

Audited financial results of the Group and Bank for the year ended 31st December 2023

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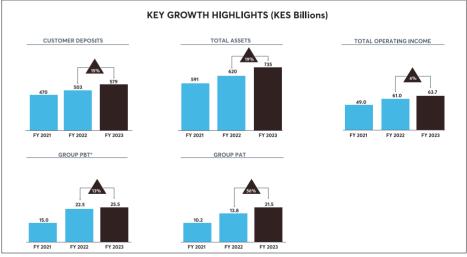
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| | Auc | lited financial | | results of the | | Group and Bo | |
|-------------------|---|--|--|--|--|--|--|
| I | STATEMENT OF FINANCIAL POSITION | BANK | | COMPANY | | GROUP | |
| | | 31st Dec, 2023 Audited Shs '000 | 31st Dec, 2022 Audited Shs '000 | 31st Dec, 2023 Audited Shs '000 | 31st Dec, 2022 Audited Shs '000 | 31st Dec, 2023 Audited Shs '000 | 31st Dec, 2022 Audited Shs '000 |
| A | ASSETS Cash (both Local & Foreign) | 12,361,809 | 11,601,111 | - | - Sits 000 | 14,691,059 | 14,595,005 |
| 2 | Balances due from Central Banks Kenyan Government securities held for dealing purposes | 23,494,013 | 19,269,770 | - | - | 28,636,824 | 24,031,104 |
| 4 5 | Renyan Government securities held for dealing purposes Financial assets at fair value through profit & loss Investment Securities: a) Held to Maturity | 1,593,894 | 953,929 | - | - | 1,593,894 | 953,929 |
| | a. Kenya Government securities b. Other securities b) Available for sale: | 125,115,542 10,209,845 | 123,454,078 5,803,816 | - | - | 125,115,542 30,544,782 | 123,454,078 18,367,609 |
| 6 | a. Kenya Government securities b. Other securities Deposits and balances due from local banking institutions | 78,300,630 59,097 2,018,797 | 81,918,941 50,769 4,659,010 | - - - | - - - | 78,300,630 5,819,962 2,018,797 | 81,918,941 5,036,976 4,659,010 |
| 7 | Deposits and balances due from banking institutions abroad | 53,644,449 | 14,223,438 | - 2794 | - 11.003 | 64,730,268 | 21,033,832 |
| 8 9 | Tax recoverable Loans and advances to customers (net) | | 2,068,011 249,898,626 | 2,786 - | 11,093 | 59,291 337,018,150 | 2,231,441 278,920,795 |
| 10 11 | Balances due from banking institutions in the group Investments in associates | 11,367,471 2,661,412 | 6,268,918 2,432,436 | 418,622 332,593 | 84,875 332,593 | 4,223,674 | 4,069,660 |
| 12 13 | Investments in subsidiary companies Investments in joint ventures | 23,002 | 23,002 | 74,081,089 | 74,081,089 - | - | - |
| 14 15 | Investment properties Property and equipment | 1,851,606 | - 1,822,073 | - | - | - 2,251,830 | 2,357,377 |
| 16 | Prepaid lease rentals | 6,000 | 6,125 | - | - | 522,000 | 522,125 |
| 17 18 | Intangible assets Deferred tax asset | 7,397,170 10,644,111 | 5,397,874 9,019,522 | 92,453 | 59,219 | 7,779,007 12,274,664 | 5,810,137 10,300,722 |
| 19 20 | Retirement benefit asset Other assets | 24,594,711 | - 28,406,657 | 350,697 | - 9,831 | 19,041,034 | 21,398,903 |
| 21 B | TOTAL ASSETS LIABILITIES | 661,743,852 | 567,278,106 | | 74,578,700 | 734,621,408 | |
| 22 23 | Balances due to Central Banks Customer deposits | 19,040,257 514,607,655 | 458,619,230 | - | - | 19,040,257 | 502,675,954 |
| 23 24 | Deposits and balances due to local banking institutions | 3,628,415 | 961,345 | - | - | 5,262,935 | 2,540,687 |
| 25 | Deposits and balances due to foreign banking institutions | 10,868,020 | 5,431,767 | - | - | 2,377,367 | 3,373,440 |
| 26 27 | Other money market deposits Borrowed funds | 4,208,323 | 4,206,965 | - | - | - 6,411,971 | 4,206,965 |
| 28 | Balances due to banking institutions in the group | 599,971 | 210,943 | 9,079,786 | 8,959,800 | - | - |
| 29 30 | Tax payable Dividends payable | 133,646 | - | 241,316 | - | 207,735 241,316 | 626,510 - |
| 31 32 | Deferred tax liability Retirement benefit liability | - | - | - | - | - | - |
| 33 34 | Other liabilities TOTAL LIABILITIES | 20,840,508 573,926,795 | 18,814,469 488,244,719 | 458,619 9,779,721 | 370,187 9,329,987 | 25,014,731 637,958,230 | 23,816,397 537,239,953 |
| | SHAREHOLDERS' FUNDS | | | | | | |
| 35 36 | Paid up /Assigned capital Share Premium | 10,859,384 33,406,022 | 10,859,384 33,406,022 | 8,237,598 21,424,322 | 8,237,598 21,424,322 | 8,237,598 21,424,322 | 8,237,598 21,424,322 |
| 37 38 | Revaluation reserves Retained earnings | 43,243,209 | 32,984,679 | 30,894,042 | 31,879,875 | 64,900,509 | 51,269,592 |
| 39 40 | Statutory loan reserves Other reserves | (4,691,558) | (1,923,616) | - | - | (2,841,808) | (2,216,739) |
| 41 42 | Proposed dividends | 5,000,000 | 3,706,918 | 4,942,557 | 3,706,918 | 4,942,557 | 3,706,918 |
| | Capital grants | 87,817,057 | 79,033,387 | 65,498,519 | 65,248,713 | 96,663,178 | 82,421,691 |
| 43 44 | Non-controlling interests TOTAL SHAREHOLDERS' FUNDS | 87,817,057 | | 65,498,519 | 65,248,713 | 96,663,178 | 82,421,691 |
| 45 [| TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS STATEMENT OF COMPREHENSIVE INCOME | 661,743,852 | 567,278,106 | /5,2/8,240 | 74,578,700 | 734,621,408 | 619,661,644 |
| 1 | INTEREST INCOME | | | | | | |
| 1.1 | Loans and advances | 31,854,989 | 23,351,803 | - | - | 36,388,225 | 26,837,485 |
| 1.2 1.3 | Government securities Deposits and placements with banking institutions | 24,496,757 1,359,117 | 22,823,692 583,194 | 85,228 | 33,214 | 27,169,670 1,507,704 | 24,776,746 642,800 |
| 1.4 1.5 | Other interest income TOTAL INTEREST INCOME | 152,272 57.863.135 | 137,843 46,896,532 | 85,228 | 33,214 | 158,542 65,224,141 | 147,195 52,404,226 |
| 2 2.1 | INTEREST EXPENSES Customer deposits | 25,989,944 | 18,845,828 | _ | _ | 28,407,472 | |
| 2.2 | Deposits and placement from banking institutions | 1,261,071 | 445,630 | - | - | 1,533,944 | 685,030 |
| 2.3 2.4 | Other interest expenses TOTAL INTEREST EXPENSE | 681,225 27,932,240 | 178,233 19,469,691 | - | - | 681,225 30,622,641 | |
| 3 4 | NET INTEREST INCOME NON-INTEREST INCOME | 29,930,895 | 27,426,841 | 85,228 | 33,214 | 34,601,500 | 30,678,531 |
| 4.1 4.2 | Fees and commissions on loans and advances Other fees and commissions | 9,179,040 4,912,424 | 9,547,474 3,523,889 | - | - | 11,924,964 5,518,456 | 11,250,967 4,005,174 |
| 4.3 4.4 | Foreign exchange trading income Dividend income | 7,543,729 | 11,904,857 | 7006744 | - | 8,376,941 | |
| 4.5 | Other income | 1,275,034 | 1,057,419 | 7,086,744 488,902 | 11,859,000 273,054 | 3,257,777 | 2,504,905 |
| 4.6 5 | TOTAL NON-INTEREST INCOME TOTAL OPERATING INCOME | 22,910,227 52,841,122 | 26,033,639 53,460,480 | 7,575,646 7,660,874 | 12,132,054 12,165,268 | 29,078,138 63,679,638 | |
| 6 6.1 | OPERATING EXPENSES Loan loss provision | 8,275,183 | 11,019,908 | _ | _ | 9,155,838 | 13,062,527 |
| 6.2 | Staff costs Directors' emoluments | 9,322,476 36,585 | 7,870,746 30,947 | 449,022 103,371 | 260,236 86,380 | 12,114,668 306,588 | 10,124,836 196,406 |
| 6.4 | Rental charges | 895,335 | 858,342 | 2,052 | 2,058 | 904,860 | 874,842 |
| 6.5 6.6 | Depreciation charge on property and equipment Amortisation charges | 549,240 1,032,508 | 388,997 1,045,063 | - | - | 872,544 1,245,029 | 966,435 1,246,319 |
| 6.7 6.8 | Other operating expenses TOTAL OPERATING EXPENSES | 11,030,080 31,141,407 | 9,684,346 30,898,349 | 174,015 728,460 | 102,258 450,932 | 13,639,909 38,239,436 | 11,450,907 37,922,272 |
| 7 | Profit before tax and exceptional items | 21,699,715 | 22,562,131 | 6,932,414 | 11,714,336 | 25,440,202 | 23,012,892 |
| 8 9 | Exceptional items PROFIT AFTER EXCEPTIONAL ITEMS | 21,699,715 | 531,125 22,031,006 | 6,932,414 | 11,714,336 | 25,440,202 | |
| 10 11 | Share of associate profit PROFIT/(LOSS) BEFORE TAX | 21,699,715 | 22,031,006 | 6,932,414 | 11,714,336 | 41,704 25,481,906 | 203,200 22,491,527 |
| 12 13 | Current tax Deferred tax | (3,996,354) 438,328 | (5,088,712) (2,863,472) | (125,764) 33,233 | (47,744) | (4,569,698) 544,425 | |
| 14 | PROFIT AFTER TAX AND EXCEPTIONAL ITEMS | 18,141,689 | 14,078,822 | 6,839,883 | 11,666,592 | 21,456,633 | 13,778,026 |
| 15 15.1 | OTHER COMPREHENSIVE INCOME: Exchange differences on translation of foreign operations | - | _ | - | _ | 2,035,026 | 305,230 |
| 15.2 | Fair value changes in available-for-sale financial assets Revaluation surplus on property, plant and equipment | (2,767,942) | (2,388,214) | - | - | (2,660,095) | (2,491,457) |
| 15.4 | Share of comprehensive income of associates | - | - | - | - | - |] - |
| | Income tax relating to components of other comprehensive income | - | - | - | - | - | - |
| 16 | OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX | (2,767,942) | (2,388,214) | 4 020 002 | 11 666 500 | (625,069) | (2,186,227) |
| <u>17</u> | TOTAL COMPREHENSIVE INCOME FOR THE YEAR EARNINGS PER SHARE - BASIC & DILUTED (Shs) | 33.41 | 25.93 | 6,839,883 4.15 | 11,666,592 7.08 | 20,831,564 13.02 | 11,591,799 8.36 |
| | INTERIM DIVIDEND PER SHARE - DECLARED (She) | 5.31 | 9.76 | 175 | 2.00 | 175 | 2.00 |

| III OTHER DISCLOSURES | BANK | | COMPANY | | GROUP | |
|--|--|--|--|--|--|--|
| | 31st Dec, 2023 Audited Shs '000 | 31st Dec, 2022 Audited Shs '000 | 31st Dec, 2023 Audited Shs '000 | 31st Dec, 2022 Audited Shs '000 | 31st Dec, 2023 Audited Shs '000 | 31st Dec, 2022 Audited Shs '000 |
| NON-PERFORMING LOANS AND ADVANCES | | | | | | |
| (a) Gross Non-performing loans and advances | 40,462,270 | 35,299,943 | - | - | 44,554,298 | 39,130,983 |
| (b) Less Interest in Suspense | 8,696,675 | 6,970,900 | - | - | 9,076,681 | 7,276,183 |
| (c)TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b) | 31,765,595 | 28,329,043 | - | - | 35,477,617 | 31,854,800 |
| (d) Less Loan Loss Provision | 13,015,658 | 13,230,614 | - | - | 15,526,274 | 15,603,793 |
| (e) NET NON-PERFORMING LOANS AND ADVANCES(c-d) | 18,749,937 | 15,098,429 | - | - | 19,951,343 | 16,251,007 |
| (f) Discounted Value of Securities | 18,749,937 | 15,098,429 | - | - | 19,951,343 | 16,251,007 |
| (g) NET NPLS EXPOSURE (e-f) | - | - | - | - | - | |
| INSIDER LOANS AND ADVANCES | | | | | | |
| (a) Directors, shareholders and associates | 27,359,737 | 18,013,553 | - | - | 27,559,490 | 18,095,641 |
| (b) Employees | 6,708,789 | 5,083,949 | - | - | 7,453,403 | 5,797,856 |
| (c)TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES | 34,068,527 | 23,097,502 | - | - | 35,012,893 | 23,893,497 |
| OFF-BALANCE SHEET ITEMS | | | | | | |
| (a) Letters of credit, guarantees, acceptances | 60,133,300 | 53,501,383 | - | - | 69,234,601 | 58,585,015 |
| (b) Forwards, Swaps and options | 5,464,955 | 24,898,291 | - | - | 5,464,955 | 24,898,291 |
| (c) Other contingent liabilities | - | - | - | - | 2,178,265 | 2,074,597 |
| (d)TOTAL CONTINGENT LIABILITIES | 65,598,255 | 78,399,674 | - | - | 76,877,821 | 85,557,903 |
| CAPITAL STRENGTH | | | | | | |
| (a) Core capital | 82,120,807 | 72,475,434 | _ | _ | 94,204,351 | 81,667,879 |
| (b) Minimum statutory capital | 1,000,000 | 1,000,000 | - | - | 1,000,000 | 1,000,000 |
| (c) Excess (a-b) | 81,120,807 | 71,475,434 | - | - | 93,204,351 | 80,667,879 |
| (d) Supplementary capital | - | - | - | - | 315,163 | 265,766 |
| (e) TOTAL CAPITAL (a+d) | 82,120,807 | 72,475,434 | - | - | 94,519,514 | 81,933,645 |
| (f)TOTAL RISK WEIGHTED ASSETS | 468,837,218 | 404,040,200 | | | 524,611,420 | 444,759,800 |
| (g) Core capital / Total deposits liabilities | 15.96% | 15.80% | - | - | 16.26% | 16.25% |
| (h) Minimum statutory ratio | 8.00% | 8.00% | _ | _ | 8.00% | 8.00% |
| (i) Excess (g-h) | 7.96% | 7.80% | _ | - | 8.26% | 8.25% |
| (j) Core capital / Total risk weighted assets | 17.52% | 17.94% | _ | _ | 17.96% | 18.36% |
| (k) Minimum statutory ratio | 10.50% | 10.50% | _ | _ | 10.50% | 10.50% |
| (I) Excess (j-k) | 7.02% | 7.44% | _ | - | 7.46% | 7.86% |
| (m) Total capital / Total risk weighted assets | 17.52% | 17.94% | - | - | 18.02% | 18.42% |
| (n) Minimum statutory ratio | 14.50% | 14.50% | - | - | 14.50% | 14.50% |
| (o) Excess (m-n) | 3.02% | 3.44% | - | - | 3.52% | 3.92% |
| (p) Adjusted core capital / Total deposits liabilities* | - | 16.22% | - | - | - | 16.59% |
| (q) Adjusted core capital / Total risk weighted assets* | - | 18.41% | - | - | - | 18.75% |
| (r) Adjusted total capital / Total risk weighted assets* | - | 18.41% | - | - | - | 18.81% |
| LIQUIDITY | | | | | | |
| (a) Liquidity ratio | 52.30% | 55.61% | - | - | 52.90% | 53.20% |
| (b) Minimum statutory ratio | 20.00% | 20.00% | - | - | 20.00% | 20.00% |
| (c) Excess (a-b) | 32.30% | 35.61% | - | - | 32.90% | 33.20% |

^{*} 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. These ratios are no longer applicable.



MESSAGE FROM DIRECTORS

The Board has resolved to recommend to the shareholders for their approval at the forthcoming Annual General Meeting, scheduled for 29th May 2024, the payment of a final dividend for the year of KShs 3.00 per share which, together with the interim dividend of KShs 1.75 per share paid on 28th September 2023, brings the total dividend for the year 2023 to KShs 4.75 per share (2022: KShs 4.25 per share). The dividend will be payable to the shareholders registered on the Company's register at the close of business on 30th April 2024 and will be paid on or immediately after 29th May 2024.

These financial statements are extracts from the books of NCBA Group PLC as audited by Deloitte & Touche LLP and received an unqualified opinion. The complete set of audited 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.

The above statement of comprehensive income, statement of financial position and other disclosures are extracts from the financial statements of the company which have been approved for publication by the directors.

BY ORDER OF THE BOARD JOHN GACHORA GROUP MANAGING DIRECTOR NCBA GROUP PLC 26 March 2024

2.00

2.00

INTERIM DIVIDEND PER SHARE - DECLARED (Shs)

FINAL DIVIDEND PER SHARE - DECLARED (Shs)