 Audited Shs'000	31st March, 2019 Un-audited Shs'000
A ASSETS									
1 Cash (both Local & Foreign)	11,091,439	9,183,499	6,055,138	-	-	-	13,038,425	10,851,729	7,406,054
2 Balances due from Central Banks	27,598,555	23,683,685	12,167,898	-	-	-	30,318,199	26,358,325	14,080,182
3 Kenyan Government securities held for dealing purposes	-	-	-	-	-	-	-	-	-
4 Financial assets at fair value through profit & loss	631,463	708,122	499,683	-	-	-	1,177,740	1,097,844	499,684
5 Investment Securities:									
a) Held to Maturity									
a. Kenya Government securities	80,598,303	79,507,225	45,871,657	-	-	-	80,598,303	79,507,225	45,871,657
b. Other securities	8,697,923	8,183,003	3,289,100	-	-	-	14,880,539	12,979,477	5,899,610
b) Available for sale:									
a. Kenya Government securities	55,950,587	49,500,824	14,647,514	-	-	-	55,950,587	49,500,824	14,647,514
b. Other securities	65,226	68,663	64,584	-	-	-	2,062,875	3,033,922	2,759,607
6 Deposits and balances due from local banking institutions	791,788	4,783,674	3,338,490	-	-	-	8,169,174	5,617,504	4,419,874
7 Deposits and balances due from banking institutions abroad	18,920,994	16,839,936	18,241,376	-	-	-	21,455,786	19,951,625	18,533,343
8 Tax recoverable	-	-	-	-	-	62,054	-	268,080	190,304
9 Loans and advances to customers (net)	223,696,774	227,868,480	111,520,211	-	-	-	245,858,007	249,355,409	122,325,697
Balances due from banking institutions in the group	1,820,189	3,238,061	586,932	514,559	519,697	1,362,791	-	-	-
11 Investments in associates	2,701,492	2,701,492	2,701,492	-	-	-	3,768,955	3,768,955	3,724,975
12 Investments in subsidiary companies	8,930,444	8,554,544	8,241,574	62,420,446	62,420,446	29,568,705	-	-	-
13 Investments in joint ventures	-	-	-	-	-	-	-	-	-
14 Investment properties	-	-	-	-	-	-	-	-	-
15 Property and equipment	3,567,517	3,394,351	1,973,082	-	-	-	4,963,485	3,844,075	2,421,086
16 Prepaid lease rentals	6,479	6,500	-	-	-	-	5,224,79	5,224,79	-
17 Intangible assets	6,426,687	6,766,497	3,089,542	-	-	-	6,689,101	7,008,902	3,213,533
18 Deferred tax asset	6,792,484	6,792,702	2,165,264	15,984	15,984	-	7,157,366	7,085,373	3,379,816
19 Retirement benefit asset	-	-	-	-	-	-	-	-	-
20 Other assets	12,266,606	13,109,427	4,559,590	1,900	-	375	12,646,643	14,091,632	3,744,772
21 TOTAL ASSETS	477,614,950	464,890,685	239,013,127	62,952,889	62,956,127	30,993,925	509,595,221	494,843,401	253,117,708
B LIABILITIES									
22 Balances due to Central Banks	-	-	-	-	-	-	-	-	-
23 Customer deposits	363,463,600	353,618,522	191,173,616	-	-	-	390,529,283	378,237,043	204,227,887
24 Deposits and balances due to local banking institutions	554,796	549,701	58,399	-	-	-	2,537,097	3,570,901	2,340,039
25 Deposits and balances due to foreign banking institutions	4,649,719	6,136,598	653,004	-	-	-	6,331,229	7,322,009	702,350
26 Other money market deposits	-	-	-	-	-	-	-	-	-
27 Borrowed funds	22,317,329	22,081,244	8,384,840	-	-	-	22,317,329	22,081,244	8,384,840
28 Balances due to banking institutions in the group	966,503	283,905	295,343	4,630	5,623	-	899,829	13,027	546,001
29 Tax payable	1,025,328	283,425	666,409	-	-	-	36,501	37,819	41,393
30 Dividends payable	-	-	-	-	-	41,393	68,501	37,819	-
31 Deferred tax liability	-	-	-	-	-	-	21,183	21,340	21,519
32 Retirement benefit liability	-	-	-	-	-	-	-	-	-
33 Other liabilities	13,605,476	12,521,035	4,312,651	121,312	119,921	52,769	18,106,612	16,300,193	6,597,149
34 TOTAL LIABILITIES	406,582,751	395,474,430	205,544,262	162,443	163,363	94,162	440,779,063	427,583,576	222,819,785
SHAREHOLDERS' FUNDS									
35 Paid up/Assigned capital	10,859,384	10,859,384	5,755,468	7,488,725	7,488,725	3,519,701	7,488,725	7,488,725	3,519,701
36 Share Premium	33,406,022	33,406,022	5,036,649	22,179,426	22,179,426	2,373,994	22,179,426	22,179,426	2,373,994
37 Revaluation reserves	-	-	-	-	-	-	-	-	-
38 Retained earnings	25,973,194	22,280,987	21,940,645	33,122,295	30,877,995	24,126,143	38,589,158	35,962,429	23,564,121
39 Statutory loan reserves	1,239,956	-	656,295	-	-	-	1,466,055	199,378	656,295
40 Other reserves	(386,357)	(330,138)	79,808	-	-	-	(1,158,115)	(1,083,969)	183,812
41 Proposed dividends	-	3,200,000	-	2,246,618	879,925	-	2,246,618	-	-
42 Capital grants	-	-	-	-	-	-	-	-	-
43 TOTAL SHAREHOLDERS' FUNDS	71,092,199	69,416,255	33,468,865	62,790,446	62,792,764	30,899,763	68,565,249	66,992,607	30,297,923
44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	477,614,950	464,890,685	239,013,127	62,952,889	62,956,127	30,993,925	509,595,221	494,843,401	253,117,708

III OTHER DISCLOSURES	BANK			COMPANY			GROUP		
	31st March, 2020 Un-audited Shs'000	31st Dec, 2019 Audited Shs'000	31st March, 2019 Un-audited Shs'000	31st March, 2020 Un-audited Shs'000	31st Dec, 2019 Audited Shs'000	31st March, 2019 Un-audited Shs'000	31st March, 2020 Un-audited Shs'000	31st Dec, 2019 Audited Shs'000	31st March, 2019 Un-audited Shs'000
1 NON-PERFORMING LOANS AND ADVANCES									
(a) Gross Non-performing loans and advances	34,747,568	30,515,948	9,714,144	-	-	-	-	-	-
(b) Less Interest in Suspense	6,906,205	6,207,777	2,324,678	-	-	-	-	-	-
(c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)	27,841,363	24,308,171	7,389,466	-	-	-	-	-	-
(d) Less Loan Loss Provision	11,606,693	10,318,641	5,739,834	-	-	-	-	-	-
(e) NET NON-PERFORMING LOANS AND ADVANCES (c-d)	16,234,670	13,989,530	1,649,632	-	-	-	-	-	-
(f) Discounted Value of Securities	16,234,670	13,989,530	1,649,632	-	-	-	-	-	-
(g) NET NPLS EXPOSURE (e-f)	-	-	-	-	-	-	-	-	-
2 INSIDER LOANS AND ADVANCES									
(a) Directors, shareholders and associates	13,428,178	14,211,932	5,886,727	-	-	-	-	-	-
(b) Employees	5,105,152	5,150,274	2,733,837	-	-	-	-	-	-
(c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES	18,533,330	19,362,206	8,620,564	-	-	-	-	-	-
3 OFF-BALANCE SHEET ITEMS									
(a) Letters of credit, guarantees, acceptances	53,500,052	49,607,900	23,484,226	-	-	-	-	-	-
(b) Forwards, Swaps and options	6,813,414	5,003,287	9,434,749	-	-	-	-	-	-
(c) Other contingent liabilities	-	-	-	-	-	-	-	-	-
(d) TOTAL CONTINGENT LIABILITIES	60,313,466	54,611,187	32,918,975	-	-	-	-	-	-
4 CAPITAL STRENGTH									
(a) Core capital	65,572,930	62,561,322	25,904,183	-	-	-	-	-	-
(b) Minimum statutory capital	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-
(c) Excess (a-b)	64,572,930	61,561,322	24,904,183	-	-	-	-	-	-
(d) Supplementary capital	2,068,966	2,620,795	2,056,295	-	-	-	-	-	-
(e) TOTAL CAPITAL (a+d)	67,641,896	65,182,117	27,960,478	-	-	-	-	-	-
(f) TOTAL RISK WEIGHTED ASSETS	347,237,647	350,879,900	164,056,295	-	-	-	-	-	-
(g) Core capital / Total deposits liabilities	18.04%	17.69%	13.55%	-	-	-	-	-	-
(h) Minimum statutory ratio	8.00%	8.00%	8.00%	-	-	-	-	-	-
(i) Excess (g-h)	10.04%	9.69%	5.55%	-	-	-	-	-	-
(j) Core capital / Total risk weighted assets	18.88%	17.83%	15.79%	-	-	-	-	-	-
(k) Minimum statutory ratio	10.50%	10.50%	10.50%	-	-	-	-	-	-
(l) Excess (j-k)	8.38%	7.33%	5.29%	-	-	-	-	-	-
(m) Total capital / Total risk weighted assets	19.48%	18.58%	17.04%	-	-	-	-	-	-
(n) Minimum statutory ratio	14.50%	14.50%	14.50%	-	-	-	-	-	-
(o) Excess (m-n)	4.98%	4.08%	2.54%	-	-	-	-	-	-
(p) Adjusted core capital / Total deposits liabilities*	18.33%	18.55%	13.55%	-	-	-	-	-	-
(q) Adjusted core capital / Total risk weighted assets*	19.18%	18.69%	15.79%	-	-	-	-	-	-
(r) Adjusted total capital / Total risk weighted assets*	19.78%	19.44%	17.44%	-	-	-	-	-	-
5 LIQUIDITY									
(a) Liquidity ratio	54.53%	50.95%	50.49%	-	-	-	-	-	-
(b) Minimum statutory ratio	20.00%	20.00%	20.00%	-	-	-	-	-	-
(c) Excess (a-b)	34.53%	30.95%	30.49%	-	-	-	-	-	-

* The adjusted capital ratios include the expected credit loss provisions added back to Capital in line with Central Bank of Kenya guidance note issued in April 2018 on implementation of IFRS 9.

Message from the Directors
Financial Statements

On 1 October 2019 NIC Group PLC (NIC) and Commercial Bank of Africa Limited (CBA) completed the merger of both institutions; the transaction was accounted for in accordance with IFRS 3 - Business Combinations.

The Q1 2020 financial statements of the Bank are prepared on a prospective basis (a continuation of CBA), representing 3 months performance of NCBA Bank (merged bank) for 2020 while the prior year comparatives are those of CBA Bank. The consolidated financial statements are also a continuation of the financial statements of CBA with an adjustment to capital to reflect the legal capital of NIC. The prior year comparatives are those of CBA.

Merger related costs are included in the comprehensive income statements and are disclosed as exceptional items.

The planned integration in the other jurisdictions where NCBA Group has a presence is ongoing and is expected to be completed by the close of the third quarter.

COVID-19 Pandemic

The Board is of the view that in the first half of 2020, global economic growth has been negatively impacted by the spread of COVID-19 and the resulting disruption of economic activity. Further, it is still too early to assess the extent of the impact of the COVID-19 pandemic, whose negative effects on the Kenyan and regional economies began to be felt in the first quarter of the year. NCBA will continue to support our customers, look after our people, manage our Group in line with the interests of our shareholders, and play our part in limiting the impact of this virus on our communities. NCBA is determined to collaborate with all our stakeholders to confront this challenge.

In response to COVID-19 pandemic and in addition to efforts across the Group to support our staff, customers and community, we made an initial Shs 100 million philanthropic commitment to help those most affected by humanitarian challenges. We will continue to focus on areas where we can help the most vulnerable in the short and long term.

Bonus Issue

On 20th April 2020 the Board announced that it was changing its earlier recommendation to pay a cash dividend, and instead would recommend to the shareholders a bonus share issue. The decision was made considering the need to preserve capital for the benefit of our customers and shareholders, especially in light of the challenge posed by the COVID-19 pandemic.

The proposed Bonus issue is one (1) share for every ten (10) shares held. The Bonus shares will be issued to the shareholders registered on the Company's register at the close of business on 12th May 2020 upon approval of the Capital Markets Authority and the shareholders of the Company.

These financial statements are extracts from the books of NCBA Group PLC. The complete set of quarterly financial statements, statutory and qualitative disclosures can be accessed on the institution's website www.ncbagroup.com.

They may also be accessed at the institution's head office located at NCBA Centre, Mara and Ragati Road, Upper Hill.

BY ORDER OF THE BOARD
LIVINGSTONE MURAGE
GROUP COMPANY SECRETARY
NCBA GROUP PLC
19th May 2020