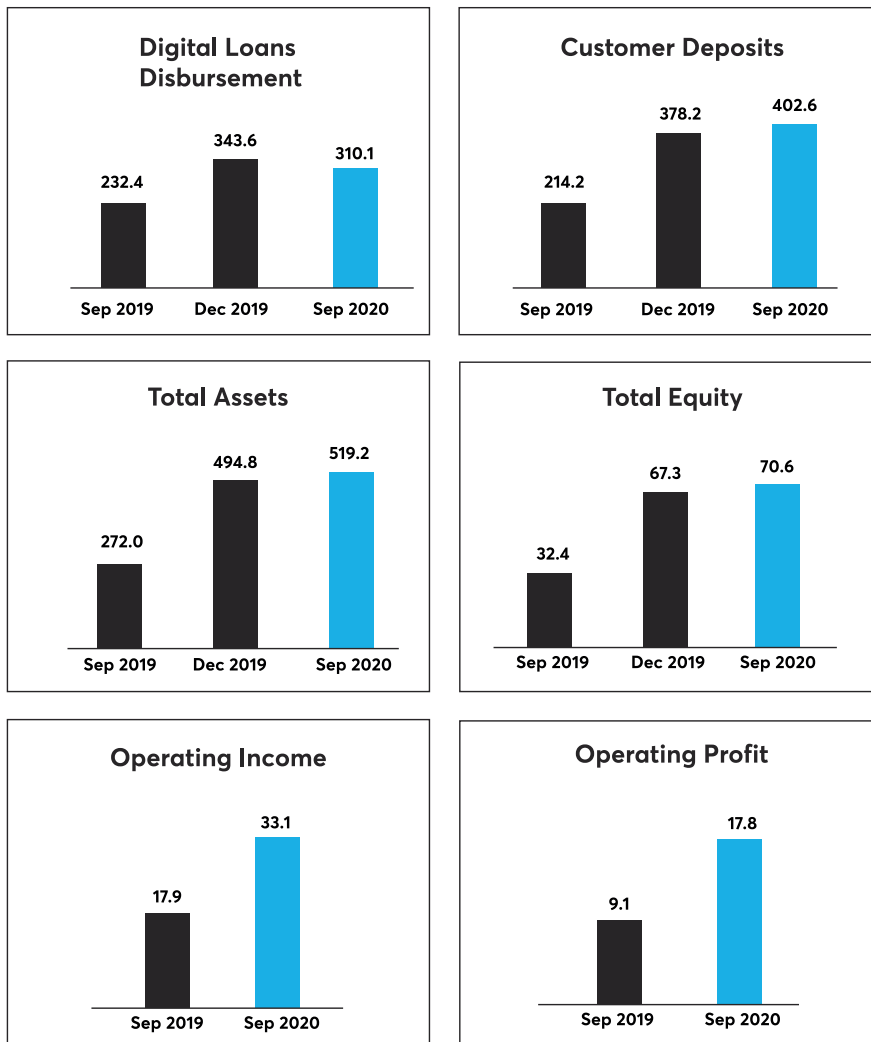


The Un-audited financial results of the Bank and Group for the period ended 30th September, 2020.

III OTHER DISCLOSURES	BANK					COMPANY					GROUP CONSOLIDATED				
	30th Sep, 2020 Un-audited Shs '000	30th June, 2020 Un-audited Shs '000	31st March, 2020 Un-audited Shs '000	31st Dec, 2019 Audited Shs '000	30th Sep, 2019 Un-audited Shs '000	30th Sep, 2020 Un-audited Shs '000	30th June, 2020 Un-audited Shs '000	31st March, 2020 Un-audited Shs '000	31st Dec, 2019 Audited Shs '000	30th Sep, 2019 Un-audited Shs '000	30th Sep, 2020 Un-audited Shs '000	30th June, 2020 Un-audited Shs '000	31st March, 2020 Un-audited Shs '000	31st Dec, 2019 Audited Shs '000	30th Sep, 2019 Un-audited Shs '000
1 NON-PERFORMING LOANS AND ADVANCES															
(a) Gross Non-performing loans and advances	34,276,756	34,949,715	34,747,568	30,515,948	12,532,821	-	-	-	-	-	38,433,255	38,677,728	38,849,070	33,658,667	14,637,063
(b) Less Interest in Suspense	5,950,292	6,403,444	6,906,205	6,207,777	2,762,421	-	-	-	-	-	6,486,175	6,938,280	7,428,215	6,697,150	3,029,632
(c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)	28,326,464	28,546,271	27,841,363	24,308,171	9,770,400	-	-	-	-	-	31,947,080	31,739,448	31,420,855	26,961,517	11,607,431
(d) Less Loan Loss Provision	13,458,048	12,174,903	11,606,693	10,318,641	7,648,376	-	-	-	-	-	15,905,748	14,177,373	13,750,594	12,114,762	8,440,332
(e) NET NON-PERFORMING LOANS AND ADVANCES (c-d)	14,868,416	16,371,368	16,234,670	13,989,530	2,122,024	-	-	-	-	-	16,041,332	17,562,075	17,670,261	14,846,755	3,167,099
(f) Discounted Value of Securities	14,868,416	16,371,368	16,234,670	13,989,530	2,122,024	-	-	-	-	-	16,041,332	17,562,075	17,670,261	14,846,755	3,167,099
(g) NET NPLS EXPOSURE (e-f)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2 INSIDER LOANS AND ADVANCES															
(a) Directors, shareholders and associates	15,703,035	14,285,024	13,428,178	14,211,932	5,670,332	-	-	-	-	-	15,776,655	14,438,023	13,596,168	14,371,749	5,670,332
(b) Employees	4,936,395	4,971,634	5,105,152	5,150,274	2,888,992	-	-	-	-	-	5,698,631	5,686,945	5,453,673	5,487,678	3,483,501
(c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES	20,639,430	19,256,658	18,533,330	19,362,206	8,559,324	-	-	-	-	-	21,475,286	20,124,968	19,049,841	19,859,427	9,153,833
3 OFF-BALANCE SHEET ITEMS															
(a) Letters of credit, guarantees, acceptances	54,906,105	51,694,865	53,500,052	49,607,900	21,881,558	-	-	-	-	-	60,277,902	56,823,746	58,496,837	54,413,720	26,071,616
(b) Forwards, Swaps and options	7,262,574	11,188,816	6,813,414	5,003,287	9,793,838	-	-	-	-	-	7,262,574	11,188,816	6,813,414	5,003,287	9,793,838
(c) Other contingent liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) TOTAL CONTINGENT LIABILITIES	62,168,679	62,883,681	60,313,466	54,611,187	31,675,396	-	-	-	-	-	67,540,476	68,012,562	65,310,251	59,417,007	35,865,454
4 CAPITAL STRENGTH															
(a) Core capital	62,953,204	64,213,108	65,570,928	62,561,322	26,041,569	-	-	-	-	-	64,273,785	66,160,553	67,925,322	63,835,814	25,920,807
(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
(c) Excess (a-b)	61,953,204	63,213,108	64,570,928	61,561,322	25,041,569	-	-	-	-	-	63,273,785	65,160,553	66,925,322	62,835,814	24,920,807
(d) Supplementary Capital	1,946,688	3,324,312	2,068,966	2,620,795	2,056,295	-	-	-	-	-	2,319,876	3,616,068	2,295,065	2,820,173	2,133,992
(e) TOTAL CAPITAL (a+d)	64,899,892	67,537,420	67,639,894	65,182,117	28,097,864	-	-	-	-	-	66,593,661	69,776,621	70,220,387	66,655,987	28,054,799
(f) TOTAL RISK WEIGHTED ASSETS	348,227,217	347,883,542	347,277,838	350,879,900	172,876,007	-	-	-	-	-	381,366,029	376,801,591	379,147,134	384,348,562	190,928,137
(g) Core Capital / Total deposits liabilities	16.86%	17.75%	18.04%	17.69%	13.16%	-	-	-	-	-	15.96%	16.94%	17.39%	16.88%	12.10%
(h) Minimum statutory ratio	8.00%	8.00%	8.00%	8.00%	8.00%	-	-	-	-	-	8.00%	8.00%	8.00%	8.00%	8.00%
(i) Excess (g-h)	8.86%	9.75%	10.04%	9.69%	5.16%	-	-	-	-	-	7.96%	8.94%	9.39%	8.88%	4.10%
(j) Core Capital / Total risk weighted assets	18.08%	18.46%	18.88%	17.83%	15.06%	-	-	-	-	-	16.85%	17.56%	17.92%	16.61%	13.58%
(k) Minimum statutory ratio	10.50%	10.50%	10.50%	10.50%	10.50%	-	-	-	-	-	10.50%	10.50%	10.50%	10.50%	10.50%
(l) Excess (j-k)	7.58%	7.96%	8.38%	7.33%	4.56%	-	-	-	-	-	6.35%	7.06%	7.42%	6.11%	3.08%
(m) Total Capital / Total risk weighted assets	18.64%	19.41%	19.48%	18.58%	16.25%	-	-	-	-	-	17.46%	18.52%	18.52%	17.34%	14.69%
(n) Minimum statutory ratio	14.50%	14.50%	14.50%	14.50%	14.50%	-	-	-	-	-	14.50%	14.50%	14.50%	14.50%	14.50%
(o) Excess (m-n)	4.14%	4.91%	4.98%	4.08%	1.75%	-	-	-	-	-	2.96%	4.02%	4.02%	2.84%	0.19%
(p) Adjusted Core Capital / Total deposits liabilities*	17.33%	17.94%	18.33%	18.55%	13.59%	-	-	-	-	-	16.10%	17.12%	17.69%	17.76%	12.16%
(q) Adjusted Core Capital / Total risk weighted assets*	18.58%	18.66%	19.18%	18.69%	15.58%	-	-	-	-	-	17.00%	17.74%	18.22%	17.47%	13.88%
(r) Adjusted Total Capital / Total risk weighted assets*	19.14%	19.61%	19.78%	19.44%	17.15%	-	-	-	-	-	17.61%	18.70%	18.82%	18.21%	15.77%
5 LIQUIDITY															
(a) Liquidity Ratio	53.17%	54.65%	54.55%	50.95%	53.30%	-	-	-	-	-	53.36%	54.88%	55.54%	51.83%	50.71%
(b) Minimum statutory ratio	20.00%	20.00%	20.00%	20.00%	20.00%	-	-	-	-	-	20.00%	20.00%	20.00%	20.00%	20.00%
(c) Excess (a-b)	33.17%	34.65%	34.55%	30.95%	33.30%	-	-	-	-	-	33.36%	34.88%	35.54%	31.83%	30.71%

* 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.

KEY GROWTH HIGHLIGHTS (KES Billions)



MESSAGE FROM DIRECTORS

Financial Statements

On 1 October 2019 NIC Group PLC (NIC) and Commercial Bank of Africa Limited (CBA) completed the merger of both institutions, resulting in the merged bank, NCBA Bank Kenya PLC (NCBA Bank).

The Quarter Three 2020 financial statements of the Bank are prepared on a prospective basis (a continuation of CBA), representing 9 months performance of NCBA Bank for 2020 while the prior year comparatives are those of CBA. 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 NCBA Group PLC (NCBA). The prior year comparatives are those of CBA.

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

Nine months performance - Operational resilience in a challenging environment

NCBA Group's fundamentals remain strong and this has resulted in growth in the total assets to close at KES 519 billion. The strong performance at the operating level with an operating profit for the period ended September 2020 was KES 17.8 billion compared to KES 9.1 billion for the same period last year underscores the Group's strength. Conservative provisioning for potential loan losses reduced the operating gains to result in a profit before tax of KES 3.8 billion for the nine months compared to KES 6.8 billion last year. The Group continues to put in place measures to minimize the impact of the pandemic, while implementing its strategic initiatives to safeguard shareholder value and enable the Group's success in future.

The Group's capital and liquidity position is strong - with core capital at KES 64.3 billion and liquidity ratio of 53.36%, and the Group is well positioned to respond to demands of the new environment.

Completion of the Group's business integration across all geographies has led to structural changes. The Group is reviewing its' organisation structure to ensure that resources are focused on meeting customer and other stakeholder needs. As part of this process the Group has announced a voluntary exit programme to employees who may wish to consider early retirement and redundancy program thereafter to ensure the target organization structure which meets future needs is implemented.

Impact of the Covid-19 Pandemic

As a result of the pandemic, the economic outlook for 2020 has been lowered substantially due to slowdown in global trade, services and the continued uncertainties around the pandemic impacting exports, tourism and agribusiness sectors. The duration and severity of the economic and public health impact have created a more volatile operating environment that will likely continue to impact NCBA's businesses and future results during the remainder of 2020. While economic activity is gradually resuming, we remain cautious as the shape and timing of the recovery remains uncertain. The NCBA Group has supported its customers throughout this period and has disbursed KES 310 billion in digital loans thus enabling small enterprises and individuals to manage their day-to-day needs and working capital. In addition, the Group has also granted loan moratoriums and restructured loans amounting to KES 76 billion to corporate and retail customers as at end of September 2020.

However, the trends show that the rate of impairments is increasing, due to delayed repayments and an assessment of additional stress that could emerge due to COVID-19. The Group will continue to take a conservative provisioning outlook.

The earnings for the current financial year are expected to be substantially lower than the earnings reported for the same period in 2019, based on the un-audited financial statements for the 9 months ended 30th September 2020, and projected full year financial forecasts. The Board and management remain confident in NCBA's long-term strategy and that the measures that have been put in place will lead to improved future performance.

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
25 November 2020

DISCLAIMER:

The relevant content of the above statement has been issued with the approval of the Capital Markets Authority pursuant to the Capital Markets (Licensing Requirements) (General) Regulations, 2002. As a matter of policy, the Capital Markets Authority assumes no responsibility for the correctness of the statements appearing in this statement.