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2025



INTEGRATED
ANNUAL REPORT
AND FINANCIAL STATEMENTS

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TABLE OF

CONTENTS

WHO WE ARE	6	Reflections from the Group Chairman
	14	Board of Directors
	16	Senior Management
	18	Our Vision & Values
	19	Awards & Accolades
	20	Message from the Group Managing Director
	30	Group Director's Finance Statement
	34	2020 - 2025 Strategic accomplishments
	36	2026 - 2030 Strategic Focus
OUR BUSINESS	42	Our Diversified Business Model
	44	Themes Affecting Our Business
	46	Message from The Managing Director - NCBA Kenya
	48	Corporate Business
	50	Retail Business
	54	Asset Finance & Business Solutions
	58	Digital Business
	62	Investment Banking
	66	NCBA Insurance
	70	Global Markets
	72	Our Regional Presence
	82	Managing Risks Strategically
ESG, CLIMATE RISK & SUSTAINABLE FINANCE	86	Environmental, Social & Governance (ESG)
	134	Employee Welfare
	141	Governance
OUR FINANCIALS	177	Directors' Remuneration Report
	184	Independent Auditor's Report
	188	Financial Statements and Notes
OTHER INFORMATION	364	Notice of the Annual General Meeting
	349	Proxy Form
	350	Fomu ya Uwakilishi



OUR COMMITMENT TO INTEGRATED REPORTING

NCBA Group has adopted the International Integrated Reporting Council's (IIRC) - Integrated Reporting Framework as the basis of our reporting structure.

The NCBA Group firmly believes that integrated reporting provides a platform that enables our stakeholders to better appreciate the interplay and interaction of various factors, both financial and non-financial, which ultimately affect our performance in our pursuit of creating long-term sustainable value. This report considers key factors that principally revolve around the capitals that the Group relies upon and their contribution to its success, capacity to respond to stakeholders' legitimate needs and interests, and ability to adapt our business model and strategy to exploit the risks and opportunities presented by our external environment.

Further, this report aims to make corporate reporting more transparent and meaningful for our stakeholders, and also highlights details of our strategies, opportunities and challenges in realising sustainable value for the future. It contains a summary of our strategies, businesses, products, services and value-creation efforts towards ensuring the continued and sustainable success of our business.

WHO WE ARE





JAMES NDEGWA

GROUP CHAIRMAN

Reflections from the
Group Chairman

"The Group delivered on its core mandate: serving our customers and communities, protecting our regional franchise and generating sustainable shareholder returns."

Global Growth

3.2%
In 2025

Kenya GDP Growth

5%
in 2025

NCBA Return on Average Equity (ROAE)

19.7%

NCBA Share Price KES

84.0

In 2025 from KES 27
in 2020

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the NCBA Group PLC Integrated Annual Report and Financial Statements for the year ended December 2025.

The year under review required operating resilience and disciplined execution as local, regional, and global economies adjusted to tighter financial conditions, evolving regulatory expectations, climate and sustainability considerations, and rapid shifts in customer behaviour.

In this challenging environment, the Group delivered on its core mandate: serving our customers and communities, protecting our regional franchise and generating sustainable shareholder returns. We enhanced our balance sheet, advanced key business initiatives, and continued to invest in our people, systems, and governance to strengthen the foundation on which we build continued growth into the future.

Operating Environment

Uncertainty dominated 2025. Both the International Monetary Fund's "Divergent and Uncertain Growth" and the World Bank's January "Global Economic Prospects" forecast slower growth, insufficient for sustainable economic development. Our December 2024 "2025 Macroeconomic Outlook" stressed uncertainty and urged policymakers to focus on domestic macroeconomic risks and ease monetary policy to support activity.

Despite forecasts of a slowdown, global growth held steady at 3.2 per cent in 2025, reflecting resilience amid economic and geopolitical challenges.

Kenya recovered from the shocks of 2024, achieving 5 per cent growth, supported by lower policy rates and improved business sentiment.

Moreover, agricultural output, though usually uncertain, was resilient, with the sector estimated to have expanded by 4.5 per cent, supported by steady crop harvests in cereals, horticulture, tea and coffee. Export prices also remained

Market liquidity supported government domestic borrowing in 2024/2025, narrowing the fiscal gap amid lower tax revenue. Strong demand for sovereign risk and successful borrowing led to lower Treasury yields, although external financing challenges remained.

Financial Performance

As we close out on our 2020- 2025 strategic cycle, the Board is pleased that through disciplined execution of the strategy we have built an even larger and more significant business.

In 2025, NCBA Group PLC reported a profit before tax of KES 27.9 billion, representing a 41.1 per cent CAGR from FY 2020. The Group delivered a profit after tax of KES 23.4 billion, representing a 38.6 per cent CAGR from KES 4.6 billion reported in 2020.

The Group's balance sheet demonstrated strong fundamentals, with total assets of KES 716 billion representing a 6 per cent CAGR since 2020. NCBA maintained the quality of its loan book with the Non-Performing Loan (NPL) ratio improving from 14.0 per cent in 2020 to 10.2 per cent in 2025. Returns on Earned Assets (ROEA) remained stable averaging approximately 17 per cent since 2020.

The strong 2025 performance allowed a dividend payout of KES 11.7 billion for the year up from KES 2.5 billion in 2020, underscoring the Group's commitment to delivering sustainable shareholder returns while maintaining a robust capital position.

2020-2025 Key Milestones Post-Merger

Five years after the 2019 merger between NIC Group PLC (NIC) and Commercial Bank of Africa Limited (CBA), which created a stronger and more resilient financial services group, NCBA has delivered on the strategic promise of scale, diversification, and digitisation. The Group has expanded its regional reach, accelerated digital innovation, deployed capital into disciplined growth opportunities, strengthened sustainability outcomes, and created enduring value for shareholders while keeping customers and communities at the center of its business.

We deepened profitability in the regional banking and non-banking subsidiaries and successfully executed strategic milestones, including the integration of NCBA Insurance and sustained growth of wealth management in Investment Banking.

This progress was underpinned by significant investment in technology, people and governance, enabling industry-leading digital adoption, improved operational reliability and a clear inflection point on cost efficiency.

At the same time, sustainability and inclusion were embedded at the core of value creation, with capital mobilized toward green, SME and creative economy financing, positioning the Group strongly for the next phase of sustainable, long-term growth.

Creating Shareholder Value

NCBA has consistently delivered shareholder value through strong dividend returns, improved market performance, and disciplined capital management. Over the period, as already noted, the Group's dividend payout increased more than fourfold to KES 11.7 billion in 2025 from KES 2.5 billion in FY2020, while the share price rose more than threefold from KES 27 to close 2025 at KES 89.8. Return on Average Equity (ROAE) improved markedly to 19.7 per cent from 5 per cent over the same period, supported by stronger profitability and sustained execution. The Group remained well capitalised, with a total capital adequacy ratio of 21.2 per cent in 2025, preserving capacity to invest for growth, and as of early 2026, maintained a 'B-' rating with a Rating Watch Positive from Fitch Ratings, reflecting a strong outlook on performance.

2026 Macroeconomic Outlook

Against the backdrop of decent growth momentum in 2025, particularly in the fourth quarter, we expect global growth to expand by about 3.3 per cent in 2026, partly driven by continued monetary easing across most economies. However, uncertainty remains over how long the war in the Middle East will persist and when logistics and supply chains will return to normal, with direct and second-round effects on inflation, currency depreciation, and supply-chain disruptions that could weigh on economic growth. In addition, uncertainty around trade tariffs remains, creating further potential shocks to the growth outlook.

In advanced countries, we expect significant divergence. In the United States (US), we foresee continued economic outperformance driven by investments in technology and Artificial Intelligence (AI) even though unpredictable foreign policy developments could jeopardise this performance. In Europe, we project 2026 growth to be adversely affected by elevated energy costs stemming from the Middle East war, coming in below 1.2 per cent. In China, even

Who We Are

Our Business

ESG, Climate Risk &
Sustainable Finance

Our Financials

Other Information



Reflections From The Group Chairman (Continued)

modest oil supply disruptions are expected to moderate economic growth to about 4.0 per cent from 4.5 per cent in 2026, depending on the outcome of US-China trade tensions and policy support from China's 15th five-year government plan.

Overall, we continue to closely monitor developments in the Middle East war and its second-round effects, US labour market developments, weaker-than-projected global economic activity, downside risk from equity valuations linked to Artificial Intelligence investments, and high public debt levels.

In Kenya, following the fourth-quarter momentum from improved private-sector credit growth and increased fiscal spending in the second half of last year, we now forecast that economic growth will face new headwinds from the aftermath of the Middle East war in 2026. The service sector is projected to expand by about 6 per cent this year, while an upside in the industrial sector is likely to emerge, with construction benefiting from increased public-sector activity and food processing remains a bright spot in manufacturing.

While the outlook anticipates sustained resilience in agriculture, export market access and weather outcomes could surprise on the downside. Already, the exports of agricultural commodities face logistical challenges, while lower incomes in advanced economies might lead to a decline in export earnings.

Against this backdrop, we see uncertainty about private-sector credit growth, which is likely to remain in single digits.

Maintaining foreign exchange market liquidity this year remains critical, especially after the benefits seen in 2025. To this end, the Central Bank of Kenya (CBK) has significantly boosted its foreign exchange reserve buffers. Moreover, foreign exchange demand appears moderate. Thus, the exchange rate outcomes may be better compared to previous oil shocks.

Key Trends that will Shape the Future of Financial Services

As the Group enters the next strategic cycle 2026-2030, several structural trends will define the financial services environment. We view these trends not only as risks to be managed, but also as opportunities to differentiate our franchise and create further sustainable value.

- **Digital-first customer expectations:** Customers increasingly expect seamless onboarding, 24/7 service, instant decisions, and consistent experiences across channels. This increases the premium on user-oriented design, data quality, and reliable platforms.

- **Data, analytics, and AI at scale:** Advanced analytics and AI are transforming credit decisioning, fraud prevention, collections, service, and productivity, while raising expectations around model governance, fairness, explainability, and data privacy.
- **Real-time and interoperable payments:** Continued growth in instant payments, QR and wallet ecosystems, and embedded finance will reward banks that build open, secure rails and partnerships to expand reach and lower cost-to-serve.
- **Heightened cyber and fraud risk:** More sophisticated threats require stronger security architecture, continuous monitoring, customer education, and resilient incident response.
- **Regulatory evolution:** Regulatory focus is increasing around consumer outcomes, operational resilience, capital and liquidity standards, AML/CFT effectiveness, third-party and outsourcing oversight.
- **Sustainability and climate finance:** Demand for green and transition finance is raising, alongside the need to quantify and manage physical and transition climate risks within portfolios.
- **Margin and funding dynamics:** Competition for stable deposits and changes in interest-rate cycles reinforce the need for diversified funding, pricing discipline, and active balance sheet management.

Future Business Outlook

In drawing the curtain on the first chapter of NCBA's strategy and embark on the next, we are clear that the opportunities ahead are immense and require us to meet the moment with clarity and boldness. As a Board, we see strategic partnerships as accelerators of our growth ambitions and in the delivery of our aspirations for NCBA.

On January 21, 2026, we received a strategic investment proposal from Nedbank Group Limited to acquire approximately 66 per cent of NCBA shares. Although this transaction remains subject to various regulatory approvals we are excited by the potential that the investment by Nedbank Group portends for NCBA. We believe that by combining our local expertise and regional network with Nedbank's global capabilities and strong balance sheet, we will generate considerable synergies and strengthen our growth trajectory.

As the Group enters its next phase of growth, the Board is proud to steward a new strategy that reflects both continuity and conviction. The UBUNTU Strategy (2026-2030) was developed ahead of the

Reflections From The Group Chairman (Continued)

Nedbank transaction and stands firmly on its own as the blueprint for NCBA's long-term growth, aligned with the values and fundamentals that have consistently defined the Group.

Our ambition under this strategy is clear. We will fortify our core businesses by deepening customer relationships, strengthening our balance sheet, and delivering consistently superior service. We will scale our high-growth engines, from digital lending and payments to asset finance, investment banking, and insurance, while ensuring that our regional subsidiaries become important contributors to the Group's next phase of growth. We will unlock new frontiers in priority markets and sectors through partnerships, platform-led models, and cross-border capabilities that widen our scope and influence. Finally, we will build a future-proof operating model, powered by modern technology, data and AI, resilient operations, and strong leadership that embodies the UBUNTU philosophy.

Together, the UBUNTU Strategy and the Nedbank partnership give us clarity, confidence, and the capacity to navigate a changing world as we continue to deliver substantial progress for our customers, shareholders, and the communities we serve.

Appreciation

On behalf of the Board, I would like to acknowledge and appreciate all our stakeholders across the region for their commitment and continued which have helped deliver impressive results for the Group. We are confident in the relevance of our strategic path and in NCBA's ability to implement it.

Our employees remain a key pillar in the delivery of our strategy, and we will continue to ensure we provide a competitive employee value proposition to sustain our growth momentum.

We have a strong, diverse, and competent Board that will continue to guide the business toward achieving and sustaining its strategic objectives. I would like to thank, shareholders, my fellow Board colleagues, our employees, regulators, and partners, for the transformative collaboration that has led to the successes achieved during the year.

J P M Ndegwa

Group Chairman





JAMES NDEGWA

MWENYEKITI WA KUNDI

"Kundi limetekeleza kwa mafanikio wajibu wake mkuu wa kulinda na kuimarisha biashara yetu ya kikanda, kuwahudumia wateja na jamii zetu, pamoja na kuzalisha thamani endelevu kwa wanahisa"

**Ukuaji wa Uchumi
Duniani**

3.2%
Mwaka 2025

**Ukuaji wa Pato la
Taifa la Kenya**

5%
Mwaka 2025

**Marejesho ya
NCBA kwa Mtaji wa
Wanahisa (ROAE)**

19.7%

Bei ya Hisa ya NCBA

KES 84.0

**Mwaka 2025, kutoka
KES 27 mwaka 2020**

Wenye-hisa Wapendwa,

Kwa niaba ya Bodi ya Wakurugenzi, nina furaha kuwasilisha kwenu Ripoti Jumuishi na Taarifa za Kifedha za NCBA Group PLC za mwaka uliomalizika Desemba 2025.

Mwaka tunaouangazia ulihitaji uthabiti wa uendeshaji na nidhamu katika utekelezaji, wakati uchumi wa ndani, kikanda na kimataifa ukiendelea kuzoea mazingira magumu ya kifedha, matarajio yanayobadilika ya udhibiti na uzingatiaji wa sheria, masuala ya tabianchi na uendelevu, pamoja na mabadiliko ya haraka katika tabia za wateja.

Katika mazingira haya yenye changamoto, Kundi lilifanikiwa katika wajibu wake mkuu: kuwahudumia wateja wetu na jamii, kulinda biashara yetu ya kikanda, na kutengeneza thamani endelevu kwa wanahisa. Tuliimarisha mizania yetu, tukaendeleza mipango muhimu ya biashara, na kuendelea kuwekeza katika watu wetu, mifumo na utawala ili kuimarisha msingi wa ukuaji wa siku zijazo

Mazingira ya Uendeshaji

Mwaka 2025 ulitawaliwa na hali ya kutotabirika. Shirika la Fedha la Kimataifa, kupitia ripoti yake ya "Ukuaji Mseto na Usiotabirika", na Benki ya Dunia, kupitia ripoti yake ya Januari ya "Matarajio ya Uchumi wa Dunia", zote zilitabiri kushuka kwa kasi ya ukuaji, kwa kiwango kisichotosha kuleta maendeleo endelevu ya kiuchumi. Katika chapisho letu la Desemba 2024, "Matarajio ya Uchumi Mpana 2025", tulisisitiza kutotabirika kwa mazingira ya uchumi na kuwahimiza watunga sera kukabiliana na hali hatarishi kwa uchumi na kuboresha sera ya kifedha ili kuchochea shughuli za kiuchumi.

Licha ya ubashiri huu wa kupungua kwa kasi ya ukuaji, uchumi wa dunia uliendelea kuwa imara, ukikua kwa asilimia 3.2 mwaka 2025. Hii iliashiria uthabiti licha ya changamoto za kiuchumi na misukosuko ya kijiografia na kisiasa. Kenya ilijikwamua kutokana na misukosuko ya mwaka 2024 na kufikia ukuaji wa asilimia 5, ikisaidiwa na kushuka kwa viwango vya sera ya fedha na kuimarika kwa imani ya wafanyabiashara.

Kadhalika, uzalishaji katika kilimo, ambao kwa kawaida huwa hautabiriki kirahisi, uliendelea kuwa imara. Sekta hiyo inakadiriwa kukua kwa asilimia 4.5, ikisaidiwa na mavuno mazuri ya nafaka, mazao ya bustani, chai na kahawa. Bei za mauzo ya nje pia zilibaki katika kiwango kizuri.

Upatikanaji wa fedha sokoni uliwezesha Serikali kukopa ndani ya nchi katika mwaka 2024/2025, na kusaidia kupunguza nakisi ya bajeti licha ya mapato ya kodi kuwa chini. Mahitaji makubwa ya dhamana za Serikali na mafanikio katika ukopaji yalichangia kushuka kwa mapato ya hati za Hazina, ingawa changamoto za ukopaji kutoka nje ya nchi ziliendelea kuwepo.

Matokeo ya Kifedha

Tunapohitimisha mzunguko wetu wa mkakati wa 2020-2025, Bodi inaridhishwa kuwa, kupitia utekelezaji wa mkakati kwa nidhamu, tumejenga biashara kubwa zaidi na yenye mchango mkubwa zaidi.

Kwa mwaka wa fedha wa 2025, NCBA Group PLC iliandika faida kabla ya kodi ya KES 27.9 bilioni, ikiwa ni kiwango cha wastani cha ukuaji wa kila mwaka (CAGR) cha asilimia 41.1 tangu mwaka 2020. Kundi liliandika faida baada ya kodi ya KES 23.4 bilioni, ikiwa ni CAGR ya asilimia 38.6 kutoka KES 4.6 bilioni iliyoripotiwa mwaka 2020.

Mizania ya Kundi inaonyesha misingi thabiti, huku jumla ya mali ikiwa KES 716 bilioni, sawa na CAGR ya asilimia 6 tangu mwaka 2020. NCBA pia imedumisha ubora wa kitabu chake cha mikopo, ambapo uwiano wa mikopo chechefu (NPL) uliimarika kutoka asilimia 14.0 mwaka 2020 hadi asilimia 10.2 mwaka 2025. Kiwango cha Faida kwa Wastani wa Mtaji wa Wanahisa (ROAE) kiliendelea kuwa thabiti, kikiwa wastani wa takriban asilimia 17 tangu mwaka 2020.

Matokeo haya mazuri ya mwaka 2025 yaliwezesha Kundi kulipa gawio la KES 11.7 bilioni kwa mwaka, kutoka KES 2.5 bilioni mwaka 2020. Hii inadhihirisha dhamira ya Kundi ya kutengeneza thamani endelevu kwa wanahisa huku likidumisha mtaji imara.

Hatua Kuu za 2020-2025 Baada ya Muungano

Miaka mitano baada ya muungano wa mwaka 2019 kati ya NIC Group PLC (NIC) na Commercial Bank of Africa Limited (CBA), uliounda kundi la huduma za kifedha lenye nguvu na uthabiti zaidi, NCBA imetimiza ahadi kuu ya kimkakati ya ukuaji, utofauti wa biashara na huduma za kidijitali. Kundi limepanua wigo wake wa kikanda, kuharakisha ubunifu wa kidijitali, kuelekeza mtaji katika fursa za ukuaji kwa nidhamu, kuimarisha matokeo ya uendelevu, na kutengeneza thamani ya muda mrefu kwa wanahisa, huku likiendelea kuwaweka wateja na jamii katika kiini cha biashara yake.

Tuliimarisha faida katika shughuli za benki za kikanda na kampuni tanzu zisizo za kibenki, na kutekeleza mafanikio muhimu ya kimkakati, ikiwemo kujumuisha NCBA Insurance katika Kundi na kuendelea ukuaji wa huduma za usimamizi wa mali katika biashara ya uwekezaji benki.

Maendeleo haya yalichangiwa na uwekezaji mkubwa katika teknolojia, watu na utawala, ambao ulichochea matumizi makubwa ya huduma za kidijitali, kuboresha uthabiti wa uendeshaji, na kuweka msingi mpya wa ufanisi wa gharama.

Wakati huohuo, uendelevu na ujumuishi wiliwekwa katika kiini cha utengenezaji wa thamani. Mtaji ulielekezwa katika ufadhili wa miradi ya mazingira, biashara ndogo na za kati, na uchumi wa ubunifu. Hatua hizi zimeliweka Kundi katika nafasi imara kwa awamu inayofuata ya ukuaji endelevu na wa muda mrefu.

Kutengeneza Thamani kwa Wanahisa

NCBA imeendelea kutengeneza thamani kwa wanahisa kupitia gawio imara, kuimarika kwa utendaji wa hisa sokoni, na usimamizi wa mtaji kwa nidhamu. Katika kipindi hicho, gawio la faida la Kundi liliongezeka kwa zaidi ya mara nne, kutoka KES bilioni 2.5 katika mwaka wa fedha wa 2020 hadi KES bilioni 11.7 mwaka 2025. Wakati huohuo, bei ya hisa iliongezeka kwa zaidi ya mara tatu, kutoka KES 27 hadi kufunga mwaka 2025 kwa KES 89.8. Kiwango cha Faida kwa Wastani wa Mtaji wa Wanahisa (ROAE) kiliimarika kwa kiasi kikubwa hadi asilimia 19.7 kutoka asilimia 5 katika kipindi hicho, kikichangiwa na kuongezeka kwa faida na utekelezaji endelevu. Kundi liliendelea kuwa na mtaji wa kutosha, likiwa na uwiano wa jumla wa utoshelevu wa mtaji wa asilimia 21.2 mwaka 2025, hali iliyolipa Kundi uwezo wa kuendelea kuwekeza katika fursa za ukuaji. Aidha, kufikia mwanzoni mwa mwaka 2026, Kundi liliendelea kuwa na alama ya 'B-' kutoka Fitch Ratings, ikiwa chini ya uangalizi chanya wa ukadiriaji (Rating Watch Positive), jambo linaloashiria matarajio chanya kuhusu utendaji wake.

Matarajio ya Uchumi Mpana 2026

Kutokana na kasi nzuri ya ukuaji iliyoonekana mwaka 2025, hasa katika robo ya nne, tunatarajia uchumi wa dunia kukua kwa takriban asilimia 3.3 mwaka 2026, kwa kiasi fulani kutokana na kulegezwa kwa sera za fedha katika mataifa mengi. Hata hivyo, kutotabirika bado kunaendelea kuhusu muda ambao mgogoro wa Mashariki ya Kati utaendelea, pamoja na lini shughuli za usafirishaji na minyororo ya ugavi zitarejea katika hali ya kawaida. Hali hii inaweza kuongeza shinikizo kwenye mfumuko wa bei, kudhoofisha sarafu na kuendelea kuvuruga minyororo ya ugavi, hivyo kuathiri kasi ya ukuaji wa uchumi. Aidha, sintofahamu kuhusu sera za



Tafakari kutoka kwa Mwenyekiti wa Kundi (Inaendelea)

ushuru wa biashara bado inaendelea, jambo linaloongeza uwezekano wa misukosuko zaidi katika matarajio ya ukuaji.

Katika mataifa yaliyoendelea kiuchumi, tunatarajia kutofautiana kwa mwenendo wa ukuaji. Nchini Marekani, tunatarajia uchumi kuendelea kufanya vizuri kuliko maeneo mengine, ukichochea na uwekezaji katika teknolojia na Akili Mnemba (AI), ingawa mabadiliko yasiyotabirika ya sera za nje yanaweza kuhatarisha mwenendo huu. Kwa upande wa Ulaya, ukuaji wa mwaka 2026 unatarajiwa kuathiriwa na gharama kubwa za nishati zinazotokana na mgogoro wa Mashariki ya Kati, na kubaki chini ya asilimia 1.2. Kwa China, hata changamoto ndogo katika usambazaji wa mafuta zinaweza kupunguza kasi ya ukuaji wa uchumi hadi takriban asilimia 4.0, kutoka asilimia 4.5 mwaka 2026. Matarajio haya yatategemea mwenendo wa mvutano wa kibiashara kati ya Marekani na China, pamoja na hatua za sera zitakazochukuliwa chini ya Mpango wa 15 wa Maendeleo wa Miaka Mitano wa China.

Kwa jumla, tunaendelea kufuatilia kwa karibu mwenendo wa mgogoro wa Mashariki ya Kati na athari zake zisizo za moja kwa moja, mwenendo wa soko la ajira la Marekani, uwezekano wa shughuli za uchumi wa dunia kuwa dhaifu kuliko ilivyotarajiwa, hatari ya kushuka kwa thamani ya hisa zinazohusishwa na uwekezaji katika AI, pamoja na viwango vya juu vya deni la umma.

Nchini Kenya, baada ya kuimarika kwa ukuaji wa mikopo kwa sekta binafsi katika robo ya nne na kuongezeka kwa matumizi ya Serikali katika nusu ya pili ya mwaka uliopita, tunatarajia ukuaji wa uchumi kukabiliwa na changamoto mpya kutokana na athari za mgogoro wa Mashariki ya Kati mwaka 2026. Sekta ya huduma inatarajiwa kukua kwa takriban asilimia 6 mwaka huu, huku sekta ya viwanda nayo ikionyesha dalili za kuimarika. Sekta ya ujenzi inatarajiwa kunufaika kutokana na kuongezeka kwa shughuli za sekta ya umma, huku usindikaji wa vyakula ukiendelea kuwa eneo linaloonyesha matumaini katika sekta ya viwanda.

Ingawa sekta ya kilimo inatarajiwa kuendelea kuonyesha uthabiti, upatikanaji wa masoko ya nje na athari za mabadiliko ya tabianchi vinaweza kuathiri matokeo yake. Mauzo ya bidhaa za kilimo nje ya nchi tayari yanakabiliwa na changamoto za usafirishaji, huku kupungua kwa uwezo wa matumizi katika mataifa yaliyoendelea kiuchumi kukitarajiwa kupunguza mahitaji na mapato ya mauzo hayo. Kutokana na mazingira haya, ukuaji wa mikopo kwa sekta binafsi unatarajiwa kusalia wa wastani, chini ya asilimia 10.

Kudumisha ukwasi katika soko la fedha za kigeni mwaka huu kutakuwa muhimu sana, hasa baada ya manufaa yaliyoonekana mwaka 2025. Kuhusiana na hili, Benki Kuu ya Kenya (CBK) imeimarisha kwa kiasi kikubwa akiba yake ya fedha za kigeni. Aidha, mahitaji ya fedha za kigeni yanaonekana kuwa wa wastani. Kwa hivyo, mwenendo wa kiwango cha ubadilishaji fedha unaweza

kuwa bora zaidi kuliko ilivyokuwa katika misukosuko ya awali ya mafuta.

Mienendo Muhimu Itakayounda Mustakabali wa Huduma za Kifedha

Kundi linapoingia katika mzunguko mpya wa mkakati wa 2026-2030, kuna mienendo kadhaa ya kimuundo itakayobainisha mazingira ya huduma za kifedha. Tunaitazama mienendo hii si tu kama hatari zinazopaswa kudhibitiwa, bali pia kama fursa za kutofautisha biashara yetu na kutengeneza thamani endelevu zaidi.

- **Matarajio ya wateja kuhusu huduma za kidijitali kwanza:** Wateja wanazidi kutarajia kufunguliwa huduma bila usumbufu, huduma za wakati wote, maamuzi ya papo hapo, na uzoefu unaofanana katika njia mbalimbali. Hali hii inaongeza umuhimu wa usanifu unaomlenga mtumiaji, ubora wa data, na mifumo inayotegemewa.
- **Data, uchanganuzi na AI kwa kiwango kikubwa:** Uchanganuzi wa hali ya juu na AI vinabadilisha maamuzi ya mikopo, kuzuia ulaghai, ukusanyaji wa madeni, huduma kwa wateja na tija, huku vikiongeza matarajio kuhusu usimamizi wa modeli, haki na usawa, uelewekaji wa maamuzi, na faragha ya data.
- **Malipo ya papo hapo na mifumo inayoingiliana:** Ukuaji wa malipo ya papo hapo, QR, mifumo ya pochi za kidijitali na huduma za kifedha zilizojumuishwa kwenye huduma nyingine utafaidisha benki zinazojenga njia wazi na salama, pamoja na ushirikiano unaopanua wigo na kupunguza gharama za kutoa huduma.
- **Kuongezeka kwa hatari za uhalifu wa mtandaoni na ulaghai:** Vitisho vinavyozidi kuwa changamano vinahitaji usanifu imara wa usalama, ufuatiliaji endelevu, elimu kwa wateja, na uwezo thabiti wa kukabiliana na matukio.
- **Mabadiliko ya udhibiti:** Mamlaka za usimamizi zinazidi kuangazia matokeo kwa mteja, uthabiti wa uendeshaji, viwango vya mtaji na ukwasi, ufanisi wa AML/CFT, na usimamizi wa watoa huduma wa nje na kazi zinazotolewa nje.
- **Uendelevu na ufadhili wa tabianchi:** Mahitaji ya ufadhili wa kijani na ufadhili wa mpito yanaongezeka, sambamba na haja ya kupima na kudhibiti hatari za tabianchi, zikiwemo hatari za moja kwa moja na hatari za mpito ndani ya portfolio.
- **Mienendo ya ukingo wa faida na ufadhili:** Ushindani wa kupata amana imara na mabadiliko katika mizunguko ya

Tafakari kutoka kwa Mwenyekiti wa Kundi (Inaendelea)

viwango vya riba vinatilia mkazo umuhimu wa kuwa na vyanzo mbalimbali vya ufadhili, nidhamu katika upangaji wa bei, na usimamizi makini wa mizania.

Matarajio ya Mustakabali wa Biashara

Tunapohitimisha sura ya kwanza ya mkakati wa NCBA na kuanza sura inayofuata, ni wazi kuwa fursa zilizo mbele yetu ni kubwa na zinahitaji tukabiliane nazo kwa mwelekeo thabiti na ujasiri. Kama Bodi, tunaamini kuwa ushirikiano wa kimkakati ni kichocheo muhimu cha kuharakisha ukuaji wetu na kutimiza matarajio tuliyonayo kwa NCBA.

Tarehe 21 Januari 2026, tulipokea pendekezo la uwekezaji wa kimkakati kutoka Nedbank Group Limited la kununua takriban asilimia 66 ya hisa za NCBA. Ingawa shughuli hiyo bado inahitaji idhini mbalimbali za udhibiti, tunaona fursa kubwa katika uwekezaji unaopendekezwa na Nedbank Group kwa NCBA. Tunaamini kuwa kwa kuunganisha ujuzi wetu wa ndani na mtandao wetu wa kikanda na uwezo wa kimataifa wa Nedbank pamoja na mizania yake imara, tutaweza kutengeneza manufaa makubwa ya pamoja na kuimarisha mkondo wetu wa ukuaji.

Kundi linapoingia katika awamu inayofuata ya ukuaji, Bodi ina furaha kusimamia mkakati mpya unaokisi mwendeleo na uthabiti wa imani yetu. Mkakati wa UBUNTU (2026-2030) uliandaliwa kabla ya shughuli hiyo na Nedbank na unabaki kuwa dira inayojitegemea ya ukuaji wa muda mrefu wa NCBA, ukiendana na maadili na misingi ambayo imeendelea kulitambulisha Kundi.

Dhamira yetu chini ya mkakati huu iko wazi. Tutaimarisha biashara zetu kuu kwa kuongeza kina cha uhusiano na wateja, kuimarisha mizania yetu, na kuhakikisha tunatoa huduma bora kwa uthabiti. Tutapanua vichochezi vyetu vya ukuaji, kuanzia ukopesaji wa kidijitali na mifumo ya malipo, hadi ufadhili wa mali, huduma za uwekezaji benki na bima, huku tukihakikisha kampuni zetu tanzu za kikanda zinachangia zaidi katika awamu inayofuata ya ukuaji wa Kundi. Tutaingia katika masoko na sekta mpya za kipaumbele kupitia ushirikiano, miundo inayoongozwa na mifumo, na uwezo wa kuvuka mipaka unaopanua wigo na ushawishi wetu.

Mwisho, tutajenga muundo wa uendeshaji ulio tayari kwa siku zijazo, unaowezeshwa na teknolojia za kisasa, data na AI, shughuli zenye uthabiti, na uongozi imara unaishi falsafa ya UBUNTU.

Kwa pamoja, Mkakati wa UBUNTU na ushirikiano na Nedbank vinatupatia mwelekeo, imani na uwezo wa kuhimili mabadiliko ya dunia, huku tukiendelea kuleta maendeleo makubwa kwa wateja wetu, wanahisa na jamii tunazohudumia.

Shukrani

Kwa niaba ya Bodi, ningependa kuwatambua na kuwashukuru wadau wetu wote katika kanda kwa kujitolea kwao na kuendelea kutuunga mkono, jambo ambalo limechangia matokeo mazuri ya Kundi. Tuna imani na mwelekeo wetu wa kimkakati na uwezo wa NCBA kuutekeleza.

Wafanyakazi wetu ni nguzo muhimu katika utekelezaji wa mkakati wetu, na tutaendelea kuhakikisha tunawapa thamani na mazingira bora ya kazi yenye ushindani ili kuendeleza kasi yetu ya ukuaji.

Tuna Bodi thabiti, yenye uanuwai na umahiri, ambayo itaendelea kuongoza biashara yetu katika kufikia na kudumisha malengo yake ya kimkakati. Ningependa kuwashukuru wanahisa, wenzangu katika Bodi, wafanyakazi, mamlaka za usimamizi na washirika wetu kwa ushirikiano wa kipekee uliotuwezesha kupata mafanikio tuliyoyapata katika mwaka huo.

J P M Ndegwa
Mwenyekiti wa Kundi



BOARD OF DIRECTORS



James P.M. Ndegwa
Group Chairman - Non-Executive

Year appointed to Board: 2003
Year appointed Chairman: 2005



Desterio A. Oyatsi
Deputy Group Chairman - Independent

Other NCBA Directorships and Responsibilities:
Chairman:
• Group Board Governance and Nominations Committee
• Group Board Executive and Strategy Committee
Year appointed to Board: 2019



John M. Gachora
Executive, Group Managing Director & Chief Executive Officer

Other NCBA Directorships and Responsibilities:
NED of:
• NCBA Bank Kenya PLC
• NCBA Insurance Company Limited
• NCBA Investment Bank Limited
• NCBA Bancassurance Intermediary Limited
• LOOP DFS Limited
• NCBA Leasing LLP (Chairman).
Year appointed to Board: 2013



Andrew S. M. Ndegwa
Non-Executive

Other NCBA Directorships and Responsibilities:
NED of NCBA Bank Kenya PLC
Year appointed to Board: 1997



Esther N. Ngaine
Non-Executive

Other NCBA Directorships and Responsibilities:
• Chairman - Bank Board Credit Committee
• Chairman - Bank Board Risk Management Committee
• INED of NCBA Bank Kenya PLC
• NED of NCBA Bank Tanzania Limited
Year appointed to Board: 2014



Kairo Thuo
Independent, Non-Executive

Other NCBA Directorships and Responsibilities:
Chairman (INED) of NCBA Investment Bank Limited
Year appointed to Board: 2024



Hon. Abdirahin H. Abdi
Independent, Non-Executive

Other NCBA Directorships and Responsibilities:
Chairman - Group Board Audit and Risk Committee, and NED of:
• NCBA Bank Rwanda PLC
• NCBA Bank Tanzania Limited
Year appointed to Board: 2019



Mariam M. H. Abdullahi
Independent, Non-Executive

Other NCBA Directorships and Responsibilities:
Chairman - Group Board Information and Communication Technology Committee
Year appointed to Board: 2024



David S. Abwoga
Executive, Group Director Finance

Other NCBA Directorships and Responsibilities:
Group Director, Finance (ED) and NED of:
• NCBA Bancassurance Intermediary Limited
• NCBA Leasing LLP
• NCBA Trustee Nominees Limited
Year appointed to Board: 2018



Esther Kung'u
Ag. Group Company Secretary
Year appointed 2025

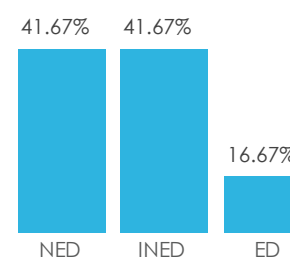
Notes:

- Abridged biographies of the Board members are available on the Group's website at: <https://ncbagroup.com/board-of-directors/>
- The Group recorded a change in Board composition during the year, which was publicly disclosed on 27th November 2025.
- The Group also recorded a change in the Company Secretary during the year, which was publicly disclosed on 1st October 2025.
- None of the Directors held directorships in more than three (3) public listed companies during the year under review.
- The Chairman did not hold any directorship in other public listed companies during the year.

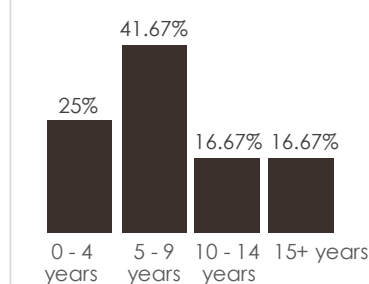
For purposes of this report:

- INED refers to Independent Non-Executive Director;
- NED refers to Non-Executive Director; and
- ED refers to Executive Director.
- Directors' external directorships are reviewed by the Group Board Governance and Nominations Committee to assess compliance with applicable regulatory requirements, including the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 and other relevant laws and regulations. As at the date of this report, all Directors had complied with these requirements.
- The information presented below relates to Directors in office as at 31st December 2025.
- Length of service has been calculated from the date of appointment to 31st December 2025.
- Age has been calculated as at 31st December 2025.

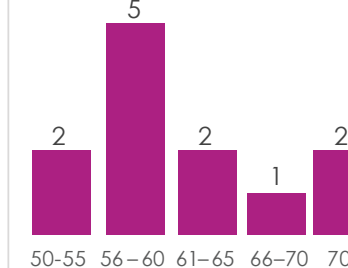
Directors' Independence



Directors' Length of Service



Directors' Age Distribution



John S. Armitage
Non-Executive

Other NCBA Directorships and Responsibilities:
NED of:
• NCBA Bank Kenya PLC
• LOOP DFS Limited
Year appointed to Board: 2019



Muhoho Kenyatta
Non-Executive

Other NCBA Directorships and Responsibilities:
NED of:
• Chairman - LOOP DFS Limited
• Bridge Microfinance (Côte d'Ivoire)
Year appointed to Board: 2025



Philip R. Lopokoit
Independent, Non-Executive

Other NCBA Directorships and Responsibilities:
• Chairman - Group Board Human Resources Committee
• NED of NCBA Bank Uganda Limited
Year appointed to Board: 2018



SENIOR MANAGEMENT



JOHN M. GACHORA, MBS
Group Managing Director &
Chief Executive Officer



DAVID ABWOGA
Group Director, Finance



JAMES GOSSIP
Managing Director, NCBA Bank
Kenya PLC



PAULINE NDOTÉ
Group Director, Credit Risk
Management



DENNIS NJAU
Group Director, Retail Banking



ISAAC OWILLA
Group Director, Technology &
Operations



ESTHER KUNG'U
Ag. Group Company Secretary



RAPHAEL AGUNG
Group Director, Global Markets



TIM ARMITAGE
Group Director, Risk & Compliance



NELLY WAINAINA
Group Director, Marketing,
Communication & Citizenship



LOUISA WANDABWA
Group Director, Strategy &
Regional Business



ALEX MZIRAY
Managing Director,
NCBA Bank Tanzania Limited



MONICAH KIHIA
Group Director, Human Resources
& Culture



LENNOX MUGAMBI
Group Director, Asset Finance &
Business Solutions



ERIC MURIUKI
Group Director, Digital Business



MARK MUYOBO
Managing Director,
NCBA Bank Uganda Limited



MAURICE TOROITICH
Managing Director,
NCBA Bank Rwanda PLC



STELLA NJUNG'E
Managing Director,
NCBA Insurance Company Limited

Notes:

- Abridged biographies of the senior management team are available on the Group's website at: <https://ncbagroup.com/ke/meet-the-team/>
- The information presented above relates to senior management of NCBA Group PLC, NCBA Bank Kenya PLC, and select leadership from subsidiaries in East Africa.
- During the year under review, there was a change in the office of the Group Company Secretary, following the resignation of, Ms. Kathryn K. Maundu, effective 30th September 2025, to pursue personal interests.

Notes (Continued)

- There was a further change in senior management following the resignation of the Group Director, Corporate and Investment Banking Advisory, Mr. Tirus G. Mwithiga, effective 31st January 2026, to pursue another career opportunity.
- The changes in senior management composition did not have any adverse impact on the Group's strategy, reputation, or operations.
- During the year under review, no conflicts of interest were identified or reported that would impair the independence or objectivity of members of senior management





Our Values



Open:

- Honest
- Transparent
- Inclusive



Trusted:

- Teamwork
- Integrity
- Accountability



Driven:

- Decisive
- Passionate
- Bold



Responsive:

- Speed
- Simplicity & Innovation
- Focusing on our customers

NCBA GROUP AWARDS



Customer Experience

Business Monthly East Africa
Top 20 Customer Centric Brands (NCBA Group)

ICX
Best Internal CX (NCBA Group)

Kenya Bankers Association
2nd Best Overall in Customer Experience (NCBA Bank)

Kenctad Kenya
Best Overall Banking Experience, Customer Experience (NCBA Bank)

Customer Experience Africa Awards
Best Customer Experience Team of the Year Award (NCBA Bank)

Business Monthly East Africa
Top 20 Customer Centric Brands (NCBA-IG)



Brand, Marketing & Visibility

Brand Finance
Most Valuable Brand in Kenya (NCBA Bank Kenya)

Pitcher Festival
Grand Prix
– Hewa Safi Project (NCBA Group)

Gold Marketing Company of the Year
– Hewa Safi Project (NCBA Group)

2 Silver Marketing Company of the Year Awards
– Hewa Safi Project (NCBA Group)

Bronze Marketing Company of the Year
– Hewa Safi Project (NCBA Group)



ESG, Sustainability & Impact

Daima Trust
DIAR Award for Impact Investing Initiative

KENCTAD LTD
Climate Action and Green Finance Leader

Daima Trust
DIAR Award for Best Company in Sustainability / ESG Reporting

Public Relations Association of Uganda
Best CSR and ESG Campaign – NCBA-Makerere Marathon Campaign

Marketing World Awards
Sustainability Initiative & Sustainability Personality of the Year Award



Leadership & Functional Excellence

Instinct Business
CEO of the Week (GMD, NCBA Group)

The Governance Business Boardroom
Top HR Business Leader of the Month (GD, HR&C) February 2025

Daima Trust - DIAR Award Best C-Level Leadership Excellence (GD, MCC)

Business Monthly
Top 25 Most Impactful C-Suite Executives Leading Business with an Edge 2025 (GD, Finance)

CIO 100 – dX5
Top 100 Gold Mark of Excellence 2025 (GD-Tech & Ops)



Business Excellence, Innovation & Institutional Capability

Financial Reporting Awards
1st Runners Up – FiRe Awards / Financial Reporting Awards (NCBA Group Plc)
1st Runners Up – Integrated Reporting Category (NCBA Bank)

Visa Client & Partners Awards 2025
Best Cross-Border Payments Experience Award 2025 (NCBA Bank)

Excellent Motors Awards East Africa
Best Automotive Technology Start-up (Car Duka NCBA Bank)

Kenya Travel Industry Business Awards
Best Travel Insurance Provider (NCBA-IG)

Annual Bankers Awards
Best Bank in Asset Financing – 2025 (NCBAU)

JOHN GACHORA

GROUP MANAGING DIRECTOR

"The 2025 outcomes are a great milestone to close out our NCBA 1.0 2020 - 2025 strategy. Through disciplined execution of our strategic priorities, we have diversified our business model, built a household brand name and strengthened our financial profile. We have delivered a more robust institution with momentum to carry us forward into the next chapter."

Dear Shareholders,

On behalf of the Board of Directors and the Group's leadership team, I am pleased to present to you our performance for the financial year 2025. The successful execution of our strategy reflects disciplined delivery against clear priorities amid an evolving and dynamic operating environment. We strengthened our brand, scaled our core businesses, invested in digital services and people, and built a more resilient Group that is well positioned for the future.

2025 Full-Year Financial Outcomes

We delivered a strong financial performance for the year, recording a profit before tax of KES 27.9 billion, a 10.9 per cent year-on-year increase, and a profit after tax of KES 23.4 billion, up 7.0 per cent year on year. This was driven by diversification across key regional markets and business segments, disciplined cost-of-funding management and the growth of our digital business.

The Group continued its stable earnings trajectory, with operating income rising to KES 71.8 billion, an increase of 16.0 per cent year on year, while our strategic investments in distribution network growth and digital platforms evolution resulted in operating expenses increasing by 16 per cent year on year to reach KES 37.1 billion.

We adequately provisioned across various loan classifications, with impairment provisions reaching KES 7.2 billion, a 45.8 per cent year-on-year increase, resulting in a coverage ratio of 71.7 per cent. Customer deposits closed at KES 532 billion, reflecting 6.0 per cent year-on-year growth driven by disciplined cost-of-funding management,

while our asset base closed at KES 716 billion, up 8.0 per cent year on year.

We disbursed KES 1.4 trillion in digital loans in 2025, up 33 per cent year on year reflecting strong credit performance. Despite macroeconomic environment, we maintained strong asset quality, with an NPL ratio of 10.2 per cent, well below the Kenya industry average of 15.5 per cent.

The Group delivered a resilient ROAE of 19.7 per cent and maintained strong capitalization, with a capital adequacy ratio of 21.9 per cent, well above regulatory minimum and sufficient to fund new growth opportunities.

While the Kenya Bank business remained the key performance driver, contributing 83 per cent of Group profitability and delivering KES 23 billion. Regional banking subsidiaries delivered a solid performance, generating KES 3.6 billion in PBT, up 12.5 per cent year on year, and contributing 13 per cent of Group profitability driven by lower impairments, strong recoveries and robust revenue growth from the digital businesses in Rwanda and Uganda.

Our non-banking subsidiaries, including the NCBA Investment Bank, NCBA Insurance, Leasing and Bancassurance, generated a combined PBT of KES 1.9 billion representing 6.9 per cent of Group PBT. Investment Bank led the way, delivering KES 995 million in PBT with assets under management (AUM) surpassing, KES 95.9 billion while NCBA Insurance contributed KES 306 million in PBT in its first year as a fully integrated subsidiary of the Group.

The Group's strong performance enabled the Board of Directors to recommend a total dividend of KES 7.10 for 2025.

Successful Execution of the 2020–2025 Strategy

Over the 2020–2025 period, the Group executed a clear and focused strategy anchored on five strategic pillars:

- **Become a Distinguished Brand Known for Customer Experience:** NCBA is ranked among the Top 10 in Kenya's and the Top 100 in Africa's Most Valuable Brands according to Brand Finance, and achieved a customer experience Net Promoter Score of 72 per cent in 2025. We have remained committed to our Know, Back and Wow customer promise while upgrading our Relationship Managers skill sets through programmes such as the RM DNA initiative. The Group's brand investments strengthened market perception, driving a 2.7x increase in customer advocacy, while brand consideration grew by 17 percentage points since 2020 to reach 47 per cent.
- **Scale Retail Banking:** Over the last six years, we have expanded our physical and digital network, growing our branch footprint to 123 from 89 in 2020. This growth, complemented by financial interventions on interest rates, account maintenance fees waiver, financial literacy and in addition innovative digital solutions and targeted campaigns has led to accelerated acquisition doubling our core bank customer base.
- **Deepen Leadership in Corporate Banking & Asset Finance:** Our strong corporate banking deposit base of KES 213 billion is underpinned by a sector-focused model and pricing discipline. Our transaction banking volumes grew in 2025 with more than 20,000 corporate and business banking customers adopting our first-to-market regional cloud-based transactional solution, NCBA ConnectPlus. We have maintained over 30 per cent Asset Finance market share leadership since 2020 driven by strategic dealer partnerships and disruptive innovations such as AI powered Carduka, whose revamped user experience has attracted 5.5 million new users.
- **Digital Transformation:** Investments in digital platform upgrades, enhanced data capabilities and collaboration with telco partners has strengthened our position as a leading regional player in digital financial services. Core banking technology investments of more than USD 100 million since 2023 are yielding results supporting transaction success rates

of 99.1 per cent, stronger cyber security, and system uptime of 99.5 per cent in 2025. Today, 98 per cent of the Group's financial services transactions take place through digital channels, including mobile, internet and ATMs, while the Group's Digital Business now contributes 32 per cent of Group profitability reaching PBT of KES 9.0 billion in 2025.

- The NCBA NOW mobile app, now being rolled out across the region has new capabilities on digital account opening and mobile money payments.
- CarDuka, NCBA's digital vehicle marketplace platform, now offers enhanced functionality including insurance products alongside a revamped user experience powered by AI.
- Additionally, the upgrade of the online banking platform NCBA ConnectPlus, for Corporate and SME customers offers faster transaction processing, expanded payment options, enhanced reporting tools, cash liquidity management and integrations with other financial services platforms.

- **Developing a High-Performance Culture:** We have invested in leadership development, skills building, performance management, and culture while growing our regional employee base from 2,512 in 2020 to more than 4,000 in 2025. Our focus on enabling teams to deliver consistently contributed to NCBA being certified as a Top Employer 2026 by the Top Employers Institute. We continued to strengthen employee morale achieving an engagement score of 80 per cent and maintaining a stable retention rate of nearly 90 per cent amid evolving dynamics in 2025.
- **Diversified business model:** The Group has extended its operating footprint to six countries across Sub-Saharan Africa and now serves a digital customer base of more than 65 million. The business has improved its revenue diversification with regional banking subsidiaries in Uganda, Rwanda and Tanzania, alongside the non-banking subsidiaries including NCBA Investment Bank, NCBA Insurance, Leasing and Bancassurance delivering remarkable gains in 2025.


KES 27.9B
Profit Before Tax


KES 1.4Tr
Digital Loans Disbursed


32%
Digital Business Contribution to Group Profitability


13%
Regional Subsidiaries Contribution to Group Profitability


KES 9.5B
Green & Sustainable Financing

Message from the Group Managing Director (Continued)

- **NCBA Investment Bank Growth:** Over the past five years, the Investment Bank has delivered strong, broad-based growth across Wealth Management, Brokerage, and Advisory. Revenue rose to KES 1.38 billion in 2025, up 37 per cent year on year and 69 per cent since 2020. Assets under management grew to KES 95.9 billion, up 27 per cent annually and 78 per cent since 2020.
- **100% Acquisition of AIG Insurance:** In March 2025, NCBA completed the integration of the AIG (Kenya) Insurance Company and unveiled NCBA-IG as the new brand identity for the NCBA Insurance subsidiary. This reinforced the Group's commitment to increasing its share of Kenya's sizeable insurance industry, valued at KES 309 billion. In 2025 the subsidiary delivered KES 306 million in profit in its first year as a fully integrated subsidiary of NCBA Group PLC.
- **LOOP DFS Ghana entry:** In 2025, LOOP DFS achieved a major milestone through the launch and pilot of MiSika in Ghana, a merchant term loan product delivered via MTN MoMo in partnership with Adehyeman Savings & Loans.
- **Sustainability:** Since launching the Change The Story sustainability strategy in 2023, we have made cumulative progress on our 15 sustainability commitments, including mobilising KES 9.5 billion in green and sustainable financing, engaging more than 3,000 staff through the "I Change the Story" training, installing six EV charging stations across the region, recycling 97.5 per cent of e-waste, directing 16 per cent of general spend to women-and-youth led enterprises and positively impacting 1.2 million livelihoods.
Through our Citizenship initiatives facilitated by an annual funding commitment of more than KES 100 million, we have embedded community impact into the core of our business.
- **Growing Trees:** Across the region, we recognize that economic progress and environmental stewardship must go hand in hand, and have committed to growing 10 million trees by 2030. Working alongside partners including Kenya Forest Service, Tanzania Forestry Services, The Kilimanjaro Project, Karura Forest, Boreka Group, Namananga Forest Reserve Uganda, Green City Kigali and WWF Kenya, we have already planted more than 1.3 million trees, demonstrating the power of collaborative, community-driven conservation in strengthening resilience to the climate risks we increasingly face.
- **Nurturing Golf:** NCBA is celebrating 5 years of golf partnerships aimed at growing the sport, monetising player talent and uniting communities across the region. With partners including Junior Golf Foundation, Kenya Golf Union, and Professional Golfers of Kenya, the Group has invested over KES 200 million, engaged more than 10,000 golfers annually, and supported more than 400 tournaments, backing professionals such as Njoroge Kibugu, now an NCBA contracted ambassador. This is creating meaningful international pathways, scholarships, and a stronger pipeline to professional golf careers.
- **Education Scholarships:** Over the past 5 years we have invested more than KES 70million in education scholarships and now support 177 students annually. We continue to recognize academic excellence and reaffirm our commitment to building the next generation of leaders through 9 partners: The Palmhouse Foundation, Dr. Choksey Albinism Foundation, The Edumed Trust, SOS Children's Villages Kenya, Daraja Kenya Initiatives, WEDCO Kenya, Kianda Foundation, Kenya Scholar Access Program (KENSAP) and our latest partner, the Crystal Asige Foundation.
- **Powering the Creative Economy:** As a strategic partner through the ELEVB Live music platform in Kenya owned by renowned music producer Motif Di Don, NCBA has played a pivotal role in empowering young creatives through access to talent development, visibility and mentorship. We have also introduced tailored financial products in partnership with HEVA Fund designed to help creatives generate income, finance their work and scale their enterprises.
- **LOOP Safari Gravel Cycling Series:** The LOOP Safari Gravel 4 Series, delivered in partnership with The AMANI Project is a year-round cycling and active-lifestyle community initiative. Launched in 2024, the asset delivered on LOOP brand visibility. Cyclists and spectator participation doubled to 3,000 and the events provided a commercial ecosystem to onboard new vendors to the LOOP payment platforms plus helped acquire 5,835 new customers.

Message from the Group Managing Director (Continued)

Introduction of the New 2026–2030 Ubuntu Strategy

Building on the strong foundation established over the past six years, the Group is introducing its **2026–2030 Ubuntu strategy**, anchored on the Group's new organizational purpose:

Banking on Belief – Empowering Ambitions which reflects NCBA's conviction that belief in people, ideas, and possibilities is a powerful catalyst for progress.

The **2026–2030 Ubuntu strategy** will focus on four strategic pillars:

1. **Fortify the Core:** Ensure reliable services, leverage data as a growth driver, drive smarter product management and elevate the corporate banking proposition **to deliver trust, relevance and excellence at scale.**
2. **Scale High Growth Segments:** Accelerate high potential segments - **Wealth, Consumer, SME & Insurance** by sharpening customer propositions.
3. **Unlock New Growth Frontiers:** Expand into new markets and sectors for enhanced growth and scale.
4. **Future Ready Ubuntu:** Transform the operating model to enable a more empowered purpose-driven culture.



Message from the Group Managing Director (Continued)

Opportunities ahead from proposed Nedbank acquisition of a 66 per cent stake in NCBA

The proposed transaction provides an opportunity to accelerate the Group's strategic ambitions while preserving a strong commitment to local markets and stakeholders.

- Value creation for shareholders: Improved prospects for sustainable returns over time, significant unlock of liquidity, diversification of risk beyond East Africa and a strengthened capital position for expansion across the broader East African region.
- Access to best-in-class products and services: Customers will benefit from evolved product propositions, harness international servicing and distribution capabilities in London, Isle of Man, Jersey and Dubai plus gain access to larger-ticket funding.

Looking Ahead

We are proud of the progress we have made, excited about the Ubuntu strategy, and clear that the Nedbank transaction will only accelerate our ambitions.

Guided by our values and commitment to being a trusted financial ally, we are driven to shift from being a traditional Banking Group to a diversified, purpose-led financial powerhouse designed not just to compete, but to shape the future of financial services in East Africa.

Conclusion

I extend my gratitude to our customers, our Boards, colleagues, and partners for your continued support and trust in NCBA. Your belief in our purpose drives us to innovate and serve with excellence. As we stand on the threshold of a new era of regional integration and digital evolution, we remain committed to deliver on our priorities as we shape the next chapter of our organization.

To endless possibilities!

John Gachora,
Group Managing Director



Taarifa kutoka kwa
Meneja Mkurugenzi wa Kundi

JOHN GACHORA

MENEJA MKURUGENZI WA KUNDI

"Matokeo ya 2025 ni hatua muhimu tunapohitimisha mkakati wetu wa NCBA 1.0 wa 2020-2025. Kupitia utekelezaji wenye nidhamu wa vipaumbele vyetu vya kimkakati, tumepanua vyanzo vya biashara, tumejenga chapa inayotambulika kwa wateja wengi, na kuimarisha misingi yetu ya kifedha. Tumejenga taasisi imara zaidi, yenye kasi ya kutupeleka katika sura inayofuata."

Wenyehisa wapendwa,

Kwa niaba ya Bodi ya Wakurugenzi na uongozi wa Kundi, nina furaha kuwasilisha kwenu matokeo yetu ya mwaka wa fedha 2025. Utekelezaji wa mkakati wetu kwa mafanikio unaonyesha nidhamu katika kutimiza vipaumbele vilivyo wazi, licha ya mabadiliko katika mazingira ya uendeshaji. Tuliimarisha chapa yetu, tukapanua biashara zetu kuu, tukawekeza katika huduma za kidijitali na watu wetu, na kujenga Kundi lenye ustahimilivu zaidi na lililo katika nafasi nzuri kwa siku zijazo.

2025 Matokeo ya Kifedha ya Mwaka

Tulitoa matokeo imara ya kifedha kwa mwaka, tukirekodi faida kabla ya kodi ya KES 27.9 bilioni, ongezeko la asilimia 10.9 mwaka hadi mwaka, na faida baada ya kodi ya KES 23.4 bilioni, ongezeko la asilimia 7.0 mwaka hadi mwaka. Matokeo haya yalichangiwa na utofauti wa biashara katika masoko muhimu ya kikanda na vitengo vya biashara, usimamizi makini wa gharama ya kupata fedha, na ukuaji wa biashara yetu ya kidijitali.

Kundi liliendeleza mkondo thabiti wa mapato, ambapo mapato ya uendeshaji yaliongezeka hadi KES 71.8 bilioni, sawa na ongezeko la asilimia 16.0 mwaka hadi mwaka. Wakati huohuo, uwekezaji wetu wa kimkakati katika

kupanua mtandao wa usambazaji na kuboresha mifumo ya kidijitali ulichangia kuongezeka kwa gharama za uendeshaji kwa asilimia 16.0 hadi KES 37.1 bilioni.

Tuliweka matengo ya kutosha katika madaraja mbalimbali ya mikopo, huku matengo ya kushuka kwa thamani ya mikopo yakifikia KES 7.2 bilioni, ongezeko la asilimia 45.8 mwaka hadi mwaka, na kupeleka kiwango cha kufunikwa kwa mikopo yenye changamoto hadi asilimia 71.7.

Amana za wateja zilifunga mwaka zikiwa KES 532 bilioni, ongezeko la asilimia 6.0 mwaka hadi mwaka, zikichangiwa na usimamizi wa nidhamu wa gharama ya kupata fedha. Jumla ya mali ya Kundi ilifunga mwaka ikiwa KES 716 bilioni, ongezeko la asilimia 8.0 mwaka hadi mwaka.

Mikopo ya kidijitali tuliyoitoa ilifikia KES 1.4 trilion mwaka 2025, ongezeko la asilimia 33 mwaka hadi mwaka, likionyesha utendaji imara wa mikopo. Licha ya mazingira mapana ya kiuchumi kuwa magumu, tulidumisha ubora wa mali, ambapo uwiano wa mikopo chechefu (NPL) ulikuwa asilimia 10.2, chini ya wastani wa sekta ya benki nchini Kenya wa asilimia 15.5.

Kundi liliandikisha Kiwango cha Faida kwa Wastani wa Mtaji wa Wanahisa (ROAE) cha asilimia 19.7 na kudumisha mtaji imara, huku


KES 27.9B
Faida Kabla ya Kodi


KES 1.4Tr
Mikopo ya Kidijitali Iliyotolewa


32%
Mchango wa Biashara ya Kidijitali katika Faida ya Kundi


13%
Mchango wa Kampuni Tanzu za Kikanda katika Faida ya Kundi


KES 9.5B
Ufadhili wa Mikopo ya Kijani na Endelevu

Who We Are

Our Business

ESG, Climate Risk & Sustainable Finance

Our Financials

Other Information



Taarifa kutoka kwa Mkurugenzi Mkuu wa Kundi (Kuendelea)

uwiano wa utoshelevu wa mtaji ukiwa asilimia 21.9. Kiwango hiki kiko juu ya kiwango cha chini kinachotakiwa na mamlaka za usimamizi na kinasosha kufadhili fursa mpya za ukuaji.

Biashara yetu ya benki nchini Kenya iliendelea kuwa mhimili mkuu wa matokeo ya Kundi, ikichangia asilimia 83 ya faida ya Kundi na kutoa KES 23 bilioni. Kampuni tanzu za benki katika kanda pia zilitoa matokeo imara, zikitengeneza faida kabla ya kodi ya KES 3.6 bilioni, ongezeko la asilimia 12.5 mwaka hadi mwaka, na kuchangia asilimia 13 ya faida ya Kundi. Matokeo haya yalichangia na matengo ya chini ya mikopo iliyoharibika, urejeshaji thabiti wa mikopo, na ukuaji wa mapato kutoka biashara za kidijitali nchini Rwanda na Uganda.

Kampuni tanzu zisizo za kibenki, zikiwemo NCBA Investment Bank, NCBA Insurance, Leasing na Bancassurance, kwa pamoja zilitengeneza faida kabla ya kodi (PBT) ya KES 1.9 bilioni, sawa na asilimia 6.9 ya PBT ya Kundi. NCBA Investment Bank iliongoza kwa PBT ya KES 995 milioni, huku mali zinazosimamiwa (AUM) zikizidi KES 95.9 bilioni. NCBA Insurance ilichangia PBT ya KES 306 milioni katika mwaka wake wa kwanza kama kampuni tanzu iliyojumuishwa kikamilifu katika NCBA Group PLC.

Matokeo haya imara ya Kundi yaliwezesha Bodi ya Wakurugenzi kupendekeza jumla ya gawio la KES 7.10 kwa mwaka 2025.

Utekelezaji wa Kufana wa Mkakati wa 2020–2025

Katika kipindi cha 2020–2025, Kundi lilitekeleza mkakati ulio wazi na wenye mwelekeo, uliosimikwa katika nguzo tano kuu za kimkakati:

- **Kuwa Chapa Inayotambulika kwa Uzoefu Bora wa Wateja:** NCBA imeorodheshwa miongoni mwa chapa 10 bora zaidi nchini Kenya na chapa 100 zenye thamani zaidi barani Afrika kwa mujibu wa Brand Finance. Kundi pia lilipata alama ya Kipimo cha Utayari wa Wateja Kupendekeza Huduma (NPS) ya asilimia 72 mwaka 2025. Tumeendelea kutimiza ahadi yetu kwa wateja ya Kuwajua, Kuwaunga Mkono na Kuwastaajabisha kwa huduma bora, huku tukiboresha ujuzi wa Wasimamizi wa Uhusiano na Wateja kupitia mpango kama RM DNA. Uwekezaji wa Kundi katika chapa umeimarisha mtazamo wa soko, na kuchangia ongezeko la mara 2.7 katika utayari wa wateja kutupendekeza, huku kiwango cha wateja wanaoizingatia chapa ya NCBA kikiongezeka kwa asilimia 17 tangu 2020 na kufikia asilimia 47.
- **Kupanua Huduma za Benki kwa Wateja Binafsi:** Katika miaka sita iliyopita, tumepanua mtandao wetu wa huduma kwa njia ya matawi na kidijitali, na kuongeza matawi kutoka 89 mwaka 2020 hadi 123. Ukuaji huu, pamoja na hatua za

kifedha kuhusu viwango vya riba, kuondolewa kwa ada za uendeshaji akaunti, elimu ya fedha, huduma bunifu za kidijitali na kampeni mahususi, umeongeza kasi ya upatikanaji wa wateja na kuongeza maradufu idadi ya wateja wetu wa huduma za msingi za benki.

- **Kuimarisha Uongozi katika Huduma za Benki kwa Mashirika na Ufadhili wa Mali:** Amana zetu za wateja wa mashirika zilifikia KES 213 bilioni, zikichangiwa na muundo unaoangazia sekta na nidhamu katika upangaji wa bei. Miamala ya transaction banking iliongezeka mwaka 2025, huku zaidi ya wateja 20,000 wa mashirika na biashara wakitumia NCBA ConnectPlus, suluhisho letu la kikanda la miamala linalotumia teknolojia ya wingu. Tumedumisha uongozi wa zaidi ya asilimia 30 ya soko la Ufadhili wa Mali tangu 2020, kupitia ushirikiano wa kimkakati na washirika wa mauzo na ubunifu kama CarDuka inayowezesha na Akili Mnemba (AI), ambayo uzoefu wake ulioboreshwa umevutia watumiaji wapya milioni 5.5.
- **Mageuzi ya Kidijitali:** Uwekezaji katika kuboresha mifumo ya kidijitali, uwezo wa data na ushirikiano na kampuni za mawasiliano umeimarisha nafasi yetu kama mmoja wa watoa huduma wakuu wa kikanda katika huduma za kifedha za kidijitali. Uwekezaji wa zaidi ya USD 100 milioni katika teknolojia ya msingi ya benki tangu 2023 unaanza kuzaa matunda, ukiwezesha kiwango cha mafanikio ya miamala cha asilimia 99.1, usalama imara wa mtandaoni na mfumo kufanya kazi kwa asilimia 99.5 mwaka 2025. Leo, asilimia 98 ya miamala ya huduma za kifedha ya Kundi hufanyika kupitia njia za kidijitali, zikiwemo simu, intaneti na mashine za kutolea fedha kiotomatiki (ATM), huku Biashara ya Kidijitali ya Kundi ikichangia asilimia 32 ya faida ya Kundi na kufikia PBT ya KES 9.0 bilioni mwaka 2025.
- Aplikeshini ya simu ya NCBA NOW, ambayo sasa inaendelea kusambazwa katika kanda, ina uwezo mpya wa kufungua akaunti kidijitali na kufanya malipo kupitia huduma za fedha kwa simu.
- CarDuka, soko la kidijitali la magari la NCBA, sasa linatoa huduma zilizoboreshwa, zikiwemo bidhaa za bima, pamoja na uzoefu mpya wa matumizi unaowezeshwa na Akili Mnemba (AI).
- Aidha, kuboreshwa kwa jukwaa la NCBA ConnectPlus kwa wateja wa mashirika na SME kumwezesha uchakataji wa miamala kwa kasi zaidi, kuongeza njia za malipo, kuboresha zana za taarifa, kusimamia ukwasi wa fedha na kuunganishwa na majukwaa mengine ya huduma za kifedha.

Taarifa kutoka kwa Mkurugenzi Mkuu wa Kundi (Kuendelea)

- **Kujenga Utamaduni wa Utendaji wa Juu:** Tumewekeza katika maendeleo ya uongozi, ujenzi wa ujuzi, usimamizi wa utendaji na utamaduni, huku idadi ya wafanyakazi katika kanda ikiongezeka kutoka 2,512 mwaka 2020 hadi zaidi ya 4,000 mwaka 2025. Mkazo wetu katika kuwezesha timu kufanya kazi kwa uthabiti ulichangia NCBA kuthibitishwa kama Top Employer 2026 na Top Employers Institute. Tuliendelea kuimarisha ari ya wafanyakazi, tukifikia kiwango cha ushiriki wa asilimia 80 na kudumisha kiwango cha uhifadhi wa wafanyakazi cha karibu asilimia 90, licha ya mabadiliko ya mazingira mwaka 2025.
- **Muundo wa Biashara Wenye Vyanzo Mbalimbali:** Kundi limepanua uwepo wake hadi nchi sita katika Afrika Kusini mwa Jangwa la Sahara na sasa linahudumia zaidi ya wateja milioni 65 kupitia njia za kidijitali. Biashara imeimarisha utofauti wa mapato kupitia kampuni tanzu za benki nchini Uganda, Rwanda na Tanzania, pamoja na kampuni tanzu zisizo za kibenki zikiwemo NCBA Investment Bank, NCBA Insurance, Leasing na Bancassurance, ambazo zilitoa matokeo mazuri mwaka 2025.
- **Ukuaji wa NCBA Investment Bank:** Katika miaka mitano iliyopita, NCBA Investment Bank imeandikisha ukuaji imara na mpana katika Usimamizi wa Mali, Udalali na Ushauri. Mapato yaliongezeka hadi KES 1.38 bilioni mwaka 2025, ongezeko la asilimia 37 mwaka hadi mwaka na asilimia 69 tangu 2020. Mali zinazosimamiwa ziliongezeka hadi KES 95.9 bilioni, ongezeko la asilimia 27 mwaka hadi mwaka na asilimia 78 tangu 2020.
- **Ununuzi wa Asilimia 100 ya AIG Insurance:** Mwezi Machi 2025, NCBA ilikamilisha ujumuishaji wa AIG (Kenya) Insurance Company na kuzindua NCBA-IG kama utambulisho mpya wa chapa ya kampuni tanzu ya bima ya NCBA. Hatua hii iliimarisha dhamira ya Kundi ya kuongeza sehemu yake katika sekta kubwa ya bima nchini Kenya, yenye thamani ya KES 309 bilioni. Mwaka 2025, kampuni tanzu hii ilitoa faida ya KES 306 milioni katika mwaka wake wa kwanza kama kampuni tanzu iliyojumuishwa kikamilifu katika NCBA Group PLC.
- **Kuingia kwa LOOP DFS nchini Ghana:** Mwaka 2025, LOOP DFS ilifikia hatua muhimu kwa kuzindua na kujaribu MiSika nchini Ghana, bidhaa ya mkopo wa muda kwa wafanyabiashara inayotolewa kupitia MTN MoMo kwa ushirikiano na Adehyeman Savings & Loans

Uendelevu

Tangu kuzinduliwa kwa mkakati wa uendelevu wa "Change The Story" mwaka 2023, tumepiga hatua katika ahadi zetu 15 za uendelevu. Hatua hizi ni pamoja na kuhamasisha KES 9.5 bilioni za ufadhili wa kijani na endelevu, kuwashirikisha wafanyakazi zaidi ya 3,000 kupitia mafunzo ya "I Change the Story", kuweka vituo sita vya kuchaji magari ya umeme katika kanda, kurejeleza asilimia 97.5 ya taka za kielektroniki, kuelekeza asilimia 16 ya matumizi ya kawaida kwa biashara zinazoongozwa na wanawake na vijana, na kuchangia kuboresha maisha ya watu milioni 1.2.

Kupitia miradi yetu ya uraia wa kampuni, inayowezesha na ahadi ya ufadhili wa zaidi ya KES 100 milioni kila mwaka, tumejenga athari kwa jamii kama sehemu ya msingi ya biashara yetu.

- **Kukuza Miti:** Kote katika kanda, tunatambua kuwa maendeleo ya uchumi na utunzaji wa mazingira vinapaswa kwenda sambamba, na tumejitolea kupanda miti milioni 10 kufikia 2030. Kwa kushirikiana na washirika wakiwemo Kenya Forest Service, Tanzania Forestry Services, The Kilimanjaro Project, Karura Forest, Boreka Group, Namananga Forest Reserve Uganda, Green City Kigali na WWF Kenya, tayari tumepanda zaidi ya miti milioni 1.3. Hii inaonyesha nguvu ya ushirikiano na jamii katika uhifadhi wa mazingira na kuimarisha ustahimilivu dhidi ya hatari za tabianchi tunazoendelea kukabiliana nazo.
- **Kukuza Mchezo wa Gofu:** NCBA inaadhimisha miaka mitano ya ushirikiano katika gofu, kwa lengo la kukuza mchezo huo, kuwasaidia wachezaji wenye vipaji kupata kipato, na kuunganisha jamii katika kanda. Kupitia washirika kama Junior Golf Foundation, Kenya Golf Union na Professional Golfers of Kenya, Kundi limewekeza zaidi ya KES 200 milioni, kuwahusisha zaidi ya wachezaji 10,000 kila mwaka na kusaidia mashindano zaidi ya 400. Pia tumewaunga mkono wachezaji wa kulipwa kama Njoroge Kibugu, ambaye sasa ni balozi wa NCBA. Hatua hizi zinajenga njia za kimataifa, ufadhili wa masomo na mkondo imara wa kuendeleza taaluma za gofu.
- **Ufadhili wa Masomo:** Katika miaka mitano iliyopita, tumewekeza zaidi ya KES 70 milioni katika ufadhili wa masomo na sasa tunasaidia wanafunzi 177 kila mwaka. Tunaendelea kutambua ufaulu wa kitaaluma na kuthibitisha dhamira yetu ya kujenga kizazi kijacho cha viongozi kupitia washirika tisa: The Palmhouse Foundation, Dr. Choksey



Taarifa kutoka kwa Mkurugenzi Mkuu wa Kundi (Kuendelea)

Albinism Foundation, The Edumed Trust, SOS Children's Villages Kenya, Daraja Kenya Initiatives, WEDCO Kenya, Kianda Foundation, Kenya Scholar Access Program (KENSAP), na mshirika wetu mpya zaidi, Crystal Asige Foundation.

- **Kuchochea Uchumi wa Ubunifu:** Kama mshirika wa kimbakati kupitia jukwaa la muziki la ELEVE8 Live nchini Kenya, linalomilikiwa na mtayarishaji maarufu wa muziki Motif Di Don, NCBA imekuwa na mchango muhimu katika kuwawezesha wabunifu chipukizi kupitia fursa za kukuza vipaji, kuonekana na kupata ushauri elekezi. Pia tumeanzisha bidhaa mahsusi za kifedha kwa kushirikiana na HEVA Fund, zilizoundwa kuwasaidia wabunifu kupata mapato, kufadhili kazi zao na kukuza biashara zao.
- **LOOP Safari Gravel Cycling Series:** LOOP Safari Gravel 4 Series, inayotekelezwa kwa ushirikiano na The AMANI Project, ni mpango wa mwaka mzima unaojenga jamii kupitia uendeshaji wa baiskeli na mtindo hai wa maisha. Tangu uzinduliwe mwaka 2024, mpango huu umeimarisha mwonekano wa chapa ya LOOP. Idadi ya waendesha baiskeli na watazamaji iliongezeka maradufu hadi 3,000, na hafla hizi zimetoa mfumo wa kibiashara wa kuandikisha wafanyabiashara wapya kwenye mifumo ya malipo ya LOOP, pamoja na kusaidia kupata wateja wapya 5,835.

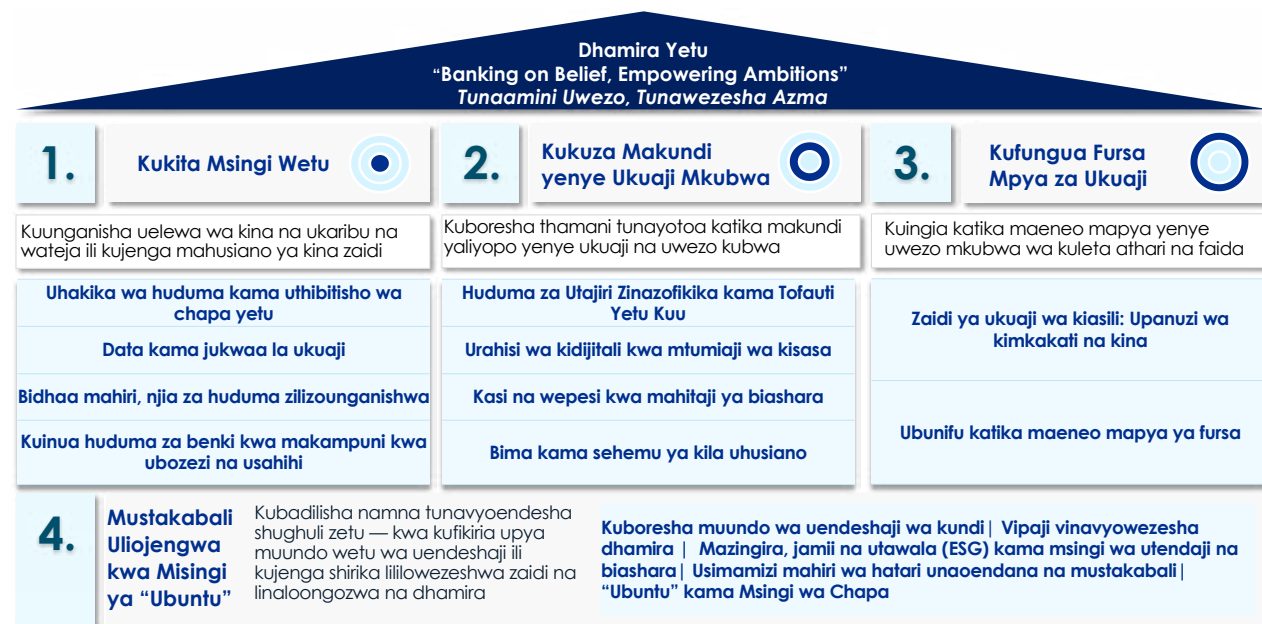
Kutambulishwa kwa Mkakati mpya wa Ubuntu wa 2026–2030

Kwa kujengea msingi imara uliowekwa katika miaka sita iliyopita, Kundi linatambulisha mkakati wake wa Ubuntu wa 2026-2030, unaosimikwa katika dhamira mpya ya Kundi:

Banking on Belief - Empowering Ambitions Dhamira hii inaakisi imani ya NCBA kwamba kuwaamini watu, mawazo na uwezekano ni kichocheo muhimu cha maendeleo.

Mkakati wa Ubuntu wa 2026-2030 utaangazia nguzo nne kuu za kimbakati:

1. Kukita Msingi Wetu: Kuhakikisha huduma zinategemewa, kutumia data kama kichocheo cha ukuaji, kusimamia bidhaa kwa umahiri zaidi na kuinua pendekezo la huduma za benki kwa mashirika ili kutoa imani, kufaa na ubora kwa kiwango kikubwa.
2. Kukuza Makundi Yenye Ukuaji Mkubwa: Kuharakisha makundi yenye uwezo mkubwa - Huduma za Utajiri, Wateja Binafsi, SME na Bima - kwa kuboresha mapendekezo ya thamani kwa wateja.
3. Kufungua Fursa Mpya za Ukuaji: Kupanua katika masoko na sekta mpya ili kuongeza ukuaji na ukubwa wa biashara.
4. Mustakabali uliojengwa kwa misingi ya 'Ubuntu': Kubadilisha muundo wa uendeshaji ili kuwezesha utamaduni uliowezeshwa zaidi na unaoongozwa na dhamira.



Taarifa kutoka kwa Mkurugenzi Mkuu wa Kundi (Kuendelea)

Fursa Kutokana na Mpango wa Nedbank Kununua Asilimia 66 ya Hisa za NCBA

Muamala huu uliopendekezwa unatoa fursa ya kuharakisha matarajio ya kimbakati ya Kundi, huku tukidumisha dhamira yetu kwa masoko yetu ya ndani na wadau wetu.

- Utengenezaji wa thamani kwa wanahisa: Matarajio bora ya marejesho endelevu kwa muda, kufunguliwa kwa ukwasi kwa kiasi kikubwa, kusambaza vihatarishi vya biashara nje ya Afrika Mashariki, na kuimarisha mtaji kwa ajili ya upanuzi katika eneo pana la Afrika Mashariki.
- Upatikanaji wa bidhaa na huduma bora zaidi: Wateja watanufaika na mapendekezo ya bidhaa yaliyoboreshwa, uwezo wa kimataifa wa huduma na usambazaji katika London, Isle of Man, Jersey na Dubai, pamoja na fursa ya kupata ufadhili wa kiwango kikubwa.

Kutazama Mbele

Tunajivunia hatua tulizopiga, tunachangamkia mkakati wa Ubuntu, na tunaona wazi kuwa muamala wa Nedbank utaharakisha zaidi matarajio yetu.

Tukiongozwa na maadili yetu na dhamira ya kuwa mshirika wa kifedha anayeaminika, tunasukumwa kubadilika kutoka Kundi la benki la kawaida na kuwa taasisi kubwa ya huduma za kifedha yenye vyanzo mbalimbali vya biashara na inayoongozwa na dhamira. Taasisi hii imeundwa siyo tu kushindana, bali pia kutoa mwelekeo wa mustakabali wa huduma za kifedha Afrika Mashariki.

Hitimisho

Ninatoa shukrani zangu kwa wateja wetu, Bodi zetu, wafanyakazi wenzangu na washirika wetu kwa kuendelea kuiunga mkono NCBA na kuiamini. Imani yenu katika dhamira yetu inatupa msukumo wa kuvumbua na kutoa huduma kwa ubora. Tunaposimama kwenye mwanzo wa enzi mpya ya ufungamano wa kikanda na mageuzi ya kidijitali, tunaendelea kujitolea kutimiza vipaumbele vyetu tunapoisuka sura inayofuata ya taasisi yetu.

Kwa fursa zisizo na kikomo!

John Gachora,

Mkurugenzi Mtendaji wa Kundi

Message From The Group Director Finance

A resilient 2025: disciplined funding, operational efficiency and a stronger balance sheet — delivering 11% PBT growth and enhanced value for our shareholders"

DAVID ABWOGA
GROUP DIRECTOR FINANCE



KES 716B
Total Assets
▲ 8% YoY

KES 532B
Customer Deposit
▲ 6% YoY

KES 322B
Gross Loans
▲ 5% YoY

KES 71.8B
Net Operating Income
▲ 16% YoY

52%
Cost-to-Income
Efficiency gains

Overview

The Group delivered a resilient and high-quality performance in 2025, anchored on disciplined cost of funds management, operational efficiency and balance sheet optimisation. Profit before tax closed at KES 27.9 billion, 11% above prior year (KES 25.1 billion). Profit after tax stood at KES 23.4 billion, while Return on Average Equity closed at 19.7%, reflecting stronger earnings.

Performance was supported by a more stable macroeconomic backdrop characterised by declining interest rates, a stable local currency and lower inflation. Against this environment, growth in customer numbers, active management deposit pricing to reflect market dynamics, and selective deployment of earning assets aligned to risk and return objectives enabled the Group to protect margins, and continue generating value across the banking and non-banking subsidiaries.

Income Statement Review

Net operating income for the year closed at KES 71.8 billion, 16% higher than the KES 62 billion delivered in 2024. This translated into positive JAWS as revenue growth outpaced expense growth, reinforcing the structural earnings base of the Group.

Net Interest Income

Net interest income closed at KES 57.7 billion, up 22% year-on-year. The growth was driven by lower funding costs that more than offset margin pressure from declining lending rates. Interest expense reduced by KES 17.1 billion, while interest income declined by KES 6.9 billion, producing a net uplift of KES 10.3 billion. The outcome reflects active management of deposit pricing to reflect market dynamics and the deliberate strengthening of the low-cost deposit mix ahead of the rate cycle.

Non-Interest Income

Non-interest income closed at KES 14 billion, broadly flat on the prior year. Foreign currency trading income declined by KES 1.2 billion year-on-year reflecting compression in foreign exchange margins driven by the stability of local currencies against the US dollar. Management remains focused on accelerating diversified fee-based revenue streams, including transactional banking, bancassurance and investment banking, to strengthen non-funded income momentum through enhanced customer activity.

Operating Expenses

Operating expenses closed at KES 37.1 billion, 16% higher than 2024, reflecting continued strategic investments. Key drivers of the year-on-year growth:

- **Staff costs:** Increased headcount to support business expansion and deepen customer coverage.
- **Premises costs:** Continued expansion of the Group's branch network to deepen reach and strengthen the base of stable deposits.
- **Publicity and advertising:** Supporting brand visibility, product launches and digital customer acquisition.
- **IT costs:** Ongoing investment in technology modernisation, cyber resilience and scaling of the digital business.

Credit Impairment

Credit impairment charges increased year-on-year as the Group proactively strengthened coverage on selected names with cost of risk closing at 1.9%.

Balance Sheet Review

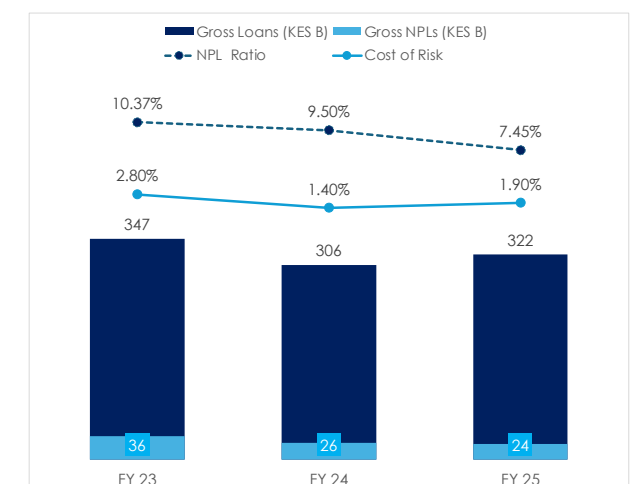
The Group's asset base closed the year at KES 716 billion, an 8% increase year-on-year, supported by deposit mobilisation, loan book expansion and targeted allocation to high-yield placements, including an increase of KES 14 billion in government securities. This organic growth strengthened both the funding mix and capital base, enabling prudent asset growth while maintaining strong liquidity.

Deposits and Funding

Customer deposits grew by 6% to KES 532 billion from KES 502 billion in 2024. Growth was driven by an increase in customer numbers, low-cost current and savings balances, reflecting deliberate mobilisation through digital channels, branch expansion and deepening of transactional relationships. This reshaping of the liability book and efficiency in repricing were the key drivers behind the improvement in net interest margin.

Lending and Asset Deployment

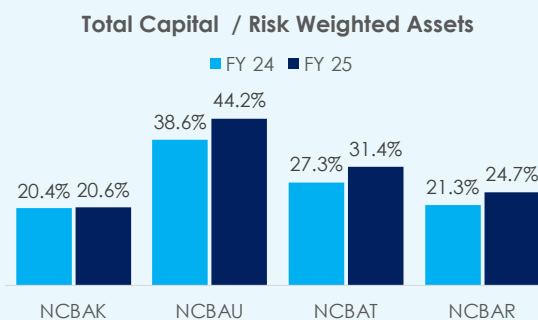
Gross loans expanded by 5% to KES 322 billion, while net loans grew by KES 13 billion (4.4%) to KES 307 billion. Lending growth remained selective, reflecting tighter underwriting in sectors showing signs of stress. Excess liquidity from strong deposit mobilisation was deployed into government securities (up KES 14 billion), preserving yield, supporting liquidity buffers and retaining flexibility to redeploy into loans as credit demand accelerates. By leveraging AI capabilities in credit scoring, the Group has significantly improved digital credit metrics, positioning itself for scalable growth.



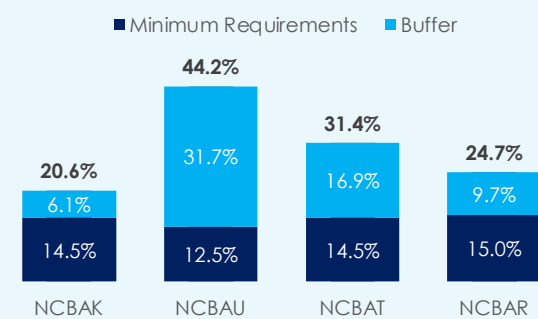
Message from the Group Director Finance (Continued)

Capital and Liquidity

The Group remains effectively capitalised across all core markets, with sufficient buffers to support continued organic growth, strategic investments and shareholder distributions. Retained earnings contributed materially to capital formation during the year, complementing deposit-led balance sheet growth. Capital adequacy and liquidity ratios remain comfortably above regulatory minimums and internal risk appetite thresholds.



FY 2025 Total Capital Against Minimum Requirement



Subsidiary Performance

NCBA Bank Kenya

Kenya remains the anchor to Group performance, contributing KES 59 billion in net operating income, equivalent to 82% of total Group income. In addition, Kenya delivered profit before tax of KES 23 billion, also representing 82% of Group PBT, reflecting an 11% year-on-year growth driven by diversified revenue streams and disciplined cost management.

The balance sheet remained strong, with total assets closing at KES 617 billion, up 5% year-on-year and accounting for 86% of total Group assets. Customer deposits grew by 4% to KES 467 billion, while gross loans and advances increased by 4% to KES 284 billion, demonstrating steady growth and sustained customer confidence

Dividends

In August 2025, the Board approved payment of an interim dividend of KES 2.5 per share, paid in October 2025. In the 2025 annual general meeting, the Board will recommend to the shareholders a final dividend of KES 4.6 per share, bringing the total dividend for the year to KES 7.1 per share. This equates to KES 11.7 billion, a 50% payout ratio and a 29% increase from 2024.

	FY 23	FY 24	FY 25
Profit After Tax (KES M)	21,456	21,866	23,394
Cash Dividends	7,824	9,061	11,694
Market Capitalization (KES B)	64.2	79.4	138
Earnings Per Share (EPS)	13.0	13.3	14.2
Dividends Per Share (DPS)	4.75	5.50	7.10
Price to Book (P/B)	0.7x	0.8x	1.2x

Key Performance Ratios

Efficiency and risk metrics improved in tandem during the year, underscoring the structural strength of the operating model.

Metric	FY 2024	FY 2025
Return on Average Equity	21.7%	19.7%
Cost-to-Income Ratio	51.4%	52.3%
Cost of Risk (Core Bank)	1.4%	1.9%
Net Interest Margin	5.0%	7.1%
NPL Ratio	11.2%	10.2%
Return on Average Assets	3.2%	3.4%

Message from the Group Director Finance (Continued)

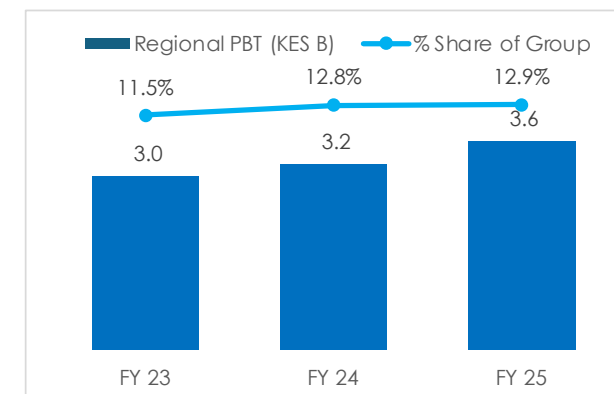
Regional Business

The Regional business remained a meaningful contributor to Group performance, generating net operating income of KES 9 billion, representing 13% of total Group income. Profit before tax stood at KES 3.6 billion, also contributing 13% of Group PBT, reflecting a strong 12% year-on-year growth supported by lower impairments, robust recoveries, and solid digital revenue growth, particularly in Rwanda and Uganda.

Operating profit declined by 6% year-on-year, primarily due to lower foreign exchange income. Nevertheless, credit growth improved during the period, with asset quality remaining strong as evidenced by low non-performing loans and a well-contained cost of risk.

The balance sheet expanded significantly, with total assets increasing by 23% year-on-year to KES 101 billion, accounting for 14% of Group assets. Customer deposits grew by 12% to KES 65 billion, while net loans and advances rose by 16% to KES 38 billion, reflecting continued business momentum across the region.

All regional subsidiaries remain well-capitalised and maintain adequate liquidity buffers to support future growth.



Non-Banking Subsidiaries

The non-banking subsidiaries collectively recorded profit before tax of KES 1.92 billion, contributing 7% to Group PBT. This represented a 55% increase year-on-year — a strong endorsement of the Group's earnings diversification strategy

Mid-Term Ambition

The Group's mid-term ambition positions NCBA to deliver sustained, high-quality growth built on earnings diversification, operational efficiency and balance sheet resilience. The financial targets anchoring this ambition are:

- **Revenue growth** outpacing GDP and expense growth, ensuring positive operating leverage and a structurally stronger earnings base.
- **Profit before tax growth of ~10% annually**, driven by diversified revenue streams and disciplined cost management.
- **Positive JAWS**, signaling continued improvement in productivity and operational efficiency.
- **Return on Average Equity above 20%**, reflecting a strong capital productivity and value creation for shareholders.
- **Cost-to-Income Ratio below 50%**, marking a key step toward best-in-class efficiency across regional peers.
- **Cost of Risk maintained within 1.5%–2.0%**, reflecting a stable credit environment and robust risk management.
- **Staff cost intensity below 20%** to be achieved through productivity gains and talent optimisation.
- **Capital adequacy** projected to remain at least 300 basis points above regulatory limits, ensuring robust capitalisation for asset growth across core markets.

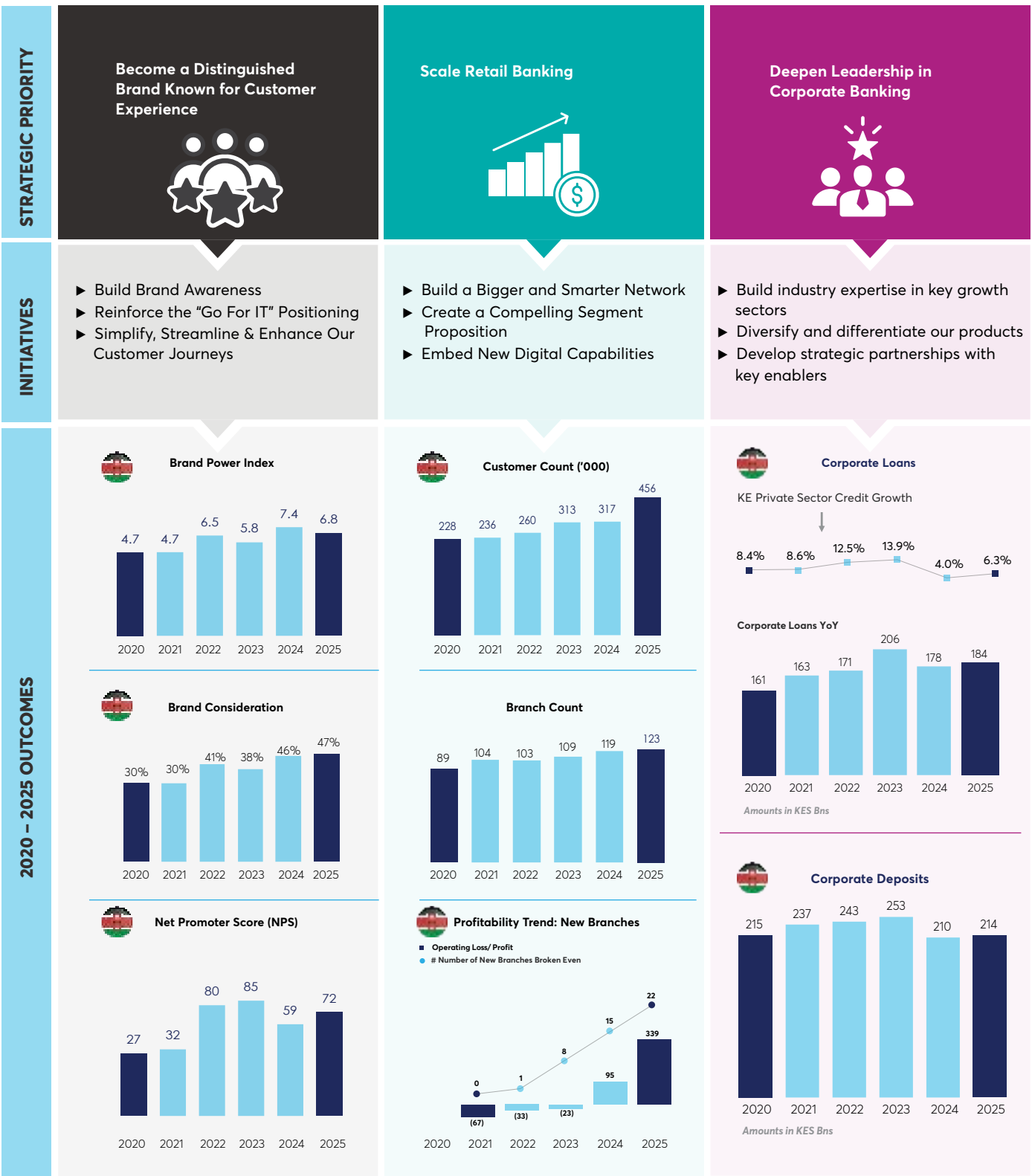
Outlook

Looking ahead, we expect the operating environment to remain broadly supportive, with inflation contained, the local currency stable and interest rates gradually normalising. In this context, the Group will remain focused on protecting margins through active asset and liability management, accelerating digital-led revenue growth, deepening cost discipline, and maintaining prudent credit risk standards.

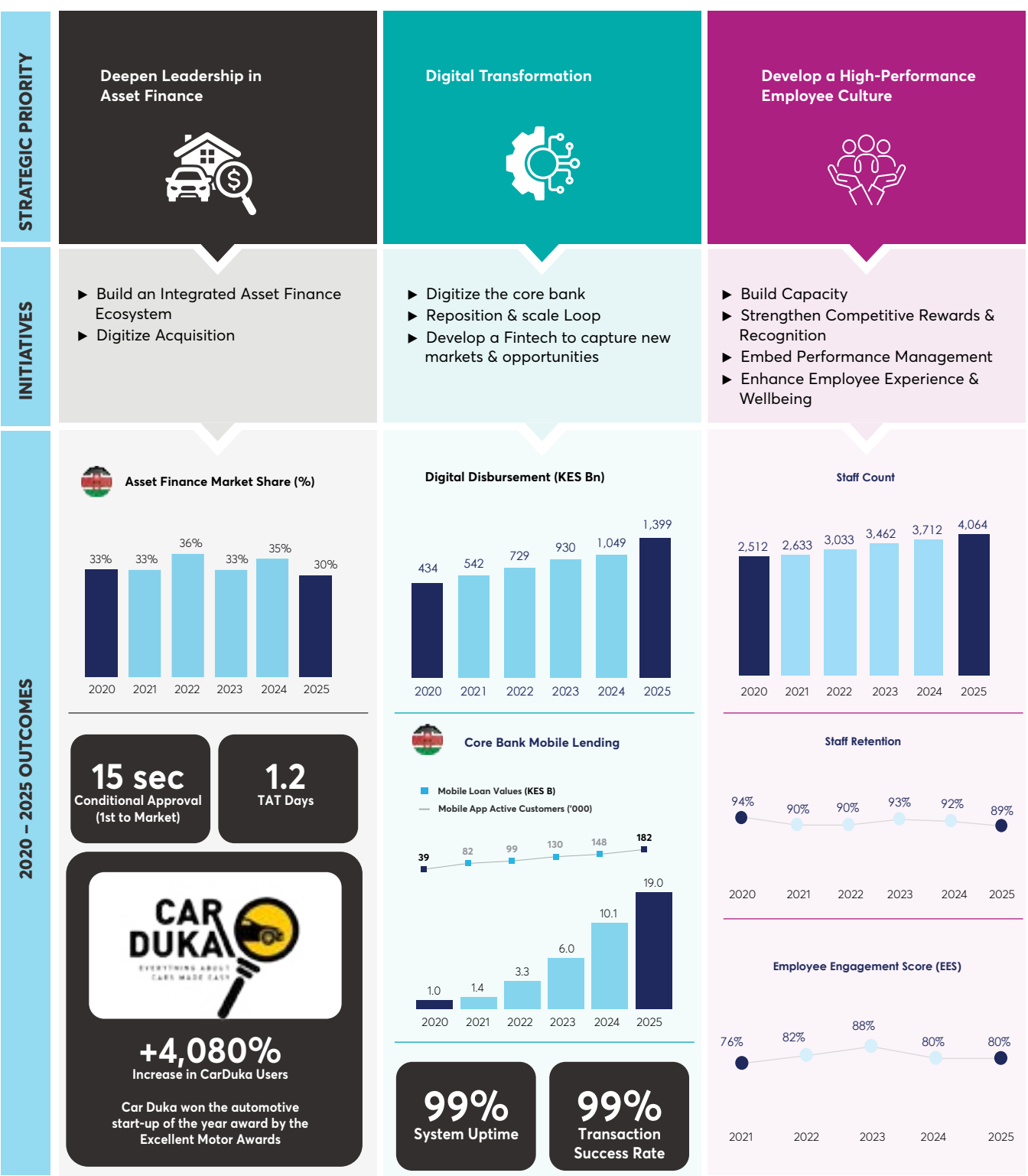
The strategic choices made in 2025 — on funding, efficiency and balance sheet strength position the Group to deliver sustained, high-quality earnings growth and superior returns to shareholders in 2026 and beyond, in line with our mid-term ambition.

David Abwoga
Group Director, Finance

2020 - 2025 STRATEGIC ACCOMPLISHMENTS



2020 - 2025 STRATEGIC ACCOMPLISHMENTS

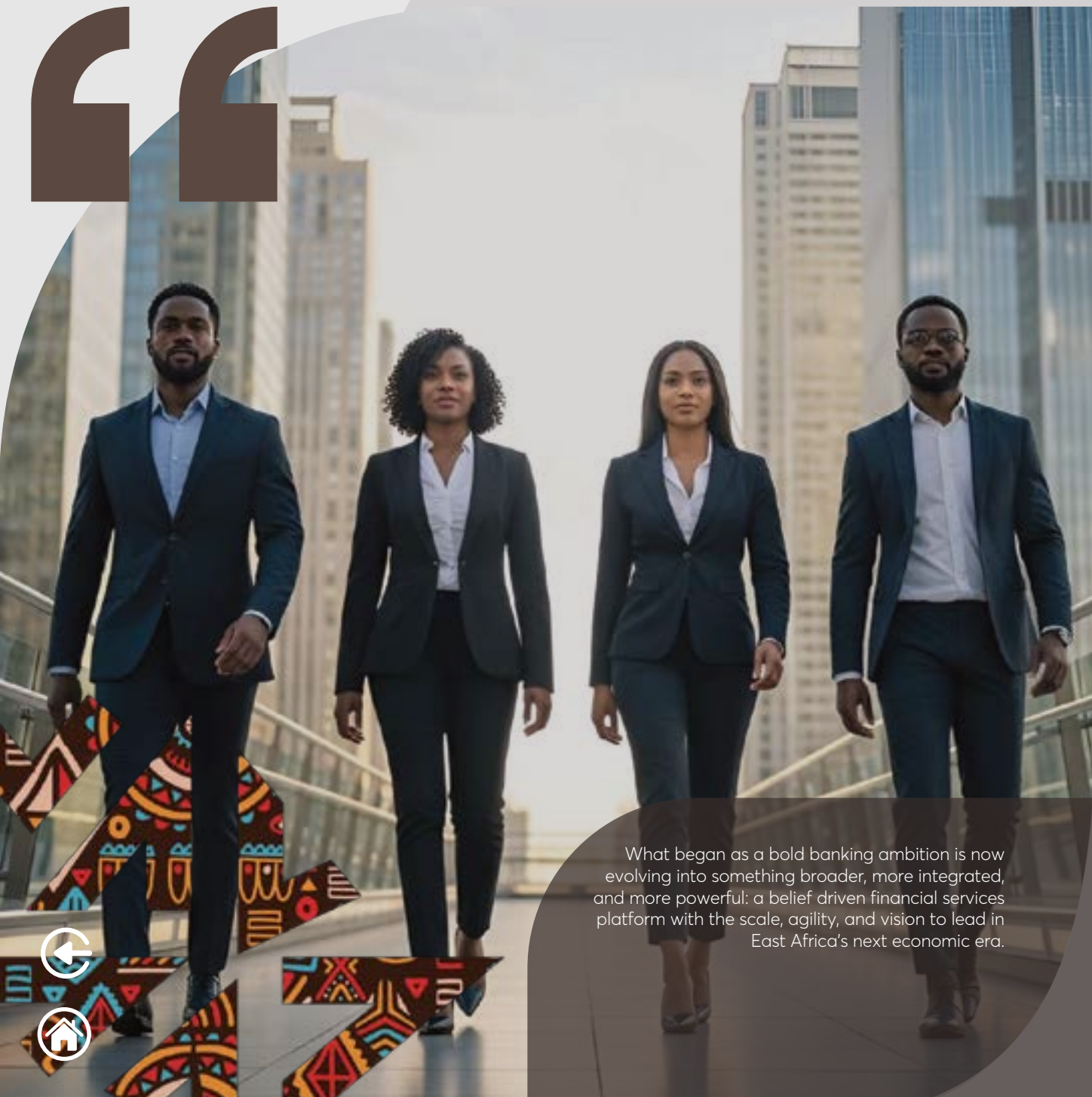


2026 - 2030



We are now entering

A defining chapter in our journey, shaped by the scale we've built, the complexity we've embraced, and the possibilities ahead.



What began as a bold banking ambition is now evolving into something broader, more integrated, and more powerful: a belief driven financial services platform with the scale, agility, and vision to lead in East Africa's next economic era.



OUR PURPOSE, VISION & GOAL

Our Purpose, Vision and Goal are aligned to enabled us deliver the strategy over the period



Our Purpose
Banking on Belief,
Empowering Ambitions



Our Vision Statement
By 2030, we will be; East Africa's most trusted financial ally, enabling customers to realize their boldest ambitions with a unified platform that simplifies banking, investment, insurance and beyond.



Our Goal
Top 5 Banking Group in East Africa.

OUR VALUES

We remain deeply committed to upholding excellent conduct by living our Values



Driven by being:
Decisive | Passionate | Bold



Open by being:
Honest | Transparent | Inclusive



Responsive by embracing:
Speed | Simplicity and Innovation | Focusing on Customers



Trusted by embracing:
Teamwork | Integrity | Accountability

CUSTOMER PROMISE

Our customer promise remains unwavering



We KNOW You



We BACK You



We WOW You

UBUNTU SPIRIT

Ubuntu comes to life through four experiences we seek to create for both our customers and our people



BELONGING

We create an environment where our customers and our people feel valued, included and part of something bigger than themselves.



UNDERSTANDING

We listen with intent so that the needs, ideas and challenges of our customers and our people are understood and responded to meaningfully.



TRUST

We build confidence through integrity, reliability and follow-through, so our customers and our people know they can depend on us.



SAFETY

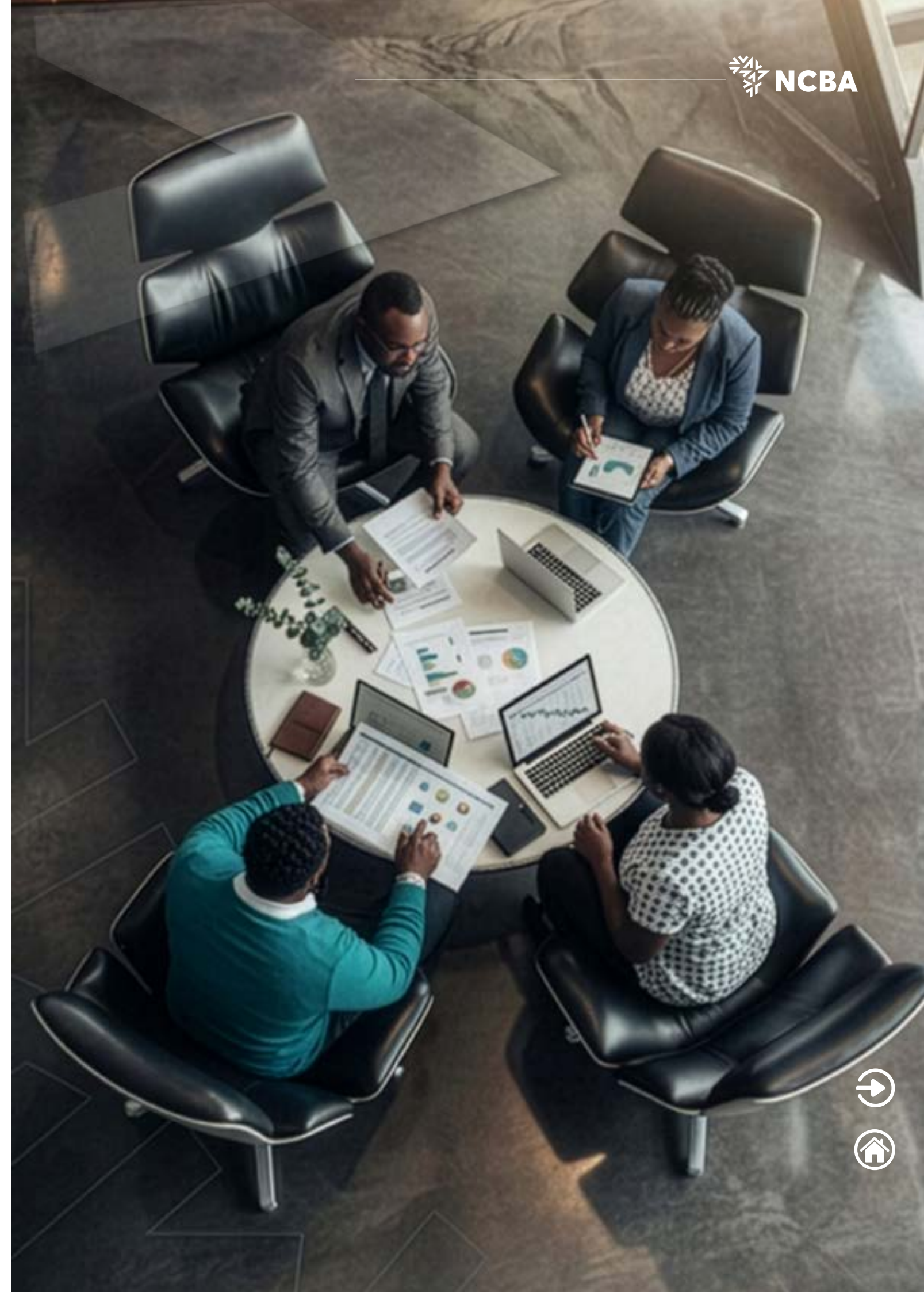
We foster secure and supportive environments that give our customers and our people the confidence to pursue their goals without fear.



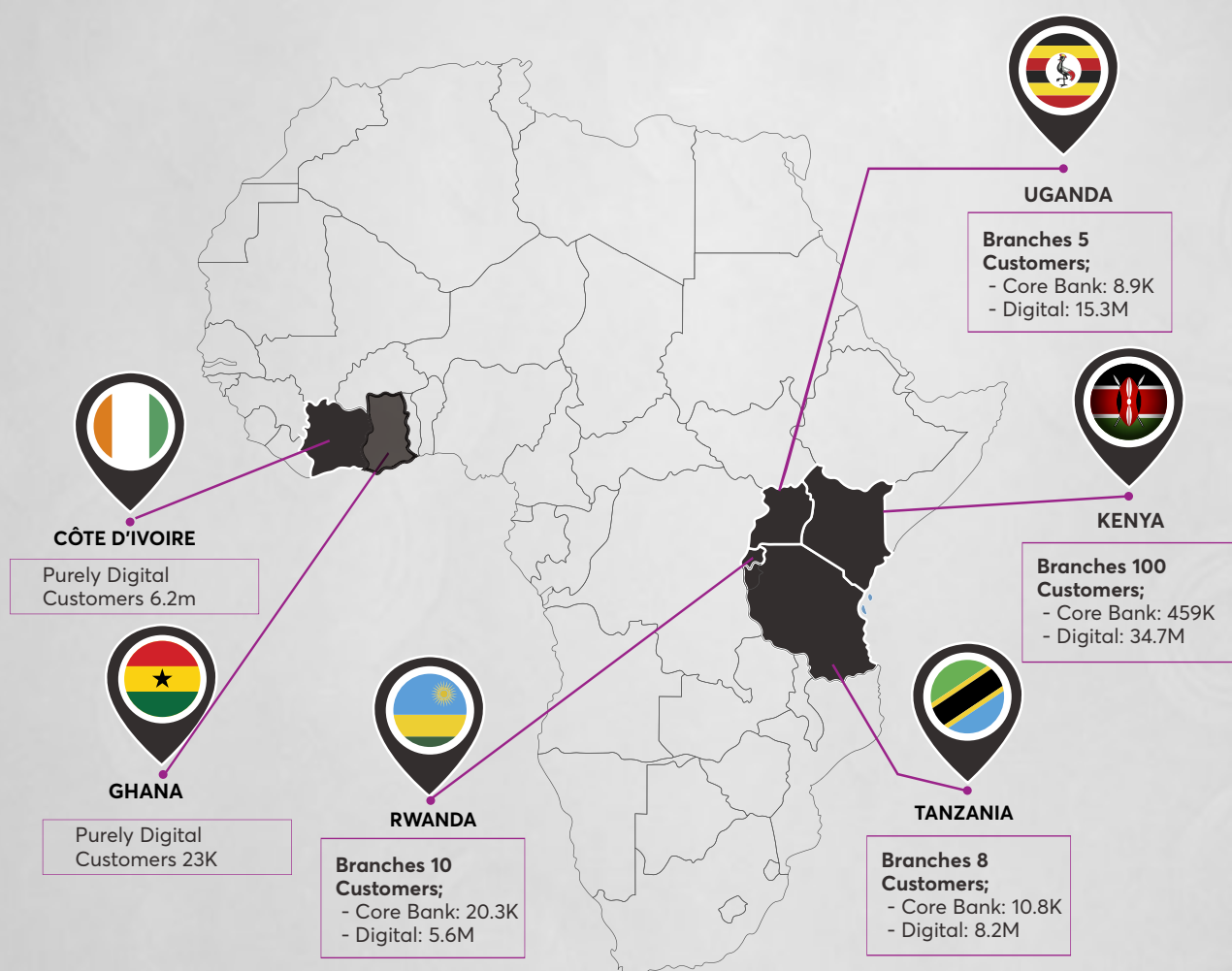
Our next strategic cycle will be anchored on four strategic pillars that will unlock greater possibilities for our stakeholders – customers, communities & partners;

KEY INITIATIVES

STRATEGIC PILARS	KEY FOCUS AREAS
Fortify the core We are rebuilding the engine of the Group—deepening customer insight, sharpening our brand promise, and building the systems behind it. By reengineering how we serve priority segments and markets, and by strengthening data, risk, and technology foundations, we will deliver consistent trust, relevance, and operational excellence at scale—turning our core franchises into durable, high-return growth engines.	 • Reliability as the Proof of our Brand • Data as the Platform for Growth • Smarter products, Integrated channels • Elevate Corporate Banking with Sophistication and Precision
Scale High Growth Segments We are backing the segments with the clearest upside, where we have competitive advantages and strong market tailwinds — providing greater access to wealth, delivering digital simplicity for the modern consumer, anchoring our business banking on speed and agility, and protecting our tribe by embedding insurance in every relationship.	 • Access as Our Wealth Edge • Digital Simplicity for The Modern Consumer • Speed & Agility Built For Business • Insurance, Embedded in Every Relationship
Unlock New Frontiers We are entering new geographies and untapped product categories—such as embedded finance and cross-border flows—where we see early potential for outperformance and long-term value creation.	 • Beyond Organic; Strategic Scale and Depth • Innovation at the Edge
Future-Ready Ubuntu We're transforming how we operate—reimagining our operating model for a more empowered, decentralized organization, investing in future-ready talent and leadership, embedding ESG deeply into our operations, and evolving our approach to risk so we can move faster and smarter.	 • Optimize Group Operating Model • Talent that Powers the Mission • ESG Integrated • Smart Future Fit Risk • Brand Ubuntu



OUR REGIONAL FOOTPRINT



OUR BUSINESS

OUR BUSINESS

- 42 Our Diversified Business Model
- 44 Themes Affecting Our Business
- 46 Message from the Managing Director Kenya
- 48 Corporate Business
- 50 Retail Business
- 54 Asset Finance & Business Solutions
- 58 Digital Business
- 62 Investment Banking
- 66 NCBA Insurance
- 69 Global Markets
- 72 Our Regional Presence
- 82 Managing Risks Strategically



OUR DIVERSIFIED BUSINESS MODEL



Corporate & Investment Banking

Corporate & Investment Banking is the Group's institutional franchise, providing financing, trade, transaction banking, custody and advisory solutions to over 3,000 customers across East Africa. In 2025, the business delivered 3.4% loan growth, 1.6% deposit growth and operating income of KES 11 billion, supported by stronger net interest income, resilient trade finance and custody income, and the rollout of ConnectPlus.



Retail Banking

Retail Banking is the Group's broad-based customer franchise, serving households and businesses across deposits, payments, credit, wealth and insurance. In 2025, the business operated a 123-branch network, expanded agency and digital reach, and enabled customers to invest over KES 25 billion through its wealth platforms, while also advancing green lending and EV-linked propositions.



Global Markets

Global Markets is the Group's treasury and markets platform, providing foreign exchange, fixed income, liquidity, hedging and balance sheet solutions to clients across the region. The business maintained about 10% share of total foreign exchange flows in Kenya and has grown FX revenue at a 4.3% CAGR since 2019, while also supporting correspondent banking, asset-liability management and economic research.



Asset Finance

Asset Finance remained a market-leading specialist lending business in 2025, with 30% market share in Kenya, 4% balance sheet growth, 9% growth in disbursements and a 58% increase in profit before tax. The business continued to differentiate through strong partner ecosystems, fast automated approvals and growing participation in EV and solar-linked financing.



Digital Business

Digital Business is the Group's innovation and scale engine, spanning consumer platforms, merchant solutions, embedded finance and platform-as-a-service capabilities. In 2025, the business strengthened LOOP DFS, expanded embedded finance across multiple African markets, and piloted MiSika in Ghana, reinforcing its role in driving digital reach, ecosystem growth and regional scalability.



NCBA Insurance

NCBA Insurance is the Group's underwriting and risk protection platform, extending the franchise beyond distribution into insurance manufacturing. Following the AIG Kenya transition and rebrand, the business delivered gross written premium of KES 3.6 billion, profit before tax of KES 306 million, and served about 38,000 active customers, supported by strong capital adequacy and improved underwriting discipline.



Bancassurance Intermediary

Bancassurance deepens the Group's customer proposition through insurance advisory and distribution, while adding a capital-light fee income stream. In 2025, commission income grew 16% and assets increased 17%, supported by stronger digital integration, service-level improvement from 37% to 80%, and continued regional expansion across Rwanda, Uganda and Tanzania.



Leasing LLP

Leasing complements the Group's asset-backed financing model by offering structured financing solutions for productive asset use. In 2025, the business sustained profitability, reduced turnaround times from 14 days to 4 days through workflow automation, and advanced sustainable finance through growth in solar assets and electric truck leasing.



Investment Bank

Investment Bank brings together Wealth Management, Brokerage and Advisory to provide investment solutions, market access and capital raising support to retail, high-net-worth, institutional and corporate clients. In 2025, revenue grew 59.7% to KES 1.38 billion while assets under management rose 37% to KES 95.9 billion, underpinned by stronger client engagement, broader product capability and increased digital adoption. The business continues to strengthen its position as an integrated, digitally enabled investment banking franchise.



THEMES AFFECTING OUR BUSINESS

The Middle East War: A joint shock on economic growth and inflation

The Middle East war presents significant downside risks to global economic growth this year. While our baseline forecast for level of economic activity is only slightly lower than last year, a more severe scenario would see GDP outturn much lower. In as much as the global economy is now more resilient to shocks than in past decades, several economies face intense headwinds given their direct exposure to the disruption of oil through the Strait of Hormuz. In contrast, the United States and Canada are well positioned as net oil exporters. Europe is somewhere in the middle, following its heavy reliance on the Strait of Hormuz for liquified natural gas. Consequently, the International Monetary Fund revised downward its 2026 global GDP forecast from 3.3% to 3.1%.

In Kenya, the IMF has revised downward the GDP growth rate for 2026 from 4.9% to 4.5%, while the central bank of Kenya sees GDP down at 5.3% from an earlier forecast of 5.5%. Additionally, policy makers are keen to assess the secondary effects through higher food production and transportation costs that are expected to play out in the second quarter. Already, fuel prices have risen 11% for the cycle commencing 15 April 2026, despite a partial subsidy. Overall, there is a need to prepare for more volatile weeks ahead because it may take longer to normalize oil supply and distribution.

Central banks to hold policy rates as geopolitical risks grip markets

Since the Middle East war started on 28th February 2026, global and domestic inflation risks became elevated, with Brent oil price surging over 70% year-to-date, to average \$103 per barrel in mid-April. Resultantly, faced with lower economic growth outlook and an inflation shock, key central banks have adopted a cautious policy path. Against this backdrop, we expect the central banks in Kenya, Uganda, Tanzania and Rwanda committee to hold the policy rates at their current in the near-term. Resultantly, the net interest margin (NIM) is likely to oscillate around the current levels.

Next wave digital innovation

In 2025, the Artificial Intelligence (AI) sector was an important driver of global economic activity, especially in the United States and Asia. This positive impulse reflected both the rapid pace of AI investment and strong wealth effects, as the share prices of major AI-producers surged across different securities exchanges. However, from a risk management standpoint, there were concerns about the sustainability of this AI investment and the associated valuations. While we remain confident in the underlying technology and expect it to bring productivity gains in the years ahead, the path to adoption is likely to be measured.

In Kenya, AI adoption is still new, with digital lending likely being an early user. Licensed digital lenders issued more than 6.6 million loans valued at KES 109.8 billion (\$795 million) by November 2025. The Central Bank of Kenya responded by expanding licensed digital credit providers to 195 by December 2025, processing more than 700 applications since March 2022 as it sought to balance innovation with consumer protection. NCBA continued to leverage AI-enabled platforms to scale digital lending, payments, and customer engagement across its markets. However, in 2025, the focus shifted from growth alone to quality of growth, strengthening model validation, bias controls, and risk monitoring within AI-driven credit processes.

Recognizing that technology is both an enabler and a risk, NCBA invested significantly in cybersecurity, system resilience, and talent capability to safeguard operations while supporting long-term digital growth. This balanced approach acknowledged both the transformative potential of AI and the governance imperative required to deploy it responsibly in an increasingly complex and interconnected financial ecosystem.

An environment of fiscal pressures

A broad set of countries pushed the traditional boundaries of debt sustainability in 2025. This even included advanced economies such as Japan, Italy, the United States, France, Canada, the UK, and Spain which all had their public debt levels at or exceeding 100% of GDP. Elevated debt levels and the associated fiscal deficits result in higher government financing costs as investors require additional incentives to hold the debt, and this puts increased pressure on debt-service capacity. So far, major countries have generally escaped the most severe manifestations of these challenges, but it leaves them vulnerable.

Faced with a track record of recurring revenue underperformance in Kenya, the fiscal deficit remained close to 6% of GDP, with debt to GDP ratio at around 67%. Heavy reliance on domestic borrowing supported near-term financing in 2025, but high domestic interest rates kept the interest costs elevated and constrained debt affordability. Public Private Partnerships (PPPs) was a key instrument for mobilizing private capital for infrastructure development and easing short-term fiscal pressures. However, the growing PPP portfolio, comprising several projects at various stages, also exposes the Government to significant fiscal risks. These risks mainly stem from contingent liabilities and long-term contractual commitments, including potential breaches of contract.

The Government did not seem firmly committed to resolving pending bills as part of supporting private sector liquidity and restoring confidence in public financial management. As at December 2025, only KES 80.3 billion of pending bills related to the roads sector was settled through securitization. This was out of total claims worth KES 637.6 billion that were verified.

Climate Volatility and Transition Risk

In 2025, climate risk moved from a long-term consideration to an immediate business reality. The frequency and severity of floods, droughts, and extreme weather events across East Africa directly affected agricultural output, infrastructure, insurance costs, and household incomes. Exceptionally heavy rains from March to May led to severe flooding in Kenya, Tanzania and Burundi, affecting more than 700,000 people and displacing families from their homes. The average surface temperature across Africa rose approximately 0.86°C above the 1991-2020 average, intensifying climate whiplash in major capitals including Nairobi, Addis Ababa and Kampala, where communities experienced rapid oscillation between extreme droughts and floods. These events increased credit risk, asset impairment, and operational disruptions across the financial sector, with 895,000 Kenyans facing acute food insecurity and agriculture-dependent borrowers experiencing heightened repayment challenges.

At the same time, global and regional momentum toward climate transition accelerated, though significant financing gaps persisted. For NCBA, climate considerations increasingly influenced credit underwriting, portfolio composition, and capital allocation. The Group expanded its focus on climate-resilient sectors, renewable energy, and sustainable finance while strengthening internal climate risk assessment frameworks. The continued implementation of the "Change The Story" Sustainability Strategy ensured climate, social, and governance factors were embedded into decision-making processes. The launch of NCBA's Sustainable Development Impact Disclosure (SDID) in 2025 marked a strategic shift from narrative sustainability reporting to quantified, outcomes-based disclosure, enhancing credibility with stakeholders and aligning the Group with emerging global best practice in an environment where climate impact could no longer be treated as externality but required integration into core risk and opportunity assessment.



JAMES GOSSIP

MANAGING DIRECTOR - NCBA KENYA

Message from the
Managing Director - NCBA Kenya

“

Our strategy remains focused on strengthening customer trust, accelerating digital transformation, deepening market leadership and delivering sustainable long term value for shareholders.”

Dear Shareholders,

During 2025, the Kenyan banking sector adjusted to a lower rate environment. The benchmark lending rate was cut to 9% by December, down from 11.3% a year before. This improved liquidity and helped stimulate private-sector lending growth to 6.3% by December, up from 4% the previous year. The same conditions, however, compressed margins across the industry and sharpened the focus on credit quality.

Against that backdrop, NCBA Bank Kenya PLC delivered Profit Before Tax of KES 22.8 billion through a disciplined focus on management of both asset and liability margins while still growing its balance sheet from KES 589 billion to KES 617 billion, a 5% expansion.

The bank's financial performance was broad-based. Total income rose to KES 59.1 billion, up 17% from the previous year while the Cost-to-Income Ratio fell to 49.9% from 51%, the consequence of productivity investments which are now delivering through to the bottom line. Consequently, Return on Average Equity reached 18.9%. And on asset quality, NCBA Kenya closed the year with an NPL ratio of 11.2%, down from 12% in 2024, supported by strengthened credit monitoring and targeted recoveries.

Beyond the financial numbers, 2025 was a year of tangible market moves. In retail, NCBA Kenya crossed 100 branches across Kenya, up from 89 in 2020, while simultaneously growing digital disbursements from to KES 1.3 trillion in 2025. The bank also deployed full digital account onboarding — removing the friction that has historically stood between a customer's intent and their first transaction.

In Corporate Banking, NCBA Kenya launched its market leading cash management platform, NCBA ConnectPlus — East Africa's first cloud-based regional transaction management platform — which has already been adopted by over 20,000 corporate customers seeking a more integrated way to manage their day-to-day banking. In Asset Finance, NCBA Kenya defended its 30+% market share leadership — maintained consistently since 2020 — backed by provisional approval decisions delivered in 15 seconds and launched the AI-powered Carduka platform, which saw 6 million new customers visit the platform through its revamped user experience.

What makes these results possible is people. Between 2020 and 2025, NCBA Kenya workforce grew from 1,997 to 3,419 employees — a 71% increase which reflects the ambition of the business, not simply its growth.

An employee engagement score of 80% and a near-90% retention rate are not incidental — they are the output of sustained investment in leadership development, skills building and a culture of consistent performance. The Top Employers Institute recognised this in 2025, certifying NCBA Kenya as a Top Employer 2026.

The new 2026–2030 strategy — Banking on Belief, Empowering Ambitions — launches from a position of genuine strength. Kenya's financial services sector is moving toward digital scale, personalisation and operational precision, and NCBA Kenya is already well established in these areas and to build its brand as a trusted financial adviser. The task ahead is not to catch up. It is to extend the lead — for customers, for shareholders, and for the communities NCBA Kenya exists to serve. We look forward to 2026 with confidence and ambition to provide our customers with market leading services and to continue to support and develop our staff and communities.

Go For It!

James Gossip, Managing Director
NCBA Bank Kenya


22.8B **5%**
Profit Before Tax


59.1B
Total Income


18.9%
Return on Average Equity


6.8% **200BPS**
Net Interest Margin


11.2% **80BPS**
Non Performing Loan ratio


49.4% **160BPS**
Cost to Income ratio

Who We Are

Our Business

ESG, Climate Risk & Sustainable Finance

Our Financials

Other Information



CORPORATE AND INVESTMENT BANKING



JAMES GOSSIP

MANAGING DIRECTOR - NCBA KENYA

"CIB's 2025 performance reflects the strength of our diversified model, sector-led approach and digital investment. With KES 11 billion in operating income and over 3,000 customers across East Africa, we are well positioned to support client growth and advance our 2026–2030 strategy."


KES 2.8B
Profit Before Tax


KES 184B
Loans


KES 214B
Deposits

2024 witnessed currency volatility, elevated lending rates, and constrained credit growth. 2025 was a year of recalibration and renewed momentum. The stabilization of the Kenya Shilling and easing macroeconomic uncertainty supported improved client confidence, although credit appetite remained muted.

2025 Performance

The Corporate and Investment Banking ("CIB") loan book grew 3.4% in 2025, while the deposit book increased 1.6%. Operating Income closed 2025 at Kes 11Bn, underpinned by a 12% growth in Net Interest Income and resilient growth in Trade Finance and Custodial Services income.

It is against this backdrop that CIB continues to be one of East Africa's leading Corporate and Investment Banking businesses, serving a diverse portfolio of over 3,000 customers spanning multiple sectors and geographies across East Africa.

During the year, CIB reinforced its market position via upgrading digital infrastructure, implementing targeted sector strategies, and upholding a dedication to delivering bespoke financial solutions to customers. The year witnessed continued improvement in the overall quality of the lending book, offering a solid foundation from which to launch CIB's new strategic 2026-2030 roadmap.

The sector-organized, Relationship Management teams remain a strong pillar for supporting customers' long-term strategic plans and provide an anchor from which the bank's focus on customer service is delivered. During the year, multiple successful sector-focused engagements were organized and sponsored in order to foster and enhance the bank's experience in these areas. eg. Economic Forum, SACCO engagements, Faith-Based tax forum.

A key 2025 milestone has been the rollout of the bank's much enhanced internet banking platform, ConnectPlus, ConnectPlus provides customers with market leading digital experiences and solidifies the Bank's position as the preferred transactional banking partner. Our Investment Banking and Advisory, Custody and Trustee services all recorded very strong growth, testaments of the varied endowments we leverage in supporting our customers' needs.

2026-2030 Strategy

As the bank navigates a more dynamic future operating environment, CIB remains confident in its ability to provide trusted advisory services, and on its ability to provide bespoke solutions to support customers' strategic growth plans.

CIB will build on its robust foundation by further advancing digital infrastructure and reinforcing system resilience, thus embedding "Reliability as the Proof of our Brand". CIB will also accelerate the rollout of intelligent treasury platforms, expand cross-border payment capabilities and deepen adoption of cash management and risk solutions to scale the business.

CIB's customer service commitment remains unwavering: to be relationship-driven in an "Ubuntu" manner, and solution-oriented. CIB will therefore continue building strong partnerships and leverage its wide-ranging financial services capabilities across asset finance, insurance, and investment banking to deliver exceptional value to customers and all stakeholders.

In conclusion, CIB is well-positioned to realize its vision and ambition of being the leading Corporate and Investment Bank in the region and a "Trusted Advisor" to the bank's customers.



NCBA CONNECTPLUS
UPGRADED EXPERIENCE
SIMPLE • SMARTER • SECURE

Allowing you to monitor your transactions better

Welcome to NCBA ConnectPlus, our new internet corporate banking platform that is:

- Easy to navigate
- Customizable to your preferences
- Accessible across multiple devices
- User-friendly with a smart search feature

Visit ncbaconnectplus.com to get on board.

ncbagroup.com **Go for it**

NCBA Bank Kenya PLC is regulated by the Central Bank of Kenya



RETAIL BANKING

DENNIS NJAU

GROUP DIRECTOR, RETAIL BANKING

**We move forward boldly,
banking on belief and
empowering ambition.**

A Defining Bridge Year

2025 marked a pivotal transition for the Bank, a bridge between the 2020–2024 cycle and the 2026–2030 strategic horizon. It was a year of consolidation and conviction: strengthening the gains of the outgoing strategy while laying structural foundations for the next phase of growth. Our rallying call was clear: embed customer obsession at scale. For Retail Banking, this is translated into one mandate: Transform the Retail Customer Promise into lifelong partnerships. Every product, process, and capability was aligned to power the five core reasons customers engage with us:



**Building savings
and deposits**



**Executing daily
payments & transfers**



**Accessing credit to
enable ambition**



**Investing to grow
wealth**



**Protecting assets through
insurance and bancassurance**

We are proud that in 2025 we did more than facilitate transactions. We enabled resilience, unlocked prosperity, and deepened trust.

From Distribution to Ecosystem Enablement

In 2025, we celebrated a milestone of 100 branches in Kenya alongside an expanded agency footprint. Yet our most powerful distribution engine remains digital. Our mobile platform has evolved into a fully integrated financial hub; seamlessly delivering lending, investments, insurance, savings, and payments at scale. More importantly, 2025 marked our evolution from distribution-led banking to ecosystem enablement. We increasingly see our customers not as isolated segments, but as participants within interconnected economic systems:

- Corporates anchor value chains
- SMEs enable supply and distribution
- Households generate demand

Retail Banking plays the pivotal bridge between these segments. By strengthening SMEs within corporate supply chains and equipping households with accessible credit and savings tools, we amplify economic multipliers across the ecosystem. This ecosystem mindset will remain central to our execution going forward.

Performance with Purpose

Retail delivered strong financial results in 2025. However, our defining metric remains impact. We take pride in enterprises that began as micro and small businesses and have grown, through partnership and belief, into commercial players and corporates. These journeys embody the spirit of **UBUNTU**: shared prosperity is sustainable prosperity. In 2025, customers invested over **KES 25 billion into assets** under management across our wealth platforms, signaling a structural shift from transactional banking to wealth-building partnerships.

Responsible lending frameworks were strengthened through enhanced underwriting models, improved turnaround times, and tighter portfolio monitoring, ensuring disciplined, risk-aligned growth.

Our belief in customers continues to scale supported by data-driven decisioning and portfolio discipline.

Advancing Sustainable Finance

Sustainability is not an adjunct initiative; it is embedded within our product architecture and credit philosophy.

- **Green SME Financing:** We financed businesses transitioning toward renewable energy solutions, including solar adoption. Structured lease-to-own models and tailored financing enabled capital-efficient sustainability upgrades.
- **Green Mortgages:** We introduced green mortgage solutions integrating renewable components into home financing; reducing long-term energy costs while supporting climate-aligned living.
- **Green Asset Finance & EV Adoption:** Demand for electric vehicle financing is accelerating. We have begun integrating EV charging infrastructure within selected premises, signaling our commitment to sustainable mobility ecosystems.

Collectively, these initiatives position Retail as a contributor to national and regional sustainability objectives aligning growth with environmental responsibility.

2026–2030: Structural Priorities for Scale

As we enter the new strategic cycle, Retail Banking will anchor execution on five pillars:

Digitization at Scale:

End-to-end digital journeys across lending, savings, insurance, and investments. Customers continue to prioritize speed and convenience. Our digital lending portfolio reflects this shift.

Product Management Excellence:

Sharper product design to deliver integrated, lifecycle-based financial solutions.

Payments Leadership:

Strengthening integrated payment capabilities across households, SMEs, and corporates within ecosystem value chains.

Wealth Management Scale:

Wealth management is a core ambition. Retail will be central to expanding structured investment access and deepening advisory capabilities.

Distribution Optimization:

Continued branch optimization, agency banking scale-up, and sustained digital platform enhancement — ensuring accessibility remains foundational to inclusive growth.



100
Number of
Branches in Kenya

456K
customer
numbers

KES 2.5B
Profit Before Tax

KES 110B
Loans

KES 130B
Deposits

Strengthened for the Future

The commencement of the new cycle is further reinforced by the proposed strategic acquisition of NCBA Group by Nedbank. This partnership significantly strengthens our capital base and unlocks a compelling Pan-African opportunity for our customers. Nedbank's deep expertise in Wealth Management, Agriculture, and Asset Finance coupled with our leadership in these areas accelerates our ability to deliver integrated financial solutions across regional trade corridors. For customers operating across Africa, this enhances cross-border capability, product sophistication, and structured advisory integration.

Governance, Talent, and Technology as Enablers

Our growth ambition is anchored in strong governance and disciplined execution. The RM DNA program has redefined the modern Relationship Manager as data-driven, consultative, and ecosystem-oriented. Data remains central to credit decisioning, segmentation, and risk management. Generative AI integration is underway to enhance operational efficiency and customer experience within robust governance frameworks.

Sustainability considerations are embedded in credit structuring and portfolio oversight, ensuring environmental and social risk alignment.



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- Advance sustainable development and support a resilient national energy future.
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*Savings assume a fully off-grid setup. *T&Cs apply.

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NCBA Bank Kenya PLC is regulated by the Central Bank of Kenya.

98%
Transactions
conducted Digitally

80% CAGR
KES 19B
Mobile loans value

Our Outlook

We enter the 2026–2030 cycle with: a strengthened capital base, Pan-African growth platform, an embedded ecosystem strategy, digitally scalable infrastructure and a workforce united by the spirit of UBUNTU.

In 2026, we execute belief at scale. For investors and sustainability-focused stakeholders, Retail represents a platform where financial performance and societal impact reinforce one another. 2025 consolidated our foundations. The next five years will scale them.

ALL ABOARD THE NAIROBI PROPERTY INVESTMENT TOUR



ASSET FINANCE & BUSINESS SOLUTIONS



LENNOX MUGAMBI

GROUP DIRECTOR, ASSET FINANCE
& BUSINESS SOLUTIONS

NCBA Bank Kenya remains the market leader in Asset Finance, commanding a 30% market share—reflecting the strength of our strategically driven, competitive, and innovative solutions across new and used movable assets. Our 65-year legacy continues to anchor this success. We also lead in Insurance Premium Financing with a 40% market share. In 2025, despite a high maturity profile, the balance sheet grew by 4%, supported by a 9% increase in disbursements. Coupled with prudent cost management, Profit Before Tax rose by 58%, underscoring Asset Finance's significant contribution to overall Group performance.

Below are some of the key activities and initiatives that were instrumental in driving this success.



Strategic Partnerships

Our robust and strategic partnerships with key partners in the asset finance industry enabled us to provide more comprehensive and competitive solutions to our customers. By expanding our partnership schemes to 20, we not only ensured that our customers acquired the assets they needed but also supported them throughout their entire loan repayment journey.



Automation

We fully automated our pre-approval processes, optimizing operational efficiency and ensuring seamless customer experience. With a conditional approval time of just 15 seconds and an average turnaround time of 1.5 days, we have always set a new benchmark for speed, reliability, and efficiency. This innovation not only streamlined our internal processes but also built trust and confidence among our customers and partners.



NCBA Johari Awards:

The 19th edition of Johari Awards served as a prestigious platform to recognize and honor the critical role our valued asset finance and insurance partners play in driving our business forward. This event underscores our commitment to fostering strong, collaborative relationships with our partners, whose support is essential to our sustained success.



Sustainability

Through strategic partnerships with electric vehicle (EV) and Solar Photovoltaic (PV) providers, we are actively advancing our sustainability agenda. These collaborations not only promote environmental responsibility but also contribute to the growth of green technologies in the region. We remain dedicated to supporting the transition to more sustainable energy solutions and reducing our carbon footprint.

Conclusion

NCBA's unwavering commitment to innovation and customer-centric financing has solidified our position as the market leader in asset finance. Looking ahead, we will accelerate growth by strengthening our core, expanding into new markets, and deepening strategic partnerships. Automation and process efficiency will remain our key differentiators, while our focus on value-added solutions will continue to drive sustainable, long-term value for all stakeholders.

BANCASSURANCE

The business closed the period with resilient income performance despite regulatory constraints and the loss of key accounts. While core revenues remained under pressure at the beginning of the year, the business closed strong towards the end of the year. Additionally, strong cost discipline and robust asset growth supported good financial position.

Some of the key financial highlights were as follows.

Commission revenue grew 16%, and total assets grew by 17% signaling solid underlying business activity. The balance sheet remains healthy and liquid, offering flexibility for operational and strategic priorities.



Some of the key accomplishments include;

- Successfully integrating the core Bancassurance system (IPEN) with Association of Kenya Insurers Digital Motor Vehicle Insurance Certificate (DMVIC) and Go Insure, enabling real-time motor certificate issuance.
- Enhancement of document sharing, production reconciliation, and real-time cover placement by integrating with APA and ICEA Lion insurance companies.
- Implementation of the Insurer rate card ensured continuous accountability on Service Level Agreements (SLAs), significantly improving service levels from 37% to 80%.
- Rollout of a Wealth Certification Bootcamp that successfully trained and certified more than 250 Relationship Managers, Branch Managers, and members of the Retail Senior Leadership team, thereby strengthening Bancassurance advisory capabilities across the Retail Banking network.
- Consolidation of the Bankers Blanket Bond BBB arrangement across Kenya, Uganda, Rwanda, and Tanzania, enhancing regional alignment and unlocking economies of scale.
- We expanded our Bancassurance regional presence by setting up Rwanda business which started generating revenue to the Group while Uganda and Tanzania's revenues increased by 46% and 65% respectively.

30%
Asset Finance
Market Share

KES 5.7B
Leased Assets

KES 52B
Gross Lending

KES 3.7B
Bancassurance
Premiums

Who We Are

Our Business

ESG, Climate Risk &
Sustainable Finance

Our Financials

Other Information





5.5M

Car duka users
since launch

increased
auctions by
14%



Carduka won the
automotive start-up of the
year award by the
Excellent Motor Awards

CAR DUKA

In 2025, CarDuka was revamped and scaled into a highly transactional digital automotive ecosystem, delivering enhanced functionality and an improved customer experience. Key features delivered include;



Some of the key accomplishments include;

- Development of a used cars marketplace that incorporates motor vehicle dealers and private sellers.
- Embedded financial services.
- Development of trusted and verified platform.
- Artificial Intelligence features to improve user engagement.
- Development of mobile first approach through Android & iOS mobile applications.
- Cloud and microservice solutions-based architecture and deployment.

As a result, the value of transactions that passed through CarDuka increased by 364% and value of auctions in the marketplace increased by 14%. Lead time on auctions reduced by 64% to 40 days.

On platform and brand performance, the platform registered a whopping 4,080% growth in the number of users, 51% of whom were female users pointing towards a high level of trust especially in a male dominated market. 70% of the users were below the age of 35 years, depicting a future fit audience. Consequently, Carduka won the automotive start-up of the year award by the Excellent Motor Awards and our revenues closed at 132% ahead of budget.

Drive now, pay later
we've got you covered.
With 15 second conditional pre-approval straight from your phone.



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www.carduka.com



LEASING

Lease performance was characterized by strong contributions from both Retail and Corporate Business segments as the business continued to make profit with leased assets closing at **KES 5.7billion** as of 2025.



Process Automation:

The automation of the application workflow reduced average approval turn around time from 14 days to 4 days, significantly improving operational efficiency and enhancing customer experience.



Product Development and Capability Building:

Leasing training was launched on NCBA Academy system Percipio, with over 500 staff completing the course and passing the assessment, strengthening internal product knowledge.



Sustainability Initiatives:

Solar PV assets under lease doubled, and 30 electric trucks were contracted, supporting clients' emission reduction efforts and contributing to long-term cost efficiency.





ERIC MURIUKI
GROUP DIRECTOR, DIGITAL BUSINESS

KES 8.9B
Profit Before Tax

▲
26% CAGR

KES 1.4T
Disbursements

> 65M
Customers

Across the 2020–2025 strategy cycle, the Digital Business continued to anchor NCBA’s ambition to lead in digital-first financial services, delivering strong progress in platform modernization, consumer engagement and ecosystem expansion.

In 2025, LOOP DFS accelerated execution by significantly enhancing digital customer experience through the rollout of the new LOOP user interface, which modernized navigation, reduced friction across key journeys, and improved overall app responsiveness. These upgrades, supported by sustained investment in platform reliability and onboarding optimization, contributed to deeper customer engagement and strengthened sentiment across key consumer and merchant segments.

Brand-led engagement also advanced meaningfully during the year. The flagship LOOP Safari Gravel Series – now in its third season – expanded its national footprint across **Karura, Tatu City, Machakos, Naivasha (UCI event), and Vipingo**, attracting approximately **2,900 cyclists** and spectators and generating **KES 185.9 million** in PR value. The introduction of QR-based digital registrations and full vendor onboarding to LOOP payment channels reinforced the brand’s positioning as a lifestyle-first financial ecosystem while simultaneously driving platform utility and new merchant relationships. The series also delivered material sustainability outcomes, with 800 trees planted across all venues – contributing to SDG 13 (Climate Action) and SDG 15 (Life on Land) – while the fitness, wellness and community participation elements supported SDG 3 (Good Health and Well-Being) and SDG 8 (Decent Work and Economic Growth) through local enterprise participation.

Commercially, LOOP DFS deepened its presence across payments, credit, merchant services and digital commerce. Customer and merchant acquisition remained strong, supported by ecosystem activations such as the **LOOP Shopping Festival, device-financing partnerships** with Samsung and OPPO, **targeted digital campaigns, and continued enhancements to LOOP FLEX (BNPL)** lending propositions. These initiatives broadened LOOP’s reach across mobility, retail, agriculture value chains, travel, entertainment and creator-led segments, contributing to steady growth in platform activity and revenue diversification.

Our foot print

A major area of progress in 2025 was advancement of B2B (MSL) business lines across multiple markets;

- In Uganda**, Mo-Kash delivered above-plan performance supported by disciplined portfolio growth, improved investment income and lower costs, alongside preparations for merchant lending, USSD menu enhancements and ongoing scoring optimization.
- In Rwanda**, the business advanced regulatory readiness for the LOOP Capital lending license, progressed the deployment of new MoKash features including Loan Top-Up and Lock Savings Accounts (LSA), and strengthened credit portfolio performance through updated rescore models.
- In Tanzania**, M-Pawa executed new deposit-led features and calibrated its credit risk framework, while working with partners to optimize trust-account structures and align commercial models for long-term sustainability.
- In Côte d'Ivoire**, MoMoKash continued to demonstrate robust portfolio fundamentals, supported by expanding disbursements, stable credit quality and strong adoption across consumer and agent segments.

By demonstrating the interoperability of its platform at ecosystem convenings and accelerating institutional engagement across priority markets, NCBA Digital Business strengthened its credentials as a pan-African digital infrastructure provider and consolidated the foundations for future B2B and B2B2C expansion. Overall, 2025 concluded the 2020 – 2025 strategy cycle with strong alignment to NCBA’s digital transformation agenda – evidencing innovation depth, ecosystem breadth, and measurable impact across consumer, merchant and enterprise partner segments.

LOOP FLEX

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AVAILABLE AT MULTIPLE STORES



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These multi-market advancements reinforced the resilience and scalability of the MSL franchise, delivering consistent contribution to Group performance while enhancing LOOP’s position as a regional leader in embedded finance for everyday commerce.

The year also marked a critical milestone in LOOP DFS’s **platform-as-a-service (PaaS)** trajectory through the launch and successful pilot of **MiSika in Ghana** – a merchant term-loan service delivered via **MTN MoMo rails** in partnership with **Adehyeman Savings & Loans**. Over the pilot phase, MiSika achieved **82% of targeted registrations, 155% of planned acceptance, 124% of planned disbursements** and **NPLs within the target threshold**, validating both product-market fit and the robustness of underwriting models in Ghana’s informal merchant ecosystem. MiSika fully demonstrates the PaaS model in action: partner-owned distribution and regulatory licensing layered onto LOOP’s multi-tenant platform and data-driven scoring, enabling **capital-light, high-velocity** expansion into new markets through partner channels.



How the 2026-2030 Strategy affects our business

The upcoming 2026–2030 strategic cycle positions the Digital Business at the center of NCBA's aspiration to be the region's most customer-obsessed, digitally powered financial institution. As the Group accelerates its digital and platform transformation, the Digital Business is expected to play a catalytic role across five dimensions:

Customer Obsession as the Primary Operating Principle

We will lead the Group's commitment to placing customers at the heart of every interaction. Enhanced experience design, predictive analytics, journey personalization, and proactive issue resolution will drive satisfaction, loyalty and lifetime value.

Deepening Retail, SME and Merchant Penetration

The Digital Business will expand its financial and lifestyle ecosystem for individuals, microbusinesses and SMEs by scaling payments monetization, merchant productivity tools, embedded finance, working capital solutions, and digital commerce enablement.

Embedding Digital at the Core of the Group

The business is central to driving NCBA's transition to an AI-first digital operating model — streamlining processes, enhancing credit-decisioning, improving risk management, and powering real-time insights to support all business lines.

Regional PaaS Expansion

Digital Business will enable NCBA to broaden its regional presence through a scalable PaaS infrastructure, focusing on rapid market entry and 'buying' market share by providing the foundational digital rails for banks, telcos and FinTechs across Africa. This capital-light model prioritizes rapid distribution and ecosystem dominance over traditional, high-capex expansion.

Operational Excellence and Cost Efficiency

Investments in automation, cloud optimization, data architecture and platform resilience will enhance reliability, reduce costs and improve delivery agility across markets.

The 2026–2030 strategy thus elevates the Digital Business from a high-growth business line to a Group-wide engine for innovation, scale and long-term competitiveness.

Anticipated benefits from the proposed Nedbank–NCBA transaction

The proposed transaction presents transformative opportunities for the Digital Business and for NCBA's broader digital ambitions.

Through expanded scale and cross-market synergies, the Digital Business stands to benefit from:

- Access to a larger regional customer base, enabling accelerated adoption of LOOP Consumer, LOOP Merchant, and ecosystem solutions.
- Enhanced PaaS export opportunities, leveraging combined footprints and capabilities to offer digital services to more financial institutions across Africa.
- Technology and operational integration, allowing the business to tap into shared infrastructure, cyber capabilities, digital tools and innovation frameworks.
- Stronger credit, risk and data models, supported by richer data pools and expanded behavioral insights across diversified markets.
- New distribution pathways, enabling LOOP digital propositions to reach new geographies and customer segments in a more capital-efficient manner.
- Greater balance sheet strength, supporting the scaling of digital credit, device financing, merchant funding and ecosystem-linked lending.

Direct access to Nedbank's extensive corporate client base, creating a powerful channel for B2B cross-selling and supply-chain financing through LOOP's merchant ecosystem. Overall, the proposed transaction aligns with LOOP DFS's mission to become Africa's most loved digital financial partner by amplifying reach, capability and long-term growth potential.



Jishonee future
ya biashara na
LOOP BIZ



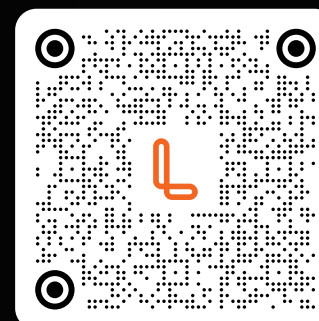
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MUATHI KILONZO

MANAGING DIRECTOR, NCBA INVESTMENT BANK

NCBA Investment Bank operates through three distinct but interconnected business units, **Wealth Management, Brokerage and Advisory**. Together, they form a comprehensive investment banking platform serving retail investors, high-net-worth individuals, institutional clients and corporate issuers. Our track record spans delivery of tailored investment strategies, structuring capital market transactions, and providing sophisticated advisory services. We remain committed to offering innovative, client-centric solutions that respond to evolving market dynamics, supported by disciplined risk management, deep expertise, and technology-enabled distribution.

▲
59.7%
KES 1.38B
2025 Revenue

Over the past five years, the Investment Bank has delivered consistent and broad-based growth across Wealth Management, Brokerage and Advisory. Revenue expanded materially to KES 1.38 billion in 2025, representing 37% year-on-year growth (up from KES 866 million) and a 26% CAGR from 2020 (KES 453 million). Assets under management scaled significantly to KES 95.9 billion, reflecting 27% year-on-year growth (up from KES 69.9 billion) and a 29% CAGR from 2020 (KES 27 billion). Market share strengthened across key segments supported by deeper client engagement, enhanced product capability and accelerated digital adoption. The results reflect disciplined execution and a clear shift toward a more integrated, digitally enabled and advisory-led investment banking model.

Business Overview



Wealth Management

NCBA Investment Bank continues to reinforce its position as a leading provider of wealth and investment solutions across the region anchored on disciplined risk management, a highly client-centric advisory approach, and a clear commitment to long-term value creation.

Our business is structured around five integrated service lines:

Collective Investment Schemes: At the heart of our product suite are seven-unit trust funds which consistently deliver competitive, benchmark-beating returns.

- The NCBA KES and USD Fixed Income Fund
- The NCBA KES and USD Money Market Fund
- The NCBA KES Equity Fund.
- The NCBA USD Global Equities Special Fund and
- The NCBA USD Global Fixed Income Special Fund

▲
36%
KES 95.9B
Assets Under
Management

▲
55%
KES 998M
Management
Fee Revenue

7 Unit Trust
KES, USD, fixed
income, money
market, equity
and global
investment
solutions

Private Wealth Management: Bespoke advisory and portfolio management solutions for high-net-worth individuals, crafted around each client's investment objectives, risk appetite, and liquidity requirements.

Institutional Portfolio Management: Discretionary, professionally managed portfolios for institutional clients, encompassing liquidity management, treasury solutions, customized to each institution's mandate.

Investment Execution Services: Granting clients access to a diverse universe of investment opportunities via our custodial platform, while preserving their full discretion over investment selection and decision-making.

Pension Fund Management: We are a licensed pension fund manager supporting both corporate and individual clients through segregated mandates and scheme-based solutions including NCBA Umbrella Retirement Benefits Scheme, NCBA Individual Pension Fund and NCBA Income Drawdown Fund.

Through the 2020-2025 period, the Wealth Management team focused on expanding access, strengthening partnerships and diversifying products. The team deepened its partnership with the Retail Bank, embedding wealth solutions within the branch network and significantly expanding the accessible client base. The product suite was diversified through the introduction of global funds and structured deposits, providing clients with exposure to both emerging and developed markets. Thought leadership was strengthened through the publication of CIO newsletters to enhance information dissemination and investor confidence. In parallel, digital transformation enabled access to investment products through the bank's digital channels, i.e. Invest Now, increasing accessibility and improving client experience.

The Wealth Management unit closed 2025 with strong results across all key metrics. Management fee revenue reached KES 998M (+55% YoY, up from KES 642M), while Assets Under Management grew to KES 95B (+36% YoY, up from KES 69B). These results reflect strengthened distribution channels, improved product uptake and deeper client wallet share, supported by successful partnerships with the branch network and investment in digital platforms.



KES 155M
Commissions

▲
4.15% 2x
Equities Trading
Market Share

▲
5.41% 53%
Bonds Trading
Market Share

Brokerage

Our Brokerage unit is a licensed member of the Nairobi Securities Exchange (NSE), offering equities, fixed income and derivatives trading to retail and institutional clients. Backed by a robust in-house research proposition, we translate market complexity into clear, actionable investment decisions, helping clients invest with confidence across asset classes.

Between 2020 and 2025, NCBA Brokerage undertook a deliberate and comprehensive transformation. The business evolved from a predominantly execution-focused trading desk into a digitally enabled, professionally certified and relationship-led franchise.

The period was defined by platform modernization through the launch of a fully end-to-end digital account opening journey that streamlined client onboarding efficiency and accelerated migration to online trading channels; rollout of CRM-enabled client segmentation; development of a branch-enabled distribution model; and strengthening of institutional-grade advisory capability. This repositioning translated into sustained market share gains, record revenue growth and a differentiated client experience within the NSE ecosystem.

The Brokerage unit delivered an exceptional performance in 2025, firmly positioning itself as one of the fastest-growing segments within NCBA Investment Bank. The business achieved brokerage commission of KES 155 million (+135% YoY, up from KES 66 million). Equities trading market share doubled year-on-year to 4.15%, with an average five-year market share CAGR of 25%, while bonds trading grew by 53% year-on-year to 5.41%.





Advisory

NCBA Investment Bank's Advisory unit delivers expert corporate finance, capital raising and project finance solutions, bridging issuers and investors across debt and equity markets. Our focus is on enabling clients to achieve their strategic and financing objectives while providing investors with access to well-structured opportunities that carefully balance potential returns with associated risks.

We guide companies through mergers, acquisitions, divestitures, spin-offs and business restructuring, combining independent due diligence, valuations and working capital analysis to inform decision-making and enhance operational and financial efficiency. On capital raising, we structure and execute syndicated loans, structured finance and bespoke instruments, enabling clients to access diverse funding sources under optimal terms. In project finance, we provide end-to-end advisory for large-scale, capital-intensive developments, structuring financing to allocate risk appropriately and enhance bankability.

During the 2020–2025 period, the Advisory unit deepened collaboration with the Corporate Banking division to assess emerging securitization opportunities and strengthen transaction execution. 2025 saw increased adoption of securitization vehicles across multiple project segments. This collaboration broadened the thematic structured finance offering, enhanced product relevance and improved support to clients seeking innovative capital raising solutions. The Advisory unit recorded strong growth in 2025, reporting revenues of KES 151.1 million, a 63.9% increase from KES 92.1 million in 2024.

KES 151M
Revenue

63.9%

3 core solutions:

- corporate finance
- capital raising and
- project finance



Key initiatives: 2026–2030 The 2026–2030 strategy is built

The 2026–2030 strategy is built on a shared ambition: to deepen client relationships, expand market reach and deliver investment solutions that are more accessible, more sophisticated and more integrated than ever before through:

Scaling digital integration: the Investment Bank will accelerate its digital transformation across all three units through a unified investment application, bringing trading, wealth and advisory capabilities into a single, seamless client experience. We will also leverage CRM analytics to deepen client engagement across all segments. Together, these investments will reduce friction, widen participation and shift the business toward a fully digital-first distribution model.

Product expansion: the product suite will be significantly broadened to enhance market relevance and accessibility. This will include the introduction of additional offshore investment vehicles, expansion of structured product offerings, and the launch of the NCBA Money Market

Fund. Minimum investment thresholds will be reviewed and reduced to widen participation and bring more Kenyans into the formal investment ecosystem. Under brokerage, smaller retail accounts will be channeled into the NCBA Equity Fund, enabling diversification benefits for clients while supporting scalable asset growth. In parallel, for advisory, structured finance capabilities will be expanded through a broader securitization offering, delivering innovative capital solutions to a wider range of clients across sectors.

Distribution & Partnerships: distribution will be strengthened through deeper collaboration with Retail and Corporate Banking, enhanced CRM analytics to improve client penetration and segmentation, and new strategic partnerships to broaden reach and solution depth.

Advisory Capability & Talent: professional certification and structured soft-skills development programs will be expanded to ensure that growth in client numbers is matched by a corresponding elevation in advice quality.



Strategic Impact of the Nedbank Transaction

The anticipated acquisition of a 66% shareholding by Nedbank in NCBA Group is expected to create greater scale, resilience and competitiveness for the Investment Bank by:

- Enhancing cross-selling opportunities across a broader client base
- Deepening product coverage per client resulting in higher wallet share
- Improving distribution reach across equity and debt capital markets.
- Expanding geographic footprint i.e. reduced reliance on a single region
- Increasing underwriting capacity supported by balance sheet strength
- Offering access to a broader range of structured finance and project finance capabilities.

Collectively, these enhancements position the Investment Bank for sustained growth, stronger regional competitiveness and long-term value creation.

ANCHOR YOUR INVESTMENTS OFFSHORE WITH NCBA INVESTMENT BANK

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- NCBA Global Fixed Income Special Fund

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Go for it



STELLA NJUNG'E

MANAGING DIRECTOR,
NCBA INSURANCE COMPANY LIMITED

KES 3.6B
Gross Written
Premiums

KES 306M
Profit before Tax

302%
Capital Adequacy
(Minimum regulatory 200%)

Delivery of the 2020–2025 Strategy.

Over the past five years, NCBA Insurance Company Limited (NCBA Insurance) has undergone a profound transformation, emerging as a resilient, well-capitalised and strategically aligned insurance platform within the NCBA Group. The successful full acquisition of AIG Kenya by NCBA Group, culminating in a complete transition in July 2024 and rebrand to NCBA Insurance in March 2025, marked a defining milestone in the business's evolution. This transition established a strong foundation for long-term growth, deeper Group integration and enhanced strategic relevance within the broader financial services ecosystem.

A key enabler of this transformation was the implementation of a modern core insurance platform in 2023. This investment created a scalable digital backbone that has significantly enhanced automation, operational efficiency and service quality, while enabling faster product deployment, improved risk selection and a more seamless customer experience. The platform positions the business well to support future innovation and growth.

Throughout the strategic period, NCBA Insurance delivered resilient financial and operational performance, underpinned by a disciplined underwriting philosophy and a strong risk culture. The business sustained a leading position in high-value specialty lines, including Liability Insurance (such as Cyber Insurance, Directors & Officers Insurance, Commercial General Liability among others), alongside Travel Insurance and SME Package Insurance for Small and Medium Sized Enterprises, reinforcing its competitive advantage in complex and technical segments of the market. Performance outcomes included gross premium written of KES 3.6 billion, profit before tax of KES 306 million, strong contributions from core lines of business, and consistent underwriting profitability reflected in an insurance service result of KES 516 million.

KES 1.1Tr
Insured value

KES 1.2B
Claims Paid

38,000
Active Customers



NCBA Group unveiled NCBA-IG, the new brand identity for its insurance business, marking a key milestone in the integration of NCBA Insurance Company into the Group and reinforcing its ambition to deliver broader, customer-centric financial solutions



NCBA Insurance strengthened its cyber resilience agenda with Kenya's first embedded cyber insurance offering, providing businesses with financial cover, rapid response, data recovery and crisis communication support against emerging digital risks



In 2025, the Company served approximately 38,000 active customers, while providing insurance protection covering an estimated KES 1.1 trillion in insured value (sums insured). During the year, NCBA Insurance paid out Gross Claims amounting to KES 1.2 billion to our clients.

While the transition created short-term challenges, including initial capacity constraints and temporary partner hesitancy, the business demonstrated resilience by strengthening underwriting governance, deepening partner engagement and accelerating integration with NCBA Group. These actions ensured continuity of service, protected customer experience and safeguarded long-term value.

The strength and quality of the business are further reflected in its robust capital position and external validation. NCBA Insurance closed the period with a capital adequacy ratio (CAR) of 302% in 2025, well above the regulatory minimum of 200%, providing significant balance-sheet headroom to support future growth and innovation. The Company also maintained a strong credit profile, with a GCR AA- rating and Positive Outlook as of 2025, supported by sustained profitability, prudent risk management and strong capitalisation.



2026–2030 Strategy and Areas of Focus

Beyond financial performance, NCBA Insurance continued to invest in stakeholder engagement, brand visibility and sustainability. In 2025, the Company sponsored seven ladies' golf tournaments, including an insurance-themed event (Wanabima Clubnite), reinforcing its commitment to inclusive community engagement. In addition, over 10,000 trees were planted as part of the Company's broader sustainability initiatives, reflecting a long-term commitment to environmental stewardship.

Building on the successful completion of its transformation journey, NCBA Insurance now enters its next strategic cycle with a clear ambition: to shift from transformation to acceleration. Over the 2026–2030 period, the Company will focus on scaling profitable growth, deepening market relevance and building new engines of value, in alignment with NCBA Group's long-term aspirations.

The strategy is anchored on strengthening core capabilities while selectively expanding into new growth areas. Key priorities include reinforcing leadership in segments where the business has deep expertise; leveraging NCBA Group's extensive distribution, technology, data and customer ecosystem to unlock value and offer customers comprehensive solutions; and pursuing measured expansion into adjacent lines such as life insurance, medical insurance and microinsurance. These opportunities will be approached with a focus on scalability, customer needs and disciplined risk selection.

Digital transformation will remain central to the strategy. NCBA Insurance will continue to invest in technology and partnerships that enhance agility, operational efficiency and customer experience across the value chain. Digital capabilities will enable faster time-to-market, data-driven underwriting and seamless customer journeys, while supporting new distribution models that extend reach beyond traditional insurance channels.

The Company will also continue to draw on its global heritage and strong multinational partner network. Through collaboration with a wide array of international insurance partners, NCBA Insurance will maintain access to global capacity, specialist expertise and best-in-class products, particularly in complex and specialty lines, supporting its ambition to remain a trusted risk partner for individuals, corporates and SMEs.

Nedbank Transaction and Foreseeable Opportunities.

The proposed Nedbank transaction presents a compelling strategic opportunity for NCBA Insurance to accelerate its evolution by drawing on a mature and sophisticated insurance distribution model. Nedbank's successful integration of insurance solutions into its banking ecosystem offers valuable reference points for embedding insurance seamlessly into core financial products, enhancing customer uptake and deepening relationships.

For NCBA Insurance, the partnership provides both learning and collaboration opportunities such as:

- **Acceleration of insurance distribution capability**, leveraging Nedbank's proven experience in embedding insurance seamlessly into core banking products to drive customer uptake and deepen relationships.
- **Access to established life insurance expertise**, providing valuable insights to support NCBA Insurance's planned expansion into life and related protection products, with a focus on scalable and customer-aligned solutions.
- **Benchmarking against advanced digital and customer experience models**, including digital onboarding, automated claims processing and personalised product journeys that enhance convenience, speed and engagement.
- **Strengthening data-driven decision-making**, through shared learnings in customer analytics, pricing sophistication and portfolio management.
- **Collaboration on innovation and product development**, enabling the co-creation of differentiated insurance propositions aligned to evolving customer needs.
- **Enhancement of risk management practices**, through exposure to best-in-class governance, underwriting discipline and enterprise risk frameworks within a mature financial services environment.

This relationship positions NCBA Insurance to fast-track capability development, strengthen its product suite and enhance competitiveness within the Kenyan insurance market. Importantly, it aligns well with the Company's post-transition strategy, acting as a catalyst for accelerating maturity and supporting the aspiration to build a modern, digitally enabled insurance business embedded within a broader financial services ecosystem.

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Go for it



RAPHAEL AGUNG

GROUP DIRECTOR, GLOBAL MARKETS

We leveraged our vast customer franchise to continue supporting our clients.

Foreign Currency and Fixed Income Liquidity Provision

Over the last six years, NCBA Global Markets has evolved into a significant foreign exchange and fixed income practice in the banking industry in Kenya and across the region. We have maintained our market share at about 10% of total foreign exchange flows. We remain a significant player and continue to be the preferred choice for clients seeking Treasury solutions, including spot foreign exchange, derivatives, structured solutions, and risk management solutions for corporate balance sheets. We take time to understand all client needs, especially the corporate clientele, who have unique needs in their businesses, and we work to co-create bespoke solutions that cushion them against adverse currency market swings to which they are exposed.

Our FX revenue has grown by a CAGR of 4.3% since 2019. Notably, during Kenya's unprecedented foreign exchange crisis in 2022, we leveraged our vast customer franchise to continue supporting our clients with ample foreign exchange liquidity. We have strong foreign currency inflows, buoyed by a customer base spanning the region. Aided by a strong balance sheet, we provide liquidity in all government securities, including Eurobonds and US Treasuries.

Financial Institutions

With our financial institutions practice, we seek to position NCBA as the Bank connecting clients to various jurisdictions spanning the African continent through the wide correspondent banking networks that we maintain. We enable the flow of trade and payments through our Financial Institutions business in Kenya and across our subsidiaries in Uganda, Rwanda, and Tanzania, as well as key markets in Europe and Asia. We continue to expand market coverage guided by our clients' needs, even as we develop sustainable global partnerships to enable greater collaboration, trading, and risk-sharing.

Asset Liability Management (ALM)

As the Group's treasury, we continue to manage the bank's balance sheet, supporting funding, liquidity, and cash flow management to drive profitability whilst maintaining prudent risk management. Notably, in 2025, we achieved significant gains in net interest margin management through proactive balance sheet management. We will continue to optimize our balance sheet to ensure it supports our growth priorities into the next strategy cycle.

Economic Research

Over the years, we have cultivated a solid research practice that continues to position NCBA as a thought leader on economic policy. We provide our clients with daily, weekly, and monthly market updates, tailored industry/sectoral analyses, currency and interest rate projections, and other valuable insights to help them navigate the ever-evolving global and local operating environment. Annually, we hold the NCBA Economic Forum that has grown to be the most sought-after economic platform of the year, where leading economic minds gather to discuss the country's policy direction, analyze key market, macroeconomic, and industry developments, and their impact on the Kenyan economy.

**Our FX revenue
has grown by a
CAGR of 4.3%
since 2019**

Looking ahead

In our next strategy cycle, covering 2026 to 2030, the Global Markets business is entering an era defined by disciplined risk-taking, purposeful diversification, and digital scale. We will bolster our digital platforms by upgrading to a real-time digital FX engine that delivers differentiated, instant pricing backed by analytics, making trading simpler and faster.

Our product suite will also be enhanced with the appropriate risk management solutions and wealth products to support our clients' growth objectives.

We will continue to strengthen our balance sheet through active behavioralization, which will ensure resilience and optimize returns regardless of economic and interest rate cycles.

Further, we will scale our pan-African cross-border trade business, positioning the Bank at the heart of Africa's key trade corridors. Leveraging partnerships with other financial institutions, we will simplify cross-border transactions and enable seamless commerce across the continent.

Even though 2026 is a pre-election year, we remain optimistic about the country's immediate growth prospects. Through our economic forum platform, we will seek to bring top policy makers to our clients to help them further navigate the operating environment.



"I am pleased to share the Regional Business results for the financial year 2025. The year was characterized by resilient execution, growth in the balance sheets and continued strategic progress across our East African markets."

LOUISA WANDABWA

GROUP DIRECTOR, STRATEGY & REGIONAL BUSINESS

Amounts in KES

3.6B
Profit Before Tax
12%

101B
Total Assets

38B
Customer Loans & Advances

65B
Customer Deposits

Our businesses in Uganda, Tanzania and Rwanda delivered solid outcomes despite a dynamic operating environment marked by margin compression and elevated funding costs across the region. Through disciplined execution, improved credit quality and expansion of digital capabilities, the regional franchise strengthened its contribution to NCBA Group while laying the foundation for the next phase of growth.

The region continues to play an important role in advancing the Group's ambition of building a diversified, digitally led and regionally integrated banking franchise.

Financial Performance Momentum

In 2025, the regional subsidiaries delivered Profit Before Tax of KES 3.6 billion, representing 12% year-on-year growth. The region contributed approximately 12.9% of Group PBT, reinforcing its position as a meaningful earnings engine for the Group.

Balance sheet growth accelerated across the region. Customer deposits increased to KES 65 billion, up 12% year-on-year, while gross loans grew to KES 38 billion, reflecting 16% growth. Total assets surpassed KES 101 billion, supported by expanding customer franchises, deeper engagement with key corporate customers and improved lending momentum.

Credit quality continued to strengthen across the portfolio. Non-performing loans declined to 2.9%, while disciplined risk management-maintained cost of risk at 0.8%. Recoveries remained a key driver of earnings resilience, reaching KES 1.6 billion.

While revenue growth remained modest due to margin pressure and softer foreign exchange income, disciplined portfolio management and strong recoveries supported overall profitability and improved returns across the region.

Balanced Contribution Across Markets

Performance across the region remained well balanced, with each market contributing meaningfully to overall results.

- **Uganda** led performance, delivering KES 1.7 billion in PBT, driven by strong deposit growth, improved lending activity, and solid recoveries.
- **Rwanda** recorded KES 1.1 billion in PBT, supported by strong recoveries and continued expansion of digital lending.
- **Tanzania** delivered KES 816 million in PBT, supported by disciplined cost management and improved asset quality.

Strategic Foundation

Beyond financial performance, we continued to strengthen the long-term foundations of our regional businesses. The subsidiaries concluded their 2020–2025 strategic cycles with significant progress in strengthening the balance sheet.

Investments in digital platforms, infrastructure modernization and customer experience transformation progressed across all markets. Key initiatives including the refresh of our retail internet banking platform "NCBA Now" and introduction of a best-in-class corporate banking platform "Connect+", are positioning the region to scale transactional banking, expand digital adoption and deepen customer relationships.

At the same time, we continued to strengthen risk governance, credit capabilities and operational efficiency across the subsidiaries to reinforce sustainable growth.

Outlook

The region enters the next strategic cycle from a position of strength.

East Africa continues to demonstrate strong economic fundamentals, supported by expanding private sector activity, increasing digital adoption and rising demand for financial services. These structural trends present significant opportunities for regional banking growth.

Our priorities in the next phase are clear: deepen corporate sector expertise, extend our reach in the real economy through a sharper SME proposition and enhance our digital capabilities to cover the full suit of our customers' needs.

With stronger balance sheets, resilient asset quality and highly capable teams across our markets, we remain confident in the region's ability to deliver sustainable growth and to continue contributing meaningfully to NCBA Group's long-term value creation.





MARK MUYOBO

CHIEF EXECUTIVE OFFICER - NCBA UGANDA

Business Overview



15.3M

Number of Customers



197

Number of Employees



5 Number of Branches



5 ATM's

NCBA Bank Uganda delivered strong outcomes, concluding the strategic cycle (2020–2025) on a high note. The Bank recorded a net profit after tax of KES 1.36 billion, alongside a resounding 28% growth in total assets for the year 2025. This performance marked the Bank's entry into the one trillion balance sheet club (KES 42.98 billion). It also set a strong foundation for the new strategic plan (2026–2030), which aims to position the Bank as Uganda's most trusted financial ally. The strategy is anchored on banking on belief and empowering ambition, powered by the Ubuntu spirit.

Delivered strong outcomes in the concluded strategic cycle.

During the strategic cycle 2020–2025, the bank's objectives were (1) to become a distinguished brand known for customer experience, (2) scale retail banking and expand distribution, (3) deepen leadership in corporate banking and asset finance, (4) achieve digital transformation, and (5) develop a high-performance employee culture. Through these five strategic pillars, the Bank delivered a profitable organization post-merger, with profit before tax of KES 1.68 billion, customer deposits of KES 28.6 billion, loans and advances of KES 11.4 billion, and total assets worth KES 43 billion (UGX 1.2 trillion). This performance was complemented by a Net Promoter Score of 65% and an employee satisfaction score of 79%.

These positive outcomes were enabled by a productive employee complement of 196 staff with approximately 40% of employees gaining career growth opportunities during the period, in addition to new talent acquired which enhanced the overall bench strength of the workforce. Furthermore, the Bank curated a high-quality asset book with a low non-performing assets ratio of 3.6% plus our Digital business that continues to deliver strong performance contributing 42% of total operating revenue on a lean cost base powered by technology.

Amounts in KES



3.94B

Operating and other Income



1.7B

3%

Profit Before Tax



43B

Total Assets



11B

Customer Loans & Advances



29B

Customer Deposits

Our new strategy is "To be Uganda's most trusted financial ally".

During the year 2025, we unveiled our new strategic plan 2026 to 2030 with a vision "To be Uganda's most trusted financial ally," and a purpose of "Banking on belief and empowering ambitions." The new plan is anchored on four strategic pillars (1) To Fortify the core-bank with sector specialization, (2) Achieve scale with high growth Business and personal banking segments, (3) Scale-up digitally driven capabilities and (4) To build a salient and sustainable brand. The goal of the strategy is twofold, first to race towards becoming a top ten bank by total assets in Uganda, then leap to become a top five bank by engaging both organic and inorganic growth levers powered by the Ubuntu spirit across the Bank.

To fortify the core bank with sector specialization, the Bank will emphasize sector focused growth and business propositions targeting six sector groups (1) Trade and Business services, (2) Manufacturing and Commercial Agriculture, (3) Real Estate and Construction, (4) Energy, Oil and Utilities (5) Public sectors (6) Financial Institutions and (7) Education and Health.

To achieve scale with high growth business and personal banking segments, the Bank will deliver competitive offerings targeting large and medium SMEs, roll out an entrepreneurship development program emphasizing women and youth and focus on high-net-worth clients and blue-chip employee schemes plus the diaspora community.

Furthermore, in line with the strategic pillar to scale-up digitally driven capabilities, the Bank will enhance the product suit for the MSL business and drive synergies with LOOP DFS, deliver business technology solutions to run and change the Bank and pursue a digital led channel expansion in key business hubs.

To complement, the three strategic pillars above, the Bank will also focus on a fourth strategic pillar to build a salient and sustainable brand and future ready Ubuntu, which entails building a segment driven and locally relevant brand and marketing, embedding an entrepreneurial culture that delivers the brand promise and leverage sustainability for impactful engagements.

"Changing the Story" in Sustainability

At NCBA Uganda we continued to drive sustainable practices across our operations in line with the Sustainability Strategy dubbed "Change the Story." Furthermore, on 1st April 2025, Bank of Uganda issued a circular requiring IFRS S1 and S2 disclosures with additional guidance issued on 10th October 2025 regarding Management of Climate Related Financial Risks which came into force on 31st December 2025. The Central Bank harmonized its directives with the roadmap issued by the Institute of Certified Public Accountants of Uganda (ICPAU); which set 2026 and 2027 for voluntary disclosure then 2028 for mandatory adoption with SMEs given up to 2030.

Prior to the BOU guidelines, Uganda Bankers Association (UBA) adopted the ESG framework for the Banking Sector in January 2024 which highlighted key wins to be achieve by June 2025 and beyond. I am delighted to report that in the concluded assessment by UBA on the status of implementation of the framework, NCBA Uganda ranked 3rd across the industry out of 23 Commercial Banks and 13 other Supervised Financial Institutions.



We delivered our sustainability commitments partnering with like-minded organizations such as Makerere University Endowment Fund to sponsor the MUKRUN Marathon for the next five years supporting students with disabilities, in addition to regional sport development holding Golf Series Tournaments across various Golf courses in Kampala and Entebbe with over 200 participants per tournament and Junior Golf Series with 18 tournaments averaging 50 Junior Golfers per tournament. The Bank signed a partnership with NSSF and Enkolo to roll out an Entrepreneurship Development Program that will emphasize Women and Youth Entrepreneurs and continues to be a majority female Bank with 51% of the total staff complement being female. In terms of climate risk management, our actions to green the supply chain included a 100% transition to glass bottles from single use plastic mineral water bottles and transition of one of the two dedicated vehicles in the transport fleet from an Internal combustion engine (ICE) vehicle to an Electric Vehicle (E.V) which contributed to 50% reduction in motor emissions.

Outlook for 2026

Uganda's macro-economic environment remained stable with annual inflation at marginally increasing to 3.6% from 3.3% and the Central Bank Rate (CBR) remaining unchanged at 9.75% all through the year. Similarly, the currency strengthened, appreciating 4% during the year with GDP growth of 6.3% achieved in 2025 projected in the range of 6.5 to 7.0% for 2026, driven by infrastructure and oil developments, improving global conditions and private sector activity.

The Country commenced implementation of the Ten-Fold (10X) growth strategy which aims to expand the economy from a GDP of 50 billion USD in 2023 to 500 billion by 2040 anchored on the ATMS Sectors of Agro-Industrialization, Tourism development, Minerals plus Oil and Gas and Science and Technology. As part of the Bank's contribution to the national strategy in line with our new five year strategic plan, the Bank will continue to support national budget financing. to achieve the Ten-Fold growth strategy.

Appreciation

Finally, I would like to thank our valued customers for yet another successful year of partnership, growth and resilience in addition to our stakeholders and regulators for ensuring a conducive and enabling operating environment. I also extend my appreciation to our Board of Directors, Management Team and colleagues in Uganda and across the Group for the Ubuntu spirit and Go-Getter culture that makes NCBA the Bank which empowers ambitions.

Mweebale Nyo.
Mark Muyobo
CEO & Managing Director
NCBA Bank Uganda



NCBA Bank Uganda joins Makerere University as Platinum Sponsor of the Makerere Marathon, committing UGX 1.45 billion over five years to advance inclusive education and support students with disabilities and economically disadvantaged learners



NCBA UG sponsored the Makerere University Marathon as lead partners to raise funds for students with disabilities



MAURICE TOROITICH

CHIEF EXECUTIVE OFFICER - NCBA RWANDA

MANAGING DIRECTOR'S STATEMENT

In 2025, we celebrated a milestone of 10 branches alongside an expanded agency footprint. Yet our most powerful distribution engine remains digital. Our mobile platform has evolved into a fully integrated financial hub; seamlessly delivering lending, investments, insurance, savings, and payments at scale. More importantly, 2025 marked our evolution from distribution-led banking to ecosystem enablement. We increasingly see our customers not as isolated segments, but as participants within interconnected economic systems:

2025 was a defining year for NCBA Bank Rwanda, marked by stronger financial performance, disciplined execution and a deeper integration of purpose into our growth strategy. It was a year in which the foundations laid in previous periods translated into results — strengthening our balance sheet, expanding our market presence, and reinforcing our role as a trusted partner in Rwanda's economic and social development.

During the year, Rwanda's economy demonstrated resilience and momentum. Economic activity remained strong, with GDP growth reaching 11.8%, supported by robust performance across services and industry. Inflation averaged just above 7%, while the Central Bank maintained a prudent monetary policy stance. These conditions created both opportunities and responsibilities for financial institutions to support growth while maintaining disciplined risk management.

Most notably, Profit Before Tax rose to KES 1.1 billion, representing a 47% increase over the prior year. This performance was supported by strong growth in digital lending income, improved asset quality, and recoveries. Our cost of risk declined materially to 1.7%, reflecting disciplined credit management and improved portfolio performance.

Digital lending income grew strongly during the year, and the digital segment now contributes over half of the Bank's operating income, reflecting the global shift toward technology-enabled financial services that expand access while maintaining efficiency.

Business Overview



5.6M

Number of Customers



240

Number of Employees



10 Number of Branches



9 ATM's

Amounts in KES



2.5B

Operating and other Income



1.1B

Profit Before Tax



27B

Total Assets



11B

Customer Loans & Advances



16B

Customer Deposits



Beyond financial performance, 2025 was equally important in strengthening the foundations of our brand through sustainability, partnerships, and community impact.

We signed a landmark collaboration with Green City Kigali on World Environment Day, reinforcing our commitment to sustainable urban development and green finance. Through this partnership, the Bank positioned itself at the intersection of environmental stewardship, housing development, and long-term investment in Rwanda's future cities. Similarly, our entry into Rwanda's electric mobility ecosystem through the Umurabyo electric taxi financing initiative, implemented in partnership with Kabisa, demonstrated how financial innovation can support the country's transition toward cleaner and more sustainable transport systems.

These initiatives reflect a broader philosophy that purpose and performance are mutually reinforcing. By aligning financial solutions with national development priorities, we can unlock new markets while contributing meaningfully to the communities we serve.

Community investment remained a central pillar of this approach. Through initiatives supporting education, gender inclusion, and youth development, NCBA Bank Rwanda continued to demonstrate that long-term growth must be accompanied by meaningful social impact. Scholarships supporting vulnerable children in Musanze, financial literacy programs for students, and initiatives addressing period poverty all formed part of a broader commitment to inclusive progress.

Sport also emerged as a powerful platform for community engagement and relationship building. The NCBA Golf Series continued to grow as a flagship engagement platform connecting business leaders, professionals, and emerging talent. At the same time, the introduction of Rwanda's first corporate-backed Junior Golf Series expanded opportunities for young players, reinforcing our belief that long-term impact begins with early investment in youth.

Internally, our people remained the driving force behind these achievements. We continued to strengthen a culture grounded in inclusion, collaboration, and performance, ensuring that our teams are empowered to deliver exceptional service while remaining connected to the communities we serve. Equally important was our participation in regional and global platforms shaping the future of finance. Through engagements at forums such as the Inclusive Fintech Forum, the ASEA Annual Conference, and international diaspora events, NCBA Rwanda continued to contribute to conversations around financial inclusion, digital transformation, and sustainable economic growth.

As we look ahead, the Bank enters the next phase of its journey with confidence. The foundations built over the past several years — strong financial performance, disciplined risk management, expanding digital capabilities, and a growing ecosystem of partnerships — position us well to continue supporting Rwanda's economic transformation. Our focus in the coming years will remain clear: deepening customer relevance, expanding access to financial services, strengthening sustainable finance, and continuing to deliver value to our customers, communities, and shareholders.

Rwanda's growth story is one of ambition, resilience, and long-term vision. At NCBA Bank Rwanda, we are proud to play our part in enabling that progress by partnering with individuals, enterprises, and institutions to turn opportunity into sustainable prosperity.

Murakoze cyane'
Maurice Toroitich
CEO & Managing Director
NCBA Bank Rwanda



NCBA Rwanda CEO Maurice Toroitich during the inaugural NCBA Junior Golf Series teeing off event.



NCBA Rwanda has partnered with Kigali Green City to deliver affordable, inclusive, eco-friendly housing, transforming Kinyinya Hill into Rwanda's first model green neighborhood.



NCBA launched an Electric Vehicle Financing Program with Longtai Motors and SONARWA partners. The program covers electric, hybrid, and plug-in hybrid vehicles with integrated insurance solutions.



ALEX MZIRAY

CHIEF EXECUTIVE OFFICER - NCBA TANZANIA

"The 2020–2025 period will be remembered as the era in which NCBA Tanzania moved from persistent losses to sustainable, consistent profitability."

Business Overview



8.2M

Number of Customers



208

Number of Employees



8 **Number of Branches**



8 **ATM's**

As we mark the close of the 2020–2025 strategic cycle, it gives me great pride to reflect on NCBA Tanzania's transformational journey over the last five years, a period defined by disciplined execution, bold restructuring, and a renewed belief in what our institution can achieve.

This year's Integrated Report is especially meaningful. It captures how far we have come since the early post-merger challenges, the resilience that carried us into sustained profitability, and the solid foundation we have now built to launch our next phase of growth under the 2026–2030 Strategy. And, significantly, it comes at a time when NCBA Group is entering a new chapter with the announcement of a proposed strategic investment by Nedbank Group, signaling a powerful milestone in the Group's evolution and presenting new opportunities for the Tanzanian market (subject to Regulators' approvals).

Reflections on Our Journey (2020–2025): Delivering the Strategy

The 2020–2025 period will be remembered as the era in which NCBA Tanzania moved from persistent losses to sustainable, consistent profitability. In 2025, the Bank delivered a profit before tax of KES 815 million, a steady performance compared to previous year, reinforcing our turnaround and third consecutive year of profitability after seven years of losses.

This performance is the result of deliberate strategic choices anchored in our Target Operating Model (TOM), a disciplined rationalization programme launched in 2022 that created a focused, corporate led business supported by profitable digital lending, lean operations, and conservative risk appetite. Over the five years, our journey unfolded in four phases: pre-merger realities, post-merger crisis, reset and rebuild, and the growth phase - each shaping today's resilient institution.

Strengthening Financial Performance

Our financial progress over the strategic period includes:

- **Consistent improvement in asset quality**, with NPLs declining from **6.3% in 2024 to 2.9% in 2025**, supported by strong recoveries of **KES 523 million**
- **Sustained profitability** with a profit before tax of KES 815 million
- **Operational efficiency**, reflected in managing expenses, even as the Bank made strategic investments in talent and digital capabilities

While customer deposits closed at **KES 20 billion**, **2%** above 2024 levels, this was the outcome of a conscious shift toward a more efficient balance-sheet structure, as the Bank managed its exposure to expensive funding.



Amounts in KES



2.6B

Operating and other Income



0.8B

Profit Before Tax



31B

Total Assets



15B

Customer Loans & Advances



20B

Customer Deposits

Digital Business Growth: Accelerating Financial Inclusion

Digital financial services continue to anchor our value proposition and competitive strength. In 2025, digital business contributed 37% of PBT (44% in 2024), driven by the expansion of NCBA Now, enhanced mobile and internet banking experiences, and M Pawa's growing impact in micro lending. Our digital business success reflects NCBA's ability to drive innovation and embed financial inclusion at scale particularly through M Pawa, which now supports over KES 1.2 billion savings customers and 150,000 monthly average lending customers..

Culture of Execution Excellence

Our organization's transformation has been underpinned by a strong cultural shift driven by focused leadership, continuous upskilling, and the embedding of performance discipline, resulting in PBT achievement, recoveries performance, significant operational efficiencies, and improved service standards. At the same time, employee engagement and learning hours have increased markedly since 2022, reflecting a workforce that is both motivated and well-equipped to deliver on our strategic ambitions.

Customer Experience & Market Positioning

NCBA Tanzania has made meaningful progress in strengthening customer experience given the focus on customer obsession in 2025. The Bank invested in upgrading its Customer Relationship Management (CRM) platform to improve customer experience with our Retail Banking units receiving recognition from the Group due to their swift adoption and strong usage of the system. The Bank continues to track Customer satisfaction, CES, NPS, and SLA performance for continuous improvement both on the experience as well as branding & market positioning perspectives. Furthermore, Brand visibility initiatives, especially through the flagship NCBA Golf Series, youth programs, tree planting drives and community engagements, continue to elevate our local presence.

Purpose Beyond Banking: Our Sustainability Agenda

Our "Change the Story" agenda remains central to how we operate, with impactful initiatives delivered in 2025 including the planting of 16,000 trees across Dar es Salaam and Arusha, a year-on-year reduction in greenhouse gas emissions and single-use plastics, and support for women and youth through the NCBA Golf Series. The Bank also conducted community awareness sessions reaching over 100 participants and promoted community wellness through various sporting engagements, with more than 100 staff sponsored for local support drives such as marathons and bonanzas, reinforcing our commitment to climate stewardship, social impact, and governance excellence.

Looking Ahead (2026–2030): Our Strategy for the Next Five Years

The coming strategy cycle is anchored on the Ubuntu mindset of "I am because we are". This spirit reminds us to unite teams & align with our customers to transform shared belief into shared value. As a result, our new 5-year Strategy 2026–2030 lays out a bold transition from a turnaround institution to a growth driven, customer centric, digitally enabled, and trusted financial ally. It positions us to serve Tanzania's fast expanding economy, strengthen our competitiveness, and deliver superior returns.

Strategic Shifts That Will Define NCBA's Next Chapter

With SMEs accounting for 95% of businesses in Tanzania and contributing 35% of the country's GDP, the new strategy focuses on;

- **Reestablishing the Retail & SME function:** reestablishing the Retail and SME function, introducing innovative lending solutions, tailored credit underwriting approaches, expanding supply chain and ecosystem financing, supporting women-led enterprises, and increasing branch presence in emerging economic hubs such as Dodoma.

- **Scaling Digital Business with M Pawa:** M-Pawa will evolve from a traditional lending platform into a multi-product ecosystem by incorporating automated credit scoring, driving savings innovation, expanding into merchant financing, offering Buy Now Pay Later (BNPL) and scheme-based loan products, and enabling seamless bank-to-wallet integration to deliver a more holistic and accessible digital financial experience.
- **Strengthening Cash management, Trade Finance & Global Markets offerings:** We will deepen sector specialization, enhance trade finance capacity, strengthen collections, integrate more closely with government (GoT) systems, and expand foreign exchange capabilities to improve wallet share while building stronger, more interconnected client ecosystems.
- **Elevating Customer Experience:** Customer experience (CX) will be transformed through digital platform optimization, enhanced CRM and data-driven insights, standardized network operations, faster complaint resolution mechanisms, and consistent service delivery across all omnichannel touchpoints.

These shifts position NCBA Tanzania for accelerated, sustainable, and diversified growth.

The Nedbank Strategic Investment: A Transformational Opportunity for NCBA Tanzania

- In 2026, NCBA Group announced a proposed strategic investment by Nedbank Group Limited, which intends to acquire approximately 66% of NCBA Group Plc, resulting in NCBA becoming a subsidiary of Nedbank upon completion. What this means for NCBA Tanzania;
- **Stronger Balance Sheet and Regional Muscle:** We will benefit from access to deeper capital, cross-border structuring expertise, and product innovation across corporate banking, trade, and treasury.
- **Enhanced Talent and Learning Opportunities:** Colleagues will benefit from development pathways, secondments, and exposure across Africa's banking ecosystem, within a best-in-class organization.
- **No Disruptions to Our Brand or Operations (in the short-term):** NCBA Tanzania retains its brand, leadership, and local decision-making authority. There is no immediate impact on employees or customer services, as Nedbank has no operational presence in East Africa outside representation offices.

Alignment with Our 2026–2030 Strategy: Nedbank's capabilities complement our new strategic pillars, especially in: Corporate banking, Digital transformation Risk management, Sustainability and ESG leadership.

Our Commitment to the Future

As we enter the 2026–2030 strategy period, we do so with renewed optimism and ambition. Tanzania's strong GDP growth outlook of ~6%, stable inflation, increased digital adoption, and rising private sector credit create a fertile environment for our next growth phase. Our priorities are clear: deepen our customer relationships, strengthen operational and digital excellence, accelerate asset growth across diversified sectors, expand our deposit base, invest in talent, culture, and leadership and deliver superior shareholder returns. We remain committed to responsible, sustainable growth-guided by strong governance, innovation, and an unwavering commitment to our customers.

Asante sana!

Alex Mziray
CEO & Managing Director
NCBA Bank Tanzania



NCBA Tanzania is advancing greener logistics by financing Suhara Logistics' transition to electric cargo handling



NCBA Bank Tanzania staff participated in the Kili International Marathon and Dar City Marathon, promoting wellness and community engagement.



NCBA Tanzania staff, in partnership with Kijani Pamoja, planted 11,000 indigenous trees in Olkokola, Arusha to restore degraded landscapes.





TIM ARMITAGE

GROUP DIRECTOR, RISK & COMPLIANCE

RISK MANAGEMENT

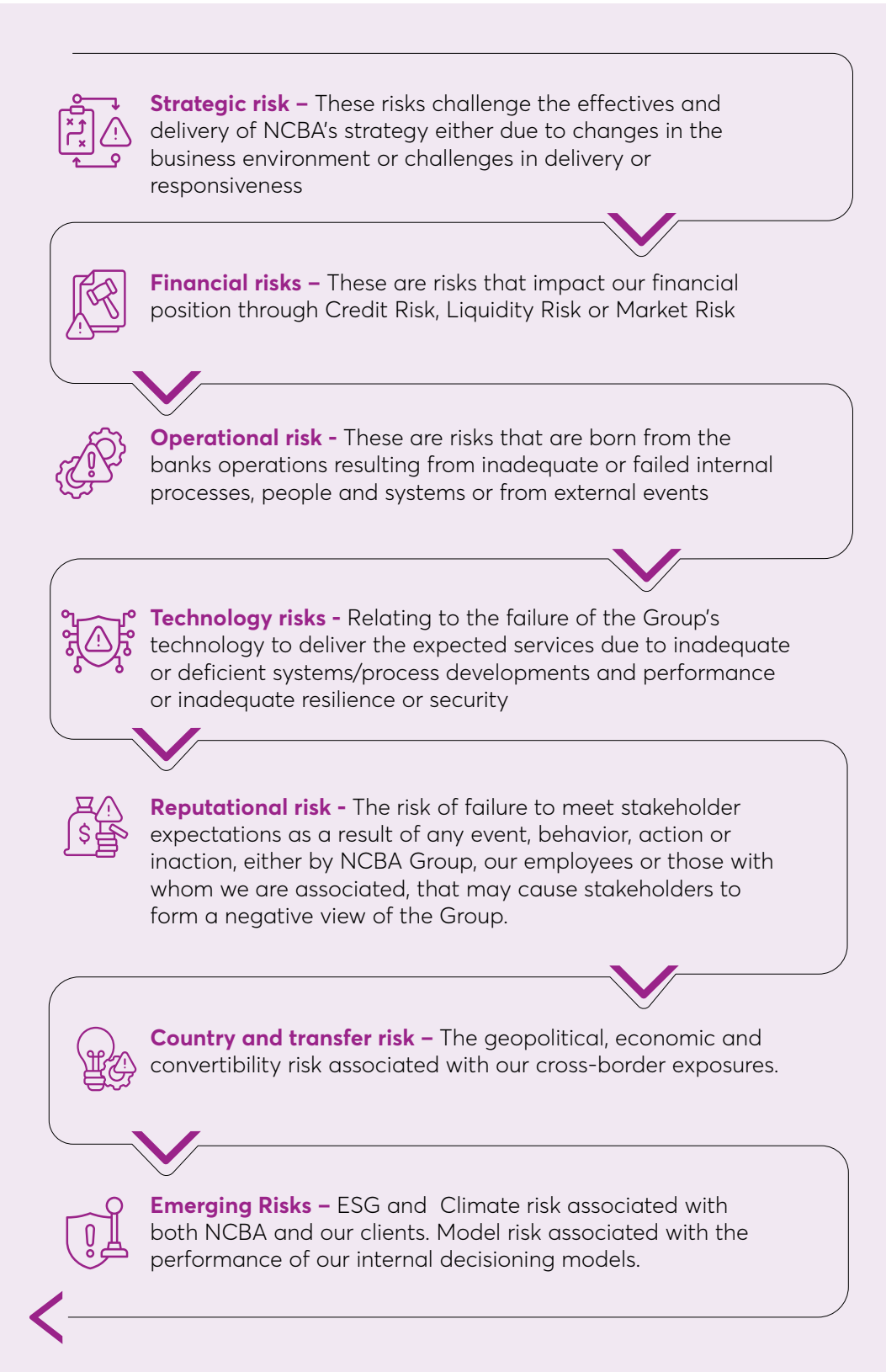
NCBA Group believes that the practice of risk management should be deeply engrained in the way we do business to both enhance our customer proposition and strengthen our business. To meet the increasingly complex operating environment, we continue to strengthen and develop our integrated enterprise wide risk management framework. Notable initiatives include enhancing our operating platforms, fostering a strong and embedded risk culture, expanding analytical capabilities and tools to navigate increasingly volatile markets, and further evolving and diversifying our business model.

Our Framework combines both qualitative models and expert judgement to anticipate, navigate and mitigate risk to our business model. The framework is governed by NCBA's Risk Management Policies as well as Group and Entity Board Risk Committee's which ensure relevant oversight at each entity level. NCBA conducts annual reviews of its risk management policies and procedures to ensure that the risk management practices and internal control framework is appropriate and aligned to the organizational strategy. Risk management practices are also reviewed by the independent Audit function to ensure the effectiveness of the framework. Where required specific internal risk management practices are reviewed by external auditors or specialists to ensure continuous improvement and alignment to best practice. The outcomes of the reviews are overseen by the Board Risk Management and Audit Committees.



PRISM OF CORE RISK

As an organisation we look at risk through the prism of core risk categories and the exposure of the organisation and its subsidiaries face on an amalgamated basis.



Who We Are

Our Business

ESG, Climate Risk & Sustainable Finance

Our Financials

Other Information



In addition to the core risks NCBA ensures that its day to day operations are conducted in an ethical manor as underpinned by the organizations code of conduct. NCBA embeds reviews of product stability, and fairness within its enterprise and credit risk management processes' s providing board oversight of gaps and areas of risk. In addition NCBA has an independent whistle blowing policy and process overseen by the board Audit committee that ensures transparency and fairness in resolving raised issues.

Our risk management framework captures consideration of reputational risks, and the responsibilities and procedures for identifying, assessing and escalating reputational risks. They ensure reputational risk matters are managed in a consistent manner across the group and aligned to the organizations strategic priorities. They also define the control and oversight standards to effectively manage reputational risk and are supported by procedures across our global businesses and functions. The Board Risk Management Committee oversees

the organizations reputational risk position against these standards.

In addition to managing the core risk categories we appreciate the interconnectivity of risks and review the organisations reediness and exposure to developing risks in the business environment. This enables the business to better position the organisation to anticipate, navigate and mitigate the risks facing the business.

Following a challenging domestic environment in 2024 the Group envisions the risk environment to broadly improve supported by domestic monetary policy, stable political environment, improved local markets and balance of payments position. This view is however tempered by the geopolitical and global macroeconomic uncertainty primarily driven by the Trump presidency and policies as well as continued economic weakness in China. With this view, the Group's top risks in 2025 are as highlighted below.

Risk	Trend	Description
Inflationary pressure and harsh economic conditions	▼	Inflationary and economic expectations have stabilized across our operating region in 2025 following a stabilization in the fiscal and balance of payments accounts in Kenya and the end of the election cycle in Key countries in the region. NCBA expects the stabilization to continue through 2026 underpinned by supportive monetary policy environment. The key risk emanates from continued vulnerabilities and volatility in the global geopolitical environment.
Changes in interest rates	▶	The interest rate environment has materially improved over 2025 on the back of more stable economic conditions. This improvement has seen continued recovery in the credit environment as economic stability and loan affordability has improved. We expect interest rate pressure to remain stable in 2026 driven by monetary policy.
Volatility in local currency and constrained foreign currency liquidity	▶	Through 2025 foreign exchange risk stabilized as both balance of payments improved and government funding profiles improved. With the external financing gap broadly supported through 2026 we expect FX currency and liquidity risk to remain stable through the year.
Evolving Regulator environment	▲	The regulatory and compliance environment has become more complex with new policies and frameworks being introduced across our markets. In addition, the evolving geopolitical shifts, regional conflicts, and international policy and macroeconomic environment will increase uncertainty in 2025. Continued regulatory focus on AML, Data privacy, Tax and the efficiency of the policy transition mechanism. More broadly fines and penalties for non-compliance have increased and along with deeper regulatory scrutiny. In addition regulatory complexity has increased with regional regulators adopting standards and requirements at different paces. Ensuring compliance to the stringent regulatory requirements and expectations will continue to require resources in to the future.

Cyber risk	▲	The banking sector continues to face the risk of service disruption, fraud and malicious damage from both external and internal threats. As we continue to adopt new technologies, the threat of cyber risk continues to increase with agents becoming more sophisticated and the technology infrastructure broader. We envisage this risk to remain and increase inline with our digital focused business strategy and we are continuously developing our monitoring, threat identification and security systems to mitigate this risk.
Third party, Technology and Artificial Intelligence	▶	As we continue to adopt to new digital technologies (including Artificial Intelligence and cloud) our organisation will require new skills and resources that are scarce in our markets. In addition, given the speed of technology change the risk posed by the obsolescence of existing infrastructure has increased. New technology also introduces new and evolving risks for our organisation. Due to the specialist nature of technology paired with the talent pool constraints increases our reliance on third-party's, outsourcing and strategic sourcing arrangements, which increases the risk related to roll out delivery, potential reputation and financial risk.
Environmental, Social and Governance Risks	▶	We recognise the growing focus on climate change and sustainability driven by the regulatory requirements already in place, the enhanced disclosure requirements and the expectations of various stakeholders on green initiatives may require us to alter our strategy and or business model. In addition, we continue to build ESG sensitivities and requirements in to our strategic risk framework to better enhance both our commitment towards mitigating climate change and strengthening our reliance.
People related risks	▶	Talent related challenges with regards to upskilling existing employees, attracting and retaining new staff in specialised roles such as information technology and in our digital banking division were a key focus in 2024. In addition, challenging economic environment are also correlated with increased risk of internal fraud. While the former continues to pressure the cost of operating the latter increases the risk of financial loss. In response to the skilling our workforce, we have accelerated our investment in our staff training and upskilling. We also continue to strengthen our fraud risk detection capabilities and staff awareness.

▲ Risk is increasing in 2025

▶ Risk remained at the same level in 2025 Risk

▼ Risk is decreasing in 2025



ESG, CLIMATE RISK & SUSTAINABLE FINANCE



Reporting Framework & Boundary

Basis of Preparation

The sustainability section of the integrated report has been prepared in accordance with IFRS S1 General Sustainability-related Financial Disclosures and IFRS S2 Climate-related Disclosures. The objective of these disclosures is to provide decision-useful information on sustainability and climate risks and opportunities that could reasonably be expected to affect the Group's financial position, financial performance, and cash flows over the short-, medium-, and long-term.

These disclosures are structured around four core pillars: governance, strategy, risk management, and metrics and targets in alignment with the IFRS S1 and S2 guidance. This is to ensure consistency with financial reporting, enterprise risk management, and capital allocation processes. The climate-related disclosures, covering physical and transition risks and attendant opportunities, and their integration into governance, strategy and risk management have been prepared in alignment with IFRS S2. Where applicable, quantitative and qualitative information has been provided to explain the financial implications of climate-related matters.

In preparing this report, the Group has also considered the following frameworks:

1. Task Force on Climate-related Financial Disclosures (TCFD), recognising that IFRS S2 incorporates and builds upon the TCFD recommendations. NCBA Group has published climate-related disclosures consistent with the TCFD recommendations since 2023.
2. Global Reporting Initiative (GRI) standards, are referenced to provide broader stakeholder context and continuity with prior reporting cycles.
3. Applicable national regulatory and supervisory guidance, including sustainability and climate-related expectations issued by the Central Bank of Kenya (CBK), Bank of Tanzania (BOT), Bank of Uganda (BOU) and National Bank of Rwanda (NBR) which inform governance, risk management, and disclosure practices. Guidelines issued by capital market authorities and exchanges including the Nairobi Securities Exchange ESG Disclosure Guidance Manual and directives issued by relevant accounting bodies including the Institute of Certified Public Accountants of Kenya (ICPAK), Institute of Certified Public Accountants of Rwanda (ICPAR), the Institute of Certified Public Accountants of Uganda (ICPAU) and the National Board of Accountants and Auditors (NBAA).
4. The Taskforce on Nature-related Financial Disclosures (TNFD), used to inform the Group's evolving approach to identifying and assessing nature-related risks, dependencies, and opportunities, in anticipation of future disclosure requirements.
5. Sustainable Development Impact Disclosure (SDID), as a member of the Impact Disclosure Taskforce. NCBA remains the first African Financial Institution to use the guidelines, connecting the impact of our corporate and sustainability strategy with the Sustainable Development Goals.

The reporting boundary for this section aligns with the Group's financial reporting perimeter, unless otherwise stated. Estimates, assumptions, and forward-looking information are based on data available at the reporting date and are subject to inherent uncertainty. The Group is committed to enhancing data quality, methodologies, and coverage as sustainability and climate-related reporting practices, standards, and regulatory expectations continue to evolve.

Reporting Boundary

The reporting boundary has been defined in accordance with IFRS S1 and IFRS S2, focusing on sustainability and climate risks and opportunities that could reasonably be expected to affect the Group's performance. It reflects a phased, risk-based approach, prioritising areas of greatest financial exposure and data maturity.

1. **Own Operations:** This covers the Bank as well as its banking and non-banking subsidiaries, consistent with the Group's financial reporting perimeter. This includes governance, strategy, risk management practices, and operational metrics relevant to sustainability and climate-related risks and opportunities. Operational greenhouse gas emissions are reported for relevant Scope I and Scope II sources, using methodologies consistent with the Greenhouse Gas (GHG Protocol).
2. **Financed Emissions:** The Group recognises that financed emissions represent the most significant component of its climate impact and risk exposure. It has therefore adopted a phased approach to the measurement and management of financed emissions, aligned with the Partnership for Carbon Accounting Financials (PCAF) Global GHG Accounting and Reporting Standard for the Financial Industry.
3. **Value Chain Coverage:** The report considers sustainability and climate risks and opportunities arising across the Group's value chain, to the extent they are relevant to its financial performance and risk profile. This includes:
 - a. **Clients**-particularly where exposure to these risks may affect credit quality, asset values, or long-term viability.
 - b. **Suppliers and outsourced service providers** where environmental or social risks could disrupt operations, increase costs, or pose reputational and compliance risks.



Value chain coverage is currently based on a risk-based assessment, focusing on material exposures and critical dependencies. The Group will continue to enhance value chain data collection, engagement, and disclosure as capabilities mature, and as regulatory and market expectations evolve.

NCBA Group Transition to IFRS S1 and IFRS S2

The International Sustainability Standards Board (ISSB) issued IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures in June 2023. These standards establish a global baseline for investor-focused sustainability and climate-related disclosures and build directly on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

ADOPTION TIMELINES



ICPAK

2027: Mandatory adoption for Public Interest Entity (PIE)
2028: Limited assurance for PIE
2029: Reasonable assurance with limited Scope III
2030: Reasonable assurance



ICPAR

Phased approach 2025-2028
2025: Tier 1 Banks
2026: Tier II & III Banks
2027: Full adoption by all
2028: Limited Assurance



ICPAU

2028: Mandatory Adoption
2028: Limited Assurance



NBAA

2025: Mandatory Adoption
2025: Limited Assurance
NCBA Tanzania has produced IFRS S1 and S2 disclosures as part of 2025 financial reports. These have gone through a limited assurance process by external auditors Deloitte & Touche

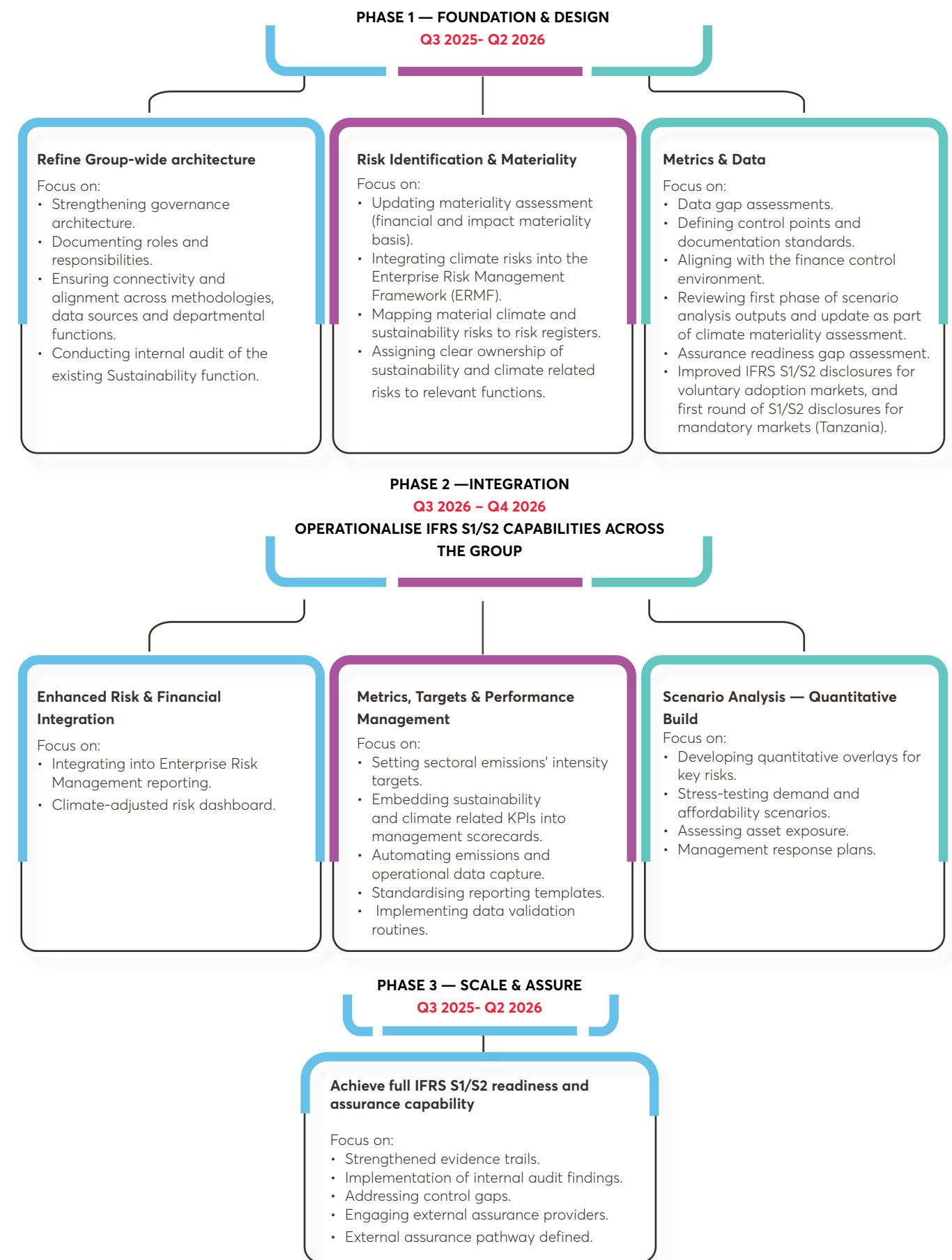
In Tanzania, the standards became effective on 1 January 2025 for public interest entities, with climate-related disclosures subject to at least limited assurance from the same date. In Rwanda, application starts from 1 January 2025 for listed entities, financial institutions (Tier I Banks¹) and other IFRS reporters, with further regulatory guidance on assurance anticipated. In Kenya, IFRS S1 and S2 will become mandatory for public interest entities from 1 January 2027, with phased extension to large enterprises from 2028 and small and medium-sized entities from 2029. Mandatory assurance of sustainability disclosures takes effect from 1 January 2028. In Uganda, the standards become effective from 1 January 2028 for public interest entities; reasonable assurance takes effect from the same date.

In East Africa, regulators are progressing the adoption of the IFRS S1 and IFRS S2 standards at different speeds. In response, the Group has adopted a phased and jurisdiction-responsive transition approach, aligned with the earliest mandatory effective dates in each country. At the same time, the institution is building a consistent Group-wide reporting architecture to ensure comparability, efficiency, and governance integrity. This approach enables jurisdictions with later mandatory dates to leverage the capabilities developed in early adopting markets, while ensuring readiness for future assurance requirements.

The Group will continue to monitor regulatory developments across its markets of operation and commensurately refine its implementation roadmap, as guidance evolves.

¹ NCBA Rwanda is not considered within the scope of Tier 1 Bank reporting obligations

Group Roadmap:





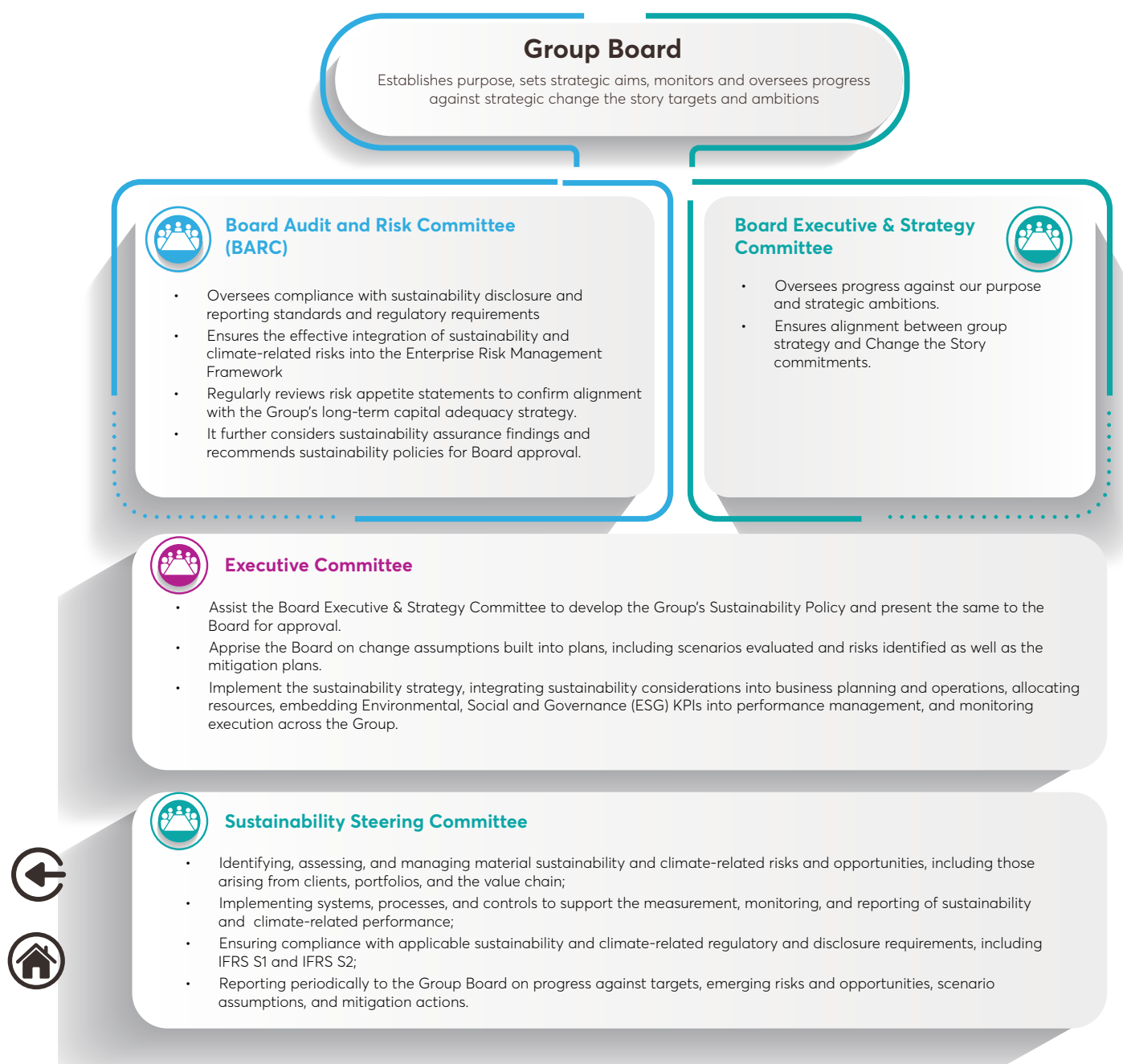
GOVERNANCE:

An overview of the governance structures, oversight mechanisms, and management processes through which the Group directs, monitors, and is held accountable for its sustainability and climate-related priorities.

NCBA Group Governance of Sustainability & Climate-Related Risks & Opportunities

The Board of NCBA Group has overall responsibility for the oversight of the Group's management of sustainability and climate risks and opportunities, including their integration into the Group's strategy, risk management framework, and long-term value creation consistent with the requirements of IFRS S1 and IFRS S2. A special Sustainability Management Steering Committee is the primary Management committee mandated to steer the successful implementation of the Group's sustainability strategy.

The Board approves the Group's sustainability strategy, commitments, targets, budgets, sustainability and climate-linked risk appetite statements. It receives regular management reports on sustainability performance and is periodically apprised of emerging sustainability and climate-related trends, regulatory developments, and risks through structured updates.



The Role of Management

Management accountability is exercised through the Sustainability Management Steering Committee, which is responsible for implementing the sustainability strategy, integrating sustainability considerations into business planning and operations, allocating resources, embedding Environmental, Social and Governance (ESG) KPIs in performance management, and monitoring execution across the Group.

The Sustainability Management Committee consists of the following members:



Under the oversight of the Group Board and its Committees, Management is accountable for translating Board-approved strategies, policies, targets, and risk appetite statements into executable plans with clear actions, timelines, and resource allocation.

Through these responsibilities, Management supports the Board in discharging its oversight mandate and ensures the consistent and effective execution of the Group's sustainability and climate-related commitments. The Committee meets at least twice a year and regularly reports to the Board on progress, assumptions, scenarios, and mitigation actions related to sustainability and climate-related risks.

To date, the Sustainability Management Committee has received training and capacity building on the following sustainability and climate-related topics:

- Climate Change: Risks & Opportunities for the Banking Sector
- The Task Force on Climate Related Financial Disclosures (TCFD) & Scenario Modelling
- Climate Policy & Governance
- Emissions – setting the right targets and methodologies



2025 Group Sustainability Management Committee Milestones

- Approved the Group Sustainability Policy.
- Approved sustainable finance priorities, and green finance targets.
- Validated KGFT alignment of NCBA Green Book (Corporate Bank unit).
- Approved client engagements to support their transition journeys.
- Adopted the IFRS S1 and S2 compliance roadmap to fully align current reporting initiatives with the standards.
- Established cross functional working groups to drive IFRS alignment, and Sustainable Finance uptake.
- Supported closure of Internal Audit's findings on the Sustainability function.

Governance Across the Group Subsidiaries

Sustainability governance is applied consistently across the Group, with Group-level oversight and subsidiary-level implementation. The Group Board retains ultimate accountability for the Group and its subsidiaries. Subsidiary Boards and Management are responsible for implementing the Group's sustainability strategy, policies, and risk management requirements within their respective operations, in line with local regulatory and market contexts.

Banking and Non-Banking Subsidiaries are required to:

- Align with Group-approved sustainability and climate policies, risk appetite statements, and strategic priorities;
- Integrate sustainability and climate considerations into local business planning, risk management, and decision-making processes;
- Report periodically to Group Management on sustainability performance, risks, and emerging issues.

Group Management consolidates subsidiary inputs and reports material sustainability and climate-related matters to Board Committees. This governance approach ensures consistency, comparability, and effective oversight across the Group, while allowing subsidiaries the flexibility to respond to jurisdiction-specific risks, opportunities, and regulatory requirements.

The Role of Stakeholder Engagement

Continuous engagement with our stakeholders is vital to the success of our business. Through transparent communication, collaborative initiatives, and regular feedback mechanisms, we ensure that our financial solutions, policies, and sustainability commitments align with the interests of our stakeholders. By fostering these relationships, we create shared value and contribute to a resilient and inclusive financial ecosystem.

Investors	Providers of our capital and funding
How we engaged	Outcome
• Investor briefings • AGM • Media notices • Quarterly Earnings calls / Investor presentations/ investor meetings • Investor reports - Annual Integrated Report, Credit Rating Report)	• Share price up x3 (KES 27 (FY 2020) to KES 89.8 (FY 25)) • Return on Average Equity (ROAE) improved to 19.7% (FY 25) from 6.6% in FY20
Customers	Retail, MSME and Corporate clients
How we engaged	Outcome
• Customer forums and webinars including the NCBA Economic Forum • Client visits including by the executive leadership • Golf events • Thought leadership forums • Chairman's Ball • Media placements • Digital channels • Customer surveys	• Net Promoter Score (NPS)-72 • Customer Satisfaction score (CSAT)-87 • Customer Effort Score (CES)-92

Regulators	Responsible for overseeing and enforcing compliance with legal, financial, environmental, or sector-specific regulations
How we engaged	Outcome
• Periodic compliance status reports to regional central banks / and other regulators • Attend regulator sponsored trainings • Contributions to regulations/policies	• Regulatory compliance
Staff/Colleagues	Responsible for delivering on our strategy
How we engaged	Outcome
• GMD townhalls • Webinars • Electronic communication • Weekly Buzz • Quarterly Green Buzz (ESG) • Various staff events • Employee surveys • NCBA Learning Platform	• ICSAT-81% • ICES-78% • Employee Engagement Score- 80 • Leadership Engagement Score-77 • Average training hours per employee: 93
Communities	The people and groups that are indirectly or directly impacted by our operations, products and services.
How we engaged	Outcome
• Collaborations with our various partners in implementing Change the Story Initiatives • Employee volunteering • Sponsorships • Scholarships • Mentorship	• KES 108 million invested across the Group in over 20 projects, with over 836,870 lives impacted. • KES 12 million invested in the education of 181 students. • 761 employee volunteers.
Suppliers	Organisations that deliver our goods and services
How we engaged	Outcome
• Supplier forums • Affirmative procurement outreach programmes • Regular electronic communication	• KES. 2.75 billion in general procurement spend. • 16% of general services procurement channelled to women and youth.

Who We Are

Our Business

ESG, Climate Risk & Sustainable Finance

Our Financials

Other Information



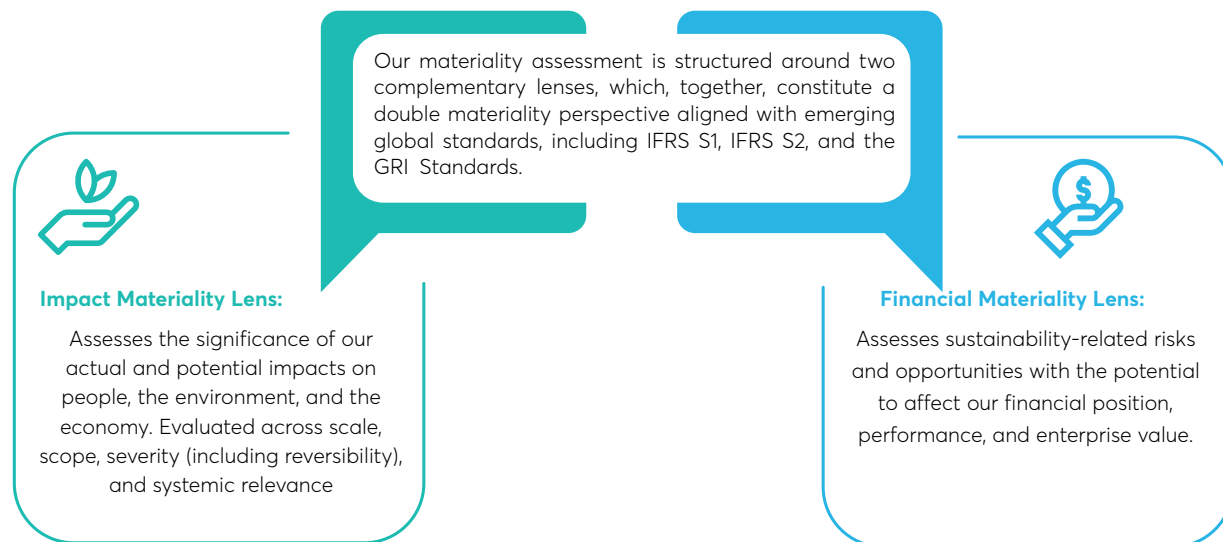


STRATEGY :

An overview of the material risks posed by climate change to the planet and society, the Group's strategic response, and the key trade-offs considered to support resilient and sustainable value creation for stakeholders.

Material Sustainability and Climate Drivers of Value

Materiality underpins how we identify, prioritise, and disclose the sustainability matters that are most relevant to our business and stakeholders. It informs the scope and depth of our disclosures, as well as the strategic priorities that shape our decision-making, capital allocation, and risk management.



A Value Chain View:

We assess all topics across our full financial institution value chain.

Value Chain Layer	Scope of Assessment
Upstream	Wholesale funding, capital markets, development finance institutions, reinsurance.
Own Operations	Branches, offices, data centres, workforce, procurement, IT systems and infrastructure.
Core Intermediation	Deposits (retail, SME, corporate and institutional), lending, project finance, insurance underwriting, asset and wealth management, capital markets activity, advisory.
Downstream	Client activities enabled by our finance, market signalling through capital allocation, systemic contribution to economic and financial resilience.

How We Identify Material Topics:

Identifying material topics is an iterative and evidence-based process. We review our material sustainability topics annually to capture emerging risks, regulatory developments, and shifts in stakeholder expectations and a comprehensive, in-depth materiality assessment every three years to ensure continued relevance, robustness, and strategic alignment.

Materiality assessment steps:

1. Topic Screening
2. Topic Scoring
3. Connectivity Analysis
4. Stakeholder Validation
5. Review & Approval

We begin with a broad universe of sustainability and climate-related topics drawn from relevant frameworks and sector guidance, including the GRI Universal Standards, IFRS S1 and S2, Taskforce on Nature-related Financial Disclosures (TNFD) and sector-specific guidance for financial institutions. From this universe, we screen, score, and refine topics based on a structured set of criteria.

Each topic is scored independently on both materiality lenses:

Impact materiality is scored on:

- **Scale:** how significant is the impact?
- **Scope:** how many people or ecosystems are affected?
- **Severity:** (how serious and reversible is the harm or benefit?
- **Systemic relevance:** does this affect financial system stability or broader societal outcomes?

Financial materiality is scored on:

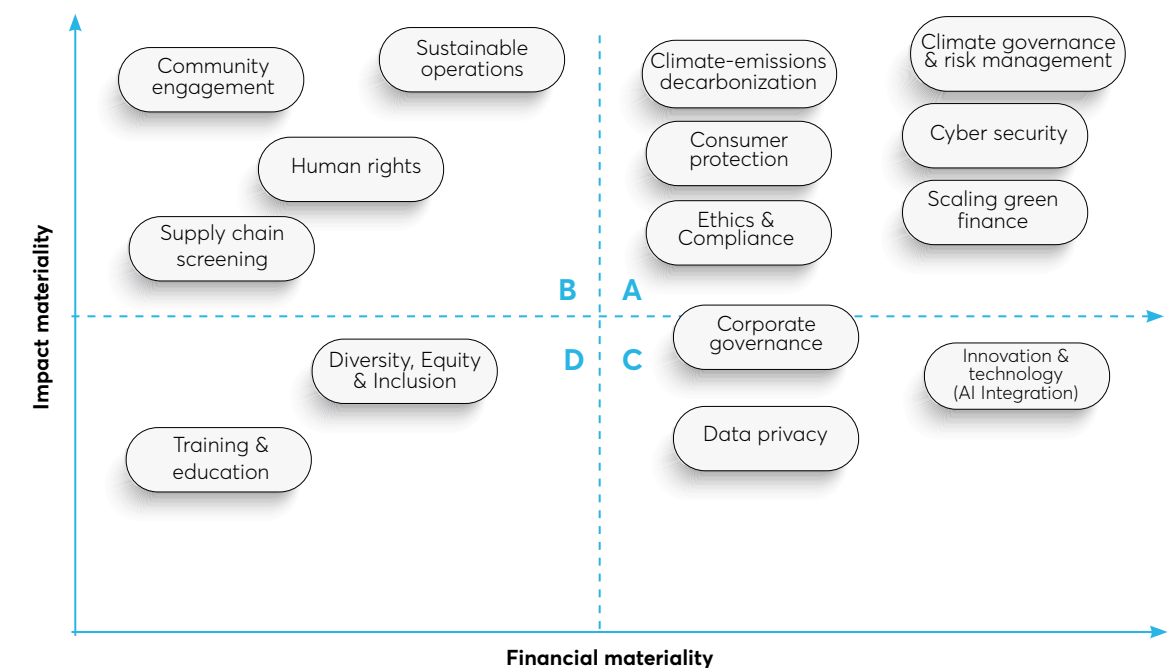
- **Magnitude:** what is the potential effect on financial performance or enterprise value?
- **Likelihood:** how probable is the materialisation of the risk or opportunity?
- **Time horizon:** (over what period is the effect expected to occur?

We then assess the strength of the transmission pathway between impact and financial materiality for each topic i.e., how directly and rapidly an impact-related development translates into financial consequences. Topics with strong connectivity receive a higher composite score.

The results of the assessment including topic scores, positioning in the materiality matrix, and changes from prior periods are reviewed by Senior Management through the Group Sustainability Management Committee and approved by the Board's Audit and Risk Committee (BARC). This ensures alignment between the materiality determination and the institution's risk appetite, strategic priorities, and disclosure obligations.

Integrated Materiality Matrix

The primary output of the assessment is a materiality matrix mapping each topic according to its composite impact materiality score (y-axis) and its composite financial materiality score (x-axis). Topics positioned in the high quadrant (A) are considered strategically and financially material, while topics in quadrant (C) are considered financially material, and form the reporting boundary for this Integrated Report.



As a dedicated supplement to the Integrated Materiality Matrix, we produce a standalone climate materiality output providing decision-grade information on the three climate topics assessed as strategically material.



Climate Topic	Key Impact Pathway	Key Financial Pathway
Climate Governance & Risk Management	- Alignment of deposit-funded, lending, investment and underwriting portfolios with climate risk frameworks and supervisory expectations. - Client income disruption from climate events affecting SME, agriculture, mortgage and infrastructure.	- Supervisory scrutiny, disclosure credibility, cost of regulation. - Portfolio quality, expected credit losses, reduced liquidity under climate stress scenarios.
Climate Emissions & Decarbonisation	Financed emissions enabled by deposit-funded lending and investment.	Funding cost pressure, stranded asset risk, transition risk in credit portfolio.
Scaling Green Finance	Mobilising deposits and capital into green assets and climate-resilient lending products.	Revenue growth, product differentiation, green funding cost advantage.

The materiality assessment is not a reporting artefact. It is an operational input to our governance, risk management, and strategic planning processes. The outputs are used in the following ways:

- 1. Strategy and Capital Allocation:** Material topics inform the Group's strategic planning cycles, including where we direct investment in capability, products, and portfolio positioning. The climate materiality output shapes our climate transition plan, green finance targets, and sector appetite statements.
- 2. Risk Management and ICAAP Integration:** Financially material topics will be subject to ongoing assessment against the Group's risk taxonomy and where relevant, will be integrated into our Internal Capital Adequacy Assessment Process (ICAAP). Climate physical and transition risks, cyber security risks, and conduct risk appear explicitly in our risk register, with materiality scores informing risk appetite thresholds and capital buffer considerations.
- 3. Board and Committee Reporting:** The materiality matrix is submitted to the Sustainability Management Steering Committee and BARC on an annual basis. This ensures that the Board receives a clear, evidence-based view of the sustainability landscape rather than a static list of disclosures.
- 4. Regulatory Disclosure and Supervisory Engagement:** The materiality assessment provides the evidentiary foundation for our sustainability disclosures, including those made to the Central Bank of Kenya (CBK), Bank of Uganda (BOU), Bank of Rwanda (NBR), Bank of Tanzania (BOT), and this Integrated Report.
- 5. Product Design and Portfolio Steering:** Material topics with strong connectivity to deposit stability and customer conduct particularly consumer protection, financial inclusion, data privacy, and cyber resilience are reviewed by product teams and relationship management leads. Material findings from client engagements feed directly into product design reviews, digital channel improvements, and complaint management frameworks.

From Materiality to Action: Validating Strategy through Risk and Opportunity Analysis

This year's integrated materiality approach updated our view of the sustainability and climate matters that have the greatest potential to influence our financial performance, operational resilience, and long-term value creation, while also reflecting the impacts of our activities on the economy, society, and the environment.

We have updated our risks and opportunities' analysis associated with our material themes as identified in the integrated materiality matrix (strategically and financially material), across our value chain, and short-, medium-, and long-term time horizons. The table below provides a structured view of how the Group's most material sustainability topics translate into tangible shifts in its business model, portfolio strategy, and value chain risk profile.

Material Topic	Key Risks	Key Opportunities	Impact on Our Business Model	Time Horizon
Climate - Emissions & Decarbonisation	- Transition risk from carbon-intensive sectors (policy changes, carbon pricing, standards); - Financed emissions concentration driving higher credit/market risk and potential portfolio devaluation - Client transition plan weakness increases PD/LGD - Reputational risk and funding cost pressure if perceived "high-carbon" - Data/MRV quality risk for financed emissions	- Growth in low-carbon lending - Transition finance and sustainability-linked products - Access to concessional/blended capital and guarantees; - Improved portfolio quality through transition-aligned clients - New fee income (advisory, carbon/energy efficiency financing) - Stronger investor confidence and lower cost of capital - Operational cost savings from Scope I and II reductions	- Re-shapes sector appetite - Portfolio steering and product design - Embeds financed-emissions metrics in credit decisions and pricing; - Drives transition finance pipeline and targets; - Influences cost of funds and investor positioning	Short-Medium, with Long tail (stranded asset risk)
Consumer Protection	Conduct risk (mis-selling, unfair pricing/fees, poor disclosures); complaints, litigation and regulatory sanctions; operational risk from weak customer servicing/digital outages; reputational risk leading to deposit churn; financial inclusion backlash if access barriers persist	Stronger trust and deposit stability; reduced losses from disputes/fines; differentiated customer experience; inclusive product innovation (affordable credit, savings, microinsurance); improved collections and portfolio quality through fair treatment	Directly affects customer acquisition/retention, deposits and fee income; strengthens distribution model (digital + branch); reduces conduct-related losses; supports inclusive growth proposition	Short (incidents), Medium (trust/market position)
Ethics & Compliance	Regulatory breaches (AML/CFT, sanctions, market conduct); weak controls leading to fraud and financial crime; third-party compliance failures; enforcement actions, fines and license-to-operate risk	Lower loss events and remediation costs; improved supervisory outcomes; better access to correspondent banking/DFIs; stronger culture and risk discipline; operational efficiency through standardised controls	Underpins license to operate; enables scaling safely (digital, partnerships); protects reputation and funding relationships; improves operational resilience and governance credibility	Short - Medium



Material Topic	Key Risks	Key Opportunities	Impact on Our Business Model	Time Horizon
Corporate Governance	Weak oversight of risk appetite/strategy; inadequate board expertise on climate/tech; poor accountability and control environment; conflicts of interest; weak disclosures/assurance readiness; reputational and supervisory risk	Faster, better capital allocation and strategic execution; stronger risk culture; improved investor confidence; readiness for assurance and evolving disclosure requirements; better crisis response	Determines how effectively sustainability risks/opportunities are integrated into ERM, strategy and reporting; drives decision rights, escalation and performance management	Short–Medium, with Long effects on resilience
Anti-Corruption	Bribery/kickbacks (procurement, lending/collections); facilitation payments in high-risk markets; client integrity risk (PEP exposure); regulatory sanctions, debarment from public/DFI programmes; reputational damage	Access to DFI/ESG-linked funding; stronger partnerships and public trust; reduced fraud losses; improved employee culture and retention	Protects access to growth channels (public sector, DFIs, correspondent banks); reduces credit losses linked to integrity issues; strengthens brand trust (deposits)	Short - Medium
Environmental & Social Due Diligence	Credit losses from unmitigated E&S risks (project delays, community conflict, regulatory shutdowns); litigation and reputational harm from financing harmful activities; stranded asset risk from poor E&S practices; inconsistent screening across subsidiaries/partners	Better credit selection and pricing; improved portfolio resilience; access to green/sustainable finance funding pools; stronger client engagement and risk mitigation; enhanced ability to scale programmes (SME EE, renewables, clean cooking)	Embeds E&S screening into origination, underwriting and monitoring; influences sector policies/exclusions; reduces tail risks and improves portfolio quality; supports credible disclosures and assurance	Short–Medium (incidents), Medium–Long (portfolio resilience)
Scaling Green Finance	Greenwashing and taxonomy/misclassification risk; pipeline and capacity constraints; execution/MRV risk in impact tracking; concentration risk if growth is not diversified; reputational risk if outcomes not credible	Revenue growth through green asset expansion; new products (EE, renewables, clean transport, climate-smart agri, clean cooking); concessional capital and guarantees; cross-sell and deeper relationships; leadership positioning in market	Shifts business model toward transition-enabling intermediation; expands eligible asset base and partnerships; strengthens client acquisition and funding diversification; supports national climate/NDC alignment	Short–Medium (build pipeline), Medium (scale) Core financial intermediation – Lending / Underwriting

Material Topic	Key Risks	Key Opportunities	Impact on Our Business Model	Time Horizon
Cyber	Service disruption, fraud and theft; ransomware and data compromise; systemic risk impacts (payments downtime); regulatory sanctions; loss of customer trust and deposit outflows; third-party/vendor vulnerabilities	Stronger digital trust and adoption; reduced fraud losses and downtime; operational efficiency; improved resilience supporting growth in digital channels and partnerships	Directly affects deposits and digital operating model; drives investments in resilience, monitoring, incident response and third-party controls; influences cost base and customer trust	Immediate–Short (incidents), Medium (resilience maturity)
Data Privacy	Breach of customer data; non-compliance with privacy laws; litigation and regulatory penalties; erosion of trust affecting deposits and digital adoption; vendor data handling risks	Differentiated trust proposition; improved data governance enabling analytics/AI safely; reduced regulatory friction; improved cross-sell through consent-based insights	Underpins digital growth and customer trust; strengthens governance for analytics and AI; reduces conduct and operational losses; supports compliance and reputational resilience	Short - Medium
Climate - Governance & Risk Management (physical & transition)	Physical risk concentration (drought/flood impacts on agri, SMEs, households) driving credit losses and insurance claims (if applicable); transition policy shocks; stress on liquidity/capital under adverse scenarios; weak integration into ERM/ICAAP/ORSA; poor scenario analysis leading to mispriced risk	Better risk selection and pricing; resilient portfolio steering by sector/region; enhanced supervisory readiness; improved capital planning and early-warning systems; growth in resilience finance (adaptation, climate-smart infra)	Integrates climate into ERM, risk appetite, credit and portfolio management; drives scenario analysis and stress testing; links to capital planning and disclosures; strengthens resilience proposition for clients	Short–Medium (physical shocks, policy); Long (chronic change)
Innovation & Technology	Model risk (AI/analytics), operational failures, third-party dependency; exclusion risk (digital divide); regulatory uncertainty; technology obsolescence; cyber/privacy amplification	New revenue streams (digital lending, embedded finance, data-driven underwriting); improved efficiency and cost-to-income; better risk management through analytics; broader reach/inclusion; innovative climate products (usage-based insurance, PAYGO)	Accelerates digital-first distribution and partnerships; changes underwriting/origination via data; improves operating leverage; supports scalable green finance and inclusion if governed well	Short–Medium (execution/controls), Medium (competitive advantage)



Resilience of the Group Strategy & Business Model

The Group has evaluated its strategy and business model against sustainability and climate risks for the short, medium, and long term. This review includes the impacts of shifting policies, technologies, and market conditions tied to the global move toward a low-carbon economy, as well as the growing frequency and intensity of physical climate hazards. Scenario analysis was used to assess the Group's lending and investment portfolios, with emphasis on sectors and regions most exposed to transition and physical risks.

Findings show the Group's diversified portfolio offers resilience, but manufacturing and energy sectors face increased credit risk under stricter transition scenarios, such as rapid policy changes and higher carbon costs. Physical risks in vulnerable regions may also affect borrower performance and asset quality over time. In response, the Group is enhancing climate risk management by improving sector-level assessments, integrating climate factors into credit and portfolio decisions, and expanding activities that support a resilient, low-carbon economy.

NCBA's Strategic Response

Our Sustainability & Climate Strategy: Change the Story

Our Ambition is to become East Africa's foremost provider of integrated GREEN financial solutions'

2030 Commitments	SDG Alignment	Target Level	Specific Metric	Baseline	2025 Performance	Cumulative Progress to Date (2025)
We will grow 10M trees by 2030 through strategic partnerships with private actors & government	SDG 13, 15  	10,000,000	Number of trees	344,437 (2023)	519,968 trees KE: 473,968 TZ: 16,000 UG: 20,000 NCBAIG: 10,000	1,315,083
We will fully eliminate single use plastic and recycle 100% of our waste by 2030	SDG 12, 13  	100% recycled waste across the Group	% recycled		KE: 83.59% of general waste, 97.5% of E waste recycled TZ: 18.5% reduction in spending on single use plastics UG: Replaced single use plastic cups and bottles with sustainable alternatives	KE: 83.6% waste recycled across locations covered by recycling partner
We will green our supply chain and transform all our corporate gifting to be sustainable	SDG 12, 13  	100% sustainable gifting	% sustainable gifting	76% (2023)	76.3% reduction in plastic in gift wrapping	76%

2030 Commitments	SDG Alignment	Target Level	Specific Metric	Baseline	2025 Performance	Cumulative Progress to Date (2025)
We will mobilize & steer KES 30 Billion of green & sustainable financing to accelerate the transition	   	KES 30 Billion mobilised in green & sustainable finance	Amount mobilised (KES)	2B (2023)	9.5B	11.5B
		KES 30 Billion disbursed in green & sustainable finance	Amount disbursed green (KES)	2B (2025)	2B	2B
		Amount disbursed green (KES)	Proparco (KES)	Overall: 2.6B (40%) • 1.89B to SME • 605M to Women • 234M to Green	Overall: 1.7B (28%) • 57M to SME 1.35B women • 307 M to Green	Overall: 4.4B (68%) • 1.95B to women • 1.95B to SME • 541M to Green
			Amount disbursed SME, women and youth (KES)	1.68B (2023)	52B	52B disbursed to SMEs
We will invest in deploying EV charging stations across the region.	SDG 7,13  		Number of EV charging stations	4 (2023)	1	6 (including 1 in 2024)
We will develop a "Change the Story" knowledge platform to inspire and capacitize the public towards change	SDG 17 	Knowledge Platform – online	Number of users	-	-	-
We will complete a group-wide carbon audit in 2023 & set a >50% reduction target in direct emissions (Scope I & II) by 2030	SDG 13 	50% reduction in Scope I and II emissions	% reduction in tCO2e	Group baseline established (2024) 9,146.62tCO2e		N/A
We will align with the 2015 Paris agreement and reduce our financed emissions by 2030	SDG 13 	Portfolio Targets not set	% reduction in tCO2e in financed emissions	-	-	-
We will embed thorough assessments of climate-related risks in our lending, investment, and financing activities		100% of lending, investment and financing screened for climate impact	% portfolio screened for E&S Risks	-)	KE: 64% TZ: 83% UG: 69% RW: 63%	KE: 64% TZ: 83% UG: 69% RW: 63%
			% portfolio screened for climate risks	-	-	-
We will train & ignite our 3000+ staff to make a difference through the "I Change the Story" program	SDG 11 	3000 Staff trained	Number of Staff trained	40 (2023)	2619	3000+

2030 Commitments	SDG Alignment	Target Level	Specific Metric	Baseline	2025 Performance	Cumulative Progress to Date (2025)
We will deploy KES 100M annually to support the communities in which we operate	SDG 11 	KES 800M deployed	Amount deployed (KES)	100M*(2023)	>100M	>300M
We will champion inclusive communities through regional sport development	SDG 10 	50% of beneficiaries in our sport programs that are women or underrepresented groups 50,000 beneficiaries in sports	% representation of women & underrepresented groups Number of beneficiaries in sports programs	- 7000+ (2023)	12% of golfers participating in NCBA Golf Series were women 13,567 athletes engaged through golf and cycling programs	12% of golfers participating in NCBA Golf Series were women in 2025 33,767 athletes engaged
We will steer at least 30% of our general services procurement spend to women and youth	SDG 5, 10  	30% procurement spend in women, youth and PWDs	% procurement spend	KE: 8.9% (2023)	KE: 16% TZ: 57.5% UG: 78%	N/A
We will promote diversity, equity and inclusion at all levels of our operations	SDG 5 	30% women in senior leadership	% of women in senior leadership	Group: 33% (2023)	Group: 32%	N/A
We will provide targeted mentorship and skills building for women and youth	SDG 5, 8  	30,000 women and youth	Number of women & youth	3000 (2023)	61,536	70,536

Climate change and broader sustainability pressures are reshaping the operating environment for financial institutions globally and across East Africa. Physical climate shocks, evolving transition policies, technological disruptions, and rising stakeholder expectations are increasingly influencing client resilience, portfolio quality, funding conditions, and long-term value creation.

In response, the Group has embedded sustainability into its core strategy through Change the Story, a structured five-pillar framework which ensures that we:

- Reduce our direct environmental footprint
- Support clients in their transition journeys
- Strengthen resilience to climate-related risks
- Create shared value in the communities we serve
- Maintain strong governance and control foundations

Specifically, as part of Change the Story, the Group:

1. **Is scaling green finance which remains a central strategic priority:** The Group continues to expand its portfolio of green and transition finance solutions, supporting clients in sectors critical to the low-carbon transition while positioning the business to capture emerging growth opportunities linked to climate and sustainable development.
2. Has, in parallel, **established Scope I and Scope II operational emissions targets**, with a goal to set financed emissions targets to guide the decarbonisation of both its own footprint and its lending and investment portfolios. These targets inform portfolio steering, client engagement, and product innovation in line with evolving regulatory and market expectations.
3. Is **strengthening its risk management architecture**, with particular focus on enhancing Environmental and Social Due Diligence (ESDD) processes. ESDD is embedded within credit origination and monitoring to ensure that environmental and social risks are systematically identified, assessed, and mitigated across the portfolio, supporting improved asset quality and reduced downside risk.
4. Recognises the **strategic value of stable and financially resilient communities to its long-term operations**. Targeted initiatives in financial literacy and SME education are designed to improve borrower capability, enhance credit performance, and support sustainable client growth and retention over time.
5. Continues to **strengthen its control environment and value chain resilience**. In particular, procurement diversity is actively managed as a value-chain risk mitigation measure that supports operational continuity, enhances governance integrity, and contributes to long-term cost stability.

In addition, the Group's core corporate strategy embeds key conduct, technology, and governance priorities. Consumer protection, ethics and compliance, anti-corruption, cyber security, data privacy, corporate governance, and innovation and technology are managed as part of business-as-usual through established policies, controls, and oversight structures.

2025 Progress & Achievements from our Sustainability & Climate Strategy



Scaling our Tree Growing Programme

- Planted over 240,000 seedlings under a carbon project partnership with the Boreka Foundation anchored in verifiable survival rates.
- Sustained focus on quality, permanence and traceability to ensure environmental integrity.
- Our pilot programme has been scoped to meet carbon project requirements, positioning the portfolio for future carbon credit generation for the partners and beneficiary farmers.



Supporting Our Clients' Transition

- Engaged more than 20 corporate and commercial bank clients, across the Group, through targeted transition dialogues to understand risks, opportunities and financing needs.
- KES 11.5 billion has been mobilised toward our KES 30 billion green and sustainable finance ambition: Proparco (KES. 6.5 billion, African Guarantee Fund (AGF) and the KES. 2 billion internal EV fund).
- Over KES 2 billion deployed in green financing in 2025, across the Group.
- Commenced the process of aligning our green portfolio with the Kenya Green Finance Taxonomy (KGFT) to strengthen credibility and transparency.



Managing Climate Risks

- 70% of the Group's loan book has been screened for Environmental & Social (E&S) risks, significantly strengthening portfolio oversight.
- Completed qualitative short- and long-term climate risk screening of the corporate portfolio (NCBA Kenya).
- Continued integration of climate considerations into enterprise risk processes.



Investing in Communities

- Over KES 108 million invested in community initiatives, across the Group, during the year, bringing the total to >KES 300 million since the launch of Change the Story in 2023.



Managing Our Operations

- Achieved a 49% reduction in our operational emissions against our 10% YoY reduction target.
- Scaled emissions' measurement and reporting across the Group by introducing more regular tracking processes, improving data coverage and consistency.
- 2619 staff trained in sustainability, with deep-dive capacity building delivered to business teams, Credit Risk, Enterprise Risk and Finance.



PILLAR 1:

Minimize Our Direct Impact On the Climate and Amplify Our Tree Planting Program

The Group has set three clear operational commitments designed to reduce its environmental footprint, support ecosystem resilience, and strengthen the sustainability of our value chain. These commitments complement our emissions reduction targets and reinforce our broader climate transition strategy.

We are committed to growing 10 million trees by 2030 through structured partnerships with government agencies, private sector actors, community organisations, and environmental experts.

Effective reforestation at scale requires land access, ecological expertise, local knowledge, and sustained community stewardship that no single institution can provide alone. By co-investing with partners who bring complementary capabilities, we generate broader coverage, stronger ecological outcomes, and more durable community benefit than direct delivery could achieve.



Stella Njunge, Managing Director of NCBA Insurance, and Ann Nderi, Head of Group Sustainability, joined representatives from the Kenya Defence Forces (KDF), Kenya Forest Service (KFS), and faculty and students of Lenana School to plant 10,000 seedlings at the institution in observance of Mazingira Day.



Group MD, John Gachora plants a tree at the Nairobi Railways Museum during the 2025 scholarships' cheque handover ceremony



Boreka carbon project partnership: 120,030 tree seedlings planted in Kitui and Kwale counties including 10,000 mangroves. 642 farmers engaged: 276 in Kwale and 376 in Kitui. 240,000 seedlings planted and over 1000 farmers engaged since the project's inception in 2024. The Group plans to plant a further 100,000 seedlings in 2026.



In Tanzania, 16,000 trees were planted through local partners including the Institute of Environment, Climate and Development Sustainability and The Kilimanjaro Project.

We have committed to eliminate single-use plastics from our operations and ensure that 100% of operational waste is recycled or responsibly managed by 2030.

These are unambiguous, binary targets. Meeting them requires systematic change across procurement, operations, and supplier relationships, not incremental optimisation. Our approach centres on transitioning to reusable and recyclable materials across all branches and offices, engaging suppliers to eliminate plastic at source, deploying waste segregation and tracking systems, and building certified recycler partnerships that can absorb our full waste stream.



FY2025 Highlights:



97.5%

E-waste recycling (Kenya)



83.6%

General waste recycling- 83.6% up from 72.8% in 2024. (NCBA Centre, NCBA Annex, NCBA House and Wabera Street Branch)



18.5%

Single-use plastic- 18.5% year-on-year reduction in single-use plastic expenditure (Tanzania)



Waste Management Plan developed and is being operationalised across the Group.



Partnered with Ricky Bags Africa, a social enterprise that produces eco-friendly, fashion-forward bags by upcycling waste materials such as billboard banners, flexis, and leather scraps to upcycle 5 of our billboard flexis (400kg of material) into 90 eco-friendly bags.

Greening Our Supply Chain and Transforming All Corporate Gifting to Be Sustainable

Our environmental and social footprint extends to the suppliers we engage, the products we procure, and the gifts we distribute to our stakeholders.

Corporate gifting, while a modest expenditure line, carries disproportionate institutional signal value. It makes our stated environmental values visible and tangible to clients, partners, and staff. The transition to fully sustainable gifting, sourced from ethical suppliers, free from single-use plastic, and aligned with our publicly stated commitments is underway.

At the KISM SPURS Supply Chain Management (SCM) Excellence Awards, NCBA won the Organization Applying Sustainable Supply Chain Management Practices award which celebrates excellence in ethical procurement, responsible sourcing, and long-term value creation. This recognition affirms a deliberate shift toward procurement practices that balance commercial outcomes with environmental stewardship and social impact.



PILLAR 2:

Ignite Our Customers' Transition to a Low Carbon Operating Model

Mobilize & steer KES 30 Billion of Green & Sustainable Financing to accelerate the transition

In line with our commitment to mobilise KES 30 billion for green and sustainable projects, we signed a \$50 million (KES. 6.5 billion) agreement with Proparco in 2024. Against the facility, NCBA Kenya committed to on-lend \$20 million (KES 2.7 billion) to green projects, and \$15 million (KES. 1.9 billion) each to MSMEs, and women-centric enterprises businesses (against the 2X challenge).



Performance
highlights:

KES
1.95B

MSME: 100% disbursed

KES
1.95B

Women (against 2X criteria):
100% disbursed

KES
544M

Green: 21% disbursed

Our implementation of the Proparco facility has generated important insights that are shaping how we design, screen and scale sustainable and green finance across the Group. The programme has reinforced both the opportunity and the operational complexity of embedding green finance within core banking processes. One of the key lessons has been the practical challenge of merging multiple green eligibility frameworks including Development Finance Institutions' (DFI) requirements, internal sustainable finance definitions and KGFT. Differences in thresholds, activity definitions and evidence requirements initially created classification friction and extended deal processing timelines. In response, the Group is progressing the development of a harmonised screening framework to improve consistency, reduce ambiguity and support faster deal origination while maintaining environmental integrity.

In addition to the above facility, NCBA Kenya and the Africa Guarantee Fund (AGF) renewed their risk share guarantee partnership to enable the Bank to continue scaling financial solutions to SMEs, women-centric enterprises and green projects. The agreement for an enhanced guarantee of KES 3 billion will enable NCBA to continue offering more flexible and long-term financial solutions that support SME growth for an additional 10 years. Since the inception of the partnership in 2018, the guarantee facility has served as a catalyst for broadening financial access among qualified borrowers, insuring loans amounting to over KES 5 billion.

Portfolio Alignment with the Kenya Green Finance Taxonomy (KGFT)

The Kenya Green Finance Taxonomy (KGFT), which was launched by CBK in 2024, is the national classification framework, that defines which economic activities can be considered environmentally sustainable within the Kenyan context. It provides a common language for financial institutions, regulators and investors to identify, finance and report green activities with greater consistency and credibility.

During the year, we commenced the process of reviewing and aligning our 2025 green lending framework to the taxonomy to ensure that our classifications are consistent with the national standard.

At the end of this exercise, we will have:

- Mapped existing green assets to KGFT technical screening criteria.
- Updated credit and loan origination processes to embed taxonomy checks.
- Enhanced data capture and evidence requirements at transaction level including strengthening documentation on the use of proceeds to confirm that financing is directed toward eligible activities.
- Integrated Do No Significant Harm (DNSH) screening data to ensure that financed projects do not adversely impact environmental or social objectives.
- Strengthened governance and second-line review of green classifications.
- Updated reporting frameworks to reflect KGFT categories.
- Conducted capacity building for both frontline and risk teams, to ensure that they are equipped to interpret taxonomy requirements, engage clients on data needs, and consistently apply screening criteria.

This work will improve the robustness, transparency and auditability of our green finance portfolio.

Our total green lending for 2025, as aligned to the KGFT is KES 2 billion broken into the following sectors:



John Gachora, Group Managing Director, NCBA and Jules Ngankam, AGF Group CEO during the signing of the renewed partnership between NCBA and AGF to strengthen SME financing, focusing on women-led businesses



Marketing World Awards

Sustainability Initiative of the Year & Sustainability Personality of the Year awards.



KENCTAD ESG AWARDS:

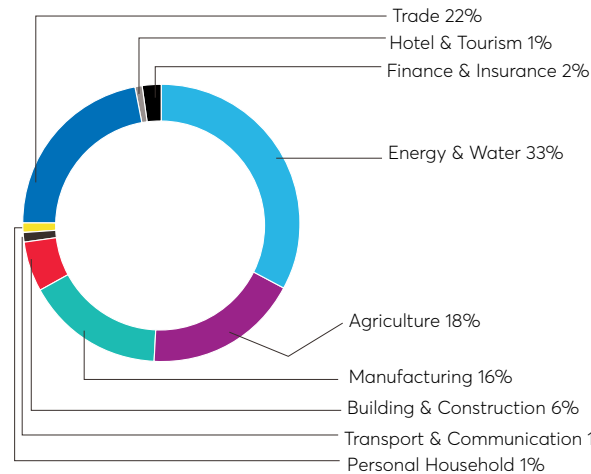
Climate Action and Green Finance Leader



DIAR AWARDS:

Award of Recognition, affirming NCBA'S leadership in advancing inclusion, equity, impact and sustainability in Kenya.





Given the current composition of our lending portfolio and our expanding capabilities in climate risk analysis, we recognise the importance of progressively rebalancing toward more sustainable assets.

Our green lending, which contributed to the avoidance of over 6 million tonnes of CO₂ emissions, is largely focussed on the following:

- Solar projects
- Geothermal projects
- Energy efficiency projects
- Electric mobility

Looking ahead, we want to replicate and standardise this emissions' impact assessment across all business units, using KGFT as the substantive classification framework to enable more consistent, transparent and comparable reporting of climate outcomes at Group level.



NCBA Bank Rwanda partnered with Kabisa to launch Umurabyo, Rwanda's first affordable electric taxi fleet, supporting cleaner mobility, lower operating costs for drivers and the country's transition to a greener transport sector.

Driving Financial Inclusion Through Digital Lending

The Group's digital lending platforms continue to play a significant role in advancing financial inclusion across the region, forming a key component of its sustainable lending portfolio. Through strategic collaborations with mobile network operators and other ecosystem partners, the Group has disbursed over KES 1.3 trillion in digital loans, providing millions of customers with convenient, low-value credit products delivered through mobile channels.

These solutions have been particularly impactful in extending access to finance for underserved and previously unbanked individuals, including micro-entrepreneurs, informal sector workers, and rural households who often face barriers to accessing traditional banking services. Alongside this scale of lending, the Group has witnessed strong growth across its mobile savings solutions, reflecting increased adoption of digital financial services across the region. These platforms enable customers to save, access short-term working capital, manage cash flow, and build formal financial histories, strengthening their long-term financial resilience and participation in the formal economy.

MSME Women Accelerator

In partnership with the African Guarantee Fund, the Affirmative Finance Action for Women in Africa (AFAWA) programme of the African Development Bank Group, UNGA Group PLC and the



SME Support Centre, NCBA launched the NCBA-AFAWA WSMEs Acceleration Programme. The programme is designed to empower 80 women-led SMEs in the agribusiness value chain by providing access to finance, mentorship, training, de-risking support and markets. Additionally, the Bank has earmarked USD 5 million (KES 648.5 million) to lend to the businesses.

The first cohort onboarded 38 women entrepreneurs operating in the agro-food value chain marking a strong start towards building a pipeline of resilient and scalable women-led businesses. To date, loans totaling KES 39.3 million have been disbursed, and an active pipeline of approximately KES 140 million, established.

Deepening Client Engagement Through Transition Advisory

During the year, we conducted more than 20 targeted client visits, focused on supporting our customers' transition journeys through structured advisory and solutioning. These engagements are strengthening our understanding of client-specific risks and opportunities while positioning the Group as a proactive transition partner. Insights from these engagements are informing our risk management approach, green origination pipeline and broader sustainable finance strategy.

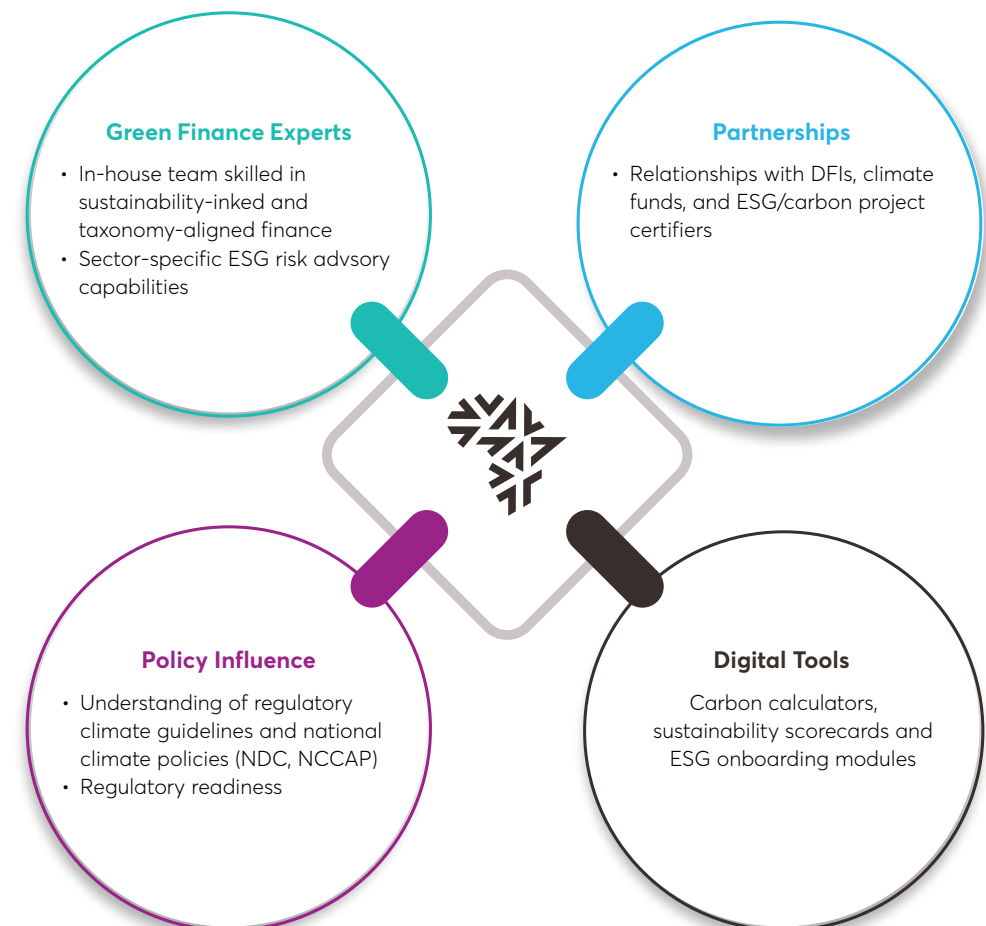
NCBA Green CVP

NCBA is a strategic partner beyond financing solutions, we help our clients identify, finance, and execute green transition opportunities across sectors.

The NCBA Role in the Green Transition

1. Strategic financing partner
2. Sustainability and ESG knowledge hub
3. Risk advisor on climate & ESG integration
4. Catalyst for innovation and partnerships (e.g., value chains, carbon markets)

NCBA Core Competencies



PILLAR 3:

Mitigate the Impact of Climate-related Risks to our Long-Term Performance

Climate-related risks are increasingly recognised as drivers of credit, market, operational and reputational risk. The Group is embedding climate considerations into enterprise risk management, portfolio steering and capital planning to strengthen long-term resilience.

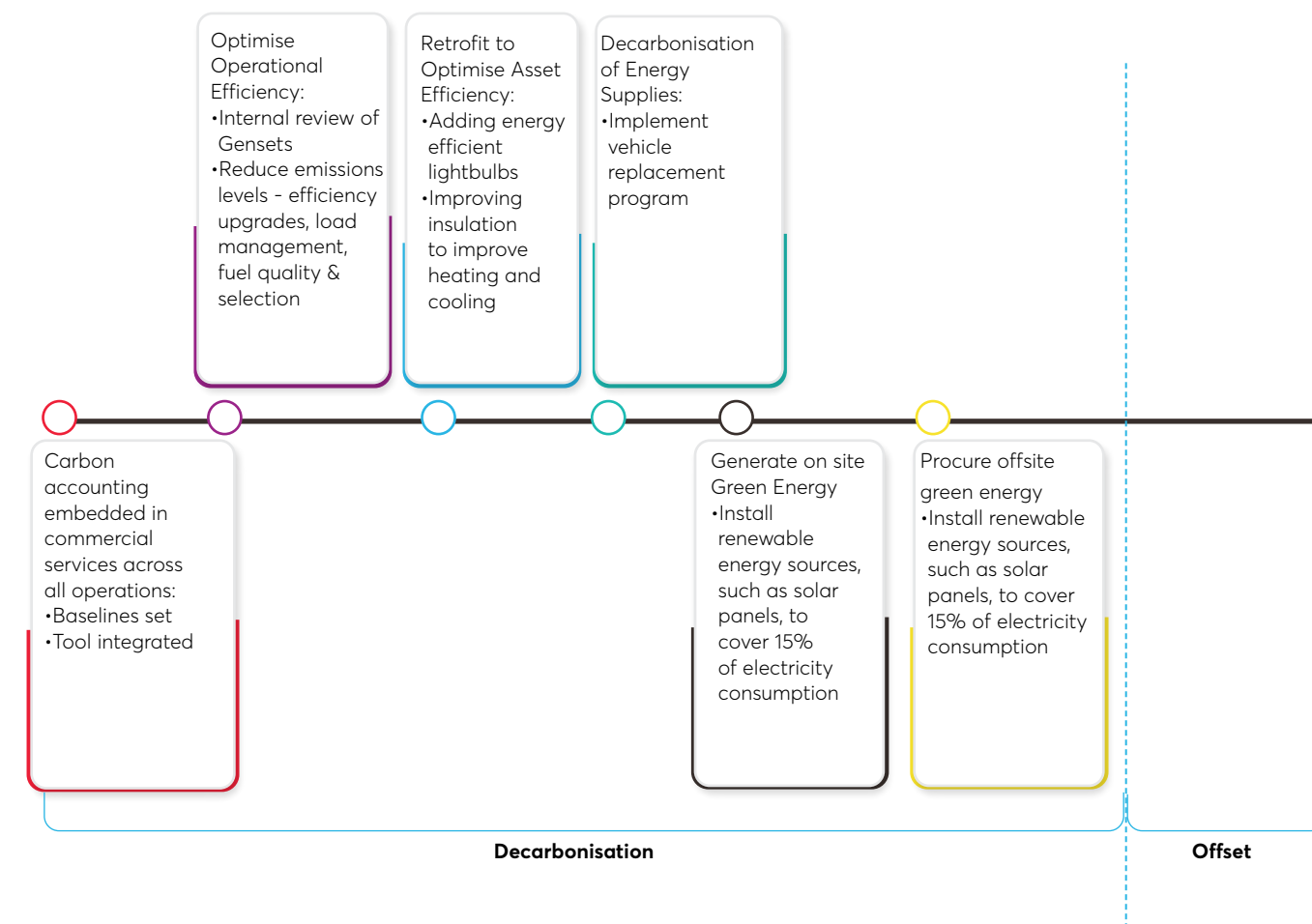
Our focus is on:

- Understanding and reducing our own operational emissions.
- Aligning our financed portfolio with the Paris Agreement and setting science-based targets.
- Embedding climate risk into core credit and investment decisions.
- Enhancing our environmental and social due diligence (ESDD) process to ensure environmental and social risks are well integrated in credit risks' management.
- Deploying scenario analysis and forward-looking risk management.

Reducing Our Operational Emissions

NCBA Kenya conducted its first Scope 1 and Scope 2 carbon audit in 2023, establishing a baseline for operational emissions. The assessment has since been expanded to include all banking and non-banking subsidiaries: NCBA Uganda, NCBA Tanzania, NCBA Rwanda and NCBA Insurance Company. Building on this, we have committed to reduce these emissions by more than 50% by 2030, supporting national decarbonisation goals and improving operational efficiency.

Our roadmap:



To achieve our first round of emissions reductions in Kenya, we implemented the following initiatives:

- Corrective measures for generator emissions for enhanced efficiency.
- Installed energy efficient LED bulbs across our operations. Purchased EVs and hybrid vehicles for our fleet.
- Heightened sensitization of all staff around energy saving measures.

This resulted in a 45% reduction in our Scope I and II emissions for Kenya.

The Group's current data position shows significant progress in reducing operational emissions, with a 47.17% reduction in Scope 1 and Scope 2 emissions achieved to date. This reflects the impact of targeted efficiency measures across operations, including energy management initiatives.

Measuring the Climate Impact of our Lending & Investment Activities

Our initial Scope 3 mapping for NCBA Bank Kenya indicates that approximately 96% of total Scope 3 emissions are concentrated in three categories: Business Travel, Capital Goods and, most significantly, Lending (financed emissions). Consequently, our primary focus is to strengthen financed emissions' measurement, improve client data quality and embed climate considerations into portfolio steering and client engagement.

Material categories

Scope 3:
Category 1: Purchased Goods and Services
Category 2: Capital Goods
Category 4: Upstream transportation and distribution
Category 5: Waste generated in operation
Category 6: Business Travel
Category 7: Employee Commuting
Category 15: Investments

During the year, we continued to strengthen our approach to measuring and managing emissions associated with our lending and investment portfolios, recognising that robust financed emissions data is critical to effective climate risk management, portfolio steering and credible transition planning.

We are progressively aligning our financed emissions measurement to the Partnership for Carbon Accounting Financials (PCAF) methodology, applying sector-specific approaches where data permits. Our current focus is on priority carbon-intensive and climate-sensitive sectors within the corporate and commercial banking portfolios: manufacturing, non-renewable energy-related activities and certain segments of real estate. Given that a meaningful portion of the portfolio still relies on estimated or proxy data, we have exercised appropriate caution in publishing detailed quantitative outputs at this stage. Instead,

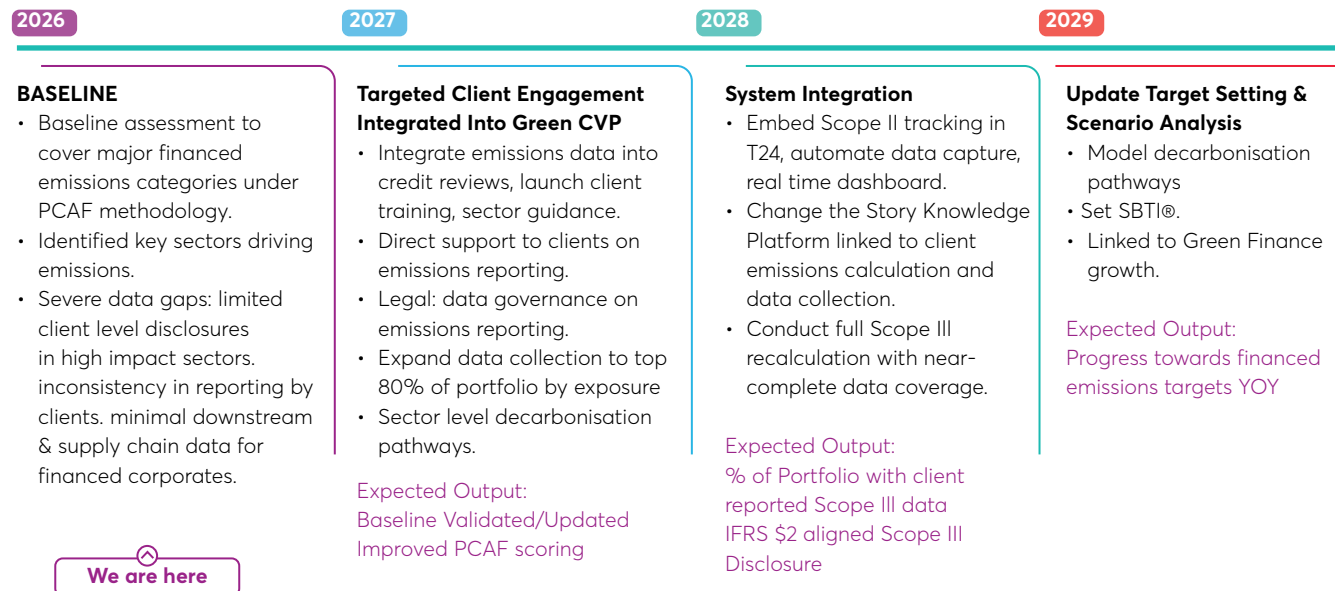
we are prioritising the strengthening of borrower-level data, standardising methodologies and improving internal validation processes.

Notwithstanding, we:

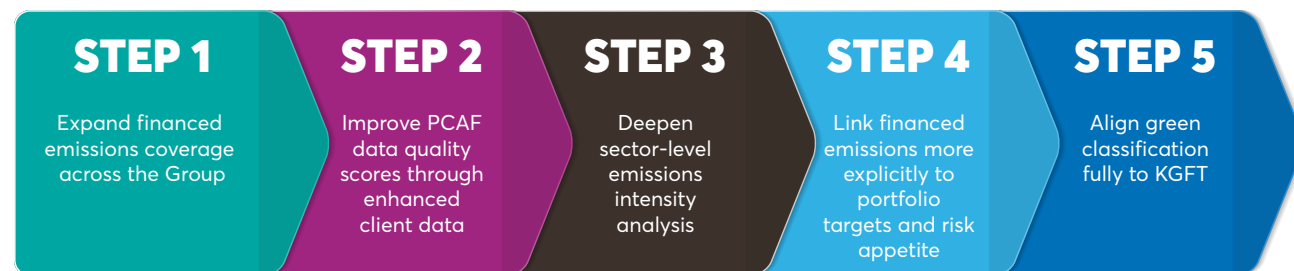
- Advanced financed emissions estimation across priority sectors in the corporate portfolio (specifically Oil & Gas, Vehicles leased under Asset Finance and Manufacturing).
- Strengthened borrower-level data capture through enhanced credit templates.
- Initiated deeper client engagement to support emissions disclosure and transition planning.
- Began integrating financed emissions insights into sector reviews and portfolio monitoring.



Scope III Emissions Roadmap



As data quality improves, we expect greater precision in emissions' intensity analysis and portfolio steering. As such, our next steps are to:



We recognise that financed emissions measurement is a multi-year journey. However, the progress made this year establishes a strong analytical foundation to manage climate-related risks and opportunities while supporting our clients' transition to a lower-carbon, more resilient economy.

PILLAR 4:

Enhance the Impact of Our Community Engagement Model

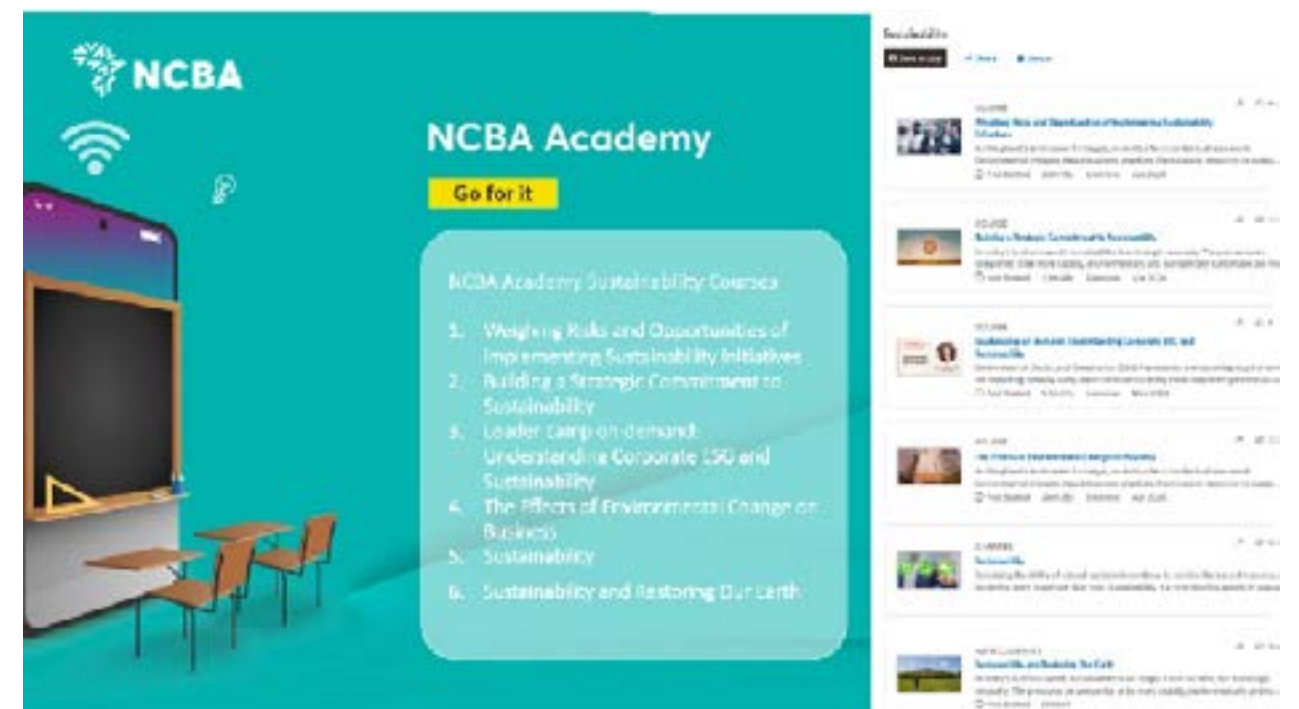
Igniting our 3000+ employees to make a difference

To embed sustainability into the Group's corporate culture and operations, a mandatory e-learning course titled 'Change the Story' was introduced in 2024 to ensure that all employees understand, internalize, and actively contribute to the sustainability agenda.

The course covers:

1. Key sustainability principles & ESG Governance
2. ESG integration
3. Climate risk management
4. Carbon market & Accounting
5. Green Finance

In 2025, 2619 of employees completed the online modules. The Group also delivered foundational sustainability and climate training to over 3,000 employees, establishing a strong baseline of awareness and shared understanding. Building on this momentum, we have set annual capability enhancement targets to progressively deepen technical expertise across the business. The next phase of our programme will thus see us scale role-specific, advanced training modules aligned to the three lines of defence. This structured, tiered approach is designed to embed climate and sustainability considerations more firmly into day-to-day decision-making, strengthen risk management discipline and support the Group's evolving regulatory and strategic requirements.



Driving a culture of employee volunteerism

Beyond core training, our commitment to environmental stewardship is now deeply embedded within our corporate DNA, evidenced by 761 employees volunteering for local sustainability projects, across the Group. To further formalize this commitment, the Group HR division has launched a dedicated 'Sustainability Leave' day to actively support and incentivize employee-led community engagement.



The 'Change the Story' Transformation Engine will be driven by every one of you.



Invested over KES 100 million in communities

In 2025, the Group invested over KES 100 million towards community projects, focusing on the environment, education, mentorship and financial literacy, that impacted more than 840,000 individuals across the region.



Highlights:

Environmental stewardship

- Sponsored nine teams to participate in the Rhino Charge Challenge event in Baringo County which raised KES 269 million to support the protection of over 805 kilometers of Kenya's critical forest ecosystems, including the Mau, Kakamega and Aberdare forests.

Education and Youth Development

- Scholarships worth KES 12 million were channeled to 181 students in different stages of their education journey.
- These scholarships were delivered in collaboration with organisations such as the Palmhouse Foundation, Edumed Trust, Kenya Community Development Foundation, KenSAP and WEDCO Kenya, and were complemented by structured mentorship programmes.



NCBA Group Chairman, James Ndegwa and Group Managing Director, John Gachora, present a cheque to the 2025 NCBA scholarship beneficiaries.



[Click here to read more about our sustainability agenda](#)

Creative Economy & ELEV8 Live Powered by NCBA

Kenya's creative sector contributes approximately 5.3% of national GDP and represents a critical opportunity for youth employment and enterprise development. NCBA deepened its investment in the sector through a strategic partnership renowned music producer Motif Di-Don and the HEVA Fund to establish the ELEV8 Live Studio. The year marked two significant milestones:

- The inaugural NCBA Creative Economy Summit, which convened leaders from the music, film and fashion industries to explore growth opportunities in the sector
- The launch of a creative startup incubator product and risk sharing facility in partnership with HEVA Fund, aimed at strengthening access to sustainable financing for creatives.

Key outcomes:

- Supported the audio and video production of 16 emerging artists, including four female artists, reinforcing inclusive participation within the platform.
- Launched the inaugural Shujaa album and signed its first artist, Lafayette.



NCBA Group Director Marketing, Communication & Citizenship Nelly Wainaina, EleV8 Live Artist Jambia, and Founder EleV8 Africa and Award-Winning Music Producer Motif Di Don at the EleV8 Live debut and launch event.

- Beneficiary, Fanuel Mulwa, competed in the Sing for Africa competition and won KES 1 million, a recording deal and a performance tour opportunity in China.
- Structured performance platforms across internal and customer events.
- Integrated financial literacy and media training to equip participants with the skills required to sustainably manage their careers and earnings.

Innovation and Technology

In 2025, NCBA supported youth innovation and entrepreneurship through university hackathons, design-thinking summits, entrepreneurship mixers and startup platforms, engaging more than 3,000 students and entrepreneurs.

- Strategic partnership with Endeavor Kenya to support 32 high-impact entrepreneurs in Kenya's technology and tech-enabled sectors. The entrepreneurs generated:
 - USD 313.9 million in revenue.
 - USD 319 million in venture capital.
 - 19,900 jobs.

- Through partnerships with Riara University, Nova Pioneer and other innovation ecosystems, NCBA continues to unlock investment readiness, job creation and scalable innovation across Kenya and the region.

Together, these initiatives strengthened youth employability, leadership development and financial capability, while positioning NCBA as a trusted partner in human capital development.

Strategic Sponsorships

During the year under review, the Group supported a diverse portfolio of initiatives spanning health, culture, enterprise development, climate action and national dialogue platforms. Through collaborations with over 80 partners, the Group successfully contributed to improving outcomes for over 836,870 beneficiaries.

We will champion inclusive communities through regional sport development

Changing the Story Through Golf: NCBA's Six-Year Commitment to Growing the Game

Now in its sixth edition, the NCBA Golf Series has grown into one of the most impactful corporate-sponsored sporting initiatives in the region. Anchored on NCBA's Change the Story sustainability platform, the Series has consistently expanded access to the sport, strengthened competitive pathways, and created opportunities for players at every level – from juniors taking their first swings to elite professionals competing on the international stage.



From left - 2026 Magical Kenya Open amateur golfers: Deaflympics bronze medallist Isaac Makokha, John 'Samburu One' Lejirima, Josephat Rono and Michael Karanga with NCBA Group MD John Gachora.

2025 highlights:

- Invested KES 60 million in the golf ecosystem towards the NCBA Golf Series, Junior Golf Foundation (JGF), Kenya Golf Union (KGU) in support of the Kenya Amateur Golf Championship (KAGC), and Professional Golfers of Kenya (PGK).

- 80 of 164 tournaments sponsored across the region were dedicated to junior golf through a partnership with the Junior Golf Foundation (JGF) which impacted over 3000 players. Additionally, some junior players earned opportunities to compete in continental and international events such as U.S. Kids Golf regional championships while others secured scholarships to study abroad.
- Through a structured PGK Equator Tour and prize purses, provided direct financial empowerment to Kenyan professionals which translated to Kenyan professionals such as Edwin Mudanyi and Njoroge Kibugu featuring prominently in regional competitions and high-profile events including the Magical Kenya Open (MKO).
- Building on these insights, NCBA leveraged sports more broadly as a platform to advance inclusion, national pride and community cohesion. Key engagements included partnerships with Special Olympics Kenya, Kenya Masters Swimmers, archery and grassroots athletics events. These engagements reinforced NCBA's commitment to inclusivity, youth development and wellbeing through sport.
- The LOOP Safari Gravel series entered its third edition in 2025, expanding on the achievements of its earlier events. Over 7,000 cyclists have taken part in these activities. In addition, 2,500 trees have been planted and KES 2.5 million has been allocated for improvements to the cricket pavilion at Limuru Country Club.



Njoroge Kibugu in action during the 2026 Magical Kenya Open at Karen Country Club.



NCBA Group Marketing & Communications Director Nelly Wainaina (R) presents a dummy cheque to JGF President Regina Gachora, flanked by junior golfers Maryam Mwakitawa and Kevin Anyie-min.



Kenyan junior golfer Lael Mwangale in action at Windsor during a past NCBA Kenya Invitational junior tournament



Kenyan junior golfer Malaika Kasio tees-off at Windsor during the NCBA Kenya Invitational Junior tournament earlier this year



[Click here to learn more about NCBA Golf activities](#)

PILLAR 5:

Optimise our Corporate Governance

Furthering Inclusive Leadership and a Diverse Supply Chain

Strong corporate governance and inclusive value chain practices are foundational to the Group's long-term resilience, operational integrity, and sustainable growth.

This pillar recognises that governance excellence extends beyond Board oversight to include how we procure, build talent pipelines, and enable inclusive participation in the economy. These areas are increasingly material from a regulatory, reputational, and operational resilience perspective.

Our focus is on:

- Strengthening diversity, equity and inclusion (DEI) across the organisation, with a near-balanced overall gender representation of 52% male to 48% female, and a senior management composition of 68% male to 32% female.
- Building the next generation of women, youth and persons with disabilities' entrepreneurs and professional leaders.
- Enhancing inclusive procurement across our value chain: 16% of general services procurement channelled to women and youth in Kenya: 78% in Uganda and 57.5% in Tanzania.

Women Economic Empowerment

NCBA continued to champion women's economic participation through leadership, enterprise and inclusion platforms. We supported women-focused initiatives spanning entrepreneurship, leadership mentorship, trade readiness and financial access. Programs such as Athena Mentorship, Transformational Leadership Forums, Women in ADR, See It Be It Kenya and Accelerate Women EA collectively reached 5000+ women, while providing access platforms to capital.





RISK MANAGEMENT :

An overview of the Group's approach to identifying, assessing and managing sustainability and climate-related risks through disciplined risk culture, effective governance, and an integrated enterprise risk management framework

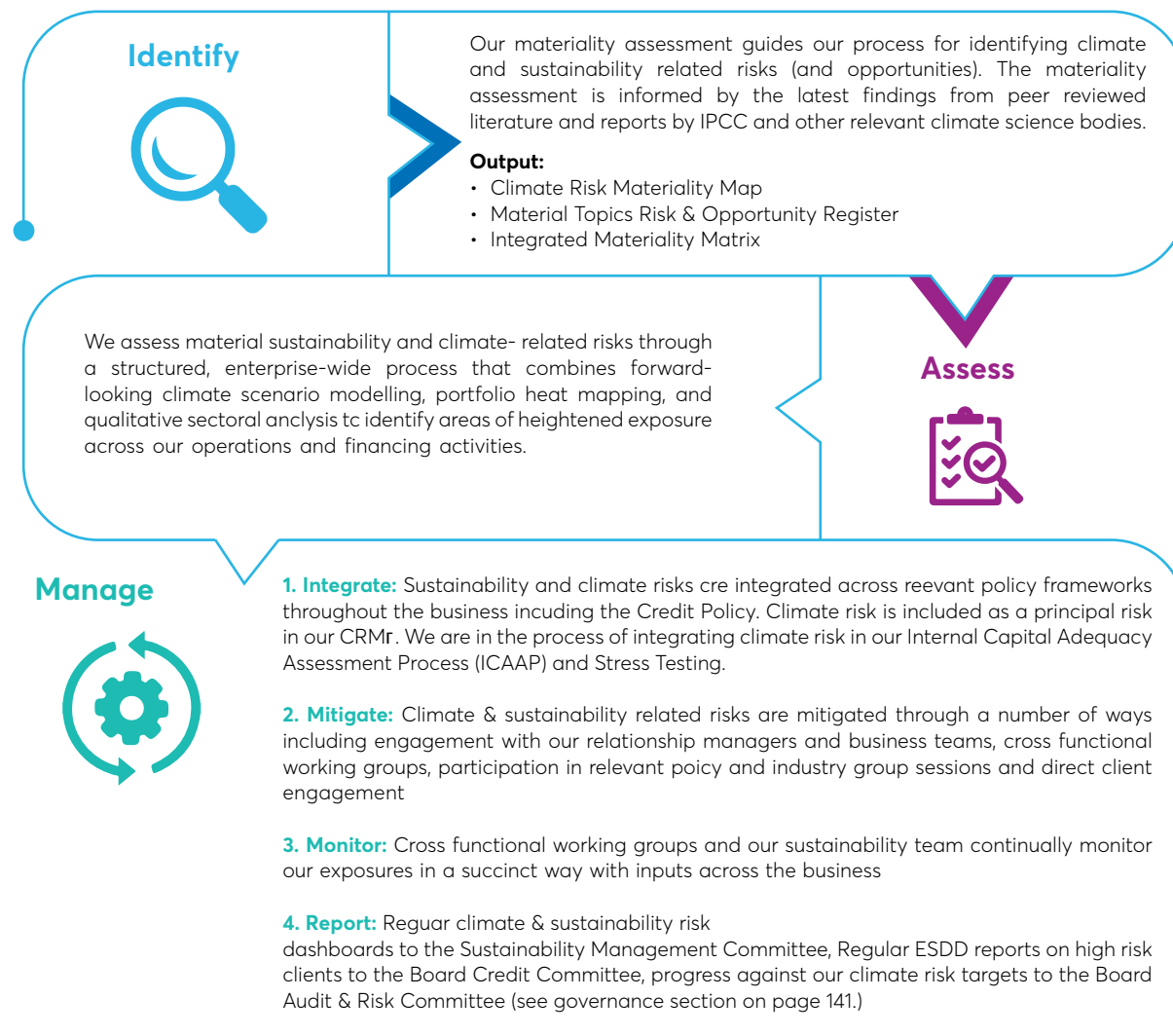
Enhancing Risk Discipline in a Changing Climate

Climate and broader sustainability risks are becoming increasingly material for the financial sector, driving heightened regulatory focus on the integration of these risks into core risk management processes. In response, the Group has elevated ESG risks to principal risk status, recognising their growing strategic and financial relevance. These risks are currently incorporated into the Risk and Control Self-Assessment (RCSA) processes across the business, enabling structured identification, assessment and monitoring at the operational level.

The Group is also progressively strengthening the integration of climate and sustainability risks into its Enterprise Risk Management Framework (ERMF). This work will take place during the current year and is intended to ensure that climate and broader ESG risks are systematically embedded across enterprise-wide risk identification, assessment, monitoring and governance processes.

Risk Management Process

Summary of our Process for identifying, assessing and managing sustainability & climate risks



How we Identify Sustainability & Climate Risks

The Group applies a structured climate risk materiality process to identify and prioritise the climate-related risks most relevant to its strategy, portfolio and long-term financial resilience. This process is embedded within the broader risk and self-control assessment process and materiality frameworks and is informed by both quantitative analytics and qualitative expert judgement. The primary output of this process is the climate risk materiality map, which provides a consolidated view of the Group's most significant climate-related exposures across the portfolio and operating footprint. The climate risk materiality map is reviewed periodically as data quality improves, methodologies evolve, and the external risk landscape changes, ensuring that the Group's risk management approach remains forward-looking and responsive to emerging climate dynamics.

Climate Risk Materiality Map					
Climate Risk Type	Sub-Type	Climate-related risks	Specific impact that climate-related risk will have on NCBA Loan Book over the given horizon.		
			Short-term time horizon	Medium-term time horizon	Long-term time horizon
Transition Risk	Policy and Legal	Increased GHG emissions' pricing to incentivise movement to renewable energy sources.	Medium	Medium	High
		Stricter emission-reporting requirements	Medium	High	High
		Enhanced regulatory environment and mandated requirements: may introduce minimum standards/ green credentials	Medium	Medium	High
		Regulation of financial product or service such as taxonomy reporting	High	High	High
		Loss and damage – emerging legal cases/ compensation	Low	Medium	High
		GHG emission quotas	Low	Medium	Medium
		Substitution of technology, including requirements to replace manufacturing technology to cleaner alternatives.	Low	Medium	High
	Technology	Higher costs associated with low carbon technology	Medium	Medium	Medium
		Investment in technology to climate-proof infrastructure	Medium	Medium	High
		Low return or low commercial viability from/of new technologies	Medium	Medium	Medium
		Increased volatility and costs, sourcing restrictions for carbon-heavy raw materials.	Medium	Medium	High



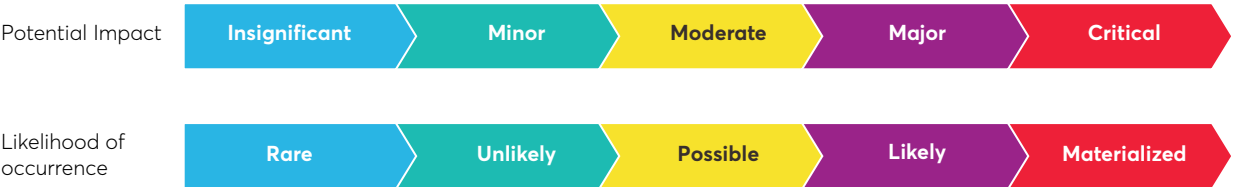
Climate Risk Materiality Map					
Climate Risk Type	Sub-Type	Climate-related risks	Specific impact that climate-related risk will have on NCBA Loan Book over the given horizon.		
			Short-term time horizon	Medium-term time horizon	Long-term time horizon
	Market	Limited supply and increased demand of energy efficient and low flood risk properties.	Medium	High	High
		Change in consumer behaviours including deliberate move to lower-carbon footprint products.	Low	Medium	Medium
		Competitor changes – new entrants with green credentials, entering market without incurring transition costs	Low	Medium	Medium
		Insurance policies becoming unattractive due to pricing	Low	Medium	Medium
		Poor performance of climate vulnerable assets	Medium	Medium	Medium
		Risk perception increase among co-financiers and investors due to climate risk uncertainty	Medium	High	High
	Reputation	Changing customer, community and other stakeholder views, attitudes, perceptions and values on climate.	Low	Medium	Medium
		Increased scrutiny including from regulators, media, on carbon emissions for a business, its supply chain including who provides financing.	Medium	High	High
		Increased stakeholder scrutiny if lack of action on reduction in emissions, or substantial contribution to improving resilience/ adaptive capacity of local communities	Low	Medium	Medium
Physical Risk	Acute	Increased frequency and – severity of climate-driven events. Flooding	High	High	High
		Drought	High	High	High
		Heatwave	Low	Low	Medium
		Landslide	Low	Medium	Medium
		Wildfires	Low	Medium	Medium
	Chronic	Stability of local ecosystems, affecting food production/ and living environment	Low	Medium	High
		Rising temperatures affect local infrastructure, working & living conditions	Low	Medium	High
		Rising sea level affect local ecosystems, increase flood risk	Medium	High	High

Climate Risk Materiality Map					
Climate Risk Type	Sub-Type	Climate-related risks	Specific impact that climate-related risk will have on NCBA Loan Book over the given horizon.		
			Short-term time horizon	Medium-term time horizon	Long-term time horizon
		Changing precipitation patterns	Medium	High	High
		Water stress	High	High	High
		Deforestation	Medium	Medium	High
		Soil degradation	Medium	High	High

As part of the Group's overall risk management, the RCSA process requires all functional areas to maintain risk registers to enable continuous risk prioritisation, monitoring and containment. This comprehensive process enables the Group to develop a sustainability risk matrix based on the risks' potential magnitude and likelihood of occurrence.

	Sustainability-related risks	Impact	Likelihood of occurrence	Risk Rating
1	Human rights risk: Risk of human rights breaches occurring within operations across the supply chain due to third-party practices	Minor	Unlikely	Low
2	ESG Regulatory Change Risk: Rapid changes in local or international ESG, climate, or sustainability reporting requirements.	Major	Possible	High
3	Greenwashing Risk: Risk of overstating or misrepresenting ESG achievements, sustainability commitments, or green lending credentials, resulting in reputational damage.	Major	Possible	High
4	Data security Risk: The risk that unauthorized access, disclosure, alteration, or loss of customers' or employees' personal data occurs due to inadequate data protection controls, cyber security weaknesses, human error, or malicious activities.	Major	Likely	Very High
5	ESG Data Integrity and Quality Risk; Risk arising from inaccurate, incomplete, or inconsistent data received from internal stakeholders due to varying reporting standards and limited ability to independently verify accuracy, combined with the limited availability of reliable ESG data from external stakeholders such as clients particularly SMEs and corporates which may affect the credibility and robustness of ESG reporting and decision making	Moderate	Possible	Medium

The risks in the table above have been ranked using a standardized likelihood and impact scale. The illustration below provides the full range of both dimensions:



How We Assess & Manage Climate Risk

Climate risks are assessed across physical and transition risk dimensions, relevant time horizons, and key transmission channels to the Group's financial performance. The assessment draws on multiple inputs, including climate scenario analysis, sectoral risk reviews, geographic vulnerability assessments, and portfolio heat mapping (qualitative analysis). Particular focus is placed on identifying concentrations of exposure within climate-sensitive sectors, carbon-intensive value chains, and climate-vulnerable geographies.

NCBA Group's climate risk appetite is based on the acknowledgement that there will always be residual exposure to long-term financial, customer, operational and reputational impacts from climate change. We therefore seek to balance these threats with the benefits of aligning activities and operations to stated climate ambitions and strategic objectives. Consequently, we are exploring climate risks in two ways: as a principal risk to our business and, as a causal factor affecting other closely related financial and non-financial risks.

Time horizons used to classify climate-related opportunities and risks, aligned to our strategy:

These are based on the relative duration of our credit facilities for our corporate and retail banking segments.

- Short term: 0-60 months
- Medium term: 61 – 120 months
- Long term: 121-240 months

Methodology

NCBA's climate risks' methodology follows three layers, as illustrated in the table below, with a focus on short-term analysis, and medium to long-term projections. This allows us to have a holistic view of our exposure, sensitivity and adaptive capacity. Our analysis is rapidly advancing as we strengthen primary data collection from clients, enabling greater granularity on operational locations, emissions footprints, and the robustness of client transition strategies and controls.

Approach	Activity	Boundary	Output
First Pass Prioritisation	Rapid screening using indicators, signals, and external datasets	All Markets* (Covered in Kenya TCFD reporting 2023 to date)	• Low / Medium / High physical risk by country • Low/Medium/High transition risk by country • Opportunity potential
Scenario Analysis	Short-term (UNEP FI & NIESR): Inform near term risk readiness, Useful for risk appetite, stress testing, and early warning monitoring Long-term (NGFS x RCP): Inform baseline and structural planning	Short Term - all (Africa relevant) Long term	• Assess near-term credit risk sensitivity across key sectors • Inform stress testing and risk appetite discussions • Identify early warning indicators and priority areas for portfolio monitoring
Financial Impact Assessment	Credit risk overlays, portfolio limits, strategic response	Kenya Pilot Roll out across all markets	• Portfolio resilience under different climate futures • Sectoral and geographic concentration risks • Strategic implications for capital allocation and product development

First Pass Prioritisation

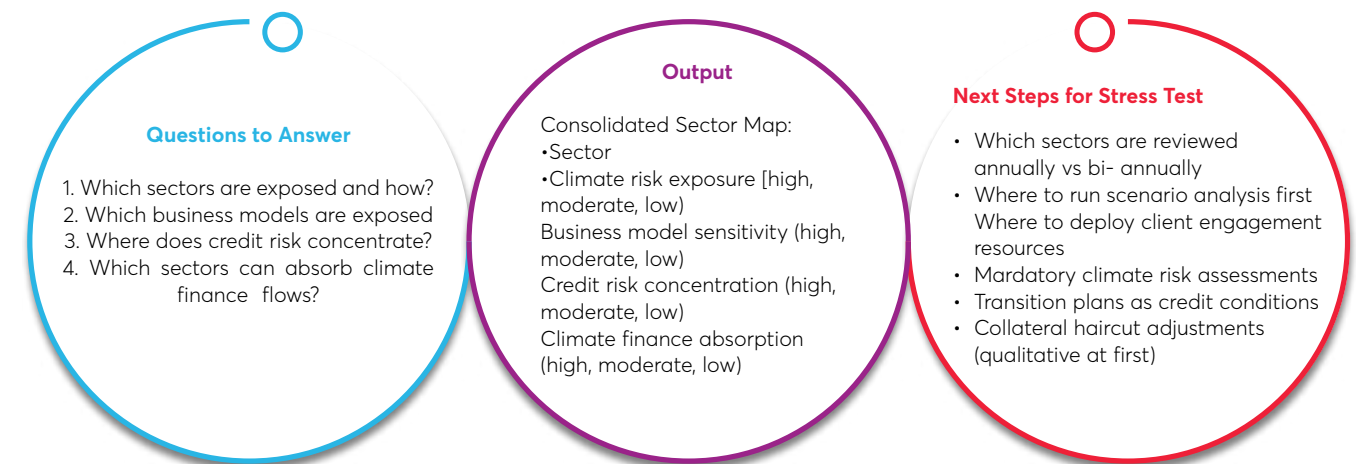
Our first-pass prioritisation is a screening tool, not a quantitative risk measure. We develop fact sheets to prioritise climate related risks and opportunities based on the following:

- i) **Physical risks:** The country's vulnerability/potential to physical hazards.
- ii) **Transition:** The country's vulnerability/potential to transition challenges.
- iii) **Banking/insurance:** Impact of these risks/ opportunities to the banking/insurance sectors.

First Pass Prioritisation

At a country level, NCBA monitors macro-level climate-related signals including physical hazard trends, transition policy developments, and climate investment flows to understand their implications for systemic risk, portfolio resilience, and growth opportunities. These signals inform the prioritisation of sectors and exposures for further climate risk assessment.

The Bank applies a layered climate risk assessment approach, whereby country-level climate signals inform sector-level prioritisation and portfolio steering. Country scorecards provide macro-level context, while sector scorecards identify how risks and opportunities materialise across the Bank's balance sheet.



For Kenya, first-pass prioritisation shows that climate risk is driven less by carbon exposure and more by physical shocks and affordability pressures, while the strongest portfolio opportunities lie in energy, manufacturing transition, and climate-smart agriculture.

	Low Risk	Medium Risk	High Risk
High Opportunity	Energy & Water	Building & Construction Manufacturing	Agriculture Transport & Communications
Medium Opportunity	Finance & Insurance	Tourism Trade Real Estate	Mining & Quarry
Low Opportunity			Personal/Household



Scenario Modelling

We then translate our Country Risk Scorecards into forward-looking scenario narratives and near-term financial sensitivities. This is structured around two complementary analytical lenses: short-term, and medium to long-term, each using different scenario frameworks suited to their respective purposes.

The scenario modelling process serves three primary purposes:

- Quantify the potential financial impact of climate-related risks on the loan book, investment portfolio, and insurance underwriting book across time horizons.
- Prioritise risk management and capital allocation toward the most material risk categories identified in the materiality mapping.
- Produce decision-grade outputs for use in stress testing, ICAAP submissions, climate disclosures, and strategic planning.

Short-Term Scenario Analysis (UNEP FI & NIESR)

The short-term lens draws on the UNEP FI Climate Risk Tools and the National Institute of Economic and Social Research (NIESR) near-term climate risk projections to generate 0-3 year risk sensitivities. This strand is applied across all Africa-relevant markets in scope, making it the broadest analytical layer. Its primary applications are:

- Near-term credit risk sensitivity assessment across key sectors (agriculture, real estate, infrastructure, energy).
- Informing risk appetite thresholds and stress testing assumptions for Board consideration.
- Establishing early warning indicators for portfolio monitoring, triggers that prompt reassessment of sector limits or collateral adequacy.

Key Insights:

- Need for sector granularity in loan book.
- Enhance borrower-level climate data (including location specific details of use of proceeds).
- Conduct ICAAP sensitivity tests.
- Targeted green asset origination: irrigation and climate-smart agriculture financing demand rising, distributed renewable energy uptake accelerating, climate-resilient infrastructure becoming bankable and insurance demand for weather-linked products increasing.

FY2026 Key Activities:

- i) Monthly climate portfolio monitoring for high-exposure sectors, enabling early identification of emerging risks and proactive client engagement.
- ii) Enhance portfolio transparency by deepening sector classification, enabling more precise climate risk analytics and targeted risk management. This will include refining our sector taxonomy (e.g., irrigated vs rain-fed agriculture, commercial vs flood-exposed real estate) and updating our core banking classifications with the same.
- iii) Strengthen borrower-level climate data capture, including capturing location-specific data and use-of-proceeds information, to support forward-looking risk assessment. This will include updating our core banking systems to introduce climate data fields, and training relationship managers on the same.
- iv) Incorporate near-term climate scenarios into ICAAP and stress testing.
- v) Accelerate green asset origination in climate-smart agriculture, distributed renewable energy and resilient infrastructure. We launched sector programmes and green products such as solar, EV and water financing, aligned to climate opportunities and have embarked on client visits across target portfolios.

Long-Term Scenario Analysis (NGFS x RCP)

The long-term lens applies the Network for Greening the Financial System (NGFS) scenarios cross-referenced against IPCC Representative Concentration Pathways (RCPs) to generate structural, 10–30-year risk and opportunity assessments. In the first cycle, this analysis is piloted for Kenya before being extended to other markets.

NGFS Scenario Mapping for East Africa

NGFS Category	Scenario Name	Transition Characteristics	Physical Risk Implications for EA
Orderly	Net Zero 2050	Immediate, well-managed policy action; carbon pricing introduced early; technology substitution on track	Moderate physical risk contained below 1.5 degrees C; manageable drought/flood frequency increases
Disorderly	Delayed Transition	Late policy action triggers abrupt tightening; stranded assets; higher transition costs	Physical risks compound; East African agriculture stressed; loan collateral under pressure
Hot House World	Current Policies	Minimal climate action; no new policies beyond today	Severe: 3-4 degrees C warming; extreme flooding in coastal Kenya/Tanzania; persistent drought in Arid and Semi-Arid Lands (ASALs); food system collapse risk
EA-Specific Add-on	Policy Shock	Sudden CBK/IRA green taxonomy mandate; mandatory climate disclosure within 18 months	Transition risk shock for unprepared portfolios; stranded lending; pricing disruption in insurance

Each scenario is analysed across three-time horizons, consistent with the materiality mapping structure:

Horizon	Years	Banking Focus	Insurance Focus
Short-term	0-3 years	• Near-term credit risk • Covenant breaches • Repricing of climate-exposed facilities	• Claims frequency shifts • Pricing adequacy review
Medium-term	3-10 years	• Portfolio transition risk • Collateral value stress • New origination criteria	• Product viability • Long-tail liability exposure • Underwriting strategy refresh
Long-term	10-30 years	• Structural portfolio shifts • Stranded asset risk • capital adequacy implications	• Systemic insurability risk • Loss reserve adequacy • Reinsurance availability

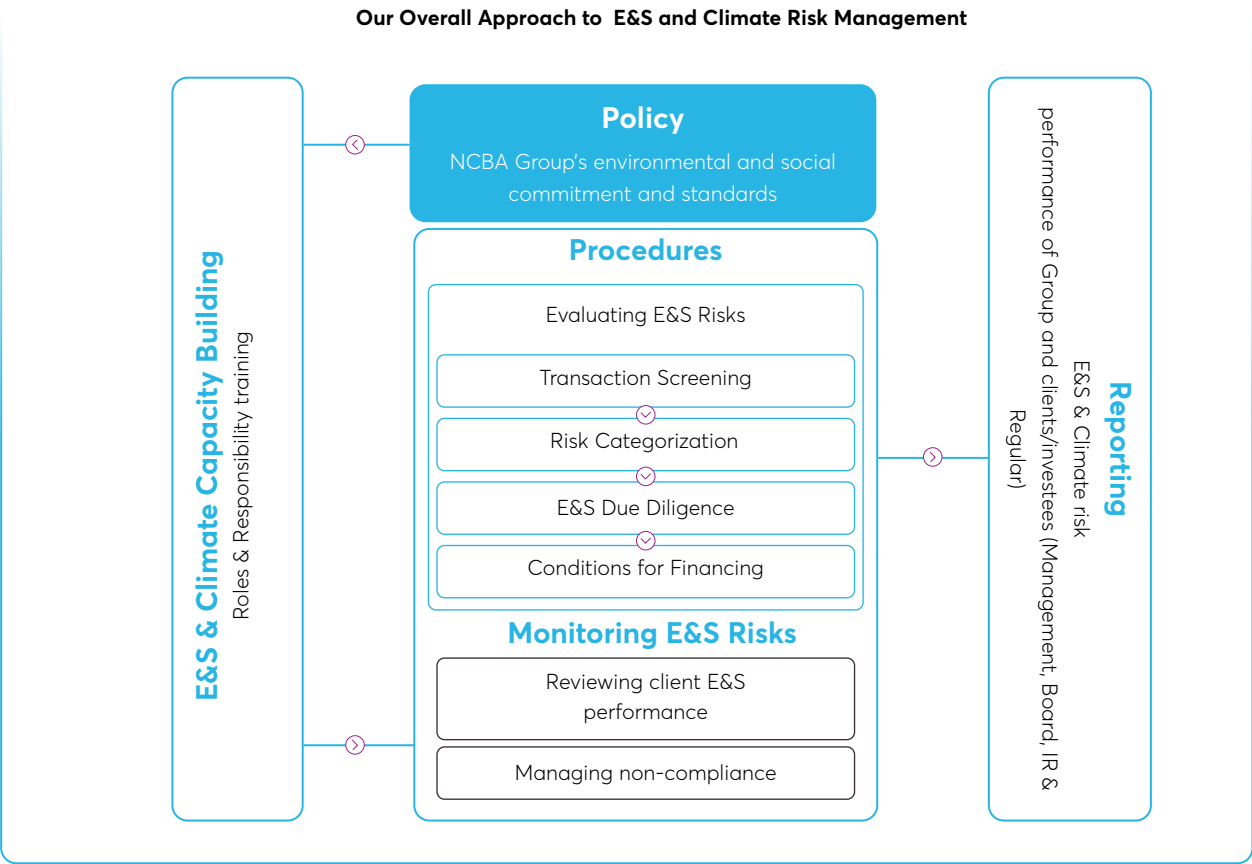
Next Steps: Financial Impact Assessment

The Group has established a Climate Risk Working Group to advance the next phase of its climate risk analytics programme. The following steps are part of the Working Group's mandate:

- Map the transmission pathways through which priority climate hazards affect borrowers, insured assets and ultimately the Group's financial performance.
- Building on this architecture, quantify balance sheet and P&L impacts under climate scenarios including climate-conditioned ECL analysis, collateral stress testing and insurance loss modelling.
- Enable sensitivity testing and uncertainty analysis to ensure robustness and transparency of results.



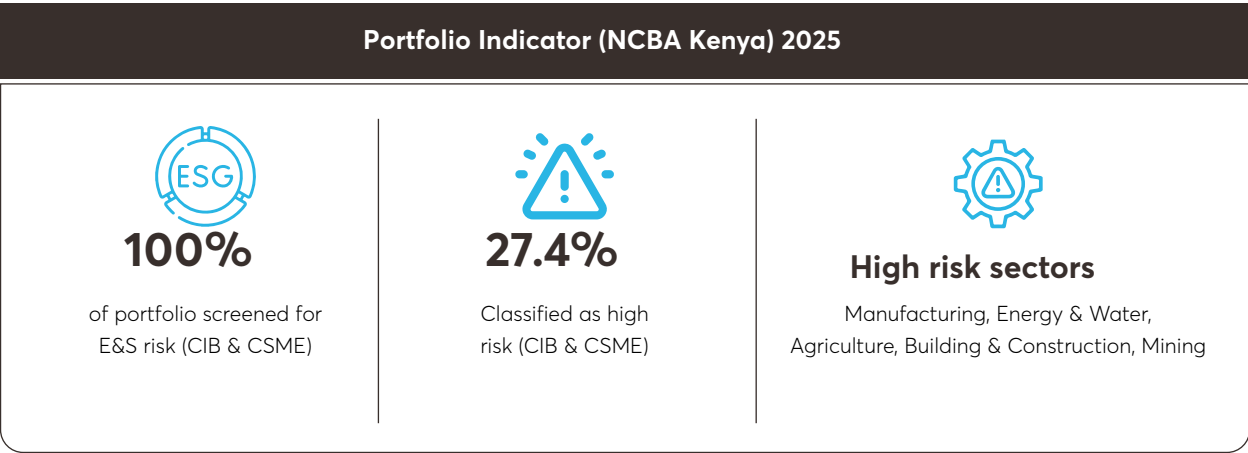
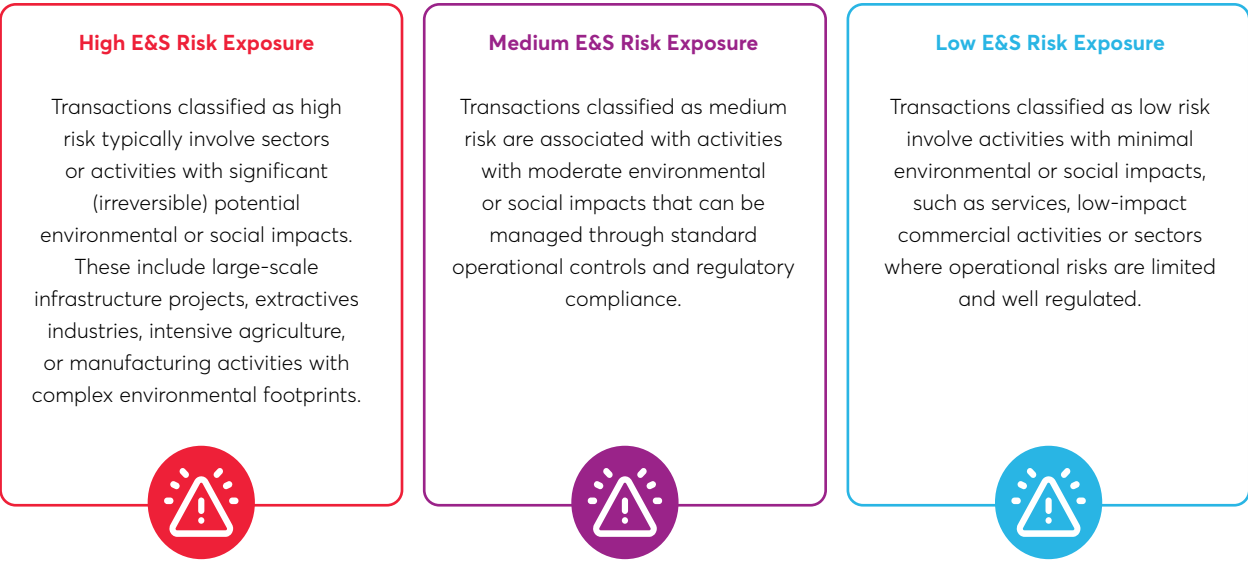
How We Assess & Manage Environmental & Social Risk



Our E&S Risk Management Steps

Process	Screening	Due Diligence	Contracting	Monitoring
Activities	- Screen a client on excluded activities - Screen a client on negative media attention	- Classify the E&S risk level of the portfolio - Apply the ESDD questionnaire - Site visit	- If applicable include the CAP in the LOO - Include E&S covenants	Monitor E&S items and if applicable corrective action plans
Instruments	- Exclusion list - E&S risk level analysis - Google search	- E&S risk classification (EaSi tool) - E&S DD questionnaire - Sector guidelines	- Generic clause on E & S - CAP template	E&S corrective action plan
Output	- E&S risk classification - Definition of DD level	- E&S risk classification - Recommended actions (CAP)	- E&S covenants - E&S corrective action plan	E&S monitoring report

The Group applies an Environmental and Social Risks' Management system (ESMS) to identify, assess and manage sustainability-related risks in its lending and investment portfolios. All CIB and CSME transactions are screened at origination to determine their environmental and social risks' profile and then classified into low, medium or high-risk categories based on the potential severity, scale and likelihood of environmental or social impacts associated with the underlying activity.





METRICS & TARGETS :

An overview of the Group's quantitative and qualitative metrics and targets that track performance against our material sustainability and climate risks & opportunities as captured in 'Change the Story'

Performance Metrics For Our Sustainability & Climate Targets

In 2023, the NCBA Bank formulated its sustainability strategy, Change the Story, and cascaded it across all its subsidiaries. Premised on 5 key pillars and 15 bold commitments, Change the Story encapsulates NCBA's decarbonisation agenda while providing a unified approach for its management of Environmental, Social, and Governance (ESG) business and societal risks and opportunities. The Group continues to cascade all fifteen commitments across operations. The table below captures progress to date against key performance indicators of 2030 targets. (*Most of the current KPIs reported are for Kenya and are stated as such).

Key Metrics & Targets

Financed Emissions

The Group has adopted a phased approach to measure and manage financed emissions, aligned with the Partnership for Carbon Accounting Financials (PCAF) Global GHG Accounting and Reporting Standard for the Financial Industry. In line with the PCAF data quality hierarchy, the Group is currently in the early stages of data development, with a significant proportion of portfolio emissions currently estimated using sectoral or proxy-based data sources. Given these data limitations, it has been determined that the disclosure of financed emissions at this stage would not provide sufficiently robust or decision-useful information for investors. Accordingly, financed emissions metrics are not currently disclosed. As the availability of client-reported emissions data increases and data quality improves, the Group expects to progressively enhance its financed emissions measurement and disclosure, consistent with IFRS S2 requirements and emerging industry practices.

Internal Carbon Pricing

The Group is currently not applying an internal carbon price in its lending, investment or operational decision-making processes. However, as part of the ongoing enhancement of its climate risk management framework, it has initiated analytical work to evaluate the potential role of internal carbon pricing as a tool for assessing transition risks across its portfolio. This work forms part of its broader climate scenario analysis programme and will support a more systematic assessment of how carbon pricing policies may affect clients operating in emissions-intensive sectors. In particular, the Group is exploring the application of a shadow carbon price within its scenario modelling and portfolio analysis to better understand potential impacts on borrower financial performance, credit risk exposure and sectoral transition pathways.

The development of this capability will strengthen its ability to incorporate climate-related transition risks into strategic planning, credit risks assessments and portfolio monitoring. It will also enhance the robustness of the Group's climate scenario analysis by enabling more explicit modelling of carbon policy assumptions across different transition pathways.

Insights generated through this analytical work will inform future decisions on whether and how internal carbon pricing may be incorporated into its risk management and capital allocation processes.

NCBA Group is a proud member of the Impact Disclosure Taskforce

In the inaugural Sustainable Development Impact Disclosure, NCBA commits to promote financial inclusion, increase green and sustainable financing activity, improve operational sustainability, and support employment and community engagement as captured in its sustainability strategy: Change the Story, launched in 2023. NCBA's SDID document is available [here](#) and highlights the following intended impacts:

Category	Intended Impact	SDG Contribution
Products & Services	#1: Promote financial inclusion through retail and digital banking	
	#2: Expand green and sustainable financing activity	   
Business Operations	#3: Reduce carbon footprint and promote a sustainable supply chain	 
	#4: Develop a high-performance employee culture	  
Social/Community Objectives	#5: Empower communities by advancing financial literacy and promoting environmental responsibility	 

Based on its impact disclosures, NCBA aims to make meaningful contributions to 10 UN Sustainable Development Goals (SDGs), including #1 (No Poverty), #4 (Quality Education), #5 (Gender Equality), #6 (Clean Water and Sanitation), #7 (Affordable and Clean Energy), #8 (Decent Work and Economic Growth), #9 (Industry, Innovation, and Infrastructure), #12 (Responsible Consumption and Production), #13 (Climate Action), and #15 (Life on Land) in Kenya.

NCBA published its report as a member of the Impact Disclosure Taskforce, a global network of financial institutions and capital markets participants that aims to assist entities in their journey to produce an impact measurement and monitoring framework to foster transparency and accountability.

Assurance & Controls

The Group is committed to strengthening the reliability, accuracy and governance of its sustainability and climate-related disclosures through a structured assurance and controls framework.

During the year, NCBA Tanzania's sustainability disclosures underwent limited external assurance, conducted by Deloitte, which marked an important step in enhancing the credibility of our sustainability reporting within the region. Building on this progress, NCBA Kenya is undertaking an assurance readiness assessment in the current financial year, with the expectation of moving to limited external assurance in the next financial year, subject to readiness outcomes. NCBA Uganda was assessed by the Uganda Bankers Association (UBA) and ranked 3rd, in the industry, in the Banking Sector performance report on ESG.

At Group level, the sustainability reporting process was also subjected to an Internal Audit review during the financial year, with findings and recommendations presented to the Group Board. This review focused on strengthening data controls, governance processes and documentation standards as part of our broader IFRS S1 and S2 readiness journey. Oversight of sustainability and climate-related disclosures is embedded within our governance structures. Management committees provide ongoing review and challenge key metrics and methodologies while ultimate oversight rests with the Board, which reviews progress, approves disclosures and monitors the continued enhancement of the Group's control environment. We will continue to progressively strengthen assurance coverage, internal controls and data governance as our climate and sustainability reporting matures.



Forward-Looking Statements & Limitations

As the Group advances its climate and sustainability analytics, we acknowledge that certain disclosures and estimates remain subject to evolving data, methodologies and market practices. The metrics presented should therefore be interpreted in the context of the current maturity of climate data across our operating markets. We are taking a structured, Group-wide approach to strengthen consistency, comparability and decision-usefulness over time.

Current Data Limitations

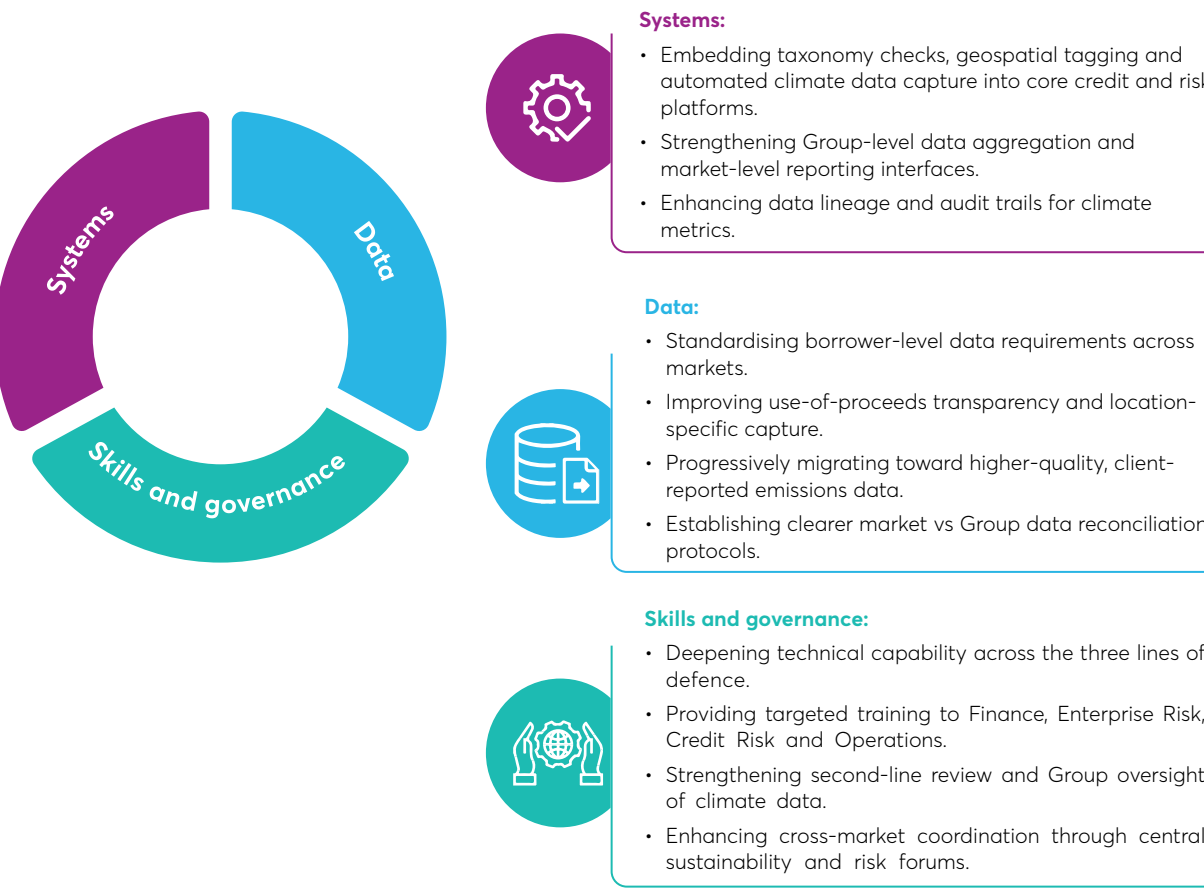
While portfolio coverage continues to expand, parts of the book still rely on proxy data due to limited availability of client-reported emissions, activity data and location-specific information. In addition, historical data structures have varied across markets, creating differences in data depth and classification. To address this, the Group has initiated a coordinated programme to standardise data definitions, taxonomies and reporting protocols across all markets, ensuring clearer delineation between country-level and Group-level metrics. Work is underway to harmonise data capture templates, strengthen quality controls and improve consolidation processes so that all business units are operating from a common data architecture.

Current Methodological Constraints

Climate risk modelling and financed emissions measurement in emerging markets remain evolving disciplines. Certain assumptions, emissions' factors and scenario calibrations continue to be adapted from global methodologies to reflect local market realities where empirical East African datasets are still developing. The Group is therefore applying prudent judgement in the interpretation of outputs while progressively refining methodologies in line with emerging guidance from our respective Central Banks. As market practice matures, we expect increasing precision and comparability of results.

Planned Enhancements (Systems, Data and Skills)

To accelerate maturity and ensure full Group alignment, we are implementing a structured enhancement roadmap focused on:



IFRS DISCLOSURE CONTENT INDEX

Disclosure Requirement	Description	Report Section / Page
Governance	Board Oversight	• NCBA Group Governance of Sustainability & Climate-Related Risks & Opportunities Pg. 90 • Governance Across the Group Subsidiaries Pg. 92 • Board Leadership and Effectiveness Pg. 148 • Driving Strategic Oversight and Sustainable Value Creation Pg. 151 • Governance Policy Matrix Pg. 162 • Key Insights and Governance Enhancements Pg. 165 • Key Insights and Implementation Actions Pg. 165
	Management Role	• The Role of Management Pg. 91 • 2025 Group Sustainability Management Committee Milestones Pg.91 • Sustainability Management Steering Committee Pg. 168
	Skills & Competence	• Board Skills Matrix Pg 148
	Frequency of Review	• The Role of Management Pg. 91
Strategy	Sustainability-Related Risks & Opportunities	• Integrated Materiality Matrix Pg. 95 • From Materiality to Action: Validating Strategy through Risk and Opportunity Analysis Pg. 96 • NCBA's Strategic Response Pg.100
	Impact on Business Model	• Material Sustainability and Climate Drivers of Value Pg. 94
	Impact on Strategy & Financial Planning	• Group Roadmap Pg. 89
	Value Chain Considerations	• Group Roadmap Pg. 89
	Time Horizons	• From Materiality to Action: Validating Strategy through Risk and Opportunity Analysis Pg. 96 • Time horizons used to classify climate-related opportunities and risks, aligned to our strategy Pg. 122 • Scenario Modelling Pg. 124
	Resilience Analysis	• From Materiality to Action: Validating Strategy through Risk and Opportunity Analysis Pg. 96
Risk Management	Risk Identification	• Enhancing Risk Discipline in a Changing Climate Pg. 118 • How we Identify Sustainability & Climate Risks Pg. 118
	Risk Assessment	• How We Assess & Manage Climate Risk Pg. 120-121 • How We Assess & Manage Environmental & Social Risk Pg. 124
	Risk Monitoring	• Our E&S Risk Management Steps Pg. 126-127
	Integration into ERM	• Scenario Modelling Pg. 124 • How We Assess & Manage Environmental & Social Risk Pg. 124

Metrics & Targets	Metrics Used	Our Sustainability & Climate Strategy: Change the Story Pg. 100-117
	Targets	Our Sustainability & Climate Strategy: Change the Story Pg. 100-117
	Performance Against Targets	- Our Sustainability & Climate Strategy: Change the Story Pg. 100-117 2025 Progress & Achievements from our Sustainability & Climate Strategy Pg. 103
	Remuneration Linkages	rDirectors' Remuneration report Pg. 176-177

IFRS S2 - Climate-Related Disclosures

Disclosure Requirement	Description	Report Section / Page
Governance	Climate Oversight	- NCBA Group Governance of Sustainability & Climate-Related Risks & Opportunities Pg. 90 - Governance Across the Group Subsidiaries Pg. 92 - Reporting, Assurance and Integrity Pg. 129 - Board Leadership and Effectiveness Pg. 148 - Driving Strategic Oversight and Sustainable Value Creation Pg. 151 - Governance Policy Matrix Pg. 162 - Key Insights and Governance Enhancements Pg. 165 - Key Insights and Implementation Actions Pg. 165
	Management Role	- The Role of Management Pg. 91 2025 Group Sustainability Management Committee Milestones Pg.91 - Sustainability Management Steering Committee Pg. 168
	Skills & Competence	Board Skills Matrix Pg 148
	Frequency of Review	The Role of Management Pg. 91
Strategy	Climate Risks & Opportunities	- From Materiality to Action: Validating Strategy through Risk and Opportunity Analysis Pg. 96 - NCBA's Strategic Response Pg. 100
	Impact on Business Model	Material Sustainability and Climate Drivers of Value Pg. 94-95
	Financial Effects	2026 Initiative
	Climate Resilience	2026 Initiative
	Transition Plan	2026 Initiative

Risk Management	Climate Risk Identification	- Enhancing Risk Discipline in a Changing Climate Pg. 118 - How we Identify Sustainability & Climate Risks Pg. 119
	Climate Risk Assessment	- How We Assess & Manage Climate Risk Pg. 122-125 - How We Assess & Manage Environmental & Social Risk Pg. 126-127
	Integration into ERM	From Materiality to Action: Validating Strategy through Risk and Opportunity Analysis Pg. 96-99
Metrics & Targets	Metrics & Targets	Metrics and Targets Pg. 128-129
	Scope 1 Emissions	Mitigate the Impact of Climate-related Risks to our Long-Term Performance Pg. 110-112
	Scope 2 Emissions	Mitigate the Impact of Climate-related Risks to our Long-Term Performance Pg. 110-112
	Scope 3 Emissions	Mitigate the Impact of Climate-related Risks to our Long-Term Performance g. 110-112
	Emissions Intensity	- Group Roadmap Pg. 89 - Scope III Emissions Roadmap Pg. 112
	Climate Targets	Our Sustainability & Climate Strategy: Change the Story Pg. 100-117
	Internal Carbon Pricing	Internal Carbon Pricing Pg. 128
	Capital Allocation	2026 Initiative



MONICAH KIHIA

GROUP DIRECTOR, HUMAN RESOURCE & CULTURE

NCBA is not just growing, it is growing with purpose, building a workplace where people stay, thrive, and achieve greatness every day.



150 Interns Onboarded
40% Conversion Rate to permanent roles



325 Relationship Managers Trained
100+ ECOPS Graduates



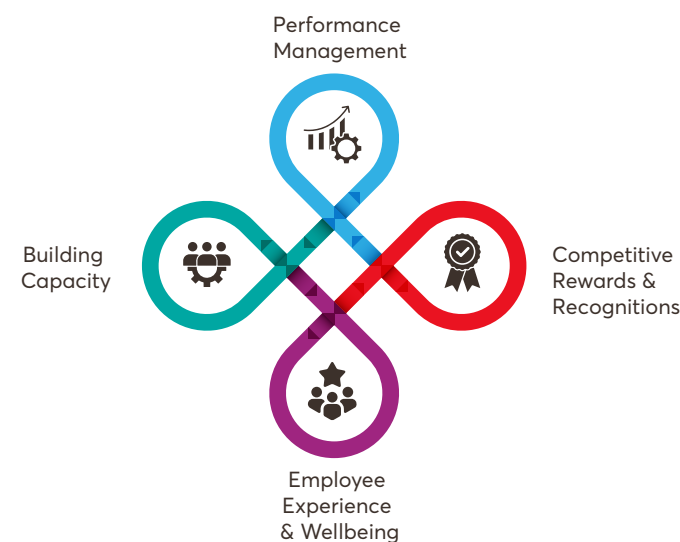
230 Leaders Assessed

PEOPLE & CULTURE

The NCBA People & Culture Strategy 2020-2025 was anchored on building a high performance employee culture ultimately, to foster a more customer centric organization. We invested in people for capacity, expertise and service.

We focused on being an employer of choice by offering a compelling employee value proposition of Doing Greatness Every Day that attracts, motivates & retains top talent.

We delivered this through four core pillars; Building Capacity, Performance Management, Competitive Rewards and Recognitions, and Employee Experience & Wellbeing. Enhancing employee experience and wellbeing remains central to our people strategy, fostering a supportive environment where employees feel valued, motivated, and empowered to live "Greatness Every Day".



NCBA Kenya Metrics

Metric	2020	2021	2022	2023	2024	2025
Headcount	1,997	2,125	2,596	2,973	3,107	3419
New Hires	61	440	719	660	493	595
Promotions	104	219	412	451	250	369
Spot Awards	209	434	454	1153	960	1173
Retention Rate	86.0%	90.0%	89.6%	93.2%	91.9%	91.0%

NCBA Group Headcount Metrics

Entity		2020	2021	2022	2023	2024	2025
Kenya		1,997	2,125	2,596	2,973	3,107	3419
Regions	Tanzania	305	281	181	185	199	208
	Uganda	144	148	157	163	205	197
	Rwanda	66	79	99	141	201	240
	Regions Total	515	508	437	489	605	645
Group Total		2,512	2,633	3,033	3,462	3,712	4,064

PEOPLE DATA HIGHLIGHTS

2020 - 2025



4,064 Workforce



595 New Hires



86%-91% Retention

Across six transformative years 2020-2025, NCBA's people story has been one of steady growth, rising momentum, and a deepening commitment to nurturing talent. Our group workforce expanded by 62% from 2512 employees in 2020 to 4064 at the end of 2025, reflecting both strategic growth and our strengthened employer brand.

New opportunities within the Group NCBAK attracted increasing talent, with new hires surging from 61 to 595 (88%) annually within those 6 years, while internal mobility flourished through 369 promotions in 2025- three times the promotions recorded in 2020, demonstrating our dedication to developing and growing our internal talent.

Even as we scaled, we maintained strong organizational stability, with retention consistently above 86%, peaking at 93.2% in 2023 and sustaining a healthy 91.0% in 2025.

Our culture of recognition continued to thrive, evidenced by the rise in Spot Awards from 209 (2020) to 1,173 (2025), signaling a workforce where excellence is continually celebrated.

Together, these numbers tell a powerful story: NCBA is not just growing; it is growing with purpose, building a workplace where people stay, thrive, and achieve greatness every day.





At NCBA, we understand that culture is lived, not spoken

Following the announcement of the merger, we set out to shape a new way of working—one that reflected the aspirations of the organization we were building together. From November 2019 to February 2020, we crafted a bespoke culture designed to power our strategic ambitions. This process resulted in the establishment of a shared identity and a unifying set of language, stories, symbols, and rituals that have guided the organization over the past six years. We developed the “Go For It” spirit, that gave rise to the Go Getter Culture, a performance driven ethos that continues to define how we show up every day.

To further support the transition, we introduced the NCBA House Concept, an innovative model designed to deepen employee cohesion and translate our cultural aspirations into daily practice. The framework brings together staff from across departments and regions, fostering stronger cross functional collaboration and a unified sense of belonging. Through inter house competitions, team building activities, and a dynamic points system, the program has nurtured collaboration, healthy competition, and camaraderie. Signature events such as Inter House Sports Days continue to strengthen well being, teamwork, and connection beyond day to day roles.

At NCBA, we understand that culture is lived, not spoken. It requires structures that enable meaningful engagement and give each employee the opportunity to experience and embody our values. What began as a cultural integration initiative has evolved into an energizing force—anchoring our culture from the ground up and ensuring that employees across NCBA feel seen, heard, and connected to a shared purpose.

Learning & Development



We strengthened NCBA's people capability agenda, progressively evolving from a post-merger and post-pandemic stabilization phase into a strategic, capability-driven development model aligned to business performance and long-term sustainability. Learning initiatives were deliberately aligned to NCBA's strategic priorities anchored on customer obsession, robust controls, business growth, digital transformation and execution excellence ensuring that staff capability remained a strong enabler of the Group's strategy.

Leadership Development and Building a Strong Pipeline



Leadership development remained a consistent cornerstone throughout the period, reflecting NCBA's long-term commitment to building a high-performance culture and strengthening leadership depth at all levels.

This leadership agenda was expanded through multiple structured interventions including the NCBA Senior Leadership Development Program, Fast Forward Leadership Program, Now Lead Boot Camp, Effective Managers' Program and the NCBA Academy Introduction to Leadership Journey. By 2025, the leadership agenda matured into a fully integrated pathway spanning senior leaders, middle managers and emerging leaders.

Risk Culture, Robust Controls and Governance Capability



Recognizing the importance of strong governance and prudent risk management in enabling sustainable growth, L&D progressively expanded its focus on controls, risk culture and technical risk capability.

The Group deepened technical risk capability through Credit Risk and Reasoning Training, where employees across Credit Risk, Corporate Banking, and Retail Banking were trained to strengthen risk assessment capability and decision-making.

In 2025, NCBA strengthened its risk culture agenda through the Risk Culture program, equipping employees with a deeper understanding of enterprise-wide risk responsibilities, ethical decision-making, accountability and alignment to the Bank's risk appetite framework.

Customer Experience and Sales Capability



Customer experience and commercial excellence remained a key capability pillar across the period, reflecting NCBA's strategic ambition to deliver brand love and strengthen customer loyalty. In 2022, NCBA launched “Customer Experience the NCBA Way” training for all NCBA Group staff. This large-scale intervention was geared towards equipping staff to KNOW, BACK and WOW customers and embed a consistent customer experience culture across the Group.

In 2025, NCBA made a major milestone in strengthening customer-facing capabilities, particularly within the Retail and Corporate Banking functions. The RM DNA program remained a cornerstone initiative, with 325 Relationship Managers graduating, significantly strengthening the frontline engine. Additionally, the Executive Certificate of Proficiency (ECOPS) for the Retail Team recorded over 100 Relationship Managers graduating, further deepening technical, commercial and service excellence capability across Retail.

Digital Literacy and Future Skills Development



Digital transformation became an increasingly critical capability area across the years, with L&D accelerating digital literacy and self-paced learning as key drivers of future readiness. The Bank intensified its digital upskilling efforts through partnerships with AWS Skilling Program and Microsoft, delivering digital literacy programs and training. This ensured employees remained agile and prepared for the evolving world of work.

Talent Management



Talent Management remained a strategic priority for NCBA in 2025, with a clear focus on strengthening leadership depth and ensuring long-term organizational sustainability. During the year, the Group introduced a structured Talent Management framework that improved visibility into leadership talent and succession pipelines, enabling more informed and future-focused decisions.

NCBA also delivered a comprehensive Talent Strategy that assessed 230 leaders, resulting in a strengthened understanding of overall leadership bench strength, and clear development actions to build a sustainable succession planning framework. This enhanced transparency around talent readiness and capability gaps, has created a strong foundation for reward, retention, and development initiatives.

To deepen capability building, the business partnered with Korn Ferry to pilot a Group-wide competency framework for business teams, covering critical roles. With phase one completed, the organization is now advancing into customization and integration to ensure the framework is fully adapted to NCBA's operating environment.

Together, these efforts have improved the Group's ability to anticipate capability needs, build skills proactively for a future ready workforce, and make more deliberate talent investments. In 2026, the focus will shift toward embedding personal development plans and expanding both the Talent Management and competency frameworks across the wider organization, further strengthening NCBA's leadership pipeline and long-term sustainability.

Talent Acquisition: The Go Getter Internship program

As part of the Bank's commitment to developing young talent and building a sustainable leadership pipeline, the Go Getter Internship Program was launched in 2023. This is a structured internship and immersion program that provides meaningful, hands on exposure through rotational placements across key departments, enabling interns to gain a holistic understanding of the Bank's operations. A total of 150 interns have been onboarded in 3 cohorts since inception with a 40% conversion rate to permanent roles within the bank, speaking to the success of this program as a talent management system.



Picture Speak



House Team building reinforcing 2025 Mission -Embed Customer Obsession



House Team building reinforcing 2025 Mission -Embed Customer Obsession



House Team building reinforcing 2025 Mission -Embed Customer Obsession



NCBA RM DNA graduation of 350 Go-Getters, in partnership with Strathmore Business school



NCBA graduation of Executive Certificate of Proficiency



NCBA Staff participate in Employee well being initiatives

RECOGNITIONS & INDUSTRY ENGAGEMENT

Top Employer 2026

NCBA has been certified as a Top Employer 2026 by the Top Employer Institute. This award spotlights the organisations recognised for outstanding HR excellence – creating workplaces where people truly thrive. This recognition celebrates NCBA's excellent people strategy that is built on a high-performance culture and reflects the go-getter culture of our people who are driven, open, responsive, and trusted. It is an endorsement of NCBA's commitment to growing and empowering its people to deliver meaningful impact to our customers and communities. NCBA joins a global community committed to strengthening talent strategies and shaping the future of work.



Top 25 Change Makers in People & Culture by Business Monthly East

Monicah Kihia, Group Director Human Resources & Culture named among the Top 25 Change Makers in People & Culture by Business Monthly East Africa. This recognition reflects NCBA's unwavering commitment to nurturing a culture where our people feel valued, inspired, and empowered to go for it every day. 'Culture is not just what we do it's who we are and how we show up for each other'



NCBA Bank Senior Leadership development program graduation

Diversity, Equity & Inclusion

NCBA has a deliberate focus on building a fair, inclusive, and equitable workplace. In 2025 NCBA joined the Kenya Business Disability Network (KBDN). KBDN provides a platform that enables the bank to stay aligned with global and local inclusion standards, innovative disability inclusion policies, and guidance on enhancing workplace accessibility, recruitment, adjustment/accommodation practices, and inclusion culture.

The Bank also strengthened its diversity and inclusion agenda through Women in Leadership and the FKE Female Future Leadership Program, benefiting 24 female leaders.



NCBA 2025 induction of Go-Getter interns Cohort 3

CORPORATE GOVERNANCE STATEMENT

Ensuring Sustainable Value Creation
Through Good Governance



Overview - Governance and Value Creation

Corporate governance is fundamental to the Group's ability to create, preserve, and protect sustainable value for shareholders and stakeholders. The Board regards governance not merely as a compliance requirement, but as a strategic enabler that shapes decision-making across all levels of the organisation.

Our governance approach emphasises connectivity and integration, linking strategy, performance, risk management, ethics, and sustainability within a coherent framework aligned to the Group's purpose, business model, and long-term value creation objectives.

Through this integrated approach, governance supports:



Resilient performance and strategic agility



Effective risk oversight and control



Transparency and accountability



Sustainable stakeholder value creation over time

Governance Philosophy

Good governance is deeply embedded in the Group's culture, leadership ethos, and strategic intent. The Board sets the tone at the top, fostering an ethical mindset that guides organisational behaviour, decision-making, and stakeholder engagement.

Our governance philosophy is anchored on:

- Purpose-driven leadership focused on sustainable stakeholder value
- Risk-based strategic oversight supporting resilience and adaptability
- Ethical conduct and an inclusive culture that underpin trust and legitimacy

We recognise governance as a key driver of:

- Accountability and transparency
- Long-term competitiveness
- Risk mitigation and control effectiveness
- Stakeholder confidence and trust

Accordingly, governance is fully integrated into the Group's purpose, strategy, culture, and operational decision-making, ensuring alignment between performance and sustainable value creation.

GOVERNANCE FRAMEWORK AND REGULATORY COMPLIANCE

The Board has established a robust and comprehensive governance framework guided by the following principles:



The Group complies with applicable legal and regulatory frameworks and aligns with leading global governance standards, including:

- The Companies Act No. 17 of 2015;
- Capital Markets Authority Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 (the Code);
- Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023;
- Central Bank of Kenya Prudential Guidelines;
- The King IV Report on Corporate Governance;
- OECD Principles of Corporate Governance; and
- Global integrated reporting principles.

The Board continuously reviews governance practices to ensure responsiveness to emerging risks, regulatory developments, and evolving stakeholder expectations.

The Board confirms that the Group complied with all applicable governance requirements during the year under review.

Who We Are

Our Business

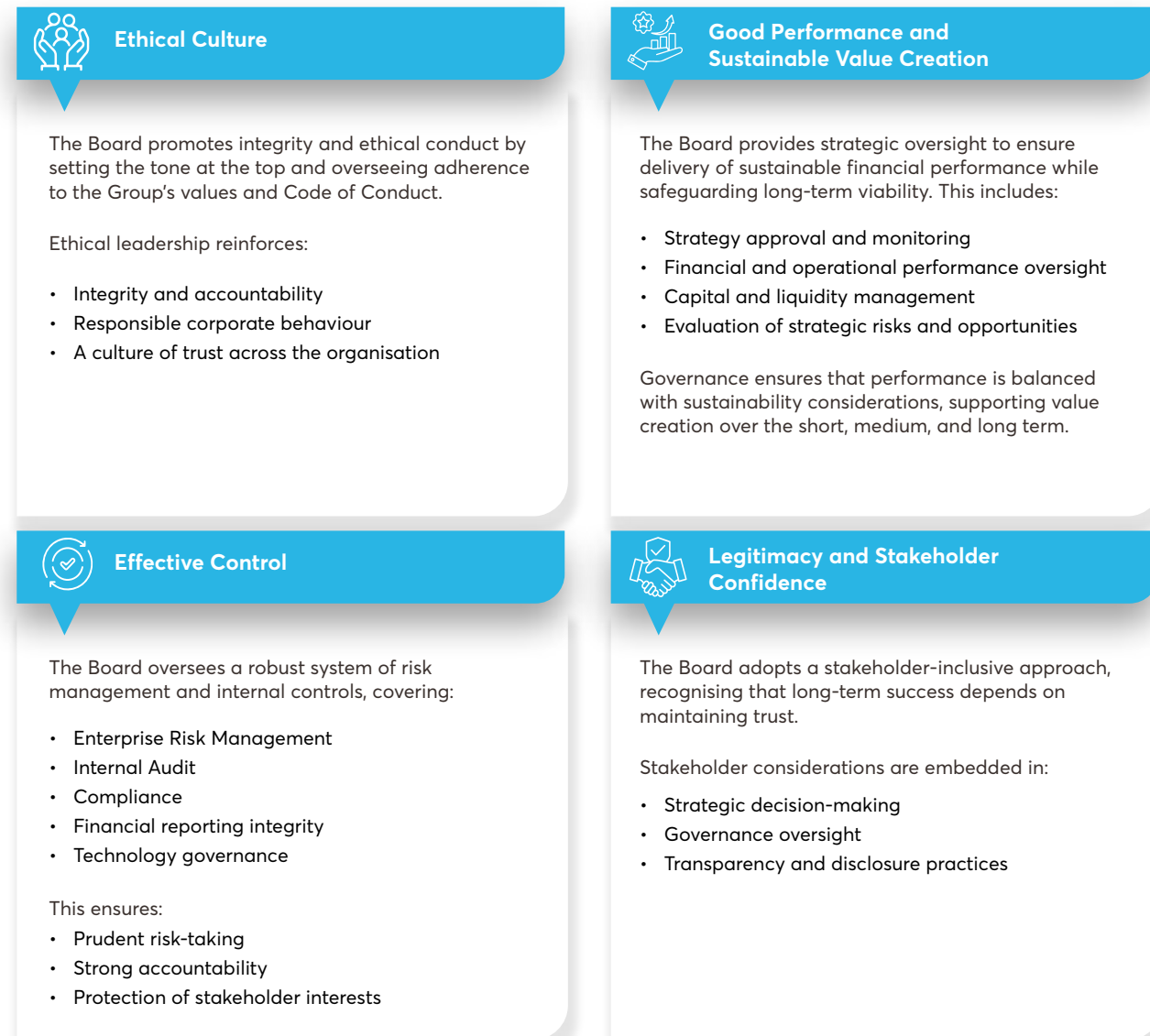
ESG, Climate Risk & Sustainable Finance

Our Financials

Other Information

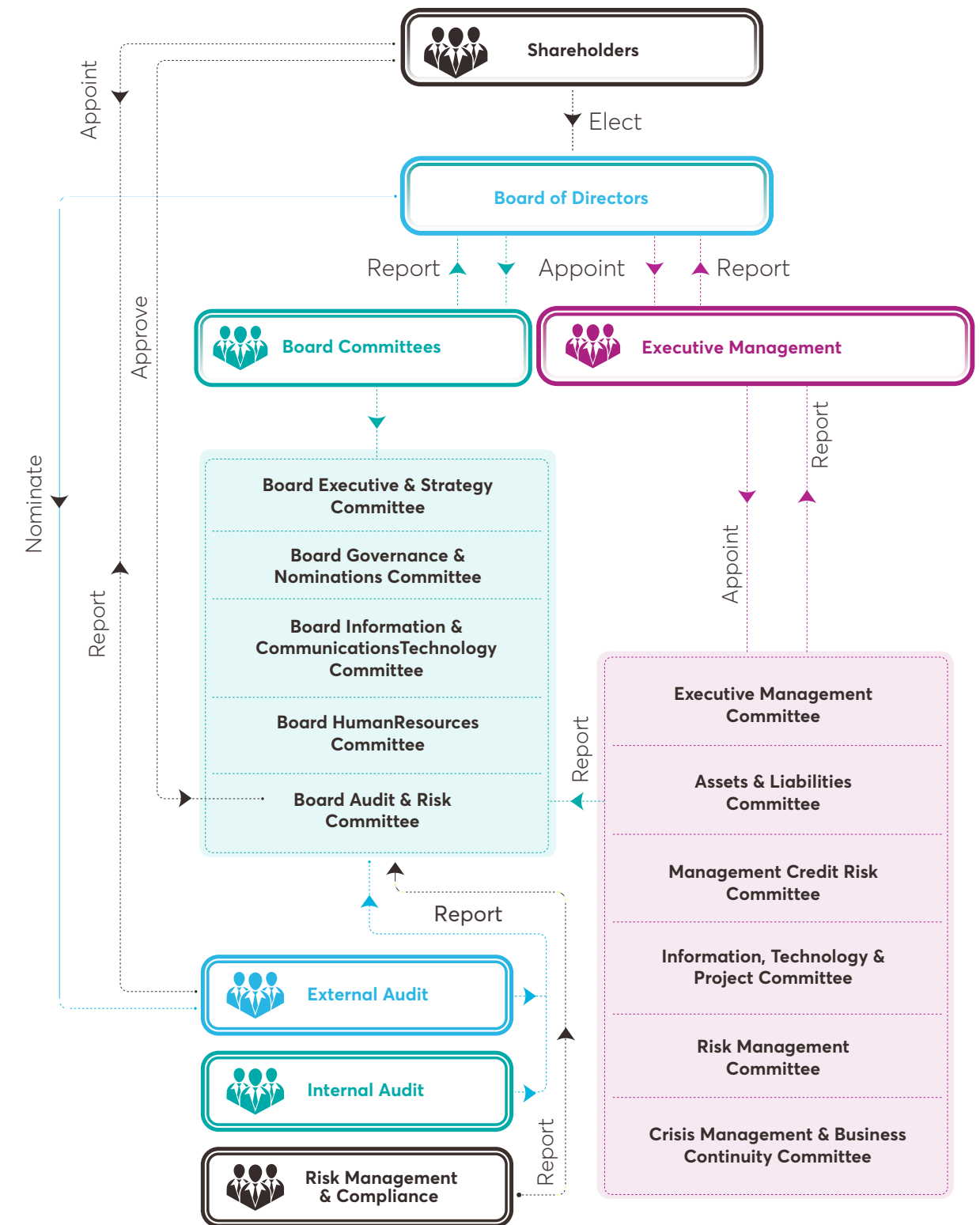
Governance Outcomes

The Board directs governance efforts towards four key outcomes:



Governance at a Glance

The Group's governance structure ensures clear accountability, effective delegation, and independent oversight:



THE BOARD OF DIRECTORS

Board Composition, Independence and Diversity

The Board maintains a diverse and dynamic mix of skills, aligned to the Group's strategic outlook and risk profile. The Board regularly reviews its skills matrix, diversity, and succession plans to ensure continued relevance and effectiveness.

The composition and independence of the Board of Directors are assessed annually through the Group Board Governance and Nominations Committee, ensuring objective oversight and constructive challenge to Management, and protection of minority shareholders' and other stakeholders' interests.

The Group's independent Directors are:

- Identified in accordance with the Code and CBK Prudential Guidelines on Corporate Governance.
- Periodically reviewed by an independent Governance Auditor for compliance with regulatory standards and best practices.
- Selected from diverse backgrounds, bringing unique perspectives to Board discussions.
- Serve a maximum of six years in this capacity (nine years for those appointed before the changes to the Capital Markets regulations that became effective from 15th December 2023).
- Maintains no material relationships with the Group or its affiliates that could create conflicts of interest.
- Advocate for the interests of minority shareholders and other stakeholders.

During the year under review, there was one change to the Board's composition as follows:

Name	Title	Change	Date
Mr. Muhoho Kenyatta	Non-Executive Director	Appointment	1st December 2025
Mr. Kenyatta's profile is accessible through https://ncbagroup.com/board-of-directors/			

The Board's composition is determined by several factors, key among which include:

- Nature and complexity of the Group's operations.
- Inherent risks that the Group is exposed to.
- Regulatory requirements and nature of the financial services industry.
- Shareholder and Stakeholder needs.
- Group strategic priorities.



Key strengths include:

- Financial services expertise.
- Strategy and governance capability.
- Risk management oversight.
- International business experience.
- Sustainability and ESG insight.



Key highlights as at 31st December 2025:

Number of Directors	12
Independent Non-Executive Directors	42%
Non-Executive Directors	83%
Executive Directors	17%
Chairman	Non-Executive
Female Directors	17%
Average tenure	9.26 years
Board Committees	5
Annual Board Evaluation	Externally Facilitated
Directors serving on over three listed company boards	NIL

Notes:

- The abridged biographies of the Board members are accessible through <https://ncbagroup.com/board-of-directors/> -Details of the current Board members are contained on page 14 - 15 of this Report.
- The Board continues to make efforts to diversify its skill set and gender representation.

The Board affirms that its composition effectively integrates diverse industry expertise, skills, backgrounds, professional qualifications, and experience. This diversity reinforces the Board's commitment to maintaining a high level of independence in its oversight responsibilities while ensuring fair and equitable representation of minority and foreign shareholders.

The Board is satisfied that its composition supports:



How the Board Created Value in 2025

The Board played a central role in advancing strategy and safeguarding stakeholder interests:

Strategic Focus Area	Board Activities	Value Created
Strategy Oversight	Oversaw implementation of NCBA's strategic plan and growth priorities	Strengthened long-term competitiveness
Financial Oversight	Reviewed financial performance, capital adequacy, and liquidity	Protected shareholder value
Risk Governance	Oversaw key risks exposures, including credit, liquidity, operational, and technology risks	Enhanced organisational resilience
Governance Effectiveness	Conducted Board evaluation (independently moderated) and implemented recommendations	Strengthened governance effectiveness
Leadership Oversight	Oversaw executive performance and succession planning	Ensured leadership continuity
Technology Oversight	Oversaw digital banking, cybersecurity, and ICT governance	Strengthened operational resilience
Regulatory Oversight	Monitored regulatory compliance	Protected licence to operate
Stakeholder Confidence	Oversaw shareholder engagement and disclosures	Strengthened investor confidence

2025 Governance Achievements:

Governance Area	2025 Achievements
Board Composition	Board composition enhanced
Governance Reporting	Enhanced stakeholder disclosures quality
Risk Governance	Strengthened risk reporting
Technology Governance	Strengthened ICT governance oversight
Stakeholder Engagement	Enhanced stakeholder engagement
Governance Excellence	Strengthened integrated reporting

Nominations, Appointments and Succession:

The nomination and appointment process of a director to the Board is set out in the Board Charter (<https://ncbagroup.com/board-charter/>).

Succession planning is a cyclical process, with the Group Board Governance and Nominations Committee (BGNC) overseeing the selection and appointment process for Directors. Prior to any appointment, the BGNC develops suitable selection criteria for potential candidates and screens them before they are recommended for appointment to the Board. New Directors are issued with letters of appointment, with clear terms and conditions regarding the discharge of their duties. A Director appointed by the Board to fill a casual vacancy must seek election at the next Annual General Meeting after their appointment.

At every AGM, and as may be applicable, at least one-third of the non-executive Directors retire from the Board and where eligible, stand for re-election. In accordance with the Articles of Association of the Company, all Non-Executive Directors offer themselves for re-election at regular intervals, subject to continued satisfactory performance and demonstrated commitment.

Board Skills Matrix

The below matrix showcases our Board's collective strength regarding its mix of skills and experience, which supports effective oversight of the Group's broad business interests, and enables effective navigation of complex risks while driving sustainable growth.



Skill and Experience of Directors	Relevance to the Group	Representation *
Governance	Promoting an atmosphere conducive to cohesion, sound decision-making, accountability, control, and fostering a positive organisational culture.	100%
Strategy and planning	Formulating and guiding the execution of the Group's strategy.	100%
Financial Services	Comprehending the dynamics of the industry and devising appropriate strategies for long-term sustainability.	100%
Legal	Facilitating the appropriate interpretation of laws and regulations, and offering advisory services to the Board to ensure compliance.	17%
Risk Management	Developing and overseeing a risk management framework tailored to safeguard the Group's interests and long-term objectives.	83%
Public Sector Experience	Comprehension of government policy-making procedures to strategically align the Group with the national growth agenda.	50%
Information Technology	Crafting an appropriate Group ICT strategy in a digital-centric environment characterised by pervasive automation in service delivery and intensive data usage.	17%
Commerce	Comprehending various business models and intricacies of financial and other disclosures.	83%
International Business	Recognising the diversity in business practices and leveraging cross-border synergies to improve service delivery and performance.	100%
Real Estate	Grasping the dynamics of the real estate market and identifying available opportunities.	42%
Manufacturing	Assessing business opportunities, particularly in alignment with national industrialisation policies, to enhance support for our customers.	58%
Supply Chain	Comprehending the value chain and identifying ways the Group can enhance its efficiency through business support.	50%
Environment and Sustainability	Crafting the Group's long-term environmental and sustainability agenda to benefit stakeholders, including ensuring consistent shareholder returns.	75%
Insurance	Understanding the risk landscape and facilitating the creation of pragmatic solutions to safeguard our stakeholders' investments, while also bridging the gap between underwriters and end consumers to enhance predictability and stability.	75%
Accounting	Facilitating strong capital management and assuring transparency and accountability in financial reporting.	42%

*The percentages constitute the representation of the entire Board that possesses the selected skills & experience.

In addition to the above, while undertaking their duty as prescribed within the Board Charter, Directors may opt to engage independent subject matter experts and/or staff from within the Group to assist them in executing their duties effectively where specialised expertise or insights are required.

Board Leadership and Effectiveness

The Board provides strategic leadership and oversight, with key responsibilities including:

- Strategy approval and monitoring
- Performance oversight
- Risk governance
- Ethical leadership
- Sustainability integration
- Regulatory compliance
- Succession planning
- Stakeholder engagement

Governance is therefore outcomes-driven, enabling sustainable performance and long-term value creation.

Board Leadership Structure

The Board operates under a unitary structure comprising Executive and Non-Executive Directors, with their roles clearly defined in the Board Charter (accessible through <https://ncbagroup.com/board-charter/>).

There is a clear separation between the roles of:

- The Chairman (Non-Executive), who provides leadership and governance oversight; and
- The Group Managing Director (Executive), who leads execution and operations of the organisation.

This separation strengthens:

- Accountability;
- Independence; and
- Effective oversight.

The key functions of the key leadership roles are as outlined below:

Group Chairman	Group Managing Director
• Provides leadership to the Board, ensuring effective governance, accountability, and collective decision-making; • Facilitates constructive engagement and high-quality deliberations to support sound Board decisions; • Promotes alignment between the Board and Management on strategy and long-term value creation; • Fosters a strong governance culture and effective Board dynamics; • Oversees Board effectiveness, including evaluations, succession, and Director development; • Ensures transparent stakeholder engagement and represents the Group at Board level. Outcome: Effective Board leadership, strong governance culture, and enhanced strategic oversight.	• Leads the execution of the Group's strategy, business plans, and operational priorities; • Oversees day-to-day operations to ensure efficiency, performance, and competitiveness; • Drives delivery of financial and non-financial targets, aligned to sustainable value creation; • Embeds risk management, governance, and compliance within operations; • Develops talent, leadership pipelines, and succession frameworks; • Maintains regular, transparent reporting to the Board and stakeholders; • Builds and sustains strategic stakeholder relationships. Outcome: Effective strategy execution, strong operational performance, and sustainable growth.

The Board is assisted by a qualified and competent Group Company Secretary who is a member in good standing of the Institute of Certified Secretaries (ICS). The Group Company Secretary supports governance effectiveness through advisory, compliance, and administrative roles as detailed below:

Group Company Secretary
• Advises the Board on governance, statutory obligations, and best practice, ensuring compliance with applicable frameworks; • Supports the Board and its Committees in effective functioning, including agenda setting, meeting processes, and procedural guidance; • Facilitates timely and high-quality information flows, including Board papers, minutes, and statutory documentation; • Supports Board effectiveness, including work planning, evaluations, Director induction, and continuous development; • Oversees governance, legal, and compliance processes, including coordination of related audits; • Maintains statutory records, including registers of interests and conflicts, and safeguards corporate governance documentation; • Enables effective shareholder engagement and AGM processes; • Supports the execution of corporate transactions and regulatory filings; and • Provides oversight of the Legal and Governance functions. Outcome: Strengthened governance integrity, regulatory compliance, and effective Board operations.



Board Evaluation

The Board is committed to continuous improvement and to this end, undertakes annual performance evaluations. During the year under review:

- Governance effectiveness improvement initiatives were implemented;
- Board composition and succession planning were reviewed; and
- Directors participated in professional development programmes.

The 2025 evaluation was moderated by an independent external consultant (Carol Musyoka Consulting Limited).

The evaluation confirmed that the Board continues to operate effectively and provides strong governance oversight. Highlights from the evaluation include:



Development Areas Identified

The evaluation highlighted opportunities to further strengthen Board oversight in two key areas:

- **Digital Transformation Oversight:** While digital transformation remains an active topic of Board discussion, directors identified an opportunity to further elevate its prominence within the Board agenda through more integrated and consolidated reporting across the Group. This would enhance visibility over transformation priorities, investment alignment, execution milestones and associated risks.
- **Succession Planning Oversight:** Directors confirmed that succession planning processes are in place and identified an opportunity to strengthen the depth and regularity of Board oversight through enhanced reporting on senior leadership pipelines, succession readiness and contingency coverage for critical roles.



Governance Strengths Confirmed

The evaluation also confirmed several areas of strong alignment and effectiveness, including:

- Constructive and effective engagement between the Board and the Group Managing Director.
- Active and meaningful participation by directors in Board deliberations.
- Confidence in the adequacy of internal controls supporting financial reporting and regulatory compliance.
- High-quality committee reporting and an effective stakeholder reporting framework.

These findings reflect a sound governance foundation supporting the Group's strategic and operational oversight.



Continuous Improvement and Follow-Up Actions

The evaluation noted measurable progress in implementing recommendations from the 2024 Board evaluation, demonstrating the Board's commitment to continuous improvement. While some initiatives remain in progress, there is clear traction in strengthening oversight practices in the identified areas.

The Board has developed an action plan to implement the current evaluation outcomes, with defined ownership, timelines and periodic progress reporting.

The Board is satisfied that it operated effectively and in the best interests of its stakeholders.

Board Operations and Work Plan

The Board operates through:

- Regular, structured meetings (at least quarterly);
- Timely access to high-quality information;
- Constructive engagement and debate; and
- Flexibility to respond to emerging issues.

Members of the Executive may be invited to attend Board or Committee meetings as necessary and appropriate, to make presentations on their area of responsibility.

An annual Board Work Plan ensures alignment between governance activities and strategic priorities, enabling the Board to effectively guide the Group in a dynamic environment.

The Board remains committed to maintaining the highest standards of corporate governance, recognising governance as a critical enabler of:

- Sustainable value creation;
- Organisational resilience; and
- Stakeholder trust and confidence.

Through continuous improvement, robust oversight, and ethical leadership, the Board ensures that governance remains fit for purpose in an evolving business and regulatory landscape.

ACTIVITIES OF THE BOARD IN 2025

Driving Strategic Oversight and Sustainable Value Creation

During the year under review, the Board remained focused on delivering sustainable value, strengthening governance, and ensuring resilience in a dynamic operating environment. Its activities were aligned to the Group's strategic priorities, risk landscape, and stakeholder expectations.

The Board's key focus areas and related activities are outlined below:

1. Strategy Development and Capital Planning

The Board played a central role in shaping the Group's long term strategic direction and insuring optimal capital allocation.

Key activities:

- Overseeing the successful completion of the 2020–2025 strategic cycle and guiding the transition to the next phase of growth;
- Reviewing and approving the 2026–2030 strategy, including business plans and budgets, while providing strategic guidance on alignment and execution priorities;
- Monitoring market developments and advising on strategic positioning and competitive response;
- Providing oversight of the Group's digital transformation strategy, ensuring alignment with long-term value creation objectives;
- Assessing and approving key decisions impacting the capital structure, liquidity, and financial sustainability of the Group;
- Recommending dividend proposals for shareholder approval, balancing returns with capital adequacy considerations;
- Evaluating investment opportunities and optimising resource allocation for growth and efficiency;
- Reviewing and approving the Integrated Annual Report and Group budget;
- Assessing long-term sustainability, including financial resilience and business model viability; and
- Overseeing key human capital considerations, including performance management and reward frameworks.



Value created:

Enhanced strategic clarity, disciplined capital allocation, and alignment between long-term growth ambitions and financial sustainability.

2. Business Performance Oversight

The Board maintained rigorous oversight of financial and operational performance to ensure delivery against strategic objectives

Key activities:

- Monitoring performance of the Group and subsidiaries against approved strategies, budgets, and targets;
- Reviewing operating assumptions and aligning actual performance with strategic expectations;
- Analysing financial forecasts and underlying business models to ensure robustness and adaptability;
- Evaluating operational metrics to improve efficiency, effectiveness, and execution discipline;
- Conducting industry benchmarking to assess performance against peers and aspirational standards;
- Reviewing and approving financial statements, accounting policies, and statutory reports;
- Setting performance objectives for subsidiaries and the consolidated Group;
- Reviewing quarterly financial results to support timely decision-making and course correction; and
- Approving interim and final dividend recommendations.



Value created:

Strengthened financial performance oversight, improved operational discipline, and enhanced accountability across the Group.



3. Internal Controls, Risk Management and Compliance

The Board ensured the effectiveness of internal control systems and compliance frameworks to safeguard the Group

Key activities:

- Reviewing and approving policies and systems to strengthen internal controls and quality assurance;
- Monitoring implementation of audit recommendations to enhance control effectiveness;
- Evaluating risk mitigation strategies based on insights from internal audit, risk, and compliance functions;
- Overseeing the external audit process to ensure independence, quality, and accountability;
- Monitoring the effectiveness of the whistleblowing framework and promoting an ethical reporting culture;
- Enhancing awareness of compliance and control requirements across the organisation;
- Reviewing compliance with legal, regulatory, and internal policy requirements;
- Assessing the effectiveness of Business Continuity and resilience frameworks;
- Approving the Group Audit Charter and reviewing the governance audit implementation; and
- Monitoring regulatory approvals and engagements with key regulators, including the CBK and CMA.



Value created:

Enhanced risk management, strengthened internal control environment, and protection of the Group's licence to operate.

4. Governance and Ethics

The Board continued to strengthen governance structures and promote ethical leadership.

Key activities:

- Ensuring adherence to corporate governance best practices and regulatory standards;
- Reviewing and reinforcing ethical frameworks, including conflict of interest management;
- Approving governance, risk, and compliance policies across key areas such as talent, succession, and diversity;
- Reviewing reports from Board Committees and addressing matters requiring Board-level decisions;
- Conducting performance evaluations of the Board, its Committees, and senior leadership;
- Monitoring implementation of prior evaluation recommendations;
- Assessing Board composition, independence, and effectiveness;
- Ensuring compliance with Director attendance requirements;
- Reviewing governance disclosures and compliance reports;
- Approving Director appointments and reappointments; and
- Implementing structured Board training and development programmes.



Value created:

Strengthened governance effectiveness, enhanced Board performance, and reinforced ethical culture.

5. Customer Focus and Experience

The Board reinforced the Group's commitment to customer-centricity as a driver of sustainable growth.

Key activities:

- Providing strategic guidance on enhancing customer experience and engagement;
- Reviewing customer feedback and identifying opportunities for service improvement;
- Assessing customer-related risks and service delivery gaps;
- Establishing performance indicators to drive customer experience improvements;
- Benchmarking against global best practices in customer satisfaction;
- Ensuring alignment between customer initiatives and long-term sustainability goals;
- Reviewing market positioning and competitive dynamics; and
- Strengthening oversight of customer data protection and fair business practices.



Value created:

Improved customer satisfaction, strengthened brand trust, and enhanced competitive positioning.

6. Stakeholder Engagement

The Board ensured that stakeholder considerations were integrated into decision-making processes.

Key activities:

- Embedding stakeholder perspectives into strategic and governance decisions;
- Establishing structured engagement mechanisms with key stakeholders;
- Aligning strategy with stakeholder expectations to support long-term value creation;
- Enhancing transparency through timely and meaningful disclosures;
- Reviewing stakeholder feedback to inform decision-making; and
- Strengthening stakeholder representation within governance frameworks.



Value created:

Enhanced stakeholder trust, improved transparency, and strengthened social licence to operate.

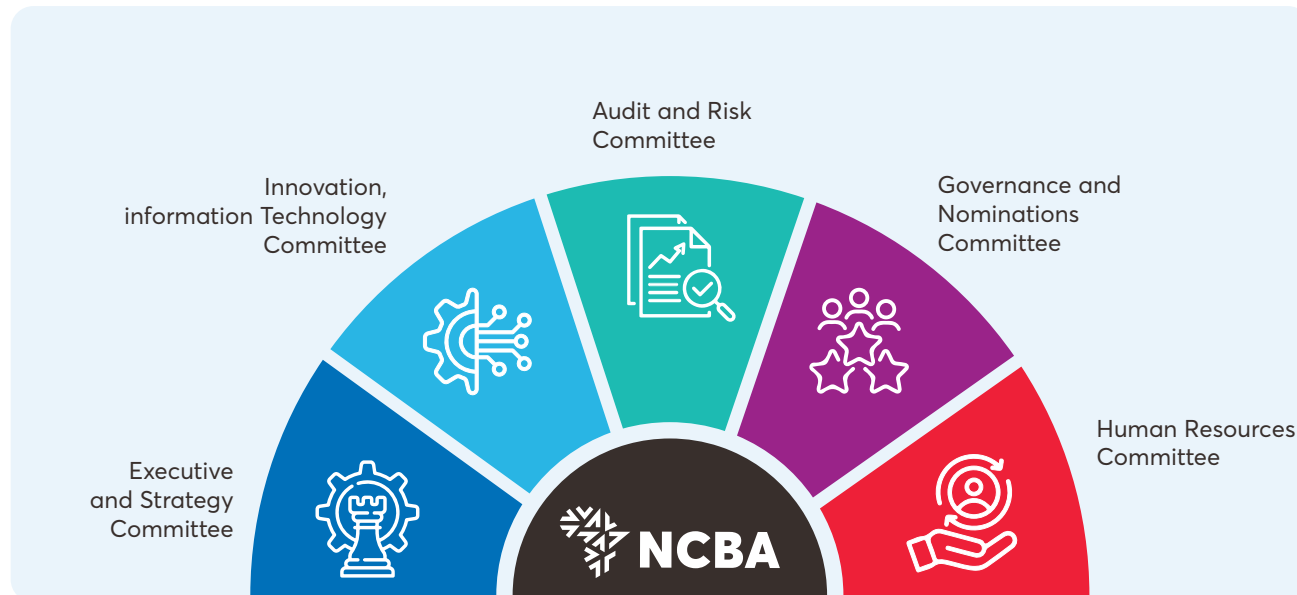


BOARD COMMITTEES

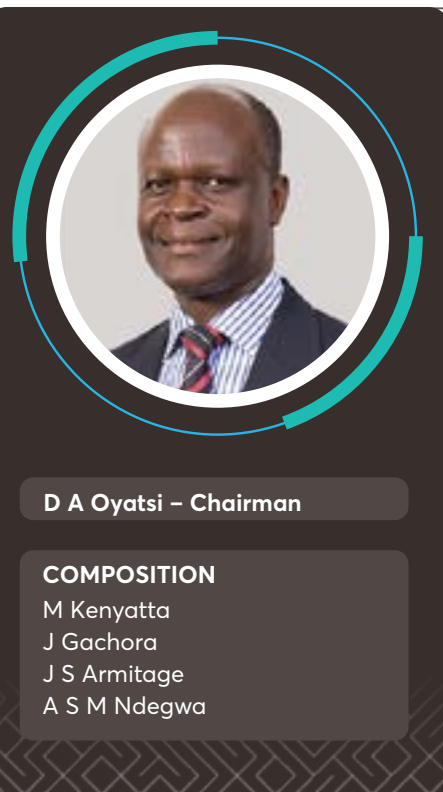
Strengthening Oversight Through Specialised Committees

The Board delegates responsibilities to Committees to enhance focus, expertise, and efficiency. This enables deeper focus, specialised oversight, and effective governance execution. Each Committee operates under formal Terms of Reference and provides structured oversight and recommendations to the Board.

In 2025, the Group Board had the following Committees, mainly comprised of Non-Executive Directors:



During the year, under review the board Committee's primary role and ke responsibilities includes;



D A Oyatsi – Chairman

COMPOSITION

M Kenyatta
J Gachora
J S Armitage
A S M Ndegwa

Board Executive & Strategy Committee



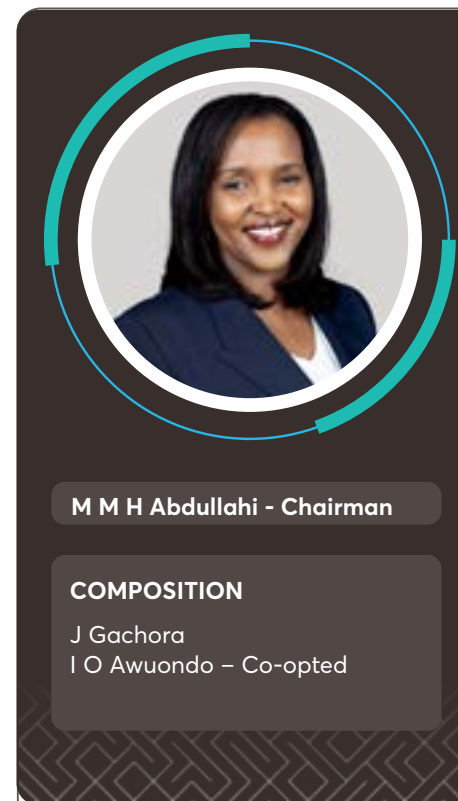
Focus:
Strategy execution, capital allocation, and business performance

Key contributions in 2025:

- Reviewed and guided the 2026–2030 strategy;
- Monitored performance against strategic targets;
- Oversaw capital allocation and major investment decisions;
- Reviewed dividend proposals and sustainability initiatives;
- Oversaw organisational structure and executive placements;
- Reviewed the sustainability policy and strategic alignment.



Value created:
Enhanced strategic execution, disciplined capital allocation, and improved organisational alignment.



M M H Abdullahi - Chairman

COMPOSITION

J Gachora
I O Awuondo – Co-opted

Board ICT Committee



Focus:
Technology governance, digital transformation, and cybersecurity.

Key contributions in 2025:

- Strengthened ICT governance frameworks and policy alignment;
- Oversaw ICT investments and resource optimisation;
- Monitored system performance, resilience, and vendor management;
- Enhanced oversight of cybersecurity and data protection risks;
- Reviewed audit findings and corrective actions; and
- Assessed emerging technologies and innovation opportunities.



Value created:
Improved digital resilience, strengthened cybersecurity posture, and enabled innovation

Board Audit & Risk Committee



Focus:
Financial integrity, risk management, and internal controls

Key contributions in 2025:

- Reviewed financial statements and ensured reporting integrity;
- Strengthened coordination between internal and external audit;
- Oversaw enterprise risk management and internal control systems;
- Monitored audit recommendations and control improvements;
- Reviewed whistleblowing reports and corrective actions;
- Monitored regulatory inspection outcomes and corrective actions; and
- Oversaw the Group's risk register and mitigation strategies.



Value created:
Enhanced financial integrity, strengthened risk management, and improved control environment.

2025 Group Board & Committees Attendance Report:

NCBA GROUP PLC – MEETING ATTENDANCE										
Director	Designation		Board	BESC	BARC	BGNC	BICTC	BHRC	BE	ST
J. P. M. Ndegwa	Chairman, Board	Membership	✓						✓	✓
		Attendance	5/5	1/1					2/2	2/2
D. A. Oyatsi	Deputy Chairman, Chair BESC/BGNC	Membership	✓	✓		✓		✓	✓	✓
		Attendance	5/5	4/4		4/4		3/3	2/2	2/2
J. Gachora	Group Managing Director	Membership	✓	✓			✓		✓	✓
		Attendance	5/5	3/3	5/5	4/4	4/4	2/2	2/2	2/2
J. S. Armitage ¹	NED	Membership	✓	✓					✓	✓
		Attendance	3/5	3/4					0/2	0/2
A. S. M. Ndegwa	NED	Membership	✓	✓					✓	✓
		Attendance	5/5	4/4					2/2	2/2
P. R. Lopokoiyit	INED & Chair BHRC	Membership	✓		✓	✓		✓	✓	✓
		Attendance	5/5		5/5	4/4		3/3	2/2	2/2
E. N. Ngaine	NED	Membership	✓			✓			✓	✓
		Attendance	5/5			4/4			2/2	2/2
Hon. A. H. H. Abdi	INED & Chair BARC	Membership	✓		✓				✓	✓
		Attendance	5/5		5/5				2/2	2/2
M. M. H. Abdullahi	INED & Chair BICTC	Membership	✓			✓	✓		✓	✓
		Attendance	4/5			4/4	4/4		2/2	0/2
K. Thuo	INED	Membership	✓		✓				✓	✓
		Attendance	5/5		4/5				2/2	2/2
M. Kenyatta ²	NED	Membership	✓	✓					✓	✓
		Attendance	0/1	1/1					-	-
A. N. Njoroge ³	INED (NCBA Bank Kenya Board)	Membership						✓		
		Attendance						3/3		
D. Abwoga	ED	Membership	✓	✓					✓	✓
		Attendance	5/5	3/3	5/5	4/4	4/4	2/2	2/2	2/2
I. O. Awuondo ⁴	Chairman, NCBA Bank Kenya Board	Membership					✓			
		Attendance		1/1			4/4			

BESC = Board Executive and Strategy Committee
 BARC = Board Audit and Risk Committee
 BICTC = Board Information and Communication Technology Committee
 BGNC = Board Governance and Nominations Committee
 BHRC = Board Human Resources Committee
 BE = Board Evaluation
 ST = Board Strategy Session
 NED = Non-Executive Director
 ED = Executive Director
 INED = Independent Non-Executive Director

Notes:

- Director was on approved leave of absence.
- Appointed to the Board with effect from 1st December 2025.
- Co-opted member of the Group Board Human Resources Committee.
- Co-opted member of the Group Board Information, Communication and Technology Committee.

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Board Governance & Nominations Committee



Focus:
 Governance effectiveness, Board composition and Ethics

Key contributions in 2025:

- Reviewed Board structure, composition, and succession planning;
- Oversaw Board evaluation and governance improvements;
- Strengthened governance policies and compliance frameworks;
- Monitored ethical conduct and conflict of interest management;
- Oversaw Director induction and development programmes; and
- Enhanced stakeholder engagement and transparency.



Value created:
 Improved Board effectiveness, strengthened governance structures, and enhanced accountability.

D A Oyatsi – Chairman

COMPOSITION

E N Ngaine
 P R Lopokoiyit
 M M H Abdullahi

Board Human Resources Committee



Focus:
 Human capital strategy, culture, and remuneration

Key contributions in 2025:

- Reviewed workforce strategy, engagement, and culture;
- Evaluated HR budget and alignment with strategic priorities;
- Oversaw talent development and succession planning;
- Reviewed HR policies and regulatory compliance;
- Strengthened performance management frameworks; and
- Enhanced employee value proposition and retention strategies.



Value created:
 Strengthened organisational capability, improved talent management, and enhanced culture alignment.

P R Lopokoiyit - Chairman

COMPOSITION

D A Oyatsi
 A N Njoroge – Co-opted

Overall, the Board's activities in 2025 demonstrate a clear focus on strategic oversight, governance excellence, and sustainable value creation. Through disciplined execution of its mandate, supported by specialised Committees and continuous capability development, the Board has strengthened:

- Strategic alignment;
- Risk resilience;
- Governance effectiveness; and
- Stakeholder confidence.

This positions the Group to sustain performance and navigate future opportunities and risks with confidence.

BOARD INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT (CPD)

All newly appointed Directors undergo a formal induction programme, which includes:

- Engagements with the Chairman and Senior Management;
- Briefings on the Group's strategy, operations, and governance framework; and
- Orientation on Board and Committee responsibilities.

During the year under review, one Non-Executive Director, Mr. Muhoho Kenyatta, was appointed and is progressively undergoing induction.

CPD Framework and Approach

The Group maintains a structured CPD framework designed to ensure that Directors:

- Enhance their ability to contribute to strategy formulation and execution;
- Strengthen oversight across key and emerging risk areas; and
- Maintain up-to-date knowledge of regulatory developments and industry trends.

Directors are required to undertake a minimum of 12 CPD hours annually, in line with governance best practice.

Training programmes are aligned to:

- The strategic priorities of the Group;
- Emerging risks, including technology, cybersecurity and financial crime; and
- Applicable regulatory expectations.

CPD Activities Undertaken in 2025

During the year, the Board participated in targeted training programmes covering the following key areas:

Key Training Areas:

- Transformative Artificial Intelligence and Emerging IT Trends in Banking
- Cybersecurity in an Era of Digital Acceleration
- Data Protection and Data Governance
- Transforming Banking with AI in East Africa
- Third-Party Risk Management
- Anti-Money Laundering (AML), Counter Financing of Terrorism (CFT), and Counter Proliferation Financing (CPF)
- Board Evaluation and Governance Effectiveness

These programmes were delivered through a structured mix of in-person sessions and online programmes, incorporating simulations and case studies, and facilitated by reputable international and local experts.

In addition, Directors undertook supplementary professional development activities in their respective areas of expertise and, where applicable, in fulfilment of requirements for maintaining professional accreditation and good standing.

Value Created Through Board Training

Focus Area:	Value Creation:	Outcome:
1. Transforming Banking with AI: Simulations and Case Studies (Trainer: GFCHub, Canada)		
AI Fundamentals, Risks and Ethical Considerations, the Role of the Board, and Practical simulations and real-world case studies on the application of artificial intelligence in banking.	• Enhanced the Board's ability to strategically oversee digital transformation initiatives, including AI-driven products and services; • Strengthened oversight of AI-related risks, including model risk, bias, and ethical considerations; • Enabled more informed decision-making on technology investments and innovation strategy; • Positioned the Board to guide management on balancing innovation with risk management.	Improved strategic alignment between digital transformation initiatives and long-term value creation.
2. Cybersecurity in an Era of Digital Acceleration (Trainer: GFCHub, Canada)		
Evolving cybersecurity threats, emerging technologies, resilience strategies, and governance oversight responsibilities.	• Strengthened the Board's ability to oversee cyber risk as a critical enterprise risk; • Enhanced understanding of cyber resilience, incident response, and business continuity; • Improved oversight of technology risk frameworks and cybersecurity investments; • Enabled more robust challenge to management on cyber preparedness and controls.	Enhanced protection of customer data, systems integrity, and organisational resilience.
3. Data Protection and Governance (Trainer: GFCHub, Canada)		
Data privacy laws and principles, governance frameworks, and data management practices	• Strengthened oversight of compliance with data protection and privacy regulations; • Enhanced governance of data as a strategic asset, including its use in analytics and decision-making; • Improved Board understanding of data-related risks, including breaches and misuse; • Supported stronger alignment between data governance and customer trust.	Improved regulatory compliance and strengthened stakeholder confidence in data management practices.



Focus Area:	Value Creation:	Outcome:
4. Transformative Artificial Intelligence and Emerging IT Trends in Banking (Trainer: Google VP - Privacy, Safety and Security Engineering)		
Emerging technology trends shaping the future of banking, including advanced artificial intelligence, digital ecosystems, platform banking, cloud adoption, and data-driven business models.	• Strengthened the Board's ability to provide forward-looking strategic oversight on technology-driven transformation; • Enhanced understanding of emerging business models, including platform-based banking and embedded finance; • Improved oversight of technology investment prioritisation, ensuring alignment with long-term strategy and return objectives; • Deepened Board awareness of technology-related risks, including AI governance, cybersecurity interdependencies, and operational resilience; • Enabled more robust engagement with management on innovation, scalability, and competitive positioning	Enhanced the Board's ability to guide the Group's digital transformation agenda, ensuring that technology investments drive sustainable growth while maintaining strong governance and risk discipline.
5. Board Evaluation (Moderator: Carol Musyoka Consulting Limited)		
Insights and lessons arising from the annual Board performance evaluation process, including Board effectiveness, Committee performance, governance processes, and individual Director contributions.	• Strengthened the Board's effectiveness through structured reflection and continuous improvement; • Enhanced clarity of roles, responsibilities, and accountability across the Board and its Committees; • Identified opportunities to improve Board dynamics, quality of discussions, and decision-making processes; • Informed targeted actions on Board composition, skills mix, and succession planning; • Reinforced alignment between Board priorities and the Group's strategic objectives; • Supported the development of individual Director capability and contribution.	Implementation of actionable improvements that enhanced Board performance, strengthened governance processes, and reinforced the Board's ability to provide effective oversight.

Focus Area:	Value Creation:	Outcome:
6. Third-Party Risk Management (Trainer: GFCHub, Canada)		
TPRM life cycle and Board oversight, Risks arising from outsourcing, vendors, fintech partnerships, and ecosystem relationships.	• Enhanced Board oversight of outsourcing and third-party risk exposures; • Strengthened governance of vendor due diligence, monitoring, and accountability; • Improved understanding of risks within digital ecosystems and partnerships; • Enabled more effective challenge on risk mitigation strategies for third-party relationships.	Reduced operational and reputational risks arising from third-party dependencies.
7. Anti-Money Laundering (AML), Counter Financing of Terrorism (CFT) and Counter Proliferation Financing (CPF) (Trainer: GFCHub, Canada)		
Oversight role of the Board, Beneficial Ownership and PEPs, regulatory updates, emerging risks, and case studies in financial crime compliance.	• Strengthened Board oversight of financial crime risk management frameworks; • Enhanced understanding of evolving AML/CFT/CPF regulatory expectations; • Improved ability to challenge management on compliance effectiveness and control adequacy; • Reinforced the importance of ethical conduct and regulatory compliance across the Group.	Enhanced protection of the Group's reputation and strengthened compliance with regulatory requirements.
Achievement against Minimum 12 Hours of Training:		
• 100% of eligible Directors exceeded the minimum CPD requirement of 12 hours per annum. • One Director was not eligible, having been appointed on 1st December 2025. • One Director was not eligible due to authorised leave of absence during the year. • The above statistics reflect the company arranged programme and does not include self-development programs undertaken as part of membership within professional bodies, where applicable, and those undertaken of their own volition in areas of personal interest and growth. • The requisite filings in this regard were made to the regulatory authorities.		

Value Creation of Board CPD

The CPD programmes undertaken during the year contributed to:

- Enhanced governance effectiveness through improved Board capability and engagement;
- Strengthened oversight of emerging risks, particularly in technology, cybersecurity, and financial crime;
- Improved strategic decision-making, supported by deeper insights into industry trends and innovation;
- Greater alignment with regulatory expectations and compliance requirements;
- Increased organisational resilience, particularly in the context of digital transformation; and
- Continued focus on sustainable value creation for shareholders and stakeholders.

The Board recognises that continuous development is essential to maintaining effective governance and reaffirms its commitment to prioritising capability development to remain effective in an increasingly complex and dynamic environment.



BOARD POLICIES

The Board has established a comprehensive Corporate Governance Framework comprising Board-approved policies and procedures that guide Directors and Management in the effective discharge of their responsibilities.

These policies support:

- Ethical leadership and accountability;
- Robust risk management and internal controls;
- Regulatory compliance and transparency; and
- Sustainable value creation.

The key policies and their strategic intent, whose salient provisions are accessible through the Group website (investor relations section) are summarised below:

Governance Policy Matrix

Policy	Purpose	Key Owner	Governance Outcome
Board Charter	Defines the Board's mandate, authority, structure, and governance framework, including: • Roles, responsibilities, and decision-making protocols; • Ethical standards, independence, and conflict management; • Risk oversight and stakeholder engagement; and • Board performance and effectiveness.	Board / Chairman	Clear governance structure and effective Board oversight.
Code of Conduct and Ethics	Establishes ethical standards, values, and expected behaviours across the Group, incorporating: • Zero tolerance for corruption, bribery, and unethical conduct; • Commitment to integrity in reporting and compliance; • Protection of data privacy and confidentiality; • Integration of environmental and social responsibility; and • Enforcement through investigation and disciplinary action.	Board / Management	Strong ethical culture and integrity.
Board Remuneration, Attraction and Retention Policy	The shareholder-approved policy provides a framework for fair, transparent, and competitive Director remuneration, aligned with: • Market benchmarks; • Performance and responsibilities; and • Long-term shareholder value.	Board Governance and Nominations Committee	Attraction and retention of high-calibre and independent Directors.
Corporate Disclosures Policy	Ensures timely, accurate, and complete disclosure of material information	Board / Management	Transparency and informed stakeholder decision-making.
Conflicts of Interest Policy	Provides framework for identifying and managing conflicts of interest, including: • Mandatory disclosure of actual, potential, or perceived conflicts; • Recusal from related deliberations and decisions; and • Maintenance of a conflicts register by the Company Secretary.	Board / Company Secretary	Objectivity and integrity in decision-making.

Policy	Purpose	Key Owner	Governance Outcome
Environmental, Social and Governance (ESG) Policies	Integrates sustainability into strategy, operations, and stakeholder engagement through: • Responsible financing and customer engagement; • Environmentally sustainable operations and procurement; • Social responsibility and community impact; and • Alignment with global ESG standards.	Board / Management	Sustainable business practices and long-term stakeholder value creation.
Procurement and Vendor Management Policy	Promotes procurement practices grounded in: • Transparency, fairness, and integrity; and • Supplier diversity, including support for women and youth enterprises.	Management	Responsible sourcing and supplier diversity.
Securities Trading (Insider Trading) Policy	Prevents trading based on material non-public information; and applies to Directors, Management, and staff, with strict compliance monitoring.	Board / Management	Market integrity and investor confidence.
Whistleblowing Policy	Provides secure and confidential channels for reporting unethical conduct, supported by: • Independent reporting channels; • Board-level oversight; and • Protection against retaliation.	Board Audit & Risk Committee / Internal Audit	Early detection of misconduct and strengthened ethical governance.
ICT Governance Policies	Provide a framework for: • Technology strategy and investment governance; • Cybersecurity, data protection, and risk management; • Business continuity and disaster recovery; and • Continuous innovation and digital capability development.	Board ICT Committee	Digital resilience and secure innovation.
Directors' External Activities & Related Party Transactions Policy	Regulates: • Disclosure and management of external appointments and interests; • Identification, review, and approval of related party transactions; and • Mitigation of conflicts, including recusal or resignation where necessary. • All related party transactions are conducted on an arm's length basis and disclosed in the financial statements.	Board / Company Secretary	Transparency, accountability, and protection of stakeholder interests.
Stakeholder Relations Policy	The shareholder-approved policy, which incorporates policies on effective communication with stakeholders; corporate disclosure; and dispute resolution for internal and external disputes, defines the Group's approach to: • Structured stakeholder engagement; • Transparent communication and disclosures; and • Effective dispute resolution mechanisms. Supported by the Corporate Citizenship Framework, the policy promotes: • Inclusivity and stakeholder protection; and • Sustainable social and economic impact.	Board / Management	Stakeholder trust and strengthened social licence to operate.

Overall Governance Impact

Collectively, these policies enable the Group to maintain high standards of governance and ethical conduct, strengthen risk management and regulatory compliance, enhance transparency and stakeholder confidence, and support sustainable, long-term value creation.



Management of Conflicts of Interest

The Board is committed to maintaining the highest standards of integrity, transparency, and ethical conduct in all its deliberations and decision-making processes.

Directors are required to disclose any actual, potential, or perceived conflicts of interest, whether direct or indirect, in accordance with the Companies Act (Kenya) and the Capital Markets Authority Code of Corporate Governance Practices.

Key governance practices include:

- Mandatory disclosure obligations: Directors promptly declare any conflicts to the Chairman or Group Company Secretary upon becoming aware of such circumstances;
- Structured Board processes: Declaration of conflicts is a standing agenda item at the commencement of all Board and Committee meetings;
- Recusal and independence safeguards: Directors with a declared interest are excluded from deliberations, quorum, and decision-making on the relevant matters;
- Annual and ongoing declarations: Directors formally disclose external appointments and any circumstances that may give rise to conflicts on appointment and annually thereafter; and
- Register of interests: A comprehensive register of Directors' interests is maintained and regularly updated.

All related-party transactions are conducted on an arm's length basis, ensuring fairness and protection of stakeholder interests.

Outcome:

These practices reinforce ethical leadership, objectivity in decision-making, and stakeholder confidence, while safeguarding the integrity of the Board.

No material conflicts of interest were reported during the year under review.

Technology and Information Governance

The Board recognises technology as a strategic enabler of innovation, operational efficiency, and competitive advantage.

Through the Board ICT Committee, the Board exercises oversight of:

- Alignment of technology strategy with business objectives;
- Governance of digital transformation and innovation initiatives;
- Oversight of cybersecurity, data protection, and IT risk management;
- Optimisation of technology investments to deliver measurable business value; and
- Compliance with evolving regulatory and data governance requirements.

Outcome:

Strengthened digital resilience, improved risk management, and enhanced the Group's ability to leverage technology for sustainable growth and stakeholder value creation

Governance Audit

The Group continued to implement its action plan following the independent Governance Audit for the year ended 31st December 2024, which confirmed that the Group has established effective, appropriate, and robust governance structures, aligned with regulatory requirements and global best practice.

Key Insights and Governance Enhancements:

Strategic Insight	Implementation Focus
Position Board composition as a strategic enabler	Enhance gender and generational diversity in Board succession planning
Evolve governance frameworks proactively	Strengthen periodic review and updating of Board oversight tools
Strengthen insider trading governance culture	Enhance training, awareness, and compliance tracking mechanisms
Leverage integrated reporting as a strategic tool	Improve linkage between disclosures, strategy, and performance outcomes
Embed stakeholder-centric strategies	Utilise NPS and stakeholder insights to inform customer experience enhancements
Reinforce ethical leadership	Strengthen ethical climate assessments and Board oversight
Advance ESG integration	Align business processes with ESG frameworks and measurable impact metrics

Outcome:

A structured roadmap for continuous governance enhancement, supporting long-term value creation, ethical culture, and strategic alignment.

Legal and Compliance Audit

The Group similarly continued to implement its action plan from the independent Legal and Compliance Audit for the year ended 31st December 2024, which confirmed that the Group maintains robust compliance systems and controls, aligned with applicable national and international regulatory standards.

Key Insights and Implementation Actions:

Strategic Insight	Implementation Focus
Strengthen data governance	Enhance analytics-driven customer engagement and unclaimed asset management
Institutionalise ESG risk management	Embed environmental and social risk awareness across operations and partnerships
Enhance regulatory compliance agility	Automate regulatory tracking and monitoring systems
Future-proof workforce governance	Align HR policies with evolving labour and regulatory environments
Strengthen third-party governance	Embed accountability and data governance in contractual frameworks

Outcome:

Improved regulatory compliance, enhanced operational resilience, and strengthened risk governance across the value chain.



Capital Markets Authority Corporate Governance Assessment

The annual assessment conducted by the Capital Markets Authority reflects continued improvement across all governance parameters.

The Group achieved an overall score of 93% (Leadership rating), demonstrating strong governance maturity and consistent progress. A summary of the scores across the rated parameters is outlined below:

Parameter	2025	Trend	Rating
Commitment to Good Corporate Governance	95%	▲	Leadership
Board Operations and Control	93%	▲	Leadership
Rights of Shareholders	93%	▲	Leadership
Stakeholder Relations	93%	▶	Leadership
Ethics and Social Responsibility	89%	▲	Leadership
Accountability, Risk Management & Internal Control	97%	▲	Leadership
Transparency and Disclosure	89%	▲	Leadership
Overall Weighted Score	93%	▲	Leadership

Outcome:

Validation of the Group's governance framework as robust, effective, and aligned with leading practices, reinforcing investor confidence. The Group appreciates the engagement with the CMA during the assessment undertaken and noted the positive trend across all metrics assessed.

Strategic Value Creation and Risk Governance

The Board integrates risk governance with strategy execution, ensuring that risk considerations are embedded in decision-making processes.

Through the Board Audit & Risk Committee, the Board:

- Defines and oversees the Group's risk appetite;
- Monitors alignment between risk profile and strategic objectives;
- Ensures risks are identified, assessed, managed, and monitored effectively; and
- Reviews the adequacy of risk management systems relative to the Group's complexity.

Outcome:

Enhanced resilience, improved risk-adjusted decision-making, and protection of long-term enterprise value.

Risk Governance and Internal Control

The Board confirms that:

- Internal control systems are effective and operating as intended;
- Financial reporting processes are robust and reliable;
- Compliance with applicable laws and regulations is maintained; and
- Risk management frameworks are fit for purpose and continuously improved.

Outcome:

A strong control environment supporting accountability, transparency, and operational integrity.

Ethics, Culture and Conduct

The Board promotes an ethical culture as a foundation for sustainable performance.

This is reinforced through:

- A Board-approved Code of Conduct and Ethics;
- Mandatory declarations by Directors and employees;
- Ongoing ethics training and awareness programmes;
- Confidential whistleblowing mechanisms; and
- Monitoring and reporting of misconduct and remediation actions.

Key metrics tracked include training completion, whistleblowing cases, and resolution timelines.

Outcome:

Strengthened ethical culture, enhanced accountability, and alignment between values, strategy, and behaviour.

Stakeholder Engagement and Shareholder Rights

The Board recognises stakeholders as integral to long-term value creation and sustainability. The Group's key stakeholders include: customers, employees, regulators, investors, communities and business partners.

Engagement is structured, transparent, and responsive, and includes:

- Annual General Meetings (virtual participation);
- Investor briefings and analyst engagements;
- Continuous disclosures via integrated reporting and financial publications;
- Digital engagement platforms and social media channels; and
- Structured stakeholder feedback mechanisms.

Shareholders are empowered through:

- Secure electronic voting and real-time AGM participation;
- Transparent access to performance and governance information; and
- Opportunities to engage directly with the Board and Management.

The latest financial results can be accessed on the Group's website ([investor relations section](#)) providing comprehensive information about the Group's activities.

The integrated annual report furnishes a comprehensive array of information about the Group's endeavors, as conveyed through reports from the Group Chairman and Group Managing Director. These reports cover aspects such as the business environment, progress on strategic initiatives, and factors influencing the Group's performance. Additionally, the report details the measures taken by the Board and Management to advance the Group's vision of fostering prosperity for its stakeholders.

Outcome:

Enhanced stakeholder trust, improved transparency, and strengthened social licence to operate.

Management Committees

Management Committees support the Group Managing Director in executing strategy and maintaining operational excellence. They operate under delegated authority from the Executive and the Board, enabling effective decision-making, risk management, and operational resilience.

These Committees provide structured oversight across:

- Strategy execution and performance management;
- Asset and liability management;
- Credit risk governance;
- Enterprise risk management;
- Technology and project delivery; and
- Crisis management and business continuity.

Outcome:

Improved operational discipline, enhanced risk management, and effective execution of Board-approved strategies.



In 2025, the Management Committees supporting the Group’s operations included:

Committee	Primary Mandate	Key Responsibilities	Value Contribution
Executive Management Committee	Strategic and operational leadership	- Oversees execution of Group strategy and business plans. - Monitors financial and operational performance against targets. - Strengthens internal controls, governance frameworks, and policies. - Ensures regulatory compliance and alignment with internal policies. - Oversees human capital strategy and organisational effectiveness.	Drives strategic execution, operational efficiency, and sustainable growth.
Assets and Liability Committee (ALCO)	Balance sheet management and financial risk oversight	- Manages liquidity, funding, and capital adequacy. - Monitors interest rate, foreign exchange, and market risks. - Optimises balance sheet structure. - Ensures compliance with regulatory liquidity and reserve requirements.	Enhances financial resilience and balance sheet optimisation.
Management Credit Committee	Credit risk governance and lending oversight	- Approves credit facilities within delegated authority. - Reviews and recommends credit proposals to the Board. - Monitors credit portfolio quality and emerging risks. - Ensures adherence to credit policies and regulatory standards.	Promotes prudent lending and asset quality preservation.
Risk Management Sub-Committees	Enterprise risk identification and mitigation	- Identifies and assesses key risks across business units. - Evaluates effectiveness of internal controls and compliance frameworks. - Oversees business continuity and disaster recovery readiness. - Implements risk mitigation strategies.	Strengthens risk culture and enterprise-wide resilience.
Information Technology and Projects Committee	Technology governance and digital execution	- Oversees ICT strategy implementation and project delivery. - Monitors performance and efficiency of ICT systems. - Aligns technology initiatives with business objectives. - Assesses ICT-related risks and controls.	Enables digital transformation and innovation-led growth.
Crisis Management and Business Continuity Committee	Operational resilience and crisis preparedness	- Oversees business continuity and disaster recovery frameworks. - Coordinates response to operational disruptions. - Drives training and awareness on resilience frameworks. - Allocates resources to support continuity initiatives.	Safeguards operational continuity and organisational resilience.
Sustainability Management Steering Committee	Oversees execution of the Group's sustainability strategy and ESG integration across the business.	- Manage sustainability and climate risks and opportunities. - Monitor and report sustainability performance - Ensure compliance with IFRS S1, IFRS S2 and related disclosures - Translate Board-approved targets into action plans. - Report progress and key risks to the Board.	Enhances ESG governance, regulatory readiness and delivery of sustainable finance and climate commitments

GOVERNANCE IMPACT

The Management Committee structure enhances the Group’s ability to:

- Execute strategy with discipline and agility
- Maintain robust financial and risk management frameworks
- Strengthen operational and technological resilience
- Ensure regulatory compliance and governance alignment
- Support sustainable value creation across business cycles

GOVERNANCE ROADMAP (2026–2030)

Strengthening Governance for the Future

Strategic Priority	Objective	Expected Outcome
Future-ready Board	Strengthen Board skills	Enhanced strategic oversight
Digital Governance	Strengthen technology governance	Improved resilience
Data-driven Governance	Enhance governance analytics	Improved decision-making
ESG Governance	Strengthen sustainability oversight	Improved ESG performance
Succession Planning	Strengthen leadership pipeline	Continuity and stability
Governance Excellence	Align with global best practice	Sustained governance leadership

Reporting, Assurance and Integrity

The Board ensures that governance disclosures:

- Provide decision-useful, transparent, and balanced information;
- Demonstrate the link between governance, strategy, risk, and performance; and
- Reflect leading integrated reporting practices.

The Board confirms the integrity of the Integrated Report, noting that it:

- Presents a fair and balanced view of the Group;
- Reflects governance effectiveness and future prospects; and
- Supports stakeholder decision-making.

The Board confirms that for the year ended 31 December 2025:

- Governance frameworks remained robust and effective;
- Ethical leadership and oversight strengthened organisational resilience;
- Risk, strategy, and sustainability were fully integrated; and
- Stakeholder engagement enhanced transparency and accountability.

The Board remains committed to continuous governance improvement and global best practice alignment.

Going Concern

The Board confirms that the Group has adequate resources to continue as a going concern for the foreseeable future.

This assessment is based on a comprehensive review of:

- Financial performance and projections;
- Cash flow and capital adequacy; and
- Strategic and operational outlook.

Accordingly, the financial statements have been prepared on a going concern basis.



SHAREHOLDING PROFILES

The Company files returns regularly in line with the requirement of the Capital Markets Authority and the Nairobi Securities Exchange under the listing regulations on transactions related to shareholders.

The number of shareholders as at 31st December 2025 was 29,626 (2024 – 27,875).

Principal Shareholders

The top 10 major shareholders, based on the Group's share register as at 31st December 2025 were as follows:

Name	Number of Shares	%
First Chartered Securities Limited	246,149,354	14.94
Enke Investments Limited	217,497,023	13.20
D&M Management Services LLP	190,707,470	11.58
Brookshire Limited	142,142,031	8.63
Westpoint Nominees Limited	126,661,231	7.69
Yana Investments Limited	89,069,204	5.41
Kahuho Holdings Limited	67,602,884	4.10
Rivel Kenya Limited	64,206,673	3.90
Makimwa Consultants Limited	48,587,307	2.95
Kestrel Capital Nominee Services Limited	26,000,000	1.58
Total	1,218,623,177	73.98

Distribution Schedule

Category	Number of Shareholders	Number of Shares	%
1-500 shares	11,912	1,846,906	0.11
501-5,000 shares	13,309	27,247,732	1.65
5,001-10,000 shares	1,853	12,751,607	0.77
10,001-100,000 shares	2,125	55,465,298	3.38
100,001-1,000,000 shares	360	93,580,151	5.68
1,000,001 and over	67	1,456,627,838	88.41
Total	29,626	1,647,519,532	100.00

Shareholder Profile

Category	Number of Shareholders	Number of Shares	%
Local Individual Investors	27,830	174,119,438	10.57
Local Institutional Investors	1,594	1,467,444,432	89.07
Foreign Individual Investors	195	5,398,174	0.33
Foreign Institutional Investors	7	557,488	0.03
Total	29,626	1,647,519,532	100.00

Notes:

- The above constitute the key stakeholders who may have the ability to influence the Company's performance and sustainability;
- The Company submits the list of shareholders to the Registrar of Companies Annually.

The following Directors had direct or indirect beneficial equity interests in the ordinary shares of the Group as at 31st December 2025.

	Name	Number of Shares	%
1.	Muhoho Kenyatta	227,395,137	13.80
2.	Andrew S. M. Ndegwa	77,660,683	4.71
3.	James P. M. Ndegwa	76,619,666	4.65
4.	Desterio A. Oyatsi	26,000,000	1.58
5.	John M. Gachora	2,364,255	0.14
6.	John S. Armitage	1,746,370	0.11
7.	Esther N. Ngaine	648,980	0.04
8.	David S. Abwoga	9,108	0.0006



OUR FINANCIALS



CORPORATE INFORMATION

DIRECTORS

J P M Ndegwa – Group Chairman
D A Oyatsi – Deputy Chairman
J Gachora – Group Managing Director
Hon. A H H Abdi
M M H Abdullahi
J S Armitage
M Kenyatta
P R Lopokoiyit
A S M Ndegwa
E N Ngaine
K Thuo
D Abwoga – Executive Director

COMPANY SECRETARY (AG.)

E Kungu
Certified Secretary (Kenya)
NCBA Centre
Mara and Ragati Road, Upper Hill
P. O. Box 44599 – 00100
Nairobi

EXECUTIVE AND STRATEGY COMMITTEE

D A Oyatsi – Chairman
M Kenyatta
J Gachora
J S Armitage
A S M Ndegwa

GOVERNANCE AND NOMINATIONS COMMITTEE

D A Oyatsi – Chairman
E N Ngaine
P R Lopokoiyit
M M H Abdullahi

AUDIT & RISK COMMITTEE

Hon. A H H Abdi – Chairman
P R Lopokoiyit
K Thuo

AUDITOR

Deloitte and Touche LLP
Certified Public Accountants (Kenya)
Deloitte Place
Waiyaki Way, Muthangari
P. O. Box 40092 – 00100
Nairobi

INFORMATION, COMMUNICATION AND TECHNOLOGY (ICT) COMMITTEE

M M H Abdullahi – Chairman
J Gachora
I O Awuondo – Co-opted

REGISTERED OFFICE

NCBA Centre
Mara & Ragati Road
P. O. Box 44599 – 00100
Nairobi

HUMAN RESOURCE COMMITTEE

P R Lopokoiyit – Chairman
D A Oyatsi
A N Njoroge – Co-opted

REGISTRARS AND TRANSFERS OFFICE

Custody & Registrars Services Limited
1st Floor, Tower B, IKM Place
5th Ngong Avenue
P. O. Box 8484 – 00100
Nairobi

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements for the year ended 31 December 2025.

INCORPORATION

The Group is domiciled in Kenya and is incorporated as a public company limited by shares under the Kenya Companies Act, 2015. The registered office is set out in note 1.

DIRECTORATE

The directors who held office during the year and to the date of this report are shown on page 173.

PRINCIPAL ACTIVITIES

NCBA Group PLC (the "Company/Parent") and its subsidiaries (together, the "Group") provide retail, corporate and digital banking, brokerage, leasing, bancassurance, insurance and investment banking services.

RESULTS

	2025 KES' 000	2024 KES' 000
Profit before tax	27,890,230	25,141,048
Income tax expense	(4,496,712)	(3,275,281)
Profit for the Year	23,393,518	21,865,767

BUSINESS REVIEW

Financial Statements

The consolidated financial statements include the results of the entities owned by NCBA Group PLC (the "Company"). NCBA Group PLC and its subsidiaries / affiliates (together, the "Group") operate in Kenya, Tanzania, Uganda, Rwanda, Cote d'Ivoire and Ghana. The Group provides retail, corporate and digital banking, asset finance, securities brokerage, bancassurance, insurance and investment banking services.

On 21 January 2026, the Group announced a proposed strategic transaction in which Nedbank Group Limited intends to acquire a controlling interest of 66% in NCBA Group PLC through a tender offer to existing shareholders. The proposed transaction is subject to shareholder and relevant regulatory approvals and is expected to be concluded during the 2026 financial year. When completed, the transaction will result in a change of control, with NCBA becoming a subsidiary of Nedbank. The combination positions NCBA as the cornerstone investment vehicle for Nedbank's Eastern Africa expansion while allowing it to retain its independent governance structures, local leadership, brand identity, and the NSE listing. The transaction is expected to generate significant synergies, including enhanced corporate and investment banking capabilities, increased resource base and expanded growth opportunities in Eastern Africa. There will be no immediate integration of systems and operations, as Nedbank currently only maintains a representative office in East Africa.

From a risk management perspective, the Group is exposed to various financial risks such as credit risk, liquidity risk, market risk, and operational risk. Its overall risk management approach focuses on addressing the uncertainties of financial markets and aims to reduce any negative impact on the Group. This is integrated into the Group's governance structure. The Board of Directors holds ultimate responsibility for creating and overseeing the Group's risk management framework. Additionally, the Board has established several committees at Group and Subsidiary levels, including the Board Audit and Risk Committee, the Board Risk Management Committee, the Board Credit Committee, the Board Governance and Nominations Committee, the Board Information, Communication and Technology (ICT) Committee and the Board Executive and Strategy Committee (EXCO) which are responsible for developing and continuously monitoring the Group's risk management policies in their respective areas.

REPORT OF THE DIRECTORS (CONTINUED)

BUSINESS REVIEW (Continued)

Performance for 2025

Global economic growth touched 3.3 percent in 2025 despite shocks stemming from international trade tariffs by the US Administration, elevated geopolitical risks and volatile financial markets. However, easing of global inflation and financing costs supported consumer spending and investments in several economies. Positively, for our region, the various geopolitical events did not disrupt commodity supply chains. However the recent events in the Middle East have created new uncertainties and supply chain challenges, the impact of which will be felt in our markets.

The Kenyan economy remained resilient in 2025 and is estimated to have expanded by 5.0 percent compared to 4.7 percent in the prior year. Growth in 2025 was primarily underpinned by strong performance in the agriculture sector and the resilience of services sector. However, economic activity was partly constrained by high financing cost and delayed Government payments.

Profit before tax stood at KES 27.9 billion, 11% up from KES 25.1 billion in 2024. The performance reflects strong profit growth and improving efficiency, underpinned by disciplined cost management and continued growth from our digital business. This momentum was reinforced by a stable macroeconomic backdrop marked by declining interest rates, stable currency and lower inflation.

Net interest income rose by KES 10.3 billion, supported by a KES 17.1 billion reduction in interest expense, despite a KES 6.9 billion decline in interest income. Effective cost management from sustained deposit repricing discipline and a strengthened low-cost deposit mix, delivered greater savings than the reduction in interest income during a period of declining market rates. Foreign currency trading income was lower compared to the previous year due to reduced margins, resulting in a decline of KES 1.2 billion.

Operating expenses increased by 16% (KES 5.2 billion), largely reflecting increased headcount plus investment in technology. Additionally, there was the impact of continued investment in expansion of the Group's branch network.

Credit impairment charges rose by 37% (KES 1.9 billion) year on year as the Group strengthened provisions to address emerging credit risks.

The asset base closed at KES 716 billion, a KES 50 billion increase. The growth was supported by increase in customer deposits and retained earnings. Deposits grew by 6% to KES 532 billion from KES 502 billion in 2024, while net loans expanded by KES 13.0 billion, 4.4% from KES 293.9 billion in 2024. The organic expansion strengthened the Group's funding mix and capital base enabling prudent asset growth while maintaining strong liquidity. These excess funds were deployed into government securities (up KES 14.0 billion).

Proposed Dividend

The Board has resolved to recommend to the Shareholders for their approval at the forthcoming Annual General Meeting, scheduled for 26 May 2026, the payment of a final dividend for the year of KES 4.60 per ordinary share which, together with the interim dividend of KES 2.50 per ordinary share paid on 2 October 2025, brings the total dividend for 2025 to KES 7.10 per ordinary share (2024: KES 5.50 per ordinary share). The dividend will be payable to the shareholders in the Company's register at the close of business on 30 April 2026 (the record date for dividend entitlement), with payment to be made on or immediately after 26 May 2026.

Outlook for 2026

Global economic activity which was off to a solid start after building momentum from 2025 will most likely be impacted by the ongoing war in the Middle East. For 2026, the International Monetary Fund (IMF) anticipates growth to reach 3.3%, (similar to 3.3% in 2025). Economic activity will be driven by a surge in AI-related investment in the U.S. and Asia, policy easing and lower trade barriers.

Across the economic blocs, advanced economies are projected to grow by 1.8%, emerging and developing economies (EMDE) by 4.2% and Sub-Saharan Africa by 4.6% following policy reforms and a stable macroeconomic landscape.

REPORT OF THE DIRECTORS (CONTINUED)

BUSINESS REVIEW (Continued)

In China, slower economic momentum remains a concern. Following a 5% real GDP outturn in 2025, the IMF sees China's growth declining to 4.5% this year and further to 4.0% in 2027.

In Kenya, following improved economic momentum in quarter four 2025, we forecast economic growth of 5.1% in 2026. Kenya's near-term growth model based on public expenditure, agriculture and service sectors could, however, face surprises from adverse weather conditions and lower than anticipated fiscal spending following public debt service burden.

Following dry conditions in December and January 2026, food price pressure was evident in January 2026. But positively, a decline in maize prices will partly trade off the price pressure from vegetables and fruits.

Although credit uptake is gradually recovering, the improvement remains modest, with private sector credit growth of 5.91% in December. Overall, we expect credit growth of 8% this year.

In the external sector, we project minimal risk to the Kenya shilling with steady inflows from agricultural exports, in particular horticulture due to the peak season in quarter one. However, the resilience of diaspora remittances could be tested this year. Overall, we forecast USD/KES to trade within the KES 128 to KES 131 range in the near term.

In 2025, Uganda's growth reached 6.3%, its highest rate since the COVID-19 pandemic, boosted by higher government spending, recovery in household consumption, robust investment growth and buoyant coffee exports.

We anticipate this strong momentum to continue in 2026, with real GDP projected to reach 6.4%.

Tanzania's estimated real GDP growth of 5.9% in 2025 was boosted by agriculture, mining and construction activities. This year, economic growth is forecast at 6.2% supported by strong private consumption and broad-based growth across the industrial sectors.

Rwanda is among the fastest growing economies in Africa. The IMF projects GDP growth at 7.5% this year. However, headline inflation remains elevated, now at 8.0% year-on-year following price pressure from food and beverages. Therefore, we expect only gradual monetary policy easing by the National Bank of Rwanda. The policy rate is currently 6.75%. In the foreign exchange market, the current account is likely to remain under pressure, reflecting a move toward construction related activities.

STATEMENT AS TO DISCLOSURE TO THE COMPANY'S AUDITOR

With respect to each director at the time this report was approved:

- a) there is, so far as the director is aware, no relevant audit information of which the Group's auditor is unaware; and,
- b) the director has taken all the steps that the director ought to have taken as a director so as to be aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

TERMS OF APPOINTMENT OF AUDITOR

Deloitte & Touche LLP, continues in office in accordance with the Company's Articles of Association and Section 723 of the Kenyan Companies Act, 2015.

The directors monitor the effectiveness, objectivity and independence of the auditor. The directors also approve the annual audit engagement contract which sets out the terms of the auditors appointment and the related fees.

By order of the board



J Gachora
Group Managing Director
25 March 2026

DIRECTORS' REMUNERATION REPORT

INFORMATION NOT SUBJECT TO AUDIT

This report describes the Group's remuneration policy and the remuneration paid to Directors in 2025. The remuneration policy, including all structures and policies related to remuneration, is in line with the Companies Act, No. 17 of 2015, the CMA Code of Corporate Governance Practices for issuers of Securities to the Public, 2015 and the Companies General Amendment Regulations No. 2 of 2017.

The first part of this report describes the remuneration policy, while the second part describes the implementation of the policy in 2025.

There were no changes to the structure and quantum of the Directors' remuneration in the year ended 31st December 2025.

The Board's composition during the course of the year is as detailed in the below table:

NCBA GROUP PLC BOARD OF DIRECTORS	
DIRECTOR	DESIGNATION
J P M Ndegwa	Group Chairman, Non-Executive
D A Oyatsi	Deputy Group Chairman, Independent
J M Gachora	Group Managing Director, Executive Director
A H H Abdi	Independent Non-Executive Director
M M H Abdullahi	Independent Non-Executive Director
D S Abwoga	Group Finance Director, Executive Director
J S Armitage	Non-Executive Director
M Kenyatta *	Non-Executive Director
P R Lopokoiyit	Independent Non-Executive Director
A S M Ndegwa	Non-Executive Director
E N Ngaine	Non-Executive Director
K Thuo	Independent Non-Executive Director

Notes:

- M Kenyatta was appointed to the Board with effect from 1st December 2025.
- All the Directors of the Company were resident in the Republic of Kenya during the year 2025.

Background:

The members of the Board Governance and Nominations Committee for the period 1 January 2025 to 31 December 2025 were:

D A Oyatsi – Chairman
E N Ngaine
P R Lopokoiyit
M M H Abdullahi

DIRECTORS' REMUNERATION REPORT (CONTINUED)

PART 1

Remuneration Policy

The remuneration policy establishes guidelines on the remuneration criteria applicable for services rendered by directors to ensure transparency and equitability in implementation. The policy objective is to provide a framework that enables market competitive remuneration that will attract, retain and engage high calibre directors whilst ensuring that the remuneration structure protects, promotes and supports the Group's immediate and long-term strategy and objectives.

Remuneration of Executive Directors

Performance parameters for Executive Directors are drawn from the Group's Strategy. The Directors' targets and performance indicators are closely linked with the performance targets for the business, and are anchored on the short-term (annual) and long-term (5-year) strategic objectives of the Group. The targets are set by the Board and measured quarterly, half yearly and annually in line with the release of the business performance reports.

The remuneration of the Executive Directors consists of:

- Salary;
- Performance-based remuneration;
- Deferred remuneration contingent on performance-based remuneration, where applicable; and
- Other Benefits – including company car, housing and utilities, support staff, service subscriptions, medical and life cover, retirement benefits and loan benefits subject to contractual terms as determined by the Board.

Remuneration of Non-Executive Directors

The performance of Non-Executive Directors (NEDs) is assessed annually through a Board Evaluation process, which considers individual contribution to the activities of the Board and Board Committees. An Evaluation Report is generated with clear recommendations on the performance of the Directors, not only as a team but also as individuals. Non-Executive Directors are not entitled to a salary, performance-based remuneration or other cash or non-cash benefits. Their remuneration is based on proposals by the Board Governance and Nominations Committee (BGNC) and approved by the Board, and the Shareholders at the annual general meeting.

The remuneration for NEDs consists of:

- Monthly retainer fee;
- Sitting allowance for Board and Board Committee meetings; and

- Other allowances as may be prescribed by the Board for services rendered as a Director during NCBA Group meetings in regional affiliates.

Expenses incurred in respect of travel, accommodation or other services whilst carrying out duties as a Director are reimbursed at cost.

Share Option Scheme

During the year 2025, the Group did not have an implemented share option scheme for Directors.

Directors' Contracts of Service

The Group Managing Director and the Executive Director have been appointed on open-ended contracts. Their continued service is subject to an annual performance review by the Board.

Non-Executive Directors are appointed in accordance with the procedure laid out in the Articles of Association and the Board Charter. NEDs are appointed for a 3-year term and retire by rotation, but are eligible for reappointment taking into consideration their performance and the Shareholders' views. The Board Governance and Nominations Committee makes recommendations to the Board on the Board's appropriate composition based on professional skills and experience, independence and ethical standards. New appointments by the Board are subject to applicable regulatory approval(s) by the Central Bank of Kenya and Capital Markets Authority upon nomination by the Board, and thereafter by the Group's Shareholders at the annual general meeting.

The Notice period for departure from the Board for the Group Managing Director is six (6) months while that of the other Executive Director is three (3) months or payment in lieu of notice in all cases. For NEDs, the notice period where applicable will vary depending on the circumstances of the departure.

On termination of contract, an Executive Director is entitled to any amounts due as per contract terms up to the date of such termination. If such contract is terminated prior to maturity of the notice period, the maximum amount payable will be the salary and applicable benefits payable in lieu of notice.

Non-Executive Directors are entitled to any outstanding dues on the monthly retainer fees and sitting allowances up to the date of termination. No additional amounts are payable to Directors unless these are expressly approved under special circumstances by the Board of Directors.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

Statement of the Previous General Meeting

A Resolution to approve the Directors' remuneration policy and report for the year ended 31st December 2024 was passed through a poll vote by shareholders at the Annual General Meeting held on 28th May 2025. The results, which were published in the national dailies and on the Group website (<https://ke.ncbagroup.com/>) on 29th May 2025 were as follows:

	Resolution	Votes Cast (Shares)	For (Shares)	Against (Shares)	Abstained (Shares)	Result
5.	Directors' Remuneration:					
	To approve the Directors' Remuneration Report and the remuneration paid to the Directors in the year ended 31st December 2024, and to authorise the Board to fix their remuneration of the Directors for the year 2025.	1,203,953,719	1,203,924,999	320	28,400	Passed
		Percentage	100.00%	0%	0%	

INFORMATION SUBJECT TO AUDIT

PART 2 IMPLEMENTATION REPORT

The Board is responsible for ensuring that the remuneration policy, and its implementation, are aligned with the Group's strategies and objectives. The policy is designed to avoid instances where the Directors act in their own interests, or take risks that are not in line with the Group's strategy and risk appetite. Where other benefits are granted, the Board ensures that these are in line with market norms.

In interpreting the disclosures made in this report:

- The remuneration details for the year 2025 outline payments relating to qualifying services rendered as Directors for the period served on the Board.
- The Directors' remuneration is consolidated for services rendered as a Director on the Company's and related subsidiary company Boards.
- In the year ended 31st December 2025, there were no other allowances paid apart from sitting allowances and no expenses incurred by non-executive directors whilst carrying out duties in respect of qualifying services.

The following table shows the remuneration for the Chairman, other Non-Executive Directors (NEDs) and Executive Directors in respect of qualifying services for the year ended 31st December 2025. The aggregate Directors' emoluments are shown on page 331, note 48 of the integrated annual report.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

INFORMATION SUBJECT TO AUDIT (CONTINUED)

PART 2 IMPLEMENTATION REPORT (CONTINUED)

Directors Remuneration for the year ended 31st December 2025	Fees ¹ Shs 000	Salary Shs 000	Cash Incentive Remuneration	Other Cash Benefit Shs 000	Non-cash benefits Shs 000	Retirement Benefits Shs 000	Total ² Shs 000
			Non-Deferred Shs 000	Deferred Shs 000			
J P M Ndegwa – Group Chairman	7,550	-	-	-	-	-	7,550
D A Oyatsi – Deputy Group Chairman	7,200	-	-	-	-	-	7,200
J Gachora – Group Managing Director	-	105,600	82,000	10,000	2,552	8,365	220,165
A H Abdi	15,795	-	-	-	-	-	15,795
M M H Abdullahi	4,590	-	-	-	-	-	4,590
D Abwoga – Executive Director	-	36,685	12,818	-	313	1,325	55,291
J S Armitage	7,680	-	-	-	-	-	7,680
M Kenyatta	4,780	-	-	-	-	-	4,780
P R Lopokoiyit	10,877	-	-	-	-	-	10,877
A S M Ndegwa	9,900	-	-	-	-	-	9,900
E N Ngaine	16,679	-	-	-	-	-	16,679
K Thuo	5,220	-	-	-	-	-	5,220
	90,271	142,285	94,818	10,000	2,865	9,690	365,727

Notes:

- Where applicable, fees earned by Directors serving on the Boards of regional subsidiaries have been converted to Kenya Shillings using the trade weighted average indicative rates obtained from the Central Bank of Kenya.
- Directors' total remuneration is consolidated for services rendered as a Director on the NCBA Group PLC Board and related subsidiary company Boards.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

INFORMATION SUBJECT TO AUDIT (CONTINUED)

PART 2 IMPLEMENTATION REPORT (CONTINUED)

The following table shows the remuneration for the Chairman, other Non-Executive Directors (NEDs) and Executive Directors in respect of qualifying services for the year ended 31st December 2024.

Directors Remuneration for the year ended 31st December 2024	Fees ¹ Shs 000	Salary Shs 000	Cash Incentive Remuneration	Other Cash Benefit Shs 000	Non-cash benefits	Retirement Benefits Shs 000	Retirement Benefits Shs 000	Total ² Shs 000
		Non-Deferred Shs 000	Deferred Shs 000					
J P M Ndegwa – Group Chairman	7,300	-	-	-	-	-	-	7,300
D A Oyatsi – Deputy Group Chairman	6,200	-	-	-	-	-	-	6,200
J Gachora – Group Managing Director	-	99,600	70,000	13,000	307	14,521	10,943	208,371
A H Abdi	19,879	-	-	-	-	-	-	19,879
M M H Abdullahi	1,780	-	-	-	-	-	-	1,780
D Abwoga – Executive Director	-	35,274	14,839	-	494	3,843	3,968	58,418
J S Armitage	9,480	-	-	-	-	-	-	9,480
I O Awuondo ³	1,590	53,550	34,000	-	176,822	28,960	18	294,940
P R Lopokoiyit	10,654	-	-	-	-	-	-	10,654
A S M Ndegwa	10,350	-	-	-	-	-	-	10,350
E N Ngaine	15,910	-	-	-	-	-	-	15,910
M K R Shah	11,350	-	-	-	-	-	-	11,350
K Thuo	5,520	-	-	-	-	-	-	5,520
	100,013	188,424	118,839	13,000	177,623	47,324	14,929	660,152

Notes:

- Where applicable, fees earned by Directors serving on the Boards of regional subsidiaries have been converted to Kenya Shillings using the annual mean rate obtained from the Central Bank of Kenya.
- Directors' total remuneration is consolidated for services rendered as a Director on the NCBA Group PLC Board and related subsidiary company Boards.
- I O Awuondo earned a salary for services rendered as Executive Chairman of the Digital Banking business of the Group up to 30th September 2024, after which he transitioned to being a Non-Executive Director. He received an ex-gratia payment in recognition of his services.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

INFORMATION SUBJECT TO AUDIT (CONTINUED)

PART 2 IMPLEMENTATION REPORT (CONTINUED)

Long Term incentives

There were no long-term incentives granted to NEDs in the year ended 31st December 2025.

Pension related benefits

Pension for Executive Directors is provided for under the Group Defined Contribution Pension Scheme, which is registered with the Retirement Benefits Authority and whose members are all employed staff of the Group up to the age of 60 years. Contribution to the scheme is made up of a minimum five percent (5%) contribution of basic salary by the employee and fifteen percent (15%) contribution from the employer. This does not include the statutory contribution to the National Social Security Fund (NSSF). As at 31st December 2025, all the Executive Directors were members of the scheme.

Non-Executive Directors are not entitled to a pension benefit.

Compensation for past directors

The Group did not make any payments to past Directors during the year ended 31st December 2025. (2024: Nil)

There was no change in the Group's policy on payments to former directors in the year ended 31st December 2025.

On behalf of the Board


_____ (signature)

D A Oyatsi
Chairman, Governance and Nominations Committee

25 March 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the Group and Company as at the end of the financial year and of its profit or loss for that year. The directors are responsible for ensuring that the Group and Company keep proper accounting records that are sufficient to show and explain the transactions of the Group and Company; disclose with reasonable accuracy at any time the financial position of the Group and Company; and that enables them to prepare financial statements of the Group and Company that comply with prescribed financial reporting standards and the requirements of the Kenyan Companies Act, 2015. They are also responsible for safeguarding the assets of the Group and Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

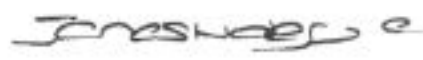
The directors accept responsibility for the preparation and presentation of these financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- i) Designing, implementing and maintaining internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error;
- ii) Selecting suitable accounting policies and then applying them consistently; and
- iii) Making judgements and accounting estimates that are reasonable in the circumstances.

Having made an assessment of the Group and Company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Group and Company's ability to continue as a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibility.

Approved by the board of directors on 25 March 2026 and signed on its behalf by



J P M NDEGWA
Chairman

J GACHORA
Group Managing Director



Deloitte & Touche LLP
Deloitte Place
Waiyaki Way, Muthangari
P.O. Box 40092 - GPO 00100
Nairobi
Kenya

Tel: (+254 (20) 423 0000
Cell: (+254 (0) 719 039 000
Email: admin@deloitte.co.ke
www.deloitte.com

REPORT OF THE INDEPENDENT AUDITORS
TO THE SHAREHOLDERS OF NCBA GROUP PLC

Report on the audit of the consolidated and separate financial statements.

Our opinion

We have audited the accompanying consolidated and separate financial statements of NCBA Group PLC (the "Company") and its subsidiaries (together, the "Group"), set out on pages 188 to 345, which comprise the consolidated and separate statements of financial position at 31 December 2025, and consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of NCBA Group PLC give a true and fair view of the financial position of the Group and the Company at 31 December 2025 and of their financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Kenyan Companies Act, 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated and separate financial statements section of our report.

We are independent of the Group and the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Kenya. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

REPORT OF THE INDEPENDENT AUDITORS
TO THE SHAREHOLDERS OF NCBA GROUP PLC (CONTINUED)

Report on the audit of the consolidated and separate financial statements (Continued)

Key audit matters (Continued)

Key audit matter	How our audit addressed the matter
Estimation of expected credit losses on loans and advances Loans and advances to customers constitute a significant portion of the total assets of the Group. As disclosed in notes 2.8, 3.2, and 5 (a), management exercises significant judgment when determining the estimates for loan impairment. This is because a number of significant assumptions and inputs go into the determination of expected credit loss (ECL) impairment amounts on loans and advances to customers as required by IFRS 9 Financial Instruments. The key areas where we identified greater levels of management judgment and therefore increased levels of audit focus in the Group's implementation of IFRS 9 include: - The judgments made to determine the categorisation (staging) of individual loans and advances accounts in line with IFRS 9. In particular, the identification of a Significant Increase in Credit Risk ("SICR") and Default definition criteria require consideration of quantitative and qualitative criteria. This is a key area of judgement as this determines whether a 12-month or lifetime PD is used; - Where there is uncertainty in respect of the respective models' ability to address specific trends or conditions due to inherent limitations of modelling based on past performance, the timing of model updates, and macroeconomic events, additional provisions are made via management overlays. Significant judgement is made in determining the management overlays; - Identification and measurement of economic scenarios to measure ECLs on a forward-looking basis reflecting a range of future economic conditions; and - Modelling for estimation of ECL parameters:: - Probabilities of Default (PDs) - Loss Given Default (LGD); and - Exposure at Default (EAD). Because of the significance of these estimates, judgments and the size of loans and advances portfolio, the audit of loan impairment provisions is considered a key audit matter.	Our audit of the impairment of loans and advances included, amongst others, the following audit procedures performed together with the assistance of our internal credit risk specialists. – - We corroborated the assumptions used for the determination of forward-looking information (FLI) in the models using publicly available information; - Tested the data used in the ECL calculation by reconciling to source systems; and - Assessed the adequacy and appropriateness of disclosures for compliance with the accounting standards.



Partners: D.M. Mbogho; A.N. Muraya; F. O. Aloo; B.W. Irungu; I. Karim; F. Okwiri; F.O Omondi; F. Mitambo; P. Seroney; D. Waweru; C Luo; J. Mureithi.

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

REPORT OF THE INDEPENDENT AUDITORS
TO THE SHAREHOLDERS OF NCBA GROUP PLC (CONTINUED)

Report on the audit of the consolidated and separate financial statements (Continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors report, Directors' remuneration report and Statement of directors' responsibilities but does not include the consolidated and separate financial statements and our auditors' report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, other than that prescribed by the Kenyan Companies Act, 2015, as set out below.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Auditor's responsibilities for the audit of the consolidated and separate financial statements (continued)
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to

REPORT OF THE INDEPENDENT AUDITORS
TO THE SHAREHOLDERS OF NCBA GROUP PLC (CONTINUED)

modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

Auditors' responsibilities for the audit of the consolidated and separate financial statements (Continued)

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other matters prescribed by the Kenyan Companies Act, 2015

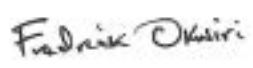
Report of the directors

In our opinion the information given in the report of directors' report on pages 174 to 176 is consistent with the financial statements.

Directors' remuneration report

In our opinion, the auditable part of the directors' remuneration report on pages 177 to 182 has been properly prepared in accordance with the Kenyan Companies Act, 2015.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Fredrick Okwiri, Practising Certificate No. 1699.

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For and on behalf of Deloitte & Touche LLP
Certified Public Accountants (Kenya)
Nairobi
26 March 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2025

	Notes	GROUP		COMPANY	
		2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Interest income	6	81,764,856	88,620,061	108,384	39,878
Interest expense	7	(24,053,334)	(41,173,285)	-	-
Net interest income		57,711,522	47,446,776	108,384	39,878
Fees and commission income	9	6,034,076	6,221,872	-	-
Fees and commission expense	9	(637,585)	(641,293)	-	-
Net fees and commission income		5,396,491	5,580,579	-	-
Insurance revenue	10 (a)	3,473,186	1,717,633	-	-
Insurance service expense	10 (b)	(1,882,066)	(495,692)	-	-
Net insurance service result before reinsurance contracts held		1,591,120	1,221,941	-	-
Net expenses from reinsurance contracts held	11	(1,075,569)	(813,216)	-	-
Insurance service result		515,551	408,725	-	-
Net finance expense from insurance contracts	12(a)	(224,155)	(427,132)	-	-
Net finance income from insurance contracts	12(b)	124,489	169,353	-	-
Net insurance finance expense	12	(99,666)	(257,779)	-	-
Net insurance result		415,885	150,946	-	-
Foreign exchange income	13	5,079,771	6,249,763	-	-
Gain on disposal of financial instruments	14	550,892	334,328	-	-
Fair value loss on financial assets	15 (a)	-	(94,249)	-	-
Other income	15 (b)	2,677,392	2,328,478	14,872,816	12,449,879
Bargain purchase gain	51 (e)	-	(273,111)	-	-
Loss on remeasurement of investment in associate	51 (d)	-	266,832	-	-
Non-interest income		14,120,431	14,543,565	14,872,816	12,449,879
Net operating income		71,831,953	61,990,341	14,981,200	12,489,757
Operating expenses	16	(37,131,182)	(31,889,883)	(957,843)	(460,787)
Operating profit before impairment losses		34,700,771	30,100,458	14,023,357	12,028,970

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)
for the year ended 31 December 2025

	Notes	GROUP		COMPANY	
		2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Credit impairment losses	8	(6,902,153)	(5,046,435)	-	-
Profit before share of associates' profit		27,798,618	25,054,023	14,023,357	12,028,970
Share of associates profit	30	91,612	87,025	-	-
Profit before income tax		27,890,230	25,141,048	14,023,357	12,028,970
Income (tax expense)/credit	18	(4,496,712)	(3,275,281)	16,132	(123,269)
Profit for the year		23,393,518	21,865,767	14,039,489	11,905,701
Profit for the year attributable to:					
Equity holders of the Group		23,400,299	21,881,139	14,039,489	11,905,701
Non-controlling interests		(6,781)	(15,372)	-	-
		23,393,518	21,865,767	14,039,489	11,905,701
Earnings per share – basic and diluted (KES)	20	14.20	13.28	8.52	7.23
Profit for the year		23,393,518	21,865,767	14,039,489	11,905,701
Other comprehensive income/(loss) net of income tax:					
<i>Items that may be subsequently reclassified to profit or loss</i>					
Fair value gains on financial assets measured at FVOCI, net of tax	45	3,979,928	2,327,070	-	-
Exchange differences on translation of foreign operations		(189,392)	(2,597,810)	-	-
Net other comprehensive income/ (loss) that may be reclassified to the profit or loss in subsequent period		3,790,536	(270,740)	-	-
<i>Items that will not be reclassified to profit or loss in subsequent periods</i>					
Revaluation surplus on property measured at FVOCI, net of tax	46	-	106,020	-	-
Net other comprehensive income that will not be reclassified to the profit or loss in subsequent period		-	106,020	-	-
Other comprehensive income / (loss) for the year, net of income tax		3,790,536	(164,720)	-	-
Total comprehensive income for the year		27,184,054	21,701,047	14,039,489	11,905,701
Attributable to:					
Equity holders of the Group		27,190,835	21,716,419	14,039,489	11,905,701
Non-controlling interests		(6,781)	(15,372)	-	-
		27,184,054	21,701,047	14,039,489	11,905,701

Who We Are

Our Business

ESG, Climate Risk & Sustainable Finance

Our Financials

Other Information

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

Notes	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
ASSETS				
Cash and balances with Central Banks	21	63,774,068	43,679,381	-
Item in the course of collection	22	687,951	553,733	-
Due from banking institutions	23	51,367,772	52,956,080	-
Derivative assets	24	6,432	18,089	-
Government securities	25	221,551,079	207,516,292	-
Investment securities	26	15,512,628	15,226,830	-
Customer loans and advances	27	306,917,975	293,932,350	-
Current income tax recoverable	18	538,983	1,880,967	-
Insurance contract assets	28 (a)	52,362	-	-
Reinsurance contract assets	28 (b)	1,307,474	1,720,552	-
Other assets	29	25,266,155	19,268,491	785,640
Due from group companies	48	-	-	674,533
Investment in associates	30	3,416,233	3,366,767	495,401
Investment in subsidiaries	31	-	-	75,488,682
Intangible assets	32	7,263,963	7,455,118	75,488,682
Property and equipment	33	4,719,475	4,333,185	-
Deferred income tax	34	9,955,077	10,014,063	-
Lease prepayments – leasehold land	35	521,750	521,875	88,406
Right of use asset	36	3,153,780	3,465,991	-
Goodwill	37	34,000	34,000	-
Total assets		716,047,157	665,943,764	76,997,081
LIABILITIES				
Customer deposits	38	531,866,221	502,016,493	-
Due to banking institutions	39	10,337,119	13,407,659	-
Due to group companies	48	-	-	2,101,137
Insurance contract liabilities	28 (a)	1,990,012	2,151,016	7,892,756
Reinsurance contract liabilities	28 (b)	87,381	62,469	-
Other liabilities	40	29,601,342	24,240,852	-
Borrowings	41	7,565,293	10,172,225	974,613
Current income tax payable	18	3,293,893	7,697	-
Lease liabilities	42	3,880,330	4,170,604	1,372
Total liabilities		588,621,591	556,229,015	3,676,085
SHAREHOLDERS' EQUITY				
Share capital	43	8,237,598	8,237,598	8,237,598
Share premium	44	21,424,322	21,424,322	21,424,322
Investment revaluation reserve	45	1,525,409	(2,454,519)	-
Revaluation surplus on property	46	106,020	106,020	-
Retained earnings		89,423,201	77,720,291	36,080,486
Foreign currency translation reserve		(840,559)	(658,029)	-
Proposed dividend		7,578,590	5,354,438	-
Total capital and reserves attributable to equity holders of the Group		127,454,581	109,730,121	73,320,996
Non-controlling interests		(29,015)	(15,372)	-
Total shareholders' equity		127,425,566	109,714,749	73,320,996
Total liabilities and shareholders' equity		716,047,157	665,943,764	76,997,081

The financial statements on pages 188 to 345 were approved and authorised for issue by the Board of Directors on 25 March 2026 and were signed on its behalf by:

J P M Ndegwa Group Chairman	J Gachora Group Managing Director	A H Abdi Independent Non-Executive Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2025

	Share capital KES '000	Share premium KES '000	Investment Revaluation reserve KES '000	Revaluation surplus on property KES '000	Retained earnings KES '000	Foreign currency translation reserve KES '000	Proposed dividend KES '000	Capital and reserves attributable to equity holders of the Group KES '000	Non-controlling interest KES '000	Total equity KES '000
At 1 January 2025	8,237,598	21,424,322	(2,454,519)	106,020	77,720,291	(658,029)	5,354,438	109,730,121	(15,372)	109,714,749
Total comprehensive income for the year, net of tax	-	-	-	-	23,400,299	-	-	23,400,299	(6,781)	23,393,518
Profit for the year	-	-	-	-	-	-	-	-	-	-
Gain on revaluation of financial assets at FVOCI	-	-	3,979,928	-	-	-	-	3,979,928	-	3,979,928
Currency translation differences	-	-	-	-	-	(182,530)	-	(182,530)	(6,862)	(189,392)
Total comprehensive income	-	-	-	-	23,400,299	-	-	23,400,299	(6,781)	23,393,518
Transaction with equity holders	-	-	-	-	-	-	-	-	-	-
Dividends:	-	-	-	-	-	-	-	-	-	-
2024 Final dividend paid	-	-	-	-	(4,118,799)	-	-	(4,118,799)	-	(5,354,438)
2025 Interim dividend paid	-	-	-	-	(7,578,590)	-	-	(7,578,590)	-	(4,118,799)
2025 Proposed final dividend	-	-	-	-	-	-	7,578,590	-	-	-
Total transactions with owners	-	-	-	-	(11,697,389)	-	-	(9,473,237)	-	(9,473,237)
At 31 December 2025	8,237,598	21,424,322	1,525,409	106,020	89,423,201	(840,559)	5,354,438	136,927,818	(29,015)	127,425,566

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

for the year ended 31 December 2025

	Share capital KES '000	Share premium KES '000	Investment revaluation reserve KES '000	Revaluation reserve KES '000	Retained earnings KES '000	Foreign currency translation reserve KES '000	Proposed dividend KES '000	Capital and reserves attributable to equity holders of the Group KES '000	Non-controlling interest KES '000	Total equity KES '000
At 1 January 2024	8,237,598	21,424,322	(4,781,589)	-	64,900,509	1,939,781	4,942,557	96,663,178	-	96,663,178
Total comprehensive income for the year, net of tax										
Profit for the year	-	-	-	-	21,881,139	-	-	21,881,139	(15,372)	21,865,767
Gain on revaluation of financial assets at FVOCI	-	-	2,327,070	-	-	-	-	2,327,070	-	2,327,070
Currency translation differences	-	-	-	-	-	(2,597,810)	-	(2,597,810)	-	(2,597,810)
Gain on revaluation of property at FVOCI	-	-	-	106,020	-	-	-	106,020	-	106,020
Total comprehensive income	8,237,598	21,424,322	(2,454,519)	106,020	86,781,648	(658,029)	4,942,557	118,379,597	(15,372)	118,364,225
Transaction with Equity Holders										
Dividends:										
- 2023 Final dividend paid	-	-	-	-	-	-	(4,942,557)	(4,942,557)	-	(4,942,557)
- 2024 Interim dividend paid	-	-	-	-	(3,706,919)	-	-	(3,706,919)	-	(3,706,919)
- 2024 Proposed final dividend	-	-	-	-	(5,354,438)	-	5,354,438	-	-	-
Total transactions with owners	-	-	-	-	(9,061,357)	-	411,881	(8,649,476)	-	(8,649,476)
At 31 December 2024	8,237,598	21,424,322	(2,454,519)	106,020	77,720,291	(658,029)	5,354,438	109,730,121	(15,372)	109,714,749

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2025

At 1 January 2025	Share capital KES '000	Share premium KES '000	Share capital KES '000	Share premium KES '000	Retained earnings KES '000	Proposed dividend KES '000	Total equity KES '000
Total comprehensive income for the year	8,237,598	21,424,322	33,738,386	5,354,438	68,754,744		
Transactions with owners, recorded directly through equity							
Dividends:	-	-	14,039,489	-	-	-	14,039,489
- 2024 Final dividend paid	-	-	-	-	(5,354,438)	-	(5,354,438)
- 2025 Interim dividend paid	-	-	(4,118,799)	-	-	-	(4,118,799)
- 2025 Proposed final dividend	-	-	(7,578,590)	-	7,578,590	-	-
Total Transactions with Equity Holders	-	-	(11,697,389)	2,224,152	(9,473,237)		
At 31 December 2025	8,237,598	21,424,322	36,080,486	7,578,590	73,320,996		
At 1 January 2024	8,237,598	21,424,322	30,894,042	4,942,557	65,498,519		
Profit and total comprehensive income for the year	-	-	11,905,701	-	-	-	11,905,701
Transactions with owners, recorded directly through equity							
Dividends:	-	-	-	-	(4,942,557)	-	(4,942,557)
- 2023 Final dividend paid	-	-	(3,706,919)	-	-	-	(3,706,919)
- 2024 Interim dividend paid	-	-	(5,354,438)	-	5,354,438	-	-
- 2024 Proposed final dividend	-	-	-	-	-	-	-
Total Transactions with Equity Holders	-	-	(9,061,357)	411,881	(8,649,476)		
At 31 December 2024	8,237,598	21,424,322	33,738,386	5,354,438	68,754,744		

STATEMENT OF CASH FLOWS

for the year ended 31 December 2025

	Notes	GROUP		COMPANY	
		2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax		27,890,230	25,141,048	14,023,357	12,028,970
Non-cash items	50	(47,400,221)	(39,513,142)	-	-
Changes in operating assets and liabilities	50	8,369,234	(43,474,189)	(5,384,204)	(1,314,552)
Income tax paid	18	(1,355,814)	(3,983,752)	(112,276)	(115,063)
Interest received		74,342,470	88,067,693	108,384	39,876
Interest paid		(23,614,078)	(40,694,997)	-	-
Net cash generated from/ (used in) operating activities		38,231,821	(14,457,339)	8,635,261	10,639,231
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment in subsidiaries	51	-	(866,856)	-	(1,075,000)
Purchase of government securities		(121,450,266)	(73,668,934)	-	-
Proceeds from matured government securities		114,597,561	90,759,782	-	-
Purchase of investment securities		(4,132,084)	(2,111,424)	-	-
Proceeds from sale of investments		3,636,238	4,532,678	-	-
Purchase of intangible assets	32	(1,004,631)	(817,215)	-	-
Purchase of property and equipment	33	(1,562,921)	(2,696,205)	-	-
Proceeds on sale of equipment		33,896	32,830	-	-
Net cash (used in)/ generated from in investing activities		(9,882,207)	15,164,656	-	(1,075,000)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(9,473,237)	(8,649,476)	(9,473,237)	(8,649,476)
Repayment of long-term borrowings	41(b)	(2,306,472)	(1,854,207)	-	-
Payment towards lease liabilities	42	(979,929)	(865,022)	-	-
Proceeds from borrowings	41(b)	-	6,843,499	-	-
Net cash used in financing activities		(12,759,638)	(4,525,206)	(9,473,237)	(8,649,476)
Increase/(decrease) in cash and cash equivalents		15,589,976	(3,817,889)	(837,976)	914,755
Cash and cash equivalents at 1 January*	49	87,178,442	90,504,283	1,333,377	418,622
Foreign currency exchange difference		(235,021)	492,048	-	-
Cash and cash equivalents at 31 December	49	102,533,397	87,178,442	495,401	1,333,377

*Comparative figures have been restated. Refer to note 49 (b)

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

NCBA Group PLC (the "Company/Parent") and its subsidiaries (together, the "Group") provide retail, corporate and digital banking, brokerage, bancassurance, insurance and investment banking services. NCBA Group PLC is incorporated in Kenya under the Kenyan Companies Act, 2015 as a public limited liability company and is domiciled in Kenya. The Company's shares are listed on the Nairobi Securities Exchange (NSE). NCBA Group PLC operates in Kenya, Tanzania, Uganda, Rwanda, Cote d'Ivoire and Ghana through its associates and subsidiaries as captured in notes 30 and 31 respectively.

The address of its registered office is as follows:

NCBA Centre
Mara and Ragati Roads, Upper Hill P.O. Box 44599 – 00100
Nairobi, Kenya

For Kenyan Companies Act, 2015 reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by the statement of profit or loss and other comprehensive income, in these financial statements

2. Material accounting policies

2.1 Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

i) Compliance with IFRS

The financial statements have been prepared in compliance with IFRS @ accounting standards as issued by the International Accounting Standards Board (IASB) and the interpretations issued by the IFRS Interpretations Committee of the IASB (IFRS IC) applicable to companies reporting under IFRS and the requirements of the Kenyan Companies Act, 2015. The financial statements are presented in thousands of Kenya shillings rounded to the nearest thousand (KES '000) and are prepared under the historical cost convention except where otherwise stated in the accounting policies below. For those assets at fair value, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Having made an assessment of the Group and Company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Group and Company's ability to continue as a going concern.

(ii) Use of estimates

The preparation of financial statements in conformity with IFRS @ requires the use of certain critical accounting estimates and assumptions. It also requires the directors to exercise judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in note 5.

(iii) Changes in accounting policies and disclosures

Standards, amendments and interpretations to existing standards that are effective in the year

These amendments apply for the first time in the year, but do not have significant impact on the audited financial statements of the Group and Company.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (Continued)

2.1 Basis of preparation (Continued)

iii) Changes in accounting policy and disclosures (continued)

Standards, amendments and interpretations to existing standards that are effective in the year (continued)

Amendments to IAS 21 - Lack of Exchangeability.

The amendment is effective for annual periods beginning on or after 1 January 2025.

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

The directors do not expect that the adoption of the amendment will have a material impact on the financial statements of the Group.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are listed below:

New standards or amendments	Effective for annual period beginning on or after
Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	1 Jan 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 Jan 2026
Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity	1 Jan 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	1 Jan 2027
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 Jan 2027
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
IFRS S1 and IFRS S2 (issued in June 2023)	Voluntary – 01 January 2024 Mandatory – 01 January 2027

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Entities can early adopt the amendments that relate to the classification of financial assets plus the related disclosures and apply the other amendments later.

Key requirements

In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which:

- Clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (Continued)

2.1 Basis of preparation (Continued)

iii) Changes in accounting policy and disclosures (Continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (Continued)

- Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- Clarifies the treatment of non-recourse assets and contractually linked instruments terms that requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

The publication of the amendments concludes the classification and measurement phase of the IASB's post implementation review (PIR) of IFRS 9 Financial Instruments. The new requirements will be applied retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight. An entity is required to disclose information about financial assets that change their measurement category due to the amendments.

The directors do not expect that the adoption of the amendment will have a material impact on the financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policies (Continued)

2.1 Basis of preparation (Continued)

iii) Changes in accounting policy and disclosures (Continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)

Annual Improvements to IFRS Accounting Standards—Volume 11

The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS. In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11.

The following is a summary of the amendments from the Annual Improvements to IFRS Accounting Standards—Volume 11:

IFRS 1 First-time Adoption of International Financial Reporting Standards	Hedge Accounting by a First-time Adopter Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.
IFRS 7 Financial Instruments: Disclosures	Gain or Loss on Derecognition The amendments update the language on unobservable inputs in paragraph B38 of IFRS 7 and include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.
Guidance on implementing IFRS 7 Financial Instruments: Disclosures	Introduction The amendments to paragraph IG1 of the Guidance on implementing IFRS 7 clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.
Guidance on implementing IFRS 7 Financial Instruments: Disclosures	Disclosure of Deferred Difference between Fair Value and Transaction Price Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.
Guidance on implementing IFRS 7 Financial Instruments: Disclosures	Credit Risk Disclosures Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.1 Basis of preparation (Continued)

iii) Changes in accounting policy and disclosures (Continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)

Annual Improvements to IFRS Accounting Standards—Volume 11 (Continued)

IFRS 9 Financial Instruments	Transaction Price Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term 'transaction price' in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.
IFRS 10 Consolidated Financial Statements	Determination of a 'De Facto Agent' Paragraph B74 of IFRS 10 has been amended to clarify that the relationship described in paragraph B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor. The amendments are intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.
IAS 7 Statement of Cash Flows	Cost Method Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

The directors do not expect that the adoption of these amendments will have a material impact on the financial statements of the Bank.

Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity

The amendment is effective for annual periods beginning on or after 1 January 2026.

The amendments include:

- Clarifying the application of the 'own-use' requirements
- Permitting hedge accounting if these contracts are used as hedging instruments
- Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.1 Basis of preparation (Continued)

iii) Changes in accounting policy and disclosures (Continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)

Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity (Continued)

The clarifications regarding the 'own use' requirements must be applied retrospectively, but the guidance permitting hedge accounting have to be applied prospectively to new hedging relationships designated on or after the date of initial application.

The directors do not expect that the adoption of the amendment will have a material impact on the financial statements of the Group.

IFRS 18 – Presentation and Disclosure in Financial Statements

The standard is effective for annual periods beginning on or after 1 January 2027.

IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information

An entity will be required to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. In addition, IFRS 18 requires an entity to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'.

Management-defined performance measures

IFRS 18 introduces the concept of a management-defined performance measure (MPM) which it defines as a subtotal of income and expenses that an entity uses in public communications outside financial statements, to communicate management's view of an aspect of the financial performance of the entity as a whole to users. IFRS 18 requires disclosure of information about all of an entity's MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM, including how the measure is calculated and a reconciliation to the most comparable subtotal specified by IFRS 18 or another IFRS accounting standard.

The directors are currently assessing the impact of IFRS 18, which is expected to affect the presentation and disclosure of its statement of profit or loss and other comprehensive income.

IFRS 19 - Subsidiaries without Public Accountability: Disclosures

The standard is effective for annual periods beginning on or after 1 January 2027.

In May 2024, the Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.1 Basis of preparation (Continued)

iii) Changes in accounting policy and disclosures (Continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)

IFRS 19 - Subsidiaries without Public Accountability: Disclosures (Continued)

An entity applying IFRS 19 is required to disclose that fact as part of its general IFRS accounting standards compliance statement. IFRS 19 requires an entity whose financial statements comply with IFRS accounting standards including IFRS 19 to make an explicit and unreserved statement of such compliance.

An entity may elect to apply IFRS 19 if at the end of the reporting period:

- It is a subsidiary as defined in IFRS 10;
- It does not have public accountability; and
- It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards

An entity is required, during the first period (annual and interim) in which it applies the standard, to align the disclosures in the comparative period with the disclosures included in the current period under IFRS 19, unless IFRS 19 or another IFRS accounting standard permits or requires otherwise.

The directors do not expect that the adoption of the amendment will have a material impact on the financial statements of the Group.

Amendments to IFRS 10 and IAS 28-Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted.

In December 2015 the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.

The directors do not expect that the adoption of the amendment will have a material impact on the financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.1 Basis of preparation (Continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued)

IFRS S1 and IFRS S2 (issued in June 2023)

In 2021, IFRS established the International Sustainability Standards Board (ISSB) to develop sustainability & climate-related disclosure standards that provide investors and other capital market players with information on sustainability-related risks and opportunities for decision making. The disclosure standards were released in June 2023.

IFRS S1 (General Sustainability-related Disclosures) requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term.

IFRS S2 (Climate-related Disclosures) applies to climate-related risks to which the entity is exposed, which are: climate-related physical risks, climate-related transition risks and climate-related opportunities available to the entity.

The directors are assessing the impact of the standard ahead of the adoption of the standard in the Group.

2.2 Consolidation

The consolidated financial statements comprise the financial statements of NCBA Group PLC (the "Company") and its subsidiaries (see note 31) and equity accounted stake in associates (see note 30) up to 31 December 2025 (together the "Group"). All inter-company transactions, balances and gains or losses on transactions between Group companies are eliminated in full on consolidation.

i) Investment in subsidiaries

Subsidiary undertakings are those companies in which the Group has control. The Group controls an entity when the Group is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date when it ceases. Investment in subsidiaries are carried in the Company's statement of financial position at cost less provision for impairment losses.

ii) Investment in associates

An associate is a company in which the Group has significant influence, but not control, as defined by IFRS 10: Consolidated financial statements. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The consolidated financial statements include the Group's share of net assets of the associate on an equity accounting basis, from the date that significant influence commences until the date that significant influence ceases. At Company level, associates are recognised at cost less impairment.

iii) Changes in ownership interest

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions; that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.2 Consolidation (Continued)

iii) Changes in ownership interest (Continued)

When the Group ceases to have control, any retained interest in the entity is measured to its fair value at the date when control is lost, with any resulting gain or loss recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

iv) Non-controlling interest (NCI)

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

2.3 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase consideration is recognised in profit and loss immediately.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.4 Interest income and expense recognition

Effective interest rate

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to::

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

For purchased or originated credit- impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

2.5 Fee and commission income

Fee and commission income and expense that are integral to the effective interest rate on a financial assets or financial liability are included in the effective interest rate. If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

Other fee and commission revenue, including transactional fees, account servicing fees, investment management fees and sales commissions are recognised as the performance obligations under the related services' contracts are completed. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognised as an adjustment to the effective interest rate on the loan. Loan syndication fees are recognised as revenue when the syndication has been completed and the Group has retained no part of the loan package for itself or has retained a part at the same effective interest rate as the other participants. Other fees and commissions revenue are in the scope of IFRS 15.

Commission and fees arising from negotiating, or participating in the negotiation of, a transaction for a third party – such as the arrangement of the acquisition of shares or other securities, or the purchase or sale of businesses – are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts, usually on a time-proportionate basis. Performance-linked fees or fee components are recognised when the performance criteria are fulfilled.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.6 Other income

Other income includes dividends received from subsidiaries and associate investments, fair value gains and losses on investment securities at fair value through profit or loss, dividends relating to those financial instruments.

Dividends on equity instruments are recognised in the profit or loss when the Group's right to receive payment is established.

2.7 Foreign currency translation

i) Functional and presentation currency

The financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the "Functional Currency"). The financial statements are presented in Kenya Shillings, which is the Group's Presentation Currency. Except as indicated, financial information presented in Kenya Shillings has been rounded to the nearest thousand. The functional currency of the company is Kenya Shillings.

ii) Transactions and balances

The results and financial position of the subsidiaries have been translated into the presentation currency as follows:

- (i) Assets and liabilities at each reporting period are translated at the closing rate at the reporting date;
- (ii) Income and expenses for each statement of comprehensive income are translated at average exchange rates

Foreign currency transactions that are transactions denominated, or that require settlement, in a foreign currency are translated into the respective functional currencies of the operations using the exchange rates prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Translation differences on non-monetary financial instruments, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary financial instruments, such as equities classified as financial assets at fair value through other comprehensive income are included in other comprehensive income.

i) Recognition and subsequent measurement

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.8 Financial assets (Continued)

All financial instruments are measured initially at fair value plus directly attributable transaction costs and fees, except for those financial instruments that are subsequently measured at fair value through profit or loss where such transaction costs and fees are immediately recognised in profit or loss.

The Group determines the appropriate classification of its financial assets at initial recognition. It recognises a financial asset in its statement of financial position when it becomes party to the contractual provisions of the instrument.

i) Recognition and subsequent measurement (Continued)

Financial assets (except those carried at fair value through profit or loss) are initially recognised in the financial statements at fair value plus transaction costs.

The Group classifies its financial assets into the following categories.

- Financial assets at fair value through profit or loss ("FVTPL");
- Financial assets measured at amortised cost; and
- Financial assets at fair value through other comprehensive income ("FVTOCI").

The Group's classification is based on the contractual cash flow characteristics of the asset and the business model for managing the financial assets.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/ (losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises. Interest income and credit related income from these financial assets is included in "interest income" using the effective interest rate method.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.8 Financial assets (Continued)

i) Recognition and subsequent measurement (Continued)

The classification of financial instruments can be seen in the table below:

	Class as defined by IFRS 9 and as determined by the Group	Subclasses
On Balance sheet Financial assets	Financial assets at fair value through profit and loss (FVPL)	• Government securities held for trading • Investment Securities • Derivative assets • Loans
	Investments as at fair value through other comprehensive income (FVOCI)	• Government securities acquired for both holding and selling • Property and Equipment (Building)
	Financial assets at amortised cost	• Loans and advances to customers • Deposits and balances due from banking Institutions • Government securities held to collect contractual cashflows • Investment securities • Cash and balances with Central Banks • Other assets*
On balance sheet Financial liabilities	Financial liabilities at armortised cost	• Deposits from customers • Deposits and balances due to banking institutions • Other liabilities** • Borrowings
	Financial liabilities at FVPL	None
Off-balance sheet financial instruments	Off-balance sheet financial instruments	Guarantees, acceptances, letter of credit and other commitments
*This includes funding for mobile initiated transactions		
** This majorly includes funding for mobile initiated transactions		

Contractual characteristics of a financial asset / SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the "SPPI test"). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Group's business model: TThe business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from sale of assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.8 Financial assets (Continued)

i) Recognition and subsequent measurement (Continued)

If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of "other" business model and measured at FVPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how cash flows for these assets were collected, how the asset's performance is evaluated and reported by key management personnel, how risks are assessed and managed and how managers are compensated. For example, the liquidity portfolio of assets is held by the Group as part of liquidity management and is generally classified with the hold to collect and sell business model. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the "other" business model and measured at FVPL.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. The changes are expected to be very infrequent and none occurred during the year.

ii) Modification of loans

The Group may sometimes renegotiate or otherwise modify the contractual cash flows of loans to customers. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms. The Group does this by considering, among others, the following factors:

If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.

- Whether any substantial new terms are introduced, such as a profit share/equity based return that substantially affects the risk profile of the loan;
- Significant extension of the loan term when the borrower is not in financial difficulty;
- Significant change in interest rate; and
- Change in the currency of the loan - Insertion of collateral, other security or credit enhancement that significantly affect the credit risk associated with the loan

If the terms are substantially different, the Group derecognises the original financial asset and recognises a "new" asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred.

Before renegotiation, the Group assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on de-recognition.

As a result of the Bank's forbearance activities financial assets might be modified. The following tables refer to modified financial assets where modification does not result in derecognition.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.8 Financial assets (Continued)

ii) Modification of loans (Continued)

	2025 KES '000	2024 KES '000
Financial assets (with loss allowance based on lifetime ECL) modified during the period		
Carrying amount before modification	3,236,982	19,346,681
Loss allowance before modification	(371,575)	(4,887,680)
Net amortised cost before modification	2,865,407	14,459,001
Net modification loss	(194,065)	(292,246)
Net amortised cost after modification	2,671,342	14,166,755
Loss allowance after modification	333,753	4,449,954

If the terms are not substantially different, the renegotiation or modification does not result in de-recognition, the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate of credit-adjusted effective interest rate for POCI financial assets.

iii) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

The Group enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as "pass through" transfers that result in de-recognition if the Group:

- Has no obligation to make payments unless it collects equivalent amounts from the assets;
- Is prohibited from selling or pledging the assets; and
- Has an obligation to remit any cash it collects from assets without material delays.

Collateral (shares and bonds) furnished by the Group under standard repurchase agreements and securities lending and borrowings transactions are not derecognised because the Group retains substantially all the risks and rewards on the basis of predetermined repurchase price, and the criteria for de-recognition are therefore not met. This also applies to certain securitization transactions in which the Group retains a subordinated residual interest.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.8 Financial assets (Continued)

iv) Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit loss ("ECL") associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Group recognises a loss allowance for such losses at each reporting date.

The Group recognises loss allowances for Expected Credit Losses (ECL) on the following financial instruments that are not measured at FVPL: Government securities held to collect contractual cashflows, Customer loans and advances, investment securities and cash and bank balances.

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Refer to Note 3.2 (b) for further details on how ECLs are determined, including some of the significant underpinning their computation.

Equity Instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets e.g. basic ordinary shares.

The Group measures all equity investments at fair value through profit or loss, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income.

Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Group's right to receive payment is established. Gains and losses on equity investments at FVPL are included in the "Other income" line in the statement of comprehensive income.

2.9 Financial liabilities

Financial liabilities are classified and subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss such as derivatives, financial liabilities held for trading (e.g. short positions in the trading booking) and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair values of the financial liability that is attributable to changes in the credit risk of that liability) and partially profit or loss (the remaining amount of change in the fair value of the liability);
- Financial liabilities arising from the transfer of financial assets which did not qualify for de-recognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Group recognises any expense incurred on the financial liability; and
- Financial guarantee contracts and loan commitments

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.9 Financial liabilities (Continued)

The Group's holding in financial liabilities comprises mainly of borrowings, deposits from Banks and customers, balances due to Group companies and other liabilities. Such financial liabilities are initially recognised at fair value, generally being their issue proceeds, net of directly attributable transaction costs incurred. They are subsequently measured at amortised cost and interest is recognised using the effective interest method.

Borrowing costs that relate to qualifying assets, that is, assets that necessarily take a substantial period of time to get ready for their intended use or sale and which are not measured at fair value, are capitalised. All other borrowing costs are recognised in profit or loss. Borrowing costs consist of interest and other costs that an entity incurred in connection with the borrowing of funds.

Derecognition and of financial liabilities

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

Modification of financial liabilities

When the modification of the terms of an existing financial liability is not judged to be substantial and, consequently, does not result in derecognition, the amortised cost of the financial liability is recalculated by computing the present value of estimated future contractual cash flows that are discounted at the financial liability's original Effective Interest Rate. Any resulting difference is recognised immediately in profit or loss. For financial liabilities, the Group considers a modification to be substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent.

2.10 Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of the debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities. Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Group are measured as the amount of the loss allowance. The Group has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument, other than for staff facilities. For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan to the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as provision.

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle the asset and the liability on a net basis, or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.12 Insurance contracts

(i) Summary of measurement approaches

The Group issues general insurance products to individuals and companies. These include property, financial lines, marine, personal accident and motor products. These products offer protection of a policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's accident.

The Group also issues reinsurance contracts in the normal course of business to compensate other entities for claims arising from one or more insurance contracts issued by those entities.

The Group does not issue any contracts with direct participating features. No contracts are within the scope of the Variable Fee Approach.

(ii) Definition and classification

A contract is recognized as an insurance contract if it involves the assumption by the Company of significant insurance risk. Insurance risk is transferred to the Group where it agrees to compensate a policyholder if a specified uncertain future event, other than those caused by changes in a financial variable such as interest and foreign exchange rates, adversely affects the policyholder. The Group uses judgement to assess whether a contract transfers insurance risk (i.e., if there is a scenario with commercial substance in which the Group has the possibility of a loss on a present value basis) and whether the insurance risk accepted is significant. Once a contract has been classified as an insurance contract, it remains an insurance contract until derecognized even if the insurance risk becomes insignificant during this period.

In the ordinary course of business, the Group places reinsurance with affiliated and unaffiliated reinsurance and insurance companies in order to manage exposures by limiting its maximum net loss arising from large risks or catastrophic events and protect the capital position of the Group. A reinsurance contract is deemed to transfer significant insurance risk if it transfers to the reinsurer substantially all of the insurance risk from the reinsured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

A variety of traditional reinsurance products are used in connection with the Group's risk management strategy. These products include all lines quota share treaties as well as an accident year stop loss treaty.

All references to 'insurance contracts' in these financial statements apply equally to insurance contracts issued or acquired (including assumed reinsurance contracts from reinsurance and insurance companies) and reinsurance contracts held, unless specifically stated otherwise.

Any contract that has the legal form of an insurance contract but does not involve the transfer of significant insurance risk is accounted for as an investment contract. Transactions under investment contracts are not recognized through the Statement of Profit or Loss and Other Comprehensive Income and are accounted for as financial instruments under IFRS 9.

(iii) Combination and separation of insurance contracts

Before measuring an insurance contract under the requirements of IFRS 17, the Group evaluates whether the contract contains components that should be separated. IFRS 17 distinguishes the following categories of non-insurance components that are required to be identified and accounted for separately:

- Cash flows related to embedded derivatives identified and, where applicable, measured applying IFRS 9;
- Cash flows related to distinct investment components measured applying IFRS 9; and
- Promises to transfer distinct goods or non-insurance services, measured applying IFRS 15, Revenue from Contracts with Customers ("IFRS 15").

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.12 Insurance contracts (Continued)

(iii) Combination and separation of insurance contracts (Continued)

The Group applies IFRS 17 to all remaining components of the contract that are not separated. Where multiple insurance components are incorporated into a single contract, these multiple insurance components are measured separately where facts and circumstances indicate that separation more appropriately reflects the economic substance of the contract.

Where a set or series of insurance contracts is issued to the same or a related counterparty and achieves, or is designed to achieve, an overall commercial effect, the Group combines the set or series of contracts as a whole to reflect the economic substance of the individual contracts.

(iv) Unit of account

The Group identifies portfolios of insurance contracts that are subject to similar risks and managed together. Each portfolio is further disaggregated into groups of insurance contracts that are issued within a calendar year (annual cohorts) and are:

- contracts that are onerous at initial recognition;
- contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or a group of remaining contracts..

These groups represent the level of aggregation at which insurance contracts are initially recognized and measured. Once established at initial recognition, the composition of the groups is not reassessed subsequently.

For each portfolio of contracts, the Group determines the appropriate level at which reasonable and supportable information is available to assess whether these contracts are onerous at initial recognition and, for the remaining contracts, whether they have no significant possibility of becoming onerous subsequently. This level of granularity determines sets of insurance contracts. The Group uses judgement to determine the level at which the Group has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogenous that they can be allocated to the same group without performing an individual contract assessment. Where no such information is identified, insurance contracts are allocated to a group on the basis of a contract-by-contract review.

Where the Group is constrained by laws or regulation from setting a price to different policyholders fully reflective of their different risk profiles, the effect of such constraints is disregarded when applying the aggregation requirements of IFRS 17.

For insurance contracts measured using the PAA, the Group assumes that no such contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts may be onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous contracts. For non-onerous contracts, the Group assesses the likelihood of changes in relevant facts and circumstances in subsequent periods in determining whether contracts have no significant possibility of becoming onerous subsequent to initial recognition.

Portfolio of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued and, unless the economic substance of the Group's rights and obligations under reinsurance contracts held meet the separation requirements, a group of reinsurance contracts held may provide coverage for underlying contracts that are included in different groups.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.12 Insurance contracts (Continued)

(iv) Unit of account (Continued)

Within a portfolio, the Group aggregates reinsurance contracts held concluded within a calendar year (annual cohorts) into groups of:

- contracts for which there is a net gain at initial recognition;
- contracts that at initial recognition, there is no significant possibility of a net gain arising subsequently; or
- other remaining contracts.

Reinsurance contracts are assessed for grouping purposes on an individual contract basis.

(v) Recognition and derecognition

The Group initially recognizes a group of insurance contracts issued from the earlier of the following:

- The beginning of the coverage period;
- The date when the first payment from a policyholder in the group becomes due or, if there is no due date, is actually received; and
- The date when the Group determines that the group becomes onerous.

The Group recognizes a group of reinsurance contracts held that cover losses of separate (underlying) insurance contracts on a proportionate basis (proportionate or quota share reinsurance) at the later of:

- The beginning of the coverage period of the group of reinsurance contracts held; or
- The date of initial recognition of any underlying contract.

A group of reinsurance contracts held that cover aggregate losses from underlying contracts in excess of a specified amount (non-proportionate reinsurance contracts, such as excess of loss reinsurance) is recognized at the beginning of the coverage period of the group.

Insurance contracts acquired in a business combination or a portfolio transfer are accounted for as if they were entered into at the date of acquisition or transfer.

Only contracts that meet the recognition criteria at the reporting date are included within the groups. Where contracts meet the recognition criteria after the reporting date, they are added to groups in the reporting period in which the recognition criteria are met, subject to meeting the annual cohorts' requirements. The composition of groups is not reassessed in subsequent periods.

(vi) Accounting for contract modification and derecognition

An insurance contract is derecognized when:

- it is extinguished (i.e., when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified, subject to certain conditions being met.

Where the terms of a contract are modified by agreement between the parties to the contract or by a change in regulation, the Group accounts for any changes in expected fulfilment cash flows ("FCF") as a change in estimates unless any of the following conditions are present, in which case the Group derecognizes the original contract and treats the modified contract as a new contract. The relevant conditions are that:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.12 Insurance contracts (Continued)

(vi) Accounting for contract modification and derecognition (Continued)

a. If the modified terms had been included in the contract at its inception:

- The modified contract would not have been within scope of IFRS 17;
- The Group would have separated different components from the host contract, resulting in different insurance components to which IFRS 17 is applied;
- The modified contract would have a different contract boundary; or
- The modified contract would have been in a different group.

b. The original contract was accounted for under the PAA, but the modifications mean that the contract no longer meets the eligibility criteria for that approach.

When an insurance contract accounted for under the PAA is derecognized, adjustments to the FCF to remove related rights and obligations and account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

- if the contract is extinguished, any net difference between the derecognized part of the LRC of the original contract and any other cash flows arising from extinguishment;
- if the contract is transferred to the third party, any net difference between the derecognized part of the LRC of the original contract and the premium charged by the third party;
- if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LRC and the hypothetical premium the entity would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

(vii) Fulfilment cash flows

Fulfilment cash flows within the contract boundary

The FCF are current estimates of all the future cash flows within the boundary of each contract in the group that the Group expects to collect from premiums and disburse for claims and related expenses, adjusted to reflect the timing and uncertainty of those amounts.

The estimates of future cash flows are:

- A probability weighted mean of the full range of expected outcomes;
- Reflective of the perspective of the Group, provided that estimates of any relevant market variables are consistent with observable market prices for those variables;
- Current, reflecting conditions existing at the measurement date; and
- Explicit – the Group estimates the adjustment for non-financial risk separately from other estimates. Cash flows are also estimated separately from the adjustment for the time value of money and financial risk, except where the most appropriate measurement technique combines these estimates.

The estimates for future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent that financial risks are not included in the estimates of future cash flows. The discount rates applied to the future cash flows:

- Reflect the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts;
- Are consistent with observable current market prices (where available) for financial instruments with cash flows with characteristics similar to those of the insurance contracts, including in terms of timing, currency and liquidity; and
- Excludes the effect of factors that influence the observable market prices but that do not impact the future cash flows of the insurance contracts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.12 Insurance contracts (Continued)

(vii) Fulfilment cash flows (Continued)

An explicit risk adjustment for non-financial risk is estimated separately from other components of measurement. For contracts measured under the PAA, provided the contracts are not onerous, the explicit risk adjustment for non-financial risk is only estimated for the LIC.

In the measurement of reinsurance contracts held, the present value of the probability weighted mean of future cash flows includes an allowance for potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Group uses consistent assumptions to measure the estimates of the present value of the future cash flows for groups of reinsurance contracts held as for the estimates for the groups of underlying insurance contracts.

The Group estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts.

Contract boundary

The measurement of a group of insurance contracts includes all the cash flows within the boundary of each contract in the group. The assessment of the contract boundary is reviewed every reporting period.

Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- a. The Group has the practical ability to reprice the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or

- b. Both of the following criteria are satisfied:

The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contains the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; or

The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

In assessing the practical ability to reprice, the Group considers all risks transferred from the policyholder to the Group, such as insurance risk and financial risk; with other non-policyholder risks, such as lapse or surrender and expense risk, being excluded.

Riders, being optional add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at an additional cost, that are issued together with the main insurance contracts form part of a single insurance contract with all the cash flows within its boundary.

Cash flows outside of the boundary of the insurance contract are excluded from measurement. These cash flows relate to future insurance contracts.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive insurance contract services from the reinsurer.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.12 Insurance contracts (Continued)

(vii) Fulfilment cash flows (Continued)

The Group's quota share reinsurance contracts held have an unlimited duration but are cancellable for new business with a [period to be inserted] notice period by either party. This cancellation period is included within the contract boundary of the reinsurance contracts. Estimates of future cash flows arising from all underlying contracts either: issued at the reporting date; or, expected to be issued during the cancellation period after the reporting date, are included in each of the reinsurance contracts' measurement.

Insurance acquisition cash flows

Insurance acquisition cash flows represent cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued).

Such costs include:

- Costs directly attributable to individual contracts and groups of contracts; and
- Costs directly attributable to the portfolio of insurance contracts to which the group belongs.

The Group uses a reasonable and consistent method to allocate insurance acquisition cashflow as below:

- a. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts:
 - i) To that group; and
 - ii) to groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group.
- b. Insurance acquisition cash flows directly attributable to the portfolio of insurance contracts that are not directly attributable to a group of insurance contracts, to groups in the portfolio.

Where insurance acquisition cash flows have been paid or incurred prior to the recognition of the related group of insurance contracts in the Statement of Financial Position, a separate asset for insurance acquisition cash flows is recognized for each related group.

An asset for insurance acquisition cash flows is derecognized and included in the measurement of the group of insurance contracts when the group to which they are allocated is initially recognized. Where, in a reporting period, the Group only recognizes some of the insurance contracts expected to be included in the group, the Group determines the related portion of the asset for insurance acquisition cash flows for the group on a systematic and rational basis, taking into consideration the expected timing of recognition of contracts in the group. The Group derecognizes that portion and includes it in the measurement of the group of insurance contracts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.12 Insurance contracts (Continued)

(vii) Fulfilment cash flows (Continued)

At the end of each reporting period, the Group assesses the recoverability of any asset for insurance acquisition cash flows. If facts and circumstances indicate that the asset may be impaired, the Group adjusts the carrying amount of the asset and recognizes an impairment loss in profit or loss. To the extent that an impairment condition no longer exists or has improved, the Group recognizes a reversal of some or all of an impairment previously recognized and increases the carrying amount of the asset.

Other pre-recognition cash flows

Before a group of insurance contracts is recognized, the Group recognizes an asset or liability for any cash flows related to a group of insurance contracts other than insurance acquisition cash flows either due to the occurrence of the cash flows or due to the requirements of another IFRS standard. Cash flows are related to a group of insurance contracts if they would have been included as FCF at initial recognition of the group if they had been paid or received at that date. These cash flows are included within the measurement of the related portfolios of insurance contracts issued or reinsurance contracts held.

Risk adjustment for non-financial risk

Amount and timing of the cash flows that arises from non-financial risk as the Group fulfils insurance contracts. For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

viii) Initial and subsequent measurement – Groups measured under the PAA

The Group uses the PAA for measuring insurance contracts where:

- The coverage period of the contracts is one year or less; or
- The Group has determined that the LRC measured under the PAA for a group of insurance contracts would not differ materially from the LRC measured under the GMM.

The Group has determined that all insurance contracts issued and reinsurance contracts held by the Group are eligible to apply the PAA and the Group has elected to apply this measurement model to all insurance contracts.

For insurance contracts issued, insurance acquisition costs are deferred and recognized over the coverage period of the contracts in a group.

The Group applies the Premium Allocation Approach to all insurance contracts issued, as permitted under IFRS 17, because each contract has a coverage period of 12 months or less.

Initial recognition

For insurance contracts issued, the Group measures the LRC for the group of insurance contracts:

- a. at the amount of premiums received, if any, in cash; plus
- b. any insurance acquisition cash flows paid at that date; plus or minus
- c. any amounts arising from the derecognition at that date of:
 - i) any asset for insurance acquisition cash flows; and
 - ii) any other asset or liability previously recognized for cash flows related to the group of contracts.

For reinsurance contracts held, the asset for remaining coverage is measured at the amount of ceding premiums paid.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.12 Insurance contracts (Continued)

viii) Initial and subsequent measurement – Groups measured under the PAA (Continued)

Subsequent measurement

For insurance contracts issued, the carrying amount of a group of insurance contracts at the reporting date is the sum of:

- a. The LRC, measured as discussed below; and
- b. The LIC, comprising the FCF related to past service allocated to the group at the reporting date.

At each subsequent reporting date, the LRC for a group of insurance contracts is comprised of:

- The amount of the LRC at the beginning of the period; plus
- Premiums received in cash during the period; less
- Insurance acquisition cash flows paid; less
- Amounts of expected premiums recognized as insurance revenue for services provided in the period; plus
- Amortisation of insurance acquisition cash flows recognized as insurance service expenses for services provided in the period plus or minus
- The effect of any currency exchange differences on the LRC plus or minus
- An adjustment to a financing component

Where a policyholder remits premiums to an intermediary that is acting as an agent of the Group, premiums are recognised as received when the policyholder remits cash to the intermediary. The amount due to the Group from the intermediary is in scope of IFRS 9 and recognized as a receivable amount within Other Assets.

For reinsurance contracts held, the carrying amount of a group of insurance contracts at the reporting date is the sum of:

- The asset for remaining coverage ("ARC"): and
- The asset for incurred claims recoveries ("AIC"), comprising the FCF related to past service allocated to the group at the reporting date.

At each subsequent reporting date, the ARC for a group of reinsurance contracts held is comprised of:

- The amount of the remaining coverage at the beginning of the period; plus
- Ceding premiums paid in cash during the period; less
- Amounts of ceding premiums recognized as reinsurance expenses for services received in the period plus or minus
- The effect of any currency exchange differences on the ARC plus or minus
- An adjustment to a financing component.

The AIC is measured similarly to the LIC measurement under the PAA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.12 Insurance contracts (Continued)

viii) Initial and subsequent measurement – Groups measured under the PAA (Continued)

Adjustment to a financing component

Where insurance contracts in a group of insurance contracts have a significant financing component, the Group adjusts the carrying amount of the LRC to reflect the time value of money and the effect of financial risk using the discount rates determined at initial recognition. The Group has elected not to adjust the carrying amount of the LRC for the time value of money and the effect of financial risk where the period between the Group providing insurance services and the due date for the receipt of the related premium is no more than one year.

The Group has also elected not to adjust the carrying amount of the LIC for the time value of money and the effect of financial risk where the period between the date a claim is incurred and the expected settlement date of the relevant cash flows is one year or less.

Onerous contracts

Where a group of insurance contracts is onerous, either at initial recognition or subsequently, the Group increases the carrying amount of the LRC to be equivalent to the FCF determined under the GMM, with the increase recognised immediately in insurance service expenses and presented as a loss component of the LRC for the group. In subsequent periods, the Group amortizes the loss component of the LRC, decreasing insurance service expenses.

The reversal of the loss component is based on the passage time over the remaining coverage period of contracts included within the onerous group. Where facts and circumstances indicate that the expected profitability of the onerous group during the remaining coverage period has changed, the Group remeasures the FCF, applying the principles of the GMM, and recognizes any change in the FCF by adjusting the loss component until the loss component is reduced to zero.

Reinsurance contracts held

When a loss is recognized on initial recognition of an onerous group of underlying insurance contracts, the Group adjusts the carrying amount of the ARC for a related reinsurance contract held by the amount of income recognized in profit or loss and establishes or adjusts a loss-recovery component of the ARC for the amount of income recognised.

Amounts recognized in total comprehensive income

Insurance service result from insurance contracts issued

Insurance revenue

Insurance revenue for the period depicts the transfer of promised insurance services at an amount that reflects the portion of consideration the Group expects to be entitled to in exchange for those services.

For groups of contracts measured under the PAA, the Group allocates expected premium receipts and recognises insurance revenue during the coverage period based on the passage of time, unless the expected pattern of release from risk during the coverage period differs significantly from the passage of time, in which case the allocation is made on the basis of the expected timing of incurred insurance service expenses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.12 Insurance contracts (Continued)

viii) Initial and subsequent measurement – Groups measured under the PAA (Continued)

Insurance service expenses

Insurance service expenses include the following:

- Incurred claims and benefits excluding investment components, including an estimate for claims incurred but not reported at the reporting date;
- Other incurred directly attributable insurance service expenses;
- Amortization of insurance acquisition cash flows;
- Changes that relate to past service (i.e., changes in FCF relating to the LIC);
- Changes that relate to future service – losses (and reversals of losses) on onerous groups of insurance contracts from changes in the loss components); and
- Impairment, and reversals of impairment, of an asset for insurance acquisition cash flows

For contracts measured under the PAA, amortization of insurance acquisition cash flows is based on the passage of time.

Insurance service result from reinsurance contracts held

The financial performance of groups of reinsurance contracts held is presented on a net basis comprising:

- Reinsurance expenses;
- Incurred claims recoveries;
- Other incurred directly attributable insurance service expenses;
- Effect of changes in risk of reinsurer non-performance;
- Changes relating to past service (i.e., changes that adjust expected amounts recoverable for incurred claims); and
- Amounts relating to the accounting for onerous groups of underlying insurance contracts issued:
- Income on initial recognition of onerous underlying contracts;

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognized in the reporting period depicts the transfer of reinsurance services received at an amount that reflects the portion of ceding premium the Group expects to pay in exchange for those services. For groups of reinsurance contracts held measured under the PAA, the Group recognizes reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses.

Insurance service result from reinsurance contracts held

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

For groups of insurance contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

- Interest accreted on the LRC and LIC;
- The effect of changes in interest rates and other financial assumptions; and
- Foreign exchange differences arising from contracts denominated in a foreign currency.

The Group includes all insurance finance income or expense for the period in profit or loss, and does not apply the OCI option.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.13 Property and equipment

Property and equipment except building are initially recorded at cost, and subsequently stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of these assets.

Costs incurred in the process of acquiring or constructing an item of property and equipment are recognised as capital work in progress. Once acquisition or construction is complete and the item is ready for use, the carrying amount is transferred to the relevant property and equipment category. Depreciation commences when the item of property or equipment is ready for intended use.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated intangible assets, is recognised in profit or loss as incurred.

The assets' residual values and useful lives are reviewed annually and adjusted if appropriate. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Depreciation is calculated on a straight-line basis at annual rates estimated to write off the cost of each asset to its residual value over its expected useful life as follows:

Assets class	Useful Life in 2025	Useful Life in 2024
Buildings and improvements on leasehold land	lesser of 40 years and the unexpired period of lease	lesser of 40 years and the unexpired period of lease
Equipment, furniture and fittings	3 to 10 years	3 to 8 years
Motor vehicles	4 to 5 years	4 to 5 years

Property and equipment are reviewed for impairment on an annual basis. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is immediately written down to its recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units.)

Gains or losses on disposal of property and equipment are determined by comparing proceeds with carrying amount and are taken into account in determining operating profit.

Fair value measurement of the Group's Leased Building

Building on leased property is measured at fair value, less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.13 Property and equipment (Continued)

Fair value measurement of the Group's Building (Continued)

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Changes in accounting estimate

As part of the Group periodic review process, and in accordance with IAS 16 – Property and Equipment, in 2025 the Group carried out a comprehensive reassessment of the estimated useful lives of key asset categories. As a result, the changes to useful life estimates were estimated as indicated above.

Additionally, the assets have been allocated a residual value based on a percentage of the cost of the assets.

This change will apply a prospective application for the revised depreciation going forward.

Financial impact

The revised useful lives and the introduction of residual values will be applied prospectively (from year 2025) to:

- Existing assets that still have a carrying amount; and
- All future asset acquisitions.

2.14 Intangible assets

The Group's intangible assets include computer software license, goodwill and other intangible assets arising out of business combinations and goodwill.

i) Software

Intangible assets comprise acquired computer software license costs which are recognised on the basis of expenditure incurred to acquire and bring the specific software to use. These costs are amortised over estimated useful lives of three to ten years.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. During development of these software products, direct costs such as the software development employee costs and an appropriate portion of relevant overheads are recorded as work in progress and amortised from the point at which the asset is ready for use.

Computer software development costs recognised as assets are amortised over an estimated useful life of three to eight years. Costs associated with the maintenance of computer software are expensed as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on the basis of the expected useful lives.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)**2.14 Intangible assets (Continued)****ii) Goodwill**

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

The useful life of the Group's goodwill is indefinite.

2.15 Cash and cash equivalents

Cash and cash equivalents as referred to in the statement of cash flows comprise cash on hand, non-restricted balances with central banks, treasury bills and amounts due from or to banks on demand or with an original maturity of three months or less, net of amounts due to other banks on demand or with an original maturity of three months or less. These are subject to insignificant risk of changes in their fair value.

2.16 Provisions and contingent liabilities

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Contingent liabilities are possible obligations arising from past events, whose existence will be confirmed only by uncertain future events, or present obligations arising from past events that are not recognised because either an outflow of economic benefits is not probable or the amount of the obligation cannot be reliably measured. Contingent liabilities are not recognised but information about them is disclosed unless the possibility of any outflow of economic benefits in settlement is remote.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)**2.17 Employee benefits****i) Retirement benefit obligations**

The Group operates defined contribution schemes, the assets of which are held in separate trustee-administered funds. The schemes are funded by contributions from both the Group and employees. The Group and all its employees also contribute to the National Social Security Fund, which is a defined contribution scheme. The Group's contributions to the defined contribution schemes are charged to profit or loss in the year to which they relate.

ii) Other entitlements

The estimated monetary liability for employees accrued annual leave entitlement at the reporting date is recognised as an expense accrual.

2.18 Income tax**i) Income tax charge**

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In which case, the tax is recognised in other comprehensive income or directly in equity respectively.

ii) Current income tax

The current income tax charge is calculated on the basis of tax laws applicable at the reporting date. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. They establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

iii) Deferred income tax

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except differences relating to the initial recognition of assets or liabilities in a transaction that is not a business combination and which affects neither accounting nor taxable profit. It is also not recognised for temporary differences related to investments in subsidiaries and associates to the extent that it is probable that they will not reverse in the foreseeable future and the investor is able to control the timing of the reversal of the temporary difference.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws applicable at the reporting date. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

In determining the amount of current and deferred tax, the Group considers the impact of tax exposures, including whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes adequacy of existing tax liabilities; such changes to tax liabilities would impact tax expense in the period in which such a determination is made.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.19 Derivative financial instruments

A derivative is a financial instrument whose fair value changes in response to an underlying variable, requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors and is settled at a future date. Derivatives are initially recognised at fair value on the date on which the derivatives are entered into and subsequently re-measured at fair value.

All derivative instruments are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative, subject to offsetting principles as described under the heading offsetting financial instruments.

Embedded derivatives on financial liabilities include hybrid instruments and are treated and disclosed as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract, the terms of the embedded derivative are the same as those of a stand-alone derivative and the combined contract is not measured at fair value through profit or loss. The financial host contracts are accounted for and measured applying the rules of the relevant financial instrument category.

All gains and losses from changes in the fair values of derivatives are recognised immediately in profit or loss as trading income.

2.20 Leases

The lease liability is measured at the present value of the lease payments that are not paid on that date. The lease payments include fixed payments, variable payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and the exercise price of a purchase option if the Group is reasonably certain to exercise that option. The lease payments are discounted at the interest rate implicit in the lease. If that rate cannot be readily determined, the Group's incremental borrowing rate is used. For leases that contain non-lease components, the company allocates the consideration payable to the lease and non-lease components based on their relative stand-alone components.

Lease accounting depend on whether the Group is the lessee or the lessor.

i) The Group is the lessee

On the commencement date of each lease (excluding leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value) the Group recognises a right-of-use asset and a lease liability.

The lease liability is measured at the present value of the lease payments that are not paid on that date. The lease payments include fixed payments, variable payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and the exercise price of a purchase option if the Group is reasonably certain to exercise that option. The lease payments are discounted at the interest rate implicit in the lease. If that rate cannot be readily determined, the Group's incremental borrowing rate is used. For leases that contain non-lease components, the company allocates the consideration payable to the lease and non-lease components based on their relative stand-alone components.

The right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability, any lease payments made on or before the commencement date, any initial direct costs incurred, and an estimate of the costs of restoring the underlying asset to the condition required under the terms of the lease.

Subsequently the lease liability is measured at amortised cost, subject to re-measurement to reflect any reassessment, lease modifications, or revised fixed lease payments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)

2.20 Leases (Continued)

i) The Group is the lessee (Continued)

All right-of-use assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, adjusted for any re-measurement of the lease liabilities. Depreciation is calculated using the straight-line method to write-down the cost of each asset to its residual value over its estimated useful life.

For leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value, the total lease payments are recognised in profit or loss on a straight-line basis over the lease period.

Some leases of office premises contain extension options exercisable by the Group up to one term after the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

ii) With the Group as lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method (before income tax expense), which reflects a constant periodic rate of return. Payments received under operating lease are charged to profit or loss on a straight line basis over the period of the lease.

2.21 Sale and repurchase agreements

Securities sold subject to repurchase agreements ('repos') are classified in the financial statements as pledged assets when the transferee has the right by contract or custom to sell or re-pledge the collateral; the counterparty liability is included in amounts due to other banks, other deposits or deposits due to customers, as appropriate. Securities purchased under agreements to resell ('reverse repos') are recorded as loans and advances to other banks or customers, as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method. Securities lent to counterparties are also retained in the financial statements.

2.22 Assets obtained by taking possession of collateral

The Group's policy is to realise collateral on a timely basis. The Group does not use non-cash collateral for its operations.

In its normal course of business, the Bank engages external agents to recover funds from the repossessed assets, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors.

2.23 Dividends

Dividends on ordinary shares are charged to equity in the period in which they are declared.

Proposed dividends are appropriated from retained earnings into a separate component of equity until they are declared.

2.24 Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

2. Material accounting policies (Continued)**2.25 Off balance sheet letters of credit, acceptances and guarantees**

Letters of credit, acceptances and guarantees are accounted for as off-balance sheet transactions.

2.26 Fiduciary activities

The Group commonly acts as nominee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. The assets and income arising thereon are excluded from these financial statements as they do not belong to the Group.

2.27 Statutory loan loss reserve

Further to the credit loss allowances computed in line with international financial reporting standards, the Central Banks have, in their prudential guidelines, specified certain minimum loan loss provisions to be held against various categories of loans and advances. Where credit loss allowances computed in line with the Central Bank regulations exceed those computed on the same loan balances under International financial reporting standards, the excess is recognised as a regulatory loss reserve and is accounted for as an appropriation of retained earnings. The statutory loan loss reserve is non-distributable.

2.28 Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing products or services within a particular economic environment which is subject to risks and rewards that are different from those of other segments. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or Group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Board of Directors as its chief operating decision maker. All transactions between business segments are conducted on commercial terms basis with intra-segment revenue and costs being eliminated at Group level.

2.29 Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary share shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential shareholders if any.

2.30 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication that an asset may be impaired. If any such indication exists, then the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU's) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in profit or loss in expense categories consistent with the function of the impaired asset.

2.31 Comparatives

Where necessary, comparative figures are restated to conform to changes in presentation in the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management**3.1 Risk management framework**

The Group's activities expose it to a variety of financial risks, including credit risk and the risks of changes in debt and equity market prices, foreign currency exchange rates, liquidity risk and interest rates. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. Risk management is carried out under policies approved by the Board of directors. The Board provides written principles for overall risk management as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and the investment of surplus funds.

By their nature, the Group's activities are principally related to the use of financial instruments, including derivatives. The Group accepts deposits from customers at both fixed and floating rates, and for various periods, and seeks to earn above-average interest margins by investing these funds in high-quality assets. The Group seeks to increase these margins by consolidating short-term funds and lending for longer periods at higher rates, while maintaining sufficient liquidity to meet all claims that might fall due.

The Group seeks to raise its interest margins by obtaining above-average margins, net of allowances, through lending to commercial and retail borrowers with a range of credit standing. Such exposures involve not just on-balance sheet loans and advances; the Group also enters into guarantees and other commitments such as letters of credit and performance, and other bonds.

The Group also trades in financial instruments where it takes positions in traded and over-the-counter instruments to take advantage of short-term market movements in bond prices and currency and interest rates. The Board places trading limits on the level of exposure that can be taken in relation to both overnight and intra-day market positions.

Foreign exchange and interest rate exposures associated with derivatives are normally offset by entering into counterbalancing positions, thereby controlling the variability in the net cash amounts required to liquidate market positions.

3.2 Credit risk

The Group takes on exposure to credit risk, which is the risk that a counterparty may be unable to pay amounts in full, when due. The Group structures the level of credit risk it undertakes by placing limits on the amount of risk accepted in respect of any borrower, or groups of borrowers, and to industry segments. Such risks are monitored on a continuous basis and subject to annual or more frequent review. Limits on the level of credit risk by product, industry sector and by country are approved by the Board of directors.

The exposure to any one borrower including banks is further restricted by sub-limits covering on and off-balance sheet exposures and daily delivery risk limits in relation to trading items such as foreign exchange forward contracts. Actual exposures against set limits are monitored on a daily basis.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees.

Impairment provisions are made for losses that have been incurred at the reporting date. Significant changes in the economy, or in the health of a particular industry segment that represents a concentration of the Group's portfolio, could result in losses that are different from those provided for at the reporting date. Directors therefore carefully manage the exposure to credit risk.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.2 Credit risk (Continued)

a) Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans and advances.

Documentary and commercial letters of credit, which are written undertakings by the Group on behalf of a customer authorizing a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than loans and advances.

Commitments to extend credit represent un-utilised portions of authorised credit in the form of loans and advances, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss to the extent of the total un-utilised commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards.

The Group monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of risk than shorter- term commitments.

The amount that best represents the Group's maximum exposure to credit risk is the carrying value in the statement financial position. Loans and advances to customers are secured by collateral in the form of charges over land and buildings and/or plant and machinery or corporate guarantees and other collaterals accepted by the laws of the land. However, there are loans and advances to major corporations and individuals that are unsecured. In these cases, the Group undertakes stringent credit risk assessments before any disbursements are made.

The directors are confident in its ability to continue to control exposure of credit risk to the Group resulting from both its loan and advances portfolio and debt securities based on the following:

- The Group exercises stringent controls over the granting of new loans.
- 87% (2024: 80%) of the loans and advances portfolio are neither past due nor impaired.
- 93% (2024: 93%) of the debt securities are government securities.

b) Loans and advances

The Group aligns the classification criteria for assets that are past due or impaired in line with regulatory guidelines. In the determination of the classification of accounts, performance is the primary consideration. The classification of an account reflects a judgment about risks of default and loss associated with the credit facility. The classification process establishes a consistent approach to problem recognition, problem labeling, remedial action and the initiation of credit write-offs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.2 Credit risk (Continued)

b) Loans and advances (Continued)

i) Expected credit loss measurement

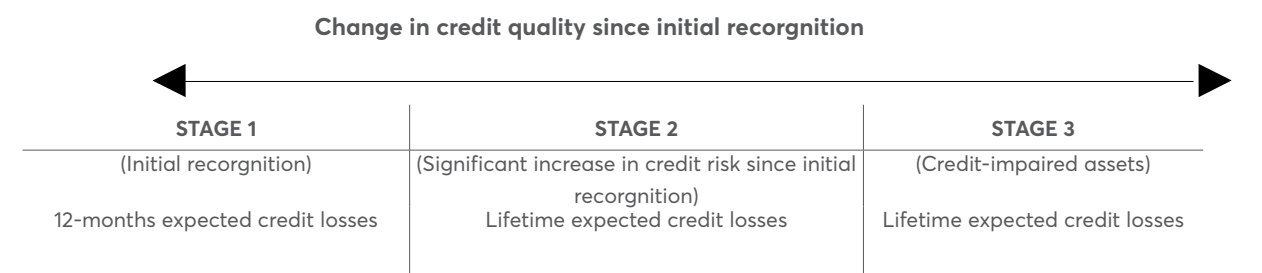
IFRS 9 outlines a 'three-Stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- **Stage 1:** Assets that are performing. If credit risk is low as of the reporting date or the credit risk has not increased significantly since initial recognition, The Group recognises a loss allowance at an amount equal to 12-month expected credit losses. This amount of credit losses is intended to represent lifetime expected credit losses that will result if a default occurs in the 12 months after the reporting date, weighted by the probability of that default occurring.
- **Stage 2:** Assets that have significant increases in credit risk. In instances where credit risk has increased significantly since initial recognition, the Group measures a loss allowance at an amount equal to full lifetime expected credit losses. That is, the expected credit losses that result from all possible default events over the life of the financial instrument. For these debt instruments, interest income recognition will be based on the EIR multiplied by the gross of carrying amounts.
- **Stage 3:** For debt instruments that have both a significant increase in credit risk plus observable evidence of impairment i.e. have defaulted.

Purchased or originated credit-impaired financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward looking information.

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):



The key judgments and assumptions adopted by the Group in addressing the requirements of the standard are discussed below:

ii) Significant Increase in credit risk (SICR)

The Group's decision on whether to recognize 12-month or lifetime expected credit losses depends on whether there has been a significant increase in credit risk since initial recognition. An assessment of whether credit risk has increased significantly is performed at each reporting date.

When making the assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. This forms the basis of stage 1, 2 and 3 classification and subsequent migration.

The Group applies qualitative and quantitative criteria for stage classification and for its forward and backward credit risk migration.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.2 Credit risk (Continued)

b) Loans and advances (Continued)

ii) Significant Increase in credit risk (SICR) (Continued)

Quantitative Criteria

The quantitative criteria is based on relative and not absolute changes in credit quality driven by counterparty ratings and days past due.

The Group considers that financial instruments for which default patterns are not concentrated at a specific point during the expected life of the financial instrument, changes in the risk of a default occurring over the next 12 months may be a reasonable approximation of the changes in the lifetime risk of a default occurring and could be used to determine whether credit risk has increased significantly since initial recognition.

The appropriateness of using changes in the risk of a default occurring over the next 12 months to determine whether lifetime expected credit losses should be recognised depends on the specific facts and circumstances. Risk of default occurring over the next 12 months is not a suitable basis for determining whether credit risk has increased on a financial instrument with a maturity of more than 12 months when:

- the financial instruments only have significant payment obligations beyond the next 12 months;
- changes in relevant macroeconomic or other credit-related factors occur that are not adequately reflected in the risk of a default occurring in the next 12 months; or
- changes in credit-related factors only have an impact on the credit risk of the financial instrument (or have a more pronounced effect) beyond 12 months.

The Group's quantitative credit grading, as compared to banking regulators' prudential guidelines credit grading is as per the table below:

IFRS 9 credit staging / grading	Regulator Guidelines	Days past due
Stage 1	Normal	Up to date and in line with contractual agreements or within 30 days' arrears
Stage 2	Watch	31 to 90 days overdue
Stage 3	Substandard	91 to 180 days overdue
	Doubtful	181 – 365 days overdue
	Loss	Over 365 overdue

Qualitative Criteria

In addition to the above, the Group considers other qualitative factors in determining the classification above, and may accelerate the classification of credit facilities where deemed appropriate. They include but not limited to:

- Significant changes in the terms of the same instrument if it were issued at the reporting date that indicate a change in credit risk since initial recognition, e.g.: increase in credit spread; more stringent covenants; increased amounts of collateral or guarantees; or higher income coverage.
- Significant changes in external market indicators of credit risk for the same financial instrument (or similar instrument of the borrower), e.g.: credit spread; credit default swap prices; length of time or the extent to which the fair value of a financial asset has been less than its amortised cost; other market information related to the borrower, such as changes in the price of a borrower's debt and equity instruments; or external credit rating (actual or expected).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.2 Credit risk (Continued)

b) Loans and advances (Continued)

ii) Significant Increase in credit risk (SICR) (Continued)

Qualitative Criteria (Continued)

- Changes in the Group's credit management approach in relation to the financial instrument (e.g. based on emerging indicators of changes in the credit risk of the financial instrument, the Group's credit risk management practice is expected to become more active or focused on managing the instrument, including the instrument becoming more closely monitored or controlled, or the Group specifically intervening with the borrower).
- Actual or expected adverse changes in business, financial or economic conditions significantly affecting borrower's ability to meet its debt obligations (e.g. increase in interest rates or unemployment rates); operating results of the borrower e.g. declining revenues or margins, increasing operating risks, working capital deficiencies, decreasing asset quality, increased balance sheet leverage, liquidity, management problems or changes in the scope of business or organizational structure (such as the discontinuance of a segment of the business) that results in a significant change in the borrower's ability to meet its debt obligations; or regulatory, economic, or technological environment of the borrower that results in a significant change in the borrower's ability to meet its debt obligations (e.g. a decline in the demand for the borrower's sales product because of a shift in technology).
- Significant changes in the value of collateral or in the quality of third-party guarantees or credit enhancements, which are expected to reduce the borrower's economic incentive to pay or otherwise affect the probability of default; or quality of a guarantee provided by a shareholder (or an individual's parents) if the shareholder (or parents) have an incentive and financial ability to prevent default by capital or cash infusion.
- Expected changes in the loan documentation (e.g. breach of contract leading to covenant waivers or amendments, interest payment holidays, interest rate step-ups, requiring additional collateral or guarantees).
- Significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the Group (e.g. increase in delayed contractual payments or number of credit card borrowers expected to approach or exceed their credit limit or who are expected to be paying the minimum monthly amount).

iii) Definition of default and credit-impaired assets

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Qualitative criteria

The borrower meets unlikelihood to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent or becoming probable that the borrower will enter bankruptcy
- The borrower is in breach of financial covenants
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the borrower's financial difficulty
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.2 Credit risk (Continued)

b) Loans and advances (Continued)

iii) Definition of default and credit-impaired assets (continued)

Qualitative Criteria (Continued)

The Group has not rebutted the 90 days past due (DPD) rule for identifying default.

The above criteria have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) throughout the Group's expected loss calculations.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of six months. This period of six months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definitions.

iv) Measuring expected credit loss – inputs, assumptions and estimation techniques

"ECL" is defined as the amount on a probability-weighted basis as the difference between the cash flows that are due to the Group in accordance with the contractual terms of a financial instrument and the cash flows that the Group expects to receive.

ECL is formula driven, i.e. $ECL = PD \times LGD \times EAD$ (discounted using the EIR)

ECLs are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12-month PD) or over the remaining lifetime (Lifetime PD) of the obligation.
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).

LGD refers to the loss that is expected to arise on default, incorporating the impact of forward-looking economic assumptions where relevant, which represents the difference between the contractual cash flows due and those that the Group expects to receive. The Group estimate LGD based on the history of recovery rates and consider the recovery of any collateral that is integral to the financial asset, taking into account forward-looking economic assumptions where relevant.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans.

The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and a credit grade. This is supported by a historical analysis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.2 Credit risk (Continued)

b) Loans and advances (Continued)

iv) Measuring expected credit loss – inputs, assumptions and estimation techniques (Continued)

Where there is uncertainty in respect of the respective models' ability to address specific trends or conditions due to inherent limitations of modelling based on past performance, the timing of model updates, and macroeconomic events, additional provisions are made via management overlays. Significant judgement was made in determining the management overlays.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type:

- For amortising products or bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis. This will also be adjusted for any expected overpayments made by the borrower. Early repayments/refinance assumptions are also incorporated.
- For revolving products, the exposure at default is predicted by taking the current drawn-down balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilisation band, based on analysis of the Group's recent default data.
- The 12-month and lifetime LGDs are determined based on the factors which impact the recoverable amount post default. These vary by product type:
- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- For unsecured products, LGDs are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGDs are influenced by collection strategies, including contracted debt sales and prices.

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by the industry segmentation.

The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs and how collateral values change – are monitored and reviewed on an annual basis.

v) Grouping of instruments for losses measured on a collective basis

For expected credit losses provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogenous. In performing this grouping, there must be sufficient information for the group to be statistically credible. In concluding on how to group its exposures, the Group considered its approach to credit risk management and how aspects such as regulatory compliance and internal concentration limits are managed. As such, the Group grouped its loans and advances at amortised cost based on industries such as Agriculture, Business Services, Mining and Quarrying, Manufacturing, Individuals, Building and construction, Tourism, Transport and Communication among others. The appropriateness of groupings is monitored and reviewed on a periodic basis.

In the year, there were some exposures deemed to be individually significant to merit individual assessment, other than those in Stage 3. These were assessed individually.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.2 Credit risk (Continued)

b) Loans and advances (Continued)

vi) Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses, segmented by portfolio and country. These economic variables and their associated impact on PD, EAD and LGD vary by industry/portfolio segmentation and in different countries.

Forecasts of the base economic scenario and the possible bearish and bullish scenarios along with scenario weightings are prepared by an expert economic team. The impact of these economic variables on the PD, EAD and LGD is determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to an inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearity's and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible outcomes.

The key macro-economic factors that were evaluated by the Group and deemed to be most correlated to the historical and forecasted default statistics include interest and foreign exchange rates, Inflation, GDP growth and population statistics for different countries.

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have been considered, but are not deemed to have a material impact on therefore no adjustment has been made to the ECL for such factors. This is reviewed and monitored for appropriateness annually.

The table below summarises the principal macroeconomic indicators included in the economic scenarios used at 31 December 2025 for the years 2025 to 2029.

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 20 years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.2 Credit risk (Continued)

b) Loans and advances (Continued)

vi) Forward-looking information incorporated in the ECL models (Continued)

	Base Forecast			Best Case			Worst Case		
	Remaining Forecast Period		2026	Remaining Forecast Period		2026	Remaining Forecast Period		2026
	2025	2025		2025	2025		2025	2025	
Macro-Economic Factors									
GDP Growth (YoY%)	13.9%	9.52%	8.97%	14.62%	9.99%	9.04%	13.22%	9.04%	8.52%
GDP Per Capita (YoY%)	3.06%	3.22%	3.63%	3.21%	3.38%	3.06%	2.91%	3.06%	3.45%
FX Rate (YoY%)	0.16%	1.00%	4.19%	0.17%	1.05%	0.95%	0.15%	0.95%	3.98%
Lending Rate-Base Rate (%)	12.7%	11.98%	2.12%	12.07%	11.38%	12.58%	13.34%	12.58%	2.23%
Household Spending (YoY%)	9.67%	9.84%	5.50%	10.16%	10.33%	9.35%	9.19%	9.35%	5.23%
Foreign Reserves (YoY%)	35.00%	10.00%	5.98%	36.75%	10.50%	9.50%	33.25%	9.50%	5.68%
Consumer Price Index (YoY%)	4.30%	5.10%	11.01%	4.09%	4.85%	5.36%	4.52%	5.36%	11.56%
Macro-Economic Factors									
GDP Growth (YoY%)	13.27%	10.64%	8.93%	13.93%	11.17%	8.49%	12.61%	10.11%	8.49%
GDP Per Capita (YoY%)	3.01%	3.44%	3.36%	3.16%	3.61%	3.20%	2.86%	3.27%	3.20%
FX Rate (YoY%)	(14.36%)	2.24%	2.00%	(15.08%)	2.35%	1.90%	(13.64%)	2.13%	1.90%
Lending Rate-Base Rate (%)	15.97%	11.61%	10.89%	16.77%	12.19%	10.35%	15.17%	11.03%	10.35%
Household Spending (YoY%)	10.28%	9.36%	10.39%	10.79%	9.83%	9.87%	9.77%	8.89%	9.87%
Foreign Reserves (YoY%)	25.00%	10.01%	11.25%	26.25%	10.51%	10.69%	23.75%	9.51%	10.69%
Consumer Price Index (YoY%)	2.90%	5.10%	5.75%	3.05%	5.36%	4.85%	2.76%	4.85%	5.46%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.2 Credit risk (Continued)

b) Loans and advances (Continued)

vii) Write-off policy

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Group's recovery methods foreclosing on collateral and the value of the collateral are such that there is no reasonable expectations of recovering in full.

The contractual amount outstanding on financial assets that were written off during the reporting period and are still subject to enforcement activity is KES 48.2 billion (2024: KES 51.1 billion).

Although the Group may write-off financial assets that are still subject to enforcement activity, it still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of recovering in full.

viii) Restructured/renegotiated facilities

The Group monitors the subsequent performance of modified assets. The Group may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for six consecutive months or more.

ix) The breakdown of loans and advances based on their staging is summarised below:

The following tables set out information about credit quality of loans and advances. The breakdown of loans and advances based on their staging is summarised below;

The breakdown of loans and advances based on their staging is summarised below

	2025 KES ' 000	2024 KES ' 000
Group		
At 31 December		
Gross loans and advances		
Stage 1	278,746,816	244,430,156
Stage 2	19,413,711	35,173,100
Stage 3	24,001,786	26,150,563
Total gross loans advanced	322,162,313	305,753,819
Impairment allowances		
Stage 1	2,175,004	2,103,843
Stage 2	2,154,114	1,392,471
Stage 3	14,241,643	11,716,301
Impairment allowances	18,570,761	15,212,615
Fair-value		
Loan notes at FVTPL	3,326,423	3,391,146
Net loans and advances	306,917,975	293,932,350
Coverage ratio of the individually impaired loans and advances	59%	45%

Included in loans and advances above are loan notes valued at KES 3.3 billion (2024: KES 3.4 billion) which were held at fair value through profit or loss. All other loans and advances are classified at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.2 Credit risk (Continued)

b) Loans and advances (Continued)

ix) The breakdown of loans and advances based on their staging is summarised below (Continued)

Staging of loans and advances

Portfolio management is an integral part of the credit risk management process that enables the Group to limit concentrations, reduce volatility, increase liquidity and achieve optimum earnings. The responsibility for portfolio management lies primarily with business units, with oversight and review by credit risk management while the Board Credit Committee is responsible for credit approvals. The Group's portfolio management plan entails:

- The setting up of portfolio targets and concentrations.
- Establishing target market risk acceptance criteria and key success factors. These are subject to regular review to ensure their continued appropriateness.
- Monitoring the portfolio risk profile, risk-adjusted returns, risk concentrations, economic market and competitive data.
- Identifying and analysing trends and concentrations that could affect the risk and performance of the portfolio.
- Stress testing of the portfolio for the purpose of measuring potential losses.

Credit quality of loans and advances

An analysis of the Group's credit risk exposure per class of financial asset, internal rating and "stage" without taking into account the effects of any collateral or other credit enhancements is provided in the following tables. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

Loans and advances to customers at amortised cost Year ended 31st December 2025	Stage 1 12-month ECL KES '000	Stage 2 Lifetime ECL KES '000	Stage 3 KES '000	Total KES '000
Grade 1: Normal	278,746,816	-	-	278,746,816
Grade 2: Watch	-	19,413,711	-	19,413,711
Grade 3: Substandard	-	-	2,539,516	2,539,516
Grade 4: Doubtful	-	-	18,386,230	18,386,230
Grade 5: Loss	-	-	3,076,040	3,076,040
Total gross carrying amount	278,746,816	19,413,711	24,001,786	322,162,313
Loss allowance	(2,095,663)	(2,137,904)	(14,189,411)	(18,422,978)
Carrying amount	276,651,153	17,275,807	9,812,375	303,739,335

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.2 Credit risk (Continued)

b) Loans and advances (Continued)

ix) The breakdown of loans and advances based on their staging is summarised below: (Continued)

Year ended 31st December 2024	Stage 1 12-month ECL KES '000	Stage 2 Lifetime ECL KES '000	Stage 3 KES '000	Total KES '000
Grade 1: Normal	244,430,156	-	-	244,430,156
Grade 2: Watch	-	35,173,100	-	35,173,100
Grade 3: Substandard	-	-	3,416,365	3,416,365
Grade 4: Doubtful	-	-	20,591,195	20,591,195
Grade 5: Loss	-	-	2,143,003	2,143,003
Total gross carrying amount	244,430,156	35,173,100	26,150,563	305,753,819
Loss allowance	(2,055,448)	(1,349,680)	(11,714,304)	(15,119,432)
Carrying amount	242,374,708	33,823,420	14,436,259	290,634,387

Letters of Credit, Guarantees and Acceptances	Stage 1 12-month ECL KES '000	Stage 2 Lifetime ECL KES '000	Stage 3 KES '000	Total KES '000
Year ended 31st December 2025				
Grade 1: Normal	43,799,422	-	-	43,799,422
Grade 2: Watch	-	7,969,910	-	7,969,910
Grade 3: Substandard	-	-	2,461	2,461
Grade 4: Doubtful	-	-	14,527	14,527
Grade 5: Loss	-	-	129	129
Total gross carrying amount	43,799,422	7,969,910	17,117	51,786,449
Loss allowance	(79,341)	(16,210)	(52,232)	(147,783)
Carrying amount	43,720,081	7,953,700	(35,115)	51,638,666

Letters of Credit, Guarantees and Acceptances	Stage 1 12-month ECL KES '000	Stage 2 Lifetime ECL KES '000	Stage 3 KES '000	Total KES '000
Year ended 31st December 2024				
Grade 1: Normal	50,991,244	-	-	50,991,244
Grade 2: Watch	-	3,788,090	-	3,788,090
Grade 3: Substandard	-	-	1,027	1,027
Grade 4: Doubtful	-	-	136,365	136,365
Grade 5: Loss	-	-	-	-
Total gross carrying amount	50,991,244	3,788,090	137,392	54,916,726
Loss allowance	(48,395)	(42,791)	(1,997)	(93,183)
Carrying amount	50,942,849	3,745,299	135,395	54,823,543

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.2 Credit risk (Continued)

c) Other non-loan financial assets

ECL on non-loan financial assets the Group uses simplified approach such is measured as follows:

- Use of external credit ratings as proxies to infer approximate PDs;
- Assigns equal 'loss' and 'no loss' scenarios based on expert judgment; and
- EADs are estimated based on the expected maturities of the instruments, most of which are less than 12 months.

The other financial assets mainly relate to government securities balances held with Central Banks and other financial institutions that are highly rated and therefore considered low risk.

Group

The summarized information on other financial instrument is tabulated below:

	2025				2024			
	Gross Balances KES '000	Stage	ECL KES '000	Net KES '000	Gross Balance KES '000	Stage	ECL KES '000	Net KES '000
Balances with the central banks	47,263,377	2	6,607	47,256,770	24,633,951	2	120	24,633,831
Items in the course of collection	687,951	2	-	687,951	553,733	2	-	553,733
Due from banking institutions	51,407,016	2	39,244	51,367,772	53,007,679	2	51,599	52,956,080
Investment securities	15,377,610	1	233,849	15,143,761	15,007,964	1	15,079	14,992,885
Investment securities	368,867	3	134,951	233,916	233,945	3	-	233,945
Government securities	221,709,255	2	158,176	221,551,079	207,652,187	2	135,895	207,516,292
Other assets	22,067,359	2	-	22,067,359	16,688,226	2	-	16,688,226
Gross maximum exposure	358,881,435		572,827	358,308,608	317,777,685		202,693	317,574,992

The following table breaks down gross maximum credit exposure at carrying amounts (without taking into account any collateral held or other credit support). The ECL on items in the course of collection and investment securities is immaterial hence has not been recognised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.2 Credit risk (Continued)

c) Other non-loan financial assets (Continued)

	2025 KES '000	2024 KES '000
Balances with central banks	47,256,770	24,633,831
Due from banking institutions	51,367,772	52,956,080
Items in the course of collection	687,951	553,733
Government securities	221,551,079	207,516,292
Investment securities	15,512,628	15,226,830
Derivatives	6,432	18,089
Customer loans and advances	306,917,975	293,932,350
Other assets (financial)*	22,067,359	16,688,226
	665,367,966	611,525,431
Credit risk exposures relating to off-balance sheet items are as follows:		
Letters of credit	19,357,079	21,031,011
Acceptances	2,894,534	6,709,153
Guarantees	29,534,836	27,176,562
	51,786,449	54,916,726
Total credit risk exposure	717,154,415	666,442,157

*Other assets relate to suspense accounts and funding for mobile initiated transactions.

Credit risk exposure for Company

The company's liquidity relates to balances due from group companies and other assets. These are classified under stage 1 and no provisions for ECL have been made. The gross carrying amount of financial assets with exposure to credit risk at the balance sheet date was as follows:

	2025			2024		
	Balance	ECL	Balance	Balance	ECL	Balance
	KES '000	Stage	KES '000	KES '000	Stage	KES '000
Other assets	785,640	1	-	785,640	674,533	1
Due from group companies	495,401	1	-	495,401	1,371,864	1
Total	1,281,041		-	1,281,041	2,046,397	-

d) Concentrations of risk

To avoid excessive concentration in any one of several industrial sectors and, by extension, the overall safety of the Group, the lending portfolio is monitored and managed at all times. Equally, care is taken to avoid over-exposure to any one borrower. There are restrictions to the maximum exposure permitted with respect to any one name based on capital and these restrictions which are strictly adhered to, are laid down by regulation. Any changes made to the portfolio management plan are subject to the approval of the Board of Directors.

The economic sector risk concentrations within the customer loans and advances portfolios at the end of the year were as follows:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.2 Credit risk (Continued)

d) Concentrations of risk (Continued)

Group	2025	2024
	%	%
Manufacturing	20.5	23.9
Trade	24.7	13.9
Personal and household	20.5	20.4
Transport and communications	12.4	14.7
Energy and water	2.8	3.2
Financial services	4.2	5.2
Mining and quarrying	2.7	8.4
Building and construction	3.5	3.6
Real estate	5.2	4.3
Tourism, restaurant and hotels	1.2	1.0
Agriculture	2.3	1.4
	100.0	100.0

The economic sector risk concentrations within off balance sheet items at the end of the year were as follows:

Group	2025	2024
	%	%
Manufacturing	10.7	23.0
Trade	15.6	7.5
Personal and household	4.7	2.3
Transport and communications	17.3	5.3
Energy and water	5.1	5.4
Financial services	37.9	38.2
Mining and quarrying	0.1	12.8
Building and construction	7.0	4.6
Real estate	0.7	0.2
Tourism, restaurant and hotels	0.4	0.3
Agriculture	0.5	0.5
	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

- 3. Financial risk management (Continued)
- 3.2 Credit risk (Continued)

d) Concentrations of risk (continued)

	Gross carrying amount			Allowance for ECL			ECL coverage %		
	Stage 1 12-month Gross	Stage 2 Lifetime Gross	Stage 3 Lifetime Gross	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL
	KES '000	KES '000	KES '000	Total	KES '000	KES '000	KES '000	KES '000	KES '000
Analysis based on industry - 2025									
Manufacturing	54,085,425	4,693,901	7,422,055	66,201,381	170,137	327,394	4,371,124	4,868,655	0.31%
Trade	72,586,350	2,810,101	4,136,804	79,533,255	325,728	240,454	2,756,415	3,322,597	0.45%
Personal and household	58,403,607	1,831,197	5,656,077	65,890,881	1,314,625	526,145	4,117,070	5,957,840	2.25%
Transport and communications	37,738,507	419,831	1,842,599	40,000,937	119,017	26,351	837,731	983,099	0.32%
Energy and water	5,730,650	3,021,834	353,001	9,105,485	12,148	472	247,577	260,197	0.21%
Financial services	9,578,682	3,981,024	125,295	13,685,001	39,516	917,134	100,611	1,057,261	0.41%
Mining and quarrying	8,175,931	156,125	209,334	8,541,390	8,300	36,078	115,836	160,214	0.10%
Real estate	12,733,894	686,847	3,015,508	16,436,249	29,069	21,060	1,043,470	1,093,599	0.23%
Building and Construction	9,509,777	1,298,207	717,608	11,525,592	52,156	22,149	321,038	395,343	0.55%
Tourism, restaurant and hotels	3,267,387	429,085	251,927	3,948,399	10,130	11,524	74,127	95,781	0.31%
Agriculture	6,936,606	85,559	271,578	7,293,743	14,837	9,143	204,412	228,392	0.21%
Total	278,746,816	19,413,711	24,001,786	322,162,313	2,095,663	2,137,904	14,189,411	18,422,978	0.75%
Analysis based on industry - 2024									
Manufacturing	52,208,840	10,841,416	10,000,328	73,050,584	80,330	307,903	3,968,149	4,356,382	0.15%
Trade	34,581,816	3,451,406	4,392,611	42,425,833	220,981	138,345	2,271,208	2,630,534	0.64%
Personal and household	55,746,188	2,300,171	4,319,238	62,365,597	1,461,791	431,428	3,283,286	5,176,505	2.62%
Transport and communications	34,100,882	9,062,888	1,755,496	44,919,266	145,502	153,390	807,046	1,105,938	0.43%
Energy and water	7,064,500	2,404,472	444,710	9,913,682	12,877	561	258,054	271,492	0.18%
Financial services	11,196,314	4,499,917	112,755	15,808,986	61,771	91,218	74,806	227,795	0.55%
Mining and quarrying	24,686,387	404,887	480,650	25,571,924	29,246	29,678	235,451	294,375	0.12%
Real estate	9,121,879	1,038,181	2,946,611	13,106,671	38,560	95,778	31,326	165,664	0.42%
Building and Construction	9,597,339	676,995	754,906	11,029,240	41,023	167,009	320,786	528,818	0.43%
Tourism, restaurant and hotels	2,352,192	380,606	650,943	3,383,741	7,858	1,794	299,245	308,897	0.33%
Agriculture	3,773,819	112,161	292,315	4,178,295	3,904	(24,633)	166,944	146,215	0.10%
Total	244,430,156	35,173,100	26,150,563	305,753,819	2,103,843	1,392,471	11,716,301	15,212,615	0.86%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

- 3. Financial risk management (Continued)
- 3.2 Credit risk (Continued)

d) Concentrations of risk-Off balance sheet (continued)

	Gross carrying amount			Allowance for ECL			ECL coverage %		
	Stage 1 12-month Gross	Stage 2 Lifetime Gross	Stage 3 Lifetime Gross	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL
	KES '000	KES '000	KES '000	Total	KES '000	KES '000	KES '000	KES '000	KES '000
Analysis based on industry - 2025									
Manufacturing	5,271,933	247,273	9,631	5,528,837	8,585	3,662	4,250	16,497	0.16%
Trade	7,831,733	260,041	2,461	8,094,235	22,625	7,439	-	30,064	0.29%
Personal and household	2,424,046	-	-	2,424,046	2,324	-	-	2,324	0.10%
Transport and communications	1,811,419	7,156,023	1,459	8,968,901	28,077	5,104	777	33,958	1.55%
Energy and water	2,394,236	271,173	-	2,665,409	2,160	-	-	2,160	0.09%
Financial services	19,612,657	8,841	3,000	19,624,498	6,626	5	340	6,971	0.03%
Mining and quarrying	48,450	-	-	48,450	3	-	-	3	0.01%
Real estate	387,612	1,750	-	389,362	25	-	-	25	0.01%
Building and Construction	3,564,834	24,475	-	3,589,309	8,626	-	-	8,626	0.24%
Tourism, restaurant and hotels	185,027	334	-	185,361	135	-	-	135	0.07%
Agriculture	267,475	-	566	268,041	155	-	46,865	47,020	0.06%
Total	43,799,422	7,969,910	17,117	51,786,449	79,341	16,210	52,232	147,783	0.18%
Analysis based on industry - 2024									
Manufacturing	1,877,453	156,002	-	2,033,455	1,579	873	-	2,452	0.08%
Trade	297,557	7,864	-	305,422	1,499	3,221	5,073	9,793	0.50%
Personal and household	5,946,321	36,551	-	5,982,872	576	135	-	711	0.01%
Transport and communications	322,073	1,531	-	323,604	977	-	-	977	0.30%
Energy and water	1,560,889	111,737	-	1,672,626	1,412	-	-	1,412	0.09%
Financial services	4,387,265	1,124,408	125,647	5,637,320	21,523	4,153	54	25,730	0.49%
Mining and quarrying	19,751,446	244,123	3,000	19,998,569	6,489	18	-	6,507	0.03%
Real estate	1,828,422	111,547	-	1,939,969	2,677	9	-	2,686	0.15%
Building and Construction	4,319,845	223,549	-	4,543,395	4,919	1,375	-	6,294	0.11%
Tourism, restaurant and hotels	93,951	723	1,027	95,701	18	-	46	64	0.02%
Agriculture	11,516,647	859,428	7,718	12,383,793	6,726	33,007	1,897	41,630	0.06%
Total	51,901,870	2,877,464	137,392	54,916,726	48,395	42,791	7,070	98,256	0.09%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.2 Credit risk (Continued)

e) Collateral

The Group uses a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The acceptability of collateral for credit risk mitigation is guided by the Group's procedures and policies. The main types of collateral taken are:

Type of lending	Common collateral type
Mortgage lending	First ranking legal charge over the property financed.
Commercial loans	Debentures over the borrower's assets, cash cover in cash margin account, first ranking legal charge over both commercial and residential properties, directors' personal guarantees and Company guarantees
Personal loans	Checkoffs and cash backed
Asset finance	Secured by motor vehicles and assets being financed and chattel registrations
Other loans and advances	Debentures over the Company's assets, cash cover in cash margin account, first ranking legal charge over both commercial and residential properties, directors' personal guarantees and Company guarantees

The Group holds collateral against loans and advances to customers in the form of cash, residential, commercial and industrial property; fixed assets such as plant and machinery; marketable securities; bank guarantees and letters of credit.

Risk mitigation policies control the approval of collateral types. Collateral is valued in accordance with the Group's risk mitigation policy, which prescribes the frequency of valuation for different collateral types. The valuation frequency is driven by the level of price volatility of each type of collateral. Collateral held against impaired loans is maintained at fair value. The valuation of collateral is monitored regularly and is back tested at least annually.

Collateral generally is not held over loans and advances to banks, except when securities are held as part of reverse purchase and securities borrowing activity. Collateral usually is not held against investment securities, and no such collateral was held as at 31 December 2025 and 2024. The forced sale value of the collateral held is undiscounted.

An estimate of the forced sale value (FSV) of collaterals held against loans and advances to customers at the end of the year was as follows.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.2 Credit risk (Continued)

e) Collateral (Continued)

Group Year ended 2025	Stage 1 KES '000	Stage 2 KES '000	Stage 3 KES '000	Total KES '000
Outstanding loans and advances	278,746,816	19,413,711	24,001,786	322,162,313
Secured	199,777,867	17,165,491	17,843,793	234,787,151
Unsecured	78,968,949	2,248,220	6,157,993	87,375,162
Outstanding off-balance sheet exposure	43,799,422	7,969,910	17,117	51,786,449
Secured	19,714,915	7,910,530	17,117	27,642,562
unsecured	24,084,507	59,380	-	24,143,887
Total outstanding loans and advances and off balance sheet commitments	322,546,238	27,383,621	24,018,903	373,948,762
Collateral held				
Land and property	225,113,687	29,365,685	25,728,523	280,207,895
Debentures	143,132,232	9,113,513	20,000	152,265,745
Motor vehicles and equipment	55,080,152	2,626,356	1,733,391	59,439,899
Others	28,962,304	8,010,513	249,098	37,221,915
Total Collateral Held	452,288,375	49,116,067	27,731,012	529,135,454
Excess coverage	129,742,137	21,732,446	3,712,109	155,186,692
Year ended 2024				
Outstanding loans and advances	244,430,156	35,173,100	26,150,563	305,753,819
Secured	165,821,263	33,488,434	21,833,193	221,142,890
Unsecured	78,608,893	1,684,666	4,317,370	84,610,929
Outstanding off-balance sheet exposure	50,991,244	3,788,090	137,392	54,916,726
Secured	27,198,275	2,835,383	137,392	30,171,050
Unsecured	23,792,969	952,707	-	24,745,676
Total outstanding loans and advances and off balance sheet commitments	295,421,400	38,961,190	26,287,955	360,670,545
Collateral held				
Land and property	244,439,548	50,222,875	40,024,326	334,686,749
Debentures	65,334,883	14,057,319	852,894	80,245,096
Motor vehicles and equipment	49,607,212	4,053,491	2,441,147	56,101,850
Others	27,027,908	713,371	212,215	27,953,494
Total Collateral Held	386,409,551	69,047,056	43,530,582	498,987,189
Excess coverage	90,988,151	30,085,866	17,242,627	138,316,644

The collateral value of tangible assets including land and property, debentures, motor vehicles and equipment as well as Others which include (GOK Guarantee, SBLC, Shares and Cash) have been disclosed at forced sale value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.2 Credit risk (Continued)

e) Collateral (Continued)

Repossession of collateral

In the normal credit management process, the Group may repossess collateral. The Group's policy is to dispose of repossessed collateral in the open market, at fair market value. The proceeds are used to reduce or repay the outstanding claim. In general, the Group does not occupy repossessed properties for business use.

Valuation of collateral

The Group has a panel of valuers who undertake valuation of property and other assets to be used as Collateral. The valuers in the panel are qualified professional valuers with adequate experience in the field of property and machinery valuation. Valuation of collateral are performed within 4 years.

Financial effect of collateral

As at 31 December 2025 the Group held collateral amounting to 115% (2024: 166%) of the value of impaired loans.

3.3 Currency risk

The Group takes deposits and lend in currencies other than the local currency and are therefore exposed to effects of fluctuations in the prevailing foreign currency exchange rates on their financial position and cash flows. The Board sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are both monitored daily. The company's currency position and exposure is managed within the exposure guidelines relating to core capital stipulated by regulation. The Group's significant currency positions were:

Group	USD	GBP	EUR	Other	Total
At 31 December 2025	KES '000	KES '000	KES '000	KES '000	KES '000
Assets					
Cash in hand	2,007,247	113,619	323,393	50,561	2,494,820
Central banks balances	2,293,293	756,327	818,312	44,344	3,912,276
Government securities	15,531,555	-	-	-	15,531,555
Due from banking institutions	27,262,123	8,406,151	8,491,221	1,251,024	45,410,519
Customer loans and advances	103,069,899	600,927	1,620,306	3,791	105,294,923
Other assets	165,747	457	14,480	1,400	182,084
Total assets	150,329,864	9,877,481	11,267,712	1,351,120	172,826,177
Liabilities					
Customer deposits	141,628,283	9,885,375	10,587,944	860,490	162,962,092
Due to banking institutions	9,246,099	6,274	8,433	4,206	9,265,012
Borrowings	5,119,301	-	293,135	-	5,412,436
Other liabilities	436,042	-	63,361	310,128	809,531
Lease liability	556,657	-	-	-	556,657
Total liabilities	156,986,382	9,891,649	10,952,873	1,174,824	179,005,728
Net on-balance sheet position	(6,656,518)	(14,168)	314,839	176,296	(6,179,551)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.3 Currency risk (Continued)

Group	USD	GBP	EUR	Other	Total
At 31 December 2024	KES '000	KES '000	KES '000	KES '000	KES '000
Assets					
Cash in hand	1,764,190	180,669	432,124	59,802	2,436,785
Central banks balances	2,603,303	880,744	666,508	47,850	4,198,405
Government securities	15,376,396	-	-	-	15,376,396
Due from banking institutions	32,633,765	5,248,987	8,097,806	737,990	46,718,548
Investment securities	5,259,695	-	-	-	5,259,695
Customer loans and advances	80,975,868	142,192	1,859,263	3,531	82,980,854
Other assets	355,031	55,454	45,031	-	455,516
Total assets	138,968,248	6,508,046	11,100,732	849,173	157,426,199
Liabilities					
Customer deposits	134,277,738	6,319,345	10,169,401	798,217	151,564,701
Due to banking institutions	1,344,983	3,469	14,892	28,384	1,391,728
Other liabilities	2,388,104	-	61,395	21,755	2,471,254
Lease liability	681,885	-	-	-	681,885
Borrowings	8,609,761	-	379,072	-	8,988,833
Total liabilities	147,302,471	6,322,814	10,624,760	848,356	165,098,401
Net on-balance sheet position	(8,334,223)	185,232	475,972	817	(7,672,202)

Company: Currency risk arises on financial instruments denominated in foreign currency. The Company assets and liabilities are denominated in local currency hence no foreign currency exposure.

The Group is exposed to various risks associated with the effects of fluctuations in prevailing levels of market interest rates on both fair values and cash flows. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. The Assets and Liabilities Committee closely monitors interest rate trends to minimize the potential adverse impact of rate changes. The table below summarises the Group's exposure to interest rate risks. Included in the table are assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The Group does not bear any interest rate risk on off-balance sheet items. Customer loans and advances and floating rate financial instruments reprice in response to changes in market interest rates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.4 Interest rate risk

Group	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non - interest bearing	Total
As At 31 December 2025	KES '000	KES '000	KES '000	KES '000	KES '000	KES '000	KES '000
Assets							
Cash in hand	-	-	-	-	-	16,517,299	16,517,299
Central bank balances	18,018,033	-	-	-	-	29,238,737	47,256,770
Government securities	2,200,023	7,439,477	26,936,785	100,748,626	84,226,168	-	221,551,079
Due from banking institutions	24,004,804	746,099	571,237	6,723,151	-	19,322,481	51,367,772
Investment securities	6,762,216	-	-	1,958,726	6,494,010	297,676	15,512,628
Customer loans and advances	306,917,975	-	-	-	-	-	306,917,975
Item in the course of collection	-	-	-	-	-	687,951	687,951
Derivative assets	-	-	-	-	-	6,432	6,432
Other assets	-	-	-	-	-	22,067,359	22,067,359
Total assets	357,903,051	8,185,576	27,508,022	109,430,503	90,720,178	88,137,934	681,885,264
Liabilities							
Customer deposits	238,436,087	94,034,762	53,491,702	1,361,679	286,654	144,255,337	531,866,221
Due to banking institutions	557,688	3,239,155	77,710	2,762,214	-	3,700,352	10,337,119
Other liabilities	-	-	-	-	-	19,844,574	19,844,574
Lease liability	69,027	122,416	649,309	2,396,511	598,067	-	3,880,330
Borrowings	157,603	-	5,571,386	1,083,625	752,679	-	7,565,293
Total liabilities	239,220,405	97,396,333	59,835,107	7,604,029	1,637,400	167,800,263	573,493,537
Interest sensitivity gap	118,682,646	(89,210,757)	(32,327,085)	101,826,474	89,082,778	(79,662,329)	108,391,727

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.4 Interest rate risk (Continued)

Group	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non - interest bearing	Total
As At 31 December 2024	KES '000	KES '000	KES '000	KES '000	KES '000	KES '000	KES '000
Assets							
Cash in hand	-	-	-	-	-	19,045,550	19,045,550
Central bank balances	-	-	-	-	-	24,633,831	24,633,831
Government securities	4,670,647	5,939,085	15,971,543	84,826,788	96,108,229	-	207,516,292
Due from banking institutions	22,886,688	12,703,182	757,369	2,854,034	-	13,754,807	52,956,080
Investment securities	8,641,857	403,616	403,616	2,692,617	2,657,771	427,353	15,226,830
Customer loans and advances	293,932,350	-	-	-	-	-	293,932,350
Item in the course of collection	-	-	-	-	-	553,733	553,733
Derivative assets	-	-	-	-	-	18,089	18,089
Other assets	-	-	-	-	-	16,688,226	16,688,226
Total assets	330,131,542	19,045,883	17,132,528	90,373,439	98,766,000	75,121,589	630,570,981
Liabilities							
Customer deposits	232,088,042	65,946,237	83,643,499	707,481	402,187	119,229,047	502,016,493
Due to banking institutions	3,077,247	8,969,098	-	-	-	1,361,312	13,407,657
Other liabilities	-	-	-	-	-	16,610,233	16,610,233
Lease liability	504,997	93,963	503,218	2,468,085	600,341	-	4,170,604
Borrowings	163,444	6,604,389	1,155,066	-	2,249,326	-	10,172,225
Total liabilities	235,833,732	81,613,687	85,301,783	3,175,566	3,251,854	137,200,592	546,377,214
Interest sensitivity gap	94,297,810	(62,567,804)	(68,169,255)	87,197,873	95,514,146	(62,079,003)	84,193,767

The Group did not have other interest earning assets or interest-bearing liabilities. The Group exposure to interest rate risk is therefore nilrisk is therefore nil.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.5 Liquidity risk

The Group is exposed to daily calls on its available cash resources arising from overnight deposits, current accounts, maturing deposits, and calls on cash settled contingencies. The Group does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. The Board sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of inter-bank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand. The maturity of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Group. The Assets and Liabilities Committees of the Group's banking subsidiaries review the maturity profile of liabilities on a weekly basis and ensures that sufficient liquidity is maintained to meet maturing deposit obligations. The Group fully complies with regulatory minimum cash and liquidity ratio requirements. The following tables analyze assets and liabilities of the Group into relevant maturity groupings based on the remaining period to contractual maturity date as at the reporting date.

Group At 31 December 2025	Up to 1 month KES '000	1 to 3 months KES '000	3 to 12 months KES '000	1 to 5 years KES '000	Over 5 years KES '000	Total KES '000
Financial assets						
Cash in hand	16,517,298	-	-	-	-	16,517,298
Central banks balances	47,204,809	-	51,961	-	-	47,256,770
Government securities	1,759,931	5,087,256	41,404,989	153,704,927	109,246,591	311,203,694
Due from banking institutions	44,013,593	746,631	1,481,003	9,109,770	-	55,350,997
Investment securities	6,078,360	-	27,931	3,243,249	10,349,196	19,698,736
Customer loans and advances	61,368,494	21,197,671	44,756,954	178,214,171	126,561,474	432,098,764
Derivative assets	6,432	-	-	-	-	6,432
Items in course of collection	687,951	-	-	-	-	687,951
Other Financial assets	22,067,359	-	-	-	-	22,067,359
Total financial assets	199,704,227	27,031,558	87,722,838	344,272,117	246,157,261	904,888,001
Financial liabilities						
Customer deposits	391,087,512	86,318,424	56,955,514	638,864	846,922	535,847,236
Due to banking institutions	12,342,768	3,260,579	79,753	2,762,214	-	18,445,314
Other financial liabilities	18,383,800	368,910	985,171	106,693	-	19,844,574
Lease Liability	93,124	157,929	713,505	2,893,265	13,453	3,871,276
Borrowings	8,218	850,483	5,412,436	5,284,671	1,893,658	13,449,466
Total financial liabilities	421,915,422	90,956,325	64,146,379	11,685,707	2,754,033	591,457,866
Net on- balance sheet liquidity gap	(222,211,195)	(63,924,767)	23,576,459	332,586,410	243,403,228	313,430,135
Un-recognised financial instruments						
Letters of credit and bankers' acceptances	(2,043,146)	(9,994,610)	(18,925,504)	(3,922,851)	(7,623,974)	(42,510,085)
Irrevocable un-utilised facilities	(20,141,983)	-	-	-	-	(20,141,983)
Total off-balance sheet notional position	(22,185,129)	(9,994,610)	(18,925,504)	(3,922,851)	(7,623,974)	(62,652,068)
Total on and off-balance sheet net liquidity gap	(244,396,324)	(73,919,377)	4,650,955	328,663,559	235,779,254	250,778,067

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.5 Liquidity risk (Continued)

Group At 31 December 2024	Up to 1 month KES '000	1 to 3 months KES '000	3 to 12 months KES '000	1 to 5 years KES '000	Over 5 years KES '000	Total KES '000
Assets						
Cash in hand	19,045,550	-	-	-	-	19,045,550
Central banks balances	24,581,757	-	52,074	-	-	24,633,831
Government securities	1,722,396	6,690,508	36,648,666	143,696,257	123,248,348	312,006,175
Derivative assets	18,089	-	-	-	-	18,089
Due from banking institutions	37,517,190	12,831,292	980,337	2,457,542	-	53,786,361
Investment securities	8,771,274	409,919	638,395	3,879,195	6,646,373	20,345,156
Customer loans and advances	76,085,463	18,129,028	39,241,271	152,374,855	120,605,608	406,436,225
Items in course of collection	553,733	-	-	-	-	553,733
Other financial assets	16,688,226	-	-	-	-	16,688,226
Total financial assets	184,983,678	38,060,747	77,560,743	302,407,849	250,500,329	853,513,346
Financial liabilities						
Customer deposits	354,639,356	74,015,968	84,360,776	772,953	585,521	514,374,574
Due to banking institutions	6,076,611	9,342,537	-	-	-	15,419,148
Due to Group companies	2,826,882	1,280,934	50,978	-	-	4,158,794
Other financial liabilities	15,517,783	-	996,517	95,933	-	16,610,233
Lease liability	433,221	139,156	686,172	2,660,433	582,350	4,501,332
Borrowings	171,661	2,030,243	1,904,602	7,970,017	2,024,898	14,101,421
Total financial liabilities	379,665,514	86,808,838	87,999,045	11,499,336	3,192,769	569,165,502
Net on- balance sheet liquidity gap	(194,681,836)	(48,748,091)	(10,438,302)	290,908,513	247,307,560	284,347,844
Un-recognised financial instruments						
Letters of credit and bankers' acceptances	(7,193,353)	(12,706,951)	(16,247,744)	(6,912,385)	(8,984,304)	(52,044,737)
Irrevocable un-utilised facilities	(17,244,520)	-	-	-	-	(17,244,520)
Total off-balance sheet notional position	(24,437,873)	(12,706,951)	(16,247,744)	(6,912,385)	(8,984,304)	(69,289,257)
Total on and off-balance sheet net liquidity gap	(219,119,709)	(61,455,042)	(26,686,046)	283,996,128	238,323,256	215,058,587

3.6 a Market risk sensitivity analysis

Market risk is the risk that changes in market prices, which include currency exchange rates and interest rates, will affect the value or future cash flows of a financial instrument. Market risk arises from open positions in interest rates and foreign currencies, both of which are exposed to general and specific market movements and changes in the level of volatility. The objective of market risk management is to manage and control risk exposures within acceptable limits, while optimizing return. Overall responsibility for the management of market risk rests with the Assets and Liabilities Committees of the banking subsidiaries of the Group. The Group's Global Markets and Risk divisions are responsible for the development of detailed risk management policies.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.6 a Market risk sensitivity analysis (Continued)

The Group is exposed to risks associated with the effects of fluctuations in prevailing levels of market interest. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. At 31 December 2025, the effect of a 100 basis points change in net interest margin would have resulted in an increase or decrease of KES 19 million (2024 - KES 255 million) on the profit after income tax expense and equity.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investment in foreign operations. Foreign exchange risk arising from future commercial transactions and recognised assets and liabilities are managed through use of forward contracts. Currency exposure arising from the net assets of foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

At 31 December 2025, if the functional currencies in the economic environment in which the Group operates i.e. the Kenya Shilling had weakened or strengthened by 10% against the world's major currencies, with all other variables held constant, consolidated profit before income tax expense and equity would have been higher or lower as depicted in below table.

	2025	2024
	KES '000	KES '000
10% depreciation/appreciation		
USD	665,652	833,422
GBP	1,417	18,523
EUR	31,484	47,597
Total	698,553	899,542

There were no changes from the previous reporting period in the methods, assumptions, or models used in preparing the sensitivity analyses for interest rate risk and foreign currency risk. The Group continues to apply the same methodologies as previously adopted, including:

- the basis for determining reasonably possible changes in market interest rates;
- the approach for assessing the effect of parallel shifts in yield curves on interest sensitive assets and liabilities; and
- the method for estimating the impact of foreign exchange fluctuations on monetary assets and liabilities denominated in foreign currencies.

No modifications were made because management assessed that the underlying risk exposure, market conditions, and the nature of the Group's financial instruments remained consistent with those of the prior year. Accordingly, the previously applied assumptions continued to provide a reliable and representative measure of the potential impact of changes in interest rates and foreign exchange rates on the Group's financial performance and position.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.6b Sensitivity analysis to underwriting risk variables

The following table present information on the sensitivity of insurance contracts assets and liabilities and profit or loss and equity for reasonable changes in estimates and assumptions for underwriting risk variables. As possible changes in underwriting variables only impact the LIC for contracts measured under the PAA, the tables do not include the LRC for these groups of insurance contracts. The analysis is presented for the indicated change in a variable with all other variables remaining constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. No changes were made by the Group in the methods and assumptions used in preparing the above analysis.

	LIC as at 31 December 2025 KES '000	Impact on LIC KES '000	Impact on profit before income tax KES '000	Impact on equity KES '000
Net insurance contract liabilities	1,937,650	-	-	-
Net reinsurance contract assets	(1,220,094)	-	-	-
Net insurance contract liabilities	717,556	-	-	-
Discount rate – 5% increase				
Net insurance contract liabilities	1,929,232	8,418	8,418	5,893
Net reinsurance contract assets	(1,215,078)	(5,016)	(5,016)	(3,511)
Net insurance contract liabilities	714,154	3,402	3,402	2,382
Expense rates – 5% increase				
Net insurance contract liabilities	1,883,034	(54,616)	(54,616)	(38,231)
Net reinsurance contract assets	(1,165,478)	(54,616)	(54,616)	(38,231)
Net insurance contract liabilities	717,556	(109,232)	(109,232)	(76,462)
Risk adjustment – 5% increase				
Net insurance contract liabilities	1,868,925	(68,725)	(68,725)	(48,107)
Net reinsurance contract assets	(1,151,369)	(68,725)	(68,725)	(48,107)
Net insurance contract liabilities	717,556	(137,450)	(137,450)	(96,215)
Unpaid claims– 5% increase				
Net insurance contract liabilities	2,000,222	(62,572)	(62,572)	(43,800)
Net reinsurance contract assets	(1,157,522)	(62,572)	(62,572)	(43,800)
Net insurance contract liabilities	842,700	(125,144)	(125,144)	(87,600)

Who We Are

Our Business

ESG, Climate Risk & Sustainable Finance

Our Financials

Other Information

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.6b Sensitivity analysis to underwriting risk variables (Continued)

	LIC as at 31 December 2024 KES '000	Impact on LIC KES '000	Impact on profit before income tax KES '000	Impact on equity KES '000
Net insurance contract liabilities	2,151,016	-	-	-
Net reinsurance contract assets	(1,658,083)	-	-	-
Net insurance contract liabilities	492,933	-	-	-
Discount rate – 5% increase				
Net insurance contract liabilities	2,043,465	107,551	107,551	75,286
Net reinsurance contract assets	(1,575,179)	(82,904)	(82,904)	(58,033)
Net insurance contract liabilities	468,286	24,647	24,647	17,253
Expense rates – 5% increase				
Net insurance contract liabilities	2,182,415	(31,399)	(31,399)	(21,979)
Net reinsurance contract assets	(1,626,684)	(31,399)	(31,399)	(21,979)
Net insurance contract liabilities	555,731	(62,798)	(62,798)	(43,958)
Risk adjustment – 5% increase				
Net insurance contract liabilities	2,153,499	(2,483)	(2,483)	(1,738)
Net reinsurance contract assets	(1,655,600)	(2,483)	(2,483)	(1,738)
Net insurance contract liabilities	497,899	(4,966)	(4,966)	(3,476)
Unpaid claims– 5% increase				
Net insurance contract liabilities	2,168,355	(17,339)	(17,339)	(12,137)
Net reinsurance contract assets	(1,640,744)	(17,339)	(17,339)	(12,137)
Net insurance contract liabilities	527,611	(34,678)	(34,678)	(24,274)

3.7 Management of insurance and financial risk

The Group's activities expose it to a variety of risks, including insurance risk, financial risk, credit risk, and the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates.

The Group's overall risk management programme focuses on the identification and management of risks and seeks to minimise potential adverse effects on its financial performance by use of underwriting guidelines and capacity limits, reinsurance planning, credit policy governing the acceptance of clients, and a defined criteria for the approval of intermediaries and reinsurers. Investment policies are in place which help manage liquidity, and seek to maximise return within an acceptable level of interest rate risk.

This section summarises the way the Group manages its key risks:

The Group's activities expose it to a variety of risks, including insurance risk, financial risk, credit risk, and the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.7 Management of insurance and financial risk (Continued)

The Group's overall risk management programme focuses on the identification and management of risks and seeks to minimise potential adverse effects on its financial performance by use of underwriting guidelines and capacity limits, reinsurance planning, credit policy governing the acceptance of clients, and a defined criteria for the approval of intermediaries and reinsurers. Investment policies are in place which help manage liquidity, and seek to maximise return within an acceptable level of interest rate risk.

This section summarises the way the Group manages its key risks:

Insurance risk

Insurance risk refers to fluctuations in the timing, frequency, and severity of insured events relative to the expectations at the time of underwriting. Insurance risk can also refer to fluctuations in the timing and amount of claim settlements and reserves.

Insurance risk is historically the single most significant risk area within the Group. It is split between four principal key risks, which are all managed through the application of controls as well as the use of reinsurance to offset exposures through the transfer of risk. These four key risks are as follows:

Failure of pricing

The Group faces the risk of incorrect pricing of products resulting in financial losses or reduced profit, through being set too high (therefore losing market share) or too low (therefore resulting in an unacceptable profit contribution for that product). The Group seeks to manage this through the setting and review of pricing guidelines relevant to each business line and the application of a strict hierarchy of underwriting authorities that is in place to ensure that policies are underwritten with management oversight. In addition, large and unusual transactions are referred to the Risk and Capital Committee (RCC) for consideration from a Statement of Financial Position, liquidity and risk portfolio point of view before the Group becomes committed. This helps to ensure compliance with the Board approved risk appetite. The Group also mitigates exposures to pricing risk through purchase of reinsurance.

Ineffective Strategy/Failure of Product

When an inappropriate strategy or product is introduced for a specific business line or the Group as whole, there is an increased risk that material financial and reputational losses will occur. The Group seeks to manage this through the use of processes and procedures in place over the production, review and analysis of annual business plans and the introduction of new products for each line of business, prior to approval and execution. The Group also has processes in place for the identification, assessment and approval of key projects and strategic investments. Strategic initiatives are tracked monthly and all staff are set personal goals which align to the strategic direction of the Group.

Failure to Manage Risk Aggregation/Accumulation

The Group may be exposed to an increased likelihood of disproportionate losses for specific perils if insured risks are overly focused on a specific geographical area or type of policy cover. The Group seeks to manage this through the use of pre-bind rules and authorities to manage significant within line and cross-line exposures, as well as quarterly Realistic Disaster Scenario runs to determine whether aggregate exposures are being adequately managed within the parameters of approved business plans for each line of business. In addition, large and unusual transactions that may have a material impact on risk aggregation exposures for an individual line of business are referred to the RCC for further consideration.

Adverse Reserve Development: The Group may be exposed to reserve shortfalls or distortions through failing to set sufficient cash reserves or through failing to adopt a robust and consistent reserve strategy across products offered to insured and countries. The Group seeks to manage this through monitoring adherence to established policies and procedures in place governing claims reserving practices. In addition, the Group's Actuarial Team conducts annual reserve reviews of the Group's overall book to determine appropriate IBNR levels and quarterly reviews of the Group's expected reserve adequacy. The Group also employs external consultants to perform reviews of its reserves to provide an independent review of their adequacy.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.7 Management of insurance and financial risk (Continued)

Concentration risk

Concentration of insurance risk can be a cause of elevated claims volatility and refers to the possibility of significant financial losses arising from a lack of diversification, either geographical or by product type, of the Group's portfolio. Certain events may give rise to higher levels of adverse development and exhibit geographical concentrations.

The Group's geographical spread and product portfolio creates natural diversification and reduces the extent to which concentrations of insurance risk arise. The Group has a broad geographical footprint across Asia Pacific and its results are not overly dependent upon any one of these individual markets. This provides a natural diversification of geographic concentrations of insurance and other risks (such as political risks).

Concentrations of risk are managed with each market through the monitoring of product sales and size of the in force book by product. The Group mitigates this risk by adhering to the underwriting and claims management policies and procedures that have been developed based on extensive historical experience. Lastly, reinsurance solutions are also used to help reduce concentration risk.

The table below sets out the concentration of insurance liabilities by type of contract:

	31 December 2025			31 December 2024		
	Net insurance contract liabilities KES '000	Net reinsurance contract assets KES '000	Total KES '000	Net insurance contract liabilities KES '000	Net reinsurance contract assets KES '000	Total KES '000
Motor Private Liability	(599,290)	192,849	(406,441)	(747,635)	598,017	(149,618)
Fire Industrial	(569,029)	405,989	(163,040)	(390,526)	312,373	(78,153)
Personal Accident	(152,848)	154,835	1,987	(297,373)	237,863	(59,510)
Engineering	52,361	(16,935)	35,426	(29,216)	23,369	(5,847)
Marine	(119,666)	114,250	(5,416)	(113,863)	91,077	(22,786)
Motor Commercial	(5,315)	(1,565)	(6,880)	(13,531)	10,823	(2,708)
Theft	(78,886)	25,564	(53,322)	(61,663)	49,323	(12,340)
Fire Domestic	(158,786)	153,561	(5,225)	(285,157)	228,091	(57,066)
Workmen's Compensation	(99,782)	20,886	(78,896)	(35,849)	28,675	(7,174)
Miscellaneous	(258,217)	170,688	(87,529)	(176,172)	140,916	(35,256)
	(554)	(34)	(588)	(31)	25	(6)
Net insurance contract (liability) / (reinsurance contract asset)	(1,990,012)	1,220,088	(769,924)	(2,151,016)	1,720,552	(430,464)

Financial instruments subject to offsetting, enforceable master netting arrangements or similar agreements

IAS 32 Financial Instruments: Presentation (IAS 32) requires financial assets and financial liabilities to be offset and the net amount presented in the statement of financial position when, and only when, the Group has a current legally enforceable right to set off recognised amounts, as well as the intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Group holds master netting agreements for derivative instruments only and has no further netting agreements on other financial instruments. The gross amount of derivative instruments subject to offsetting at 31 December 2025 were below 1% of Group total assets and have been measured at fair value in the statement of financial position. No netting has been applied.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.8 Fair value hierarchy

Financial instruments measured at fair value

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1 above.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

IFRS 7 requires the disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Valuation technique based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3: Valuation technique based on inputs for the asset or liability that are not observable market data (that is, unobservable inputs)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.8 Fair value hierarchy (Continued)

Financial instruments measured at fair value (Continued)

The following tables present assets that are measured at fair value at year end.

Group	Level 1	Level 2	Level 3	Total
At 31 December 2025	KES '000	KES '000	KES '000	KES '000
Financial assets at fair value through profit or loss				
Loan notes (Note 27b)	-	3,326,423	-	3,326,423
Government Securities (Note 25)	-	1,736,271	-	1,736,271
Derivative assets	-	6,432	-	6,432
Unit trusts and other investment securities	180,781	-	-	180,781
Other assets	-	90,000	-	90,000
Property and Equipment – building	-	-	634,000	634,000
Financial assets at FVOCI				
Fixed rate Treasury bills FVOCI – (note 25)	-	4,031,394	-	4,031,394
Fixed rate Treasury bonds FVOCI – (note 25)	-	83,585,714	-	83,585,714
Total assets	180,781	92,776,234	634,000	93,591,015
At 31 December 2024				
Financial assets at fair value through profit or loss				
Loan notes	-	3,391,146	-	3,391,146
Derivative assets	-	18,089	-	18,089
Unit trusts and other investment securities	165,476	-	-	165,476
Other assets	-	90,000	-	90,000
Property and Equipment - building	-	-	634,000	634,000
Financial assets at FVOCI				
Fixed rate Treasury bills FVOCI – (note 25)	-	9,169,977	-	9,169,977
Fixed rate Treasury bonds FVOCI – (note 25)	-	75,482,300	-	75,482,300
Total assets	165,476	88,151,512	634,000	88,950,988

There were no financial liabilities measured at fair value for the period ending 31 December 2025 (2024: Nil). Additionally, there were no transfers between levels 1,2 and 3 during the year(2024:No transfers between levels 1,2 and 3).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.8 Fair value hierarchy (Continued)

Financial instruments measured at fair value (Continued)

The table below sets out information about the valuation techniques applied at the end of the reporting period in measuring assets and liabilities whose fair value is categorised as Level 2 and 3 in the fair value hierarchy.

Category of asset/liability	Valuation technique	Significant unobservable inputs	Sensitivity
Property and Equipment – building	Discounted Cash Flow Method – Principal Method	Discount rate applied in the valuation of investment properties is determined based on the market-derived All Risks Yield (ARY) and an estimated sustainable rental growth rate. The ARY is obtained from an analysis of historical transactions of commercial properties within the Nairobi market, reflecting prevailing market conditions and risk perceptions. The sustainable rental growth rate represents the long-term expected annual increase in rental income, considering market trends, inflation, and economic fundamentals.	A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.
Loan notes	Quoted prices and/or suitable proxies	Quoted prices and/or suitable proxies which are subjected to different sensitivity assessments	Changes in assumptions about these factors could affect the reported fair value of loan notes. As at 31 December 2025, the fair value of the loan notes would have been estimated at KES Nil on higher / lower if the determined share price was assumed to be 25% higher /lower (2024 – KES 109 million).
Derivative assets	Option pricing	Mark to Market	A slight increase in the input used would result in a significant change in fair value
Other assets	Observable price changes	Observable price changes	A slight increase in the input used would result in a significant change in fair value.
Fixed rate Treasury bills FVOCI	Market comparables	Face value/nominal value Unamortized discount/premium Mark to Market	A slight increase in the input used would result in a significant change in fair value.
Fixed rate treasury bonds – FVOCI	Market comparables	Fair value/nominal value Unamortized discount/premium Mark to Market	A slight increase in the input used would result in a significant change in fair value.

The Company does not have other assets measured at fair value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.8 Fair value hierarchy (Continued)

Financial instruments not measured at fair value

i) Cash and balances with central banks

The carrying amount of cash and balances with central banks are reasonable approximation of fair value.

ii) Government securities

Government securities at amortised costs are non-derivative financial assets with fixed or determinable payments and fixed maturities that the directors have the positive intention and ability to hold to maturity. They are initially recognised at fair value and measured subsequently at amortised cost, using the effective interest met.

iii) Due from and due to banking institutions

Balances due from and due to banking institutions include inter-bank placements and deposits and items in the course of collection. The carrying amount of floating rate placements and overnight advances and deposits is a reasonable approximation of fair value.

iv) Customer loans and advances

Loans and advances are net of charges for impairment. The estimated fair value for loans and advances to customers has been estimated using valuation models i.e discounted cash flow techniques. Inputs into the valuation techniques includes expected lifetime credit losses, interests rates, prepayments rates and primary origination.

v) Customer deposits

The fair values of deposits are approximated by their carrying amount.

vi) Borrowings

The fair values of borrowings are approximated by their carrying amount.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.8 Fair value hierarchy (Continued)

Financial instruments not measured at fair value (Continued)

The fair value hierarchy for financial assets not measured at fair value is as shown in the table below:

Group		Level 1 KES '000	Level 2 KES '000	Level 3 KES '000	Fair value KES '000	Carrying value KES '000
At 31 December 2025						
Assets						
Cash and balances with CBK	21	-	-	63,774,068	63,774,068	63,774,068
Items in course of collection	22	-	-	687,951	687,951	687,951
Loans and advances to Customers	27	-	-	303,591,552	303,591,552	303,591,552
Balances due from banking institutions	23	-	-	51,367,772	51,367,772	51,367,772
Government securities – Amortised cost		-	339,191,823	-	339,191,823	339,191,823
Investment securities	26	-	-	15,512,628	15,512,628	15,512,628
Other assets		-	-	25,266,155	25,266,155	25,266,155
Total		-	339,191,823	460,200,126	799,391,949	799,391,949
Liabilities						
Customer deposits	38	-	-	531,866,221	531,866,221	531,866,221
Due to banking institutions	39	-	-	10,337,119	10,337,119	10,337,119
Borrowings	42	-	-	7,565,293	7,565,293	7,565,293
Due to group companies		-	-	-	-	-
Other Liabilities	41	-	-	28,827,795	28,827,795	28,827,795
Total		-	-	578,596,428	578,596,428	578,596,428
At 31 December 2024						
Assets						
Cash and balances with CBK	21	-	-	43,679,381	43,679,381	43,679,381
Items in course of collection	22	-	-	553,733	553,733	553,733
Loans and advances to Customers	27	-	-	290,541,204	290,541,204	290,541,204
Balances due from banking institutions	23	-	-	52,956,080	52,956,080	52,956,080
Government securities – Amortised cost		-	122,864,015	-	122,864,015	122,864,015
Investment securities	26	-	-	15,226,830	15,226,830	15,226,830
Other assets		-	-	19,268,491	19,268,491	19,268,491
Total		-	122,864,015	422,225,719	545,089,734	545,089,734
Liabilities						
Customer deposits	38	-	-	502,016,493	502,016,493	502,016,493
Due to banking institutions	39	-	-	13,407,659	13,407,659	13,407,659
Borrowings	42	-	-	10,172,225	10,172,225	10,172,225
Other Liabilities	41	-	-	23,566,322	23,566,322	23,566,322
Total		-	-	549,162,699	549,162,699	549,162,699

Who We Are

Our Business

ESG, Climate Risk &
Sustainable Finance

Our Financials

Other Information

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

3. Financial risk management (Continued)

3.8 Fair value hierarchy (Continued)

Financial instruments not measured at fair value (Continued)

Company	Level 3 KES ' 000	Fair Value KES '000	Carrying value KES '000
At 31 December 2025			
Assets			
Due from group companies	495,401	495,401	495,401
Other assets	785,640	785,640	785,640
	1,281,041	1,281,041	1,281,041
Liabilities			
Due to group companies	2,101,137	2,101,137	2,101,137
Other liabilities	1,574,948	1,574,948	1,574,948
	3,676,085	3,676,085	3,676,085
At 31 December 2024			
Assets			
Due from group companies	1,371,867	1,371,867	1,371,867
Other assets	674,531	674,531	674,531
	2,046,398	2,046,398	2,046,398
Liabilities			
Due to group companies	7,892,756	7,892,756	7,892,756
Other liabilities	975,985	975,985	975,985
Total	8,868,741	8,868,741	8,868,741

4. Capital management

The Group's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are to comply with the capital requirements set by the regulators and safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders as well as maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital for the banking subsidiaries are monitored regularly by the directors, employing techniques based on guidelines developed by the Basel Committee, as implemented by the regulatory authorities for supervisory purposes. Returns on capital adequacy are filed with the regulators on a regular basis.

The level of capital is reviewed on an annual basis and is determined principally by the level of business growth realised during the period. This informs the directors' decision on dividend payout while ensuring stability and sustainability of business.

In Kenya, the Central Bank (CBK) requires each banking institution to:

- hold a minimum level of regulatory capital of KES 3 billion (2024: KES 1 billion). This is expected to increase in 2026 to KES 5 billion and 2027 to KES 7 billion.
- maintain a ratio of core capital to the risk weighted assets and contingencies at a minimum of 10.5%;
- maintain a ratio of core capital to total deposit liabilities at a minimum of 8%; and
- maintain a ratio of total capital to risk weighted assets and contingencies at a minimum of 14.5%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

4. Capital management (Continued)

During the year under review, the Group maintained capital adequacy ratios at levels above the stipulated minimum regulatory benchmarks. In line with Basel and local regulatory guidelines, total capital is divided into two tiers as follows:

- Tier 1 capital (core capital): comprises share capital, share premium and retained earnings.
- Tier 2 capital (supplementary capital): comprises 25% (subject to regulatory approval) of property revaluation reserves, statutory credit risk reserve, subordinated debt not exceeding 50% of tier I capital and hybrid capital instruments. Qualifying tier II capital is limited to 100% of tier I capital.
- Statutory credit risk reserve qualifying as tier II capital cannot exceed 1.25% of risk weighted assets total value.

Risk weighted assets are measured by means of a hierarchy of four risk weights classified according to the nature of (and reflecting an estimate of the credit risk associated with) each asset and counterparty. A similar treatment is adopted for off-balance sheet exposure, with some adjustments to reflect the more contingent nature of the potential losses.

The table below summarises the composition of regulatory capital and capital adequacy ratios of the Group's Banking subsidiaries as at 31 December 2024

	Kenya KES '000	Tanzania KES '000	Uganda KES '000	Rwanda KES '000
As at 31 December 2025				
Tier I capital(Core)	92,330,703	4,879,202	7,861,126	3,826,294
Tier II capital	-	-	116,058	218,175
Total capital	92,330,703	4,879,202	7,977,184	4,044,469
Risk-weighted assets				
Credit risk weighted assets	315,599,983	13,492,833	16,886,225	12,496,310
Market risk weighted assets equivalent	34,452,116	394,354	1,332,257	113,865
Operational risk equivalent assets	97,787,612	1,622,778	-	3,721,139
Total risk-weighted assets (TRWA)	447,839,711	15,509,965	18,218,482	16,331,314
Core capital/TRWA	22.62%	31.46%	43.15%	23.43%
Regulator minimum requirement	10.50%	12.50%	12.50%	12.50%
Total capital/TRWA	22.62%	31.46%	43.79%	24.77%
Regulator minimum requirement	14.50%	14.50%	14.50%	16.60%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

4. Capital management (Continued)

As at 31 December 2024

	Kenya	Tanzania	Uganda	Rwanda
	KES '000	KES '000	KES '000	KES '000
Tier I capital	89,085,488	4,109,824	6,406,237	3,268,770
Tier II capital	-	-	106,577	133,671
Total capital	89,085,488	4,109,824	6,512,814	3,402,441
Risk-weighted assets				
Credit risk weighted assets	313,707,388	13,114,418	15,222,222	12,656,144
Market risk weighted assets equivalent	31,264,526	355,450	1,639,588	35,223
Operational risk equivalent assets	92,851,721	1,586,905	-	3,272,045
Total risk-weighted assets (TRWA)	437,823,635	15,056,773	16,861,810	15,963,412
Core capital/TRWA	20.3%	27.3%	38.0%	20.5%
Regulator minimum requirement	10.5%	12.5%	12.5%	12.5%
Total capital/TRWA	20.3%	27.3%	38.0%	21.3%
Regulator minimum requirement	14.5%	14.5%	14.5%	15.0%

Capital management insurance entity (NCBA Insurance Company Limited)

The table below summarises the composition of regulatory capital and capital adequacy ratios of the Group's Insurance subsidiary as at 31 December 2025.

The Group's objectives when managing capital, which is a broader concept than the 'equity' on the Statement of Financial Position, are:

- to comply with the capital requirements as set out in the Insurance Act;
- to comply with regulatory solvency requirements as set out in the Insurance Act.
- to safeguard the NCBA Insurance Company Limited's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

Under the Risk Based Capital (RBC) regime, the minimum regulatory capital is set as the higher of:

- absolute minimum floor amount of KES 600 million;
- 20% of prior year's net premiums earned; and
- RBC requirement, which is made up of capital required for operational risk plus the square root of the sum of the squares of the capital required for insurance risk, market risk and credit risk.

The Group has complied with the RBC requirements as at 31 December 2025.

Capital adequacy and the solvency margin are monitored regularly by management. The required information is filed with the Insurance Regulatory Authority on a quarterly basis. During the year the NCBA Insurance Company Limited held the minimum paid up capital required as well as met the required solvency margins.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

5. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

The NCBA Insurance Company Limited's Capital Adequacy Ratio (CAR) position as at 31 December 2025 and 2024 is illustrated below:

	31 December 2025 KES '000	31 December 2024 KES '000
Total capital available	1,912,585	1,971,467
Minimum required capital	633,332	600,000
Capital adequacy ratio	302%	329%
Required capital adequacy Ratio (%)	200%	200%

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard. Estimates and judgements are continually evaluated and are based on past experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Impairment losses on financial assets at amortised cost and FVOCI

The Group reviews its financial assets especially the loan and receivables portfolio to assess impairment on a continuous basis. The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area where the Group requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirement for measuring ECL, such as:

- Determining the qualitative and quantitative criteria for identifying financial instruments that experience significant increase in credit risk and/or default;
- Choosing the appropriate models and assumptions for the measurement of ECL;
- Establishing groups of similar financial assets (credit segmentation) for the purposes of measuring ECL;
- Establishing the number and relative weightings of forward-looking scenarios for various financial assets' segmentation and the associated ECL;
- Determining the relevant period of exposure to credit risk when measuring ECL for credit cards and revolving credit facilities; and
- For instrument in default, the methodology and assumptions used for estimating both the amount and timing of future cash flows.

The above assumptions are reviewed regularly to reduce any differences between loss estimates and actual loss experience. As at 31 December 2025, were the net present value of estimated cash flows to differ by +/-1%, the impairment loss is estimated to be KES 109 million higher or lower (2024: KES 109.0 million).

The most significant period-end assumptions used for the ECL estimate as at 31 December 2025 was cost of recovery.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

5. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

b) Amortised cost investments

The Group follows the guidance of IFRS 9 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturities as financial investments at amortised cost. The Group evaluates its business model and the cashflow characteristics of the instruments, including its intention and ability to hold such investments to collect contractual cashflows. If the Group fails to keep these investments to collect contractual cashflows other than for the specific circumstances - for example, selling insignificant portions thereof, infrequently - it is required to classify the entire class as FVOCI.

The investments would therefore be measured at fair value and not at amortised cost. If all financial investments at amortised cost were to be so reclassified, the carrying value would increase by KES 8.288 million (2024: increase by KES 10,211 million), with a corresponding entry in the fair value reserves in shareholders' equity.

c) Income taxes

The Group is subject to taxation laws and regulations. There may be transactions and calculations, during the normal course of business, whose ultimate tax impact determination has an element of uncertainty. In determining the interpretation and/or application of the various tax rules, disputes may arise with the relevant tax authorities, of which the outcome may not be favourable to the Group. In such cases, the Group relies on internal management expertise and where relevant, seeks expert advice to determine whether the unfavourable outcome is probable or possible.

Where objective estimates of the potential tax liabilities that may crystallize from such tax disputes are determinable, the Group recognises provision in line with IFRIC 23. In such cases, if the final tax determination is different from the amounts that were initially recorded, the difference will impact the current income tax and deferred income tax provisions in the period in which such determination is made. (Note 18 and 34)

Where payment is determined to be possible but not probable, the tax exposure is disclosed as a contingent liability.

d) Valuation of loan notes held at fair value

As per IFRS 13, where the Group measures a financial instrument at fair value, the fair value should represent the price that would be received to sell an asset in an orderly transaction in the principal (or most advantageous) market between market participants at the measurement date. Fair value is a market-based measurement, which uses the assumptions that market participants would use when pricing an asset or liability under current market conditions.

The Group holds loan notes that are measured at fair value through profit or loss. For these, fair value is composed of two key cashflow components, being the interest receivable on the loan notes and valuation of the shares upon whose sale the principal debt amount will be realised. Any shortfall from the above cashflow streams is covered, albeit partially, by a government guarantee.

To determine the value of the shares, the Group utilises valuation models that incorporate both observable and unobservable inputs such as quoted prices and/or suitable proxies. These prices are then subjected to different sensitivity assessments. The selection and application of these models and the related inputs is judgmental.

Changes in assumptions about these factors could affect the reported fair value of loan notes. As at 31 December 2025, the fair value of the loan notes would have been estimated at KES 109 million higher / lower if the determined share price was assumed to be 25% higher /lower (2024 – KES 109 million).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

5. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

e) Critical Judgements in the application of IFRS 17

Areas of potential judgement	Applicable to the company
Onerous contracts	
Aggregation of insurance contracts issued on initial recognition into groups of onerous contracts, groups of contracts with no significant possibility of becoming onerous, and groups of other contracts.	Refer to note 2.12 for a description of judgements applied by the Group.
Similar grouping assessment for reinsurance contracts held. Areas of potential judgements include: (a) the determination of contract sets within portfolios and whether the Company has reasonable and supportable information to conclude that all contracts within a set would fall into the same group, and (b) judgements might be applied on initial recognition to distinguish between non-onerous contracts (those having no significant possibility of becoming onerous) and other contracts.	
For contracts measured under the PAA, the assessment of the likelihood of adverse changes in applicable facts and circumstances is an area of potential judgement.	Refer to note 2.12 for a description of judgements applied by the Group.
(c) For insurance contracts issued measured under the PAA, management judgement might be required to assess whether facts and circumstances indicate that a group of contracts has become onerous. Further, judgement is required to assess whether facts and circumstances indicate that any changes in the onerous group's profitability and whether any loss component remeasurement is required.	
	This has been considered and the company identified facts or circumstances that indicated that a group of contracts measured under the PAA had become onerous. The Group has developed a methodology for identifying indicators of possible onerous contracts, which includes historical combined ratios, expense ratios and budgeted loss ratios. In addition, the Group has developed models for measuring potential onerous contract losses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

5. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

e) Critical Judgements in the application of IFRS 17 (Continued)

Areas of potential judgement	Applicable to the company
Measurement – Fulfilment cash flows	
The concept of a contract boundary is used to determine which future cash flows should be considered in the measurement of a contract within the scope of IFRS 17. Judgements might be involved to determine when the Company is capable of repricing the entire contract to reflect the reassessed risks, when policyholders are obliged to pay premiums, and when premiums reflect risks beyond the coverage period. An entity can use judgement to determine which cash flows within the boundary of insurance contracts are those that relate directly to the fulfilment of the contracts.	Refer to note 2.12 for a description of judgements applied by the Group for measurement of fulfilment cash flows
Risk adjustment for non-financial risk The risk adjustment represents compensation that is required for bearing uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Company's degree of risk aversion. The Company estimates an adjustment for non-financial risk separately from all other estimates.	The risk adjustment is calculated at the Group level and then allocated down to each group of insurance contracts in accordance with their risk profiles. The gross risk adjustment estimation approach uses a statistical modelling tool to generate an independent risk coefficient of variation (CoV). The CoV is used as inputs and actuarial judgement is exercised to derive the gross risk adjustment for non-financial risk. The gross and ceded risk adjustment is calibrated at a 75% level of sufficiency after taking into account diversification benefits

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

5. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

e) Critical Judgements in the application of IFRS 17 (Continued)

Areas of potential judgement	Applicable to the company
Estimates of fulfilment cash flows to fulfil insurance contracts	
The cash flows related to the Liability for Incurred Claims ("LIC") can generally be categorized into two distinct groups. One group is short-tail classes of business consisting mainly of motor private and fire industrial. The other group is long-tail classes consisting mainly of liability lines of business.	The estimates for short tail classes are more reliant on the case estimate on individual claims and utilize loss development methodologies in the projection of the future development of these case estimates. Long-tail classes generally relate to coverage where litigation is frequent or where there is an element of bodily injury, especially in situations with long term injury. For these classes it may take some time from the date of accident for the claim to emerge and for claims to be settled from notification date due to the time taken to establish liability. Estimation of ultimate net indemnity losses and loss expenses for long-tail lines of business is a complex process and depends on a number of factors, including the class and volume of business involved as well as the complexity of the individual claim and the uncertainty of the business environment. The actuarial methods used by the Group for most long-tail commercial lines include loss development methods and expected loss ratio methods, including the Bornhuetter-Ferguson and basic chain ladder methods. Exceptional large claims or events, to the extent that these distort the historical development, are often removed from the analysis and considered separately

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

5. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

f) Significant judgements and estimates in applying IFRS 17 (Continued)

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect in the amounts recognised in the financial information.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provides an explanation of each below.

(i) Estimates and assumptions

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provides an explanation of each below.

In applying the measurement requirements of IFRS 17, the following methods and inputs were used that include significant estimates.

(ii) Estimates of future cash flows to fulfil insurance contracts

The cash flows related to the LIC can generally be categorized into two distinct groups. One group is short-tail classes of business consisting mainly of property, consumer lines, marine and energy. The other group is long-tail commercial lines of business which includes primary liability, Directors and Officers (D&O), professional liability, employers' liability, general liability and related classes.

Short-tail classes do not have a significant delay from the date of accident to date of report to the Group and then settled by the Group. The estimates for these classes are more reliant on the case estimate on individual claims and utilize loss development methodologies in the projection of the future development of these case estimates.

Long-tail classes generally relate to coverage where litigation is frequent or where there is an element of bodily injury, especially in situations with long term injury. For these classes it may take some time from the date of accident for the claim to emerge and for claims to be settled from notification date due to the time taken to establish liability. Estimation of ultimate net indemnity losses and loss expenses for long-tail lines of business is a complex process and depends on a number of factors, including the class and volume of business involved as well as the complexity of the individual claim and the uncertainty of the business environment.

The actuarial methods used by the group for most long-tail commercial lines include loss development methods and expected loss ratio methods, including the Bornhuetter-Ferguson method. Exceptional large claims or events, to the extent that these distort the historical development, are often removed from the analysis and considered separately.

(iii) Discount rates

The Group applies a bottom-up approach to deriving the discount rate for each group of insurance contracts. The Group determines the discount rates based on a liquid risk-free yield curve and then adjusts this to take into account the difference between the liquidity characteristics of the group of insurance contracts and the liquidity characteristics of the assets used to determine the yield curve.

The yield curves that have been used to discount estimates of future cash flows to fulfil insurance contracts are as follows

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

5. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

(iii) Discount rates (Continued)

31 December 2025

	1 year	2 years	3 years	5 years	10 years	20 years
Risk free rate	9.46%	10.27%	11.12%	11.02%	13.63%	17.99%
liquidity premium	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	9.46%	10.27%	11.12%	11.02%	13.63%	17.99%

31 December 2024

	1 year	2 years	3 years	5 years	10 years	20 years
Risk free rate	11.41%	13.25%	16.04%	14.05%	13.51%	21.21%
liquidity premium	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	11.41%	13.25%	16.04%	14.05%	13.51%	21.21%

The Group has elected to use zero illiquidity risk premium adjustment since from a qualitative and quantitative analysis the impact is considered immaterial. Further, government bond markets where the Group transacts that have been used for discounting are not sufficiently deep and transparent to derive reliable estimates for the credit risk premia and as a consequence the liquidity risk premia.

(iv) Risk adjustment

The risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favorable and unfavorable outcomes in a way that reflects the Group's degree of risk aversion. The Group estimates an adjustment for non-financial risk separately from all other estimates.

The risk adjustment is calculated at the entity level and then allocated down to each group of insurance contracts in accordance with their risk profiles. The gross risk adjustment estimation approach uses a statistical modelling tool to generate an independent risk coefficient of variation (CoV). The CoV is used as inputs and actuarial judgement is exercised to derive the gross risk adjustment for non-financial risk. The ceded risk adjustment is calibrated at a 75% level of sufficiency after taking into account diversification benefits.

6. Interest income

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Debt Instruments at amortised cost	14,250,042	14,475,166	-	-
Debt Instruments at fair value through OCI (mandatory)	10,008,143	10,083,771	-	-
Debt Instruments at fair value through PL (mandatory)	121,423	-	-	-
Customer loans and advances	39,398,084	47,229,128	-	-
Loans and advances – mobile loans	13,916,671	12,304,342	-	-
Due from banking institutions	3,297,280	3,594,669	108,384	39,878
Investment securities	773,213	932,985	-	-
	81,764,856	88,620,061	108,384	39,878

Interest income is recognised using the effective interest method.

Who We Are

Our Business

ESG, Climate Risk &
Sustainable Finance

Our Financials

Other Information

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

7. Interest expense

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Customer deposits	22,209,878	38,067,748	-	-
Deposit from other banking institutions	922,659	1,996,807	-	-
Borrowings – note 41	509,723	662,079	-	-
Lease liability – note 42	411,074	446,651	-	-
	24,053,334	41,173,285	-	-

Interest expense is recognised using the effective interest method.

8. Impairment losses

Impairment charge for loans and advances

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Stage 1	1,029,157	(10,135)	-	-
Stage 2	297,045	(1,315,717)	-	-
Stage 3	8,868,435	9,943,628	-	-
Subtotal (note 27)	10,194,637	8,617,776	-	-
Bad debts recoveries	(2,922,350)	(3,630,397)	-	-
Other impairment charges				
Impairment (release) /charges on other assets	(370,134)	59,056	-	-
Total impairment charges	6,902,153	5,046,435	-	-
Total impairment charges, may be analysed as follows:				
Loans and advances to customers	7,272,287	4,987,379	-	-
Other impairment (release)/charges	(370,134)	59,056	-	-
	6,902,153	5,046,435	-	-

The Group has elected, as an accounting policy choice, to present all bad debt recoveries within the expected credit loss (ECL) allowance. Accordingly, any subsequent recoveries of amounts previously written off are recognised as adjustments within the ECL, rather than being presented separately in the profit or loss statement.

Other impairment charges includes ECL on balances with Central Banks, due from banking institutions, Governments securities, and Investments securities.

9. Net fees and commission income

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Fees and commission income				
Service and transaction fees	4,566,791	5,151,000	-	-
Fees and commission on bills, letters of credit and guarantees	1,467,285	1,070,872	-	-
Gross fees and commission income	6,034,076	6,221,872	-	-
Fees and commission expense	(637,585)	(641,293)	-	-
Net fees and commission income	5,396,491	5,580,579	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

10. (a) Insurance revenue

An analysis of insurance revenue by product line for contracts measured under the PAA is included in the following table

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Motor private	1,007,632	584,754	-	-
Liability	666,098	237,795	-	-
Fire industrial	626,290	439,832	-	-
Others	1,173,166	455,252	-	-
	3,473,186	1,717,633	-	-

Others majorly relate to revenues from property, financial lines, marine, personal accident product lines.

(b) Insurance service expenses

31 December 2025

	Motor Private	Liability	Fire Industrial	Others	Total
	KES '000	KES '000	KES '000	KES '000	KES '000
Incurred claims	573,210	54,194	137,708	141,855	906,967
Other directly attributable expenses	172,069	160,191	106,061	233,586	671,907
Other movements related to current service	(24,102)	(6,658)	(1,906)	(11,895)	(44,561)
Amortisation of insurance acquisition cash flows	95,533	101,536	122,644	171,785	491,498
Changes that relate to past service	(60,525)	14,708	(42,508)	(13,109)	(101,434)
Changes that relate to future service	(29,122)	-	-	(13,189)	(42,311)
Total	727,063	323,971	321,999	509,033	1,882,066

10 (b) Insurance service expenses

31 December 2024

	Motor Private	Liability	Fire Industrial	Others	Total
	KES '000	KES '000	KES '000	KES '000	KES '000
Incurred claims	377,854	(314,003)	(123,228)	(206,952)	(266,329)
Other directly attributable expenses	(16,006)	59,383	56,616	183,561	283,554
Other movements related to current service	(13,235)	(94,118)	(22,546)	(37,358)	(167,257)
Amortisation of insurance acquisition cash flows	29,919	85,034	65,120	53,809	233,882
Changes that relate to past service	(201,666)	310,459	81,909	354,911	545,613
Changes that relate to future service	(30,984)	(55,956)	(10,781)	(36,050)	(133,771)
Total	145,882	(9,201)	47,090	311,921	495,692

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

11. Net Expenses from reinsurance contracts held

31 December 2025	Motor Private	Liability	Fire Industrial	Others	Total
	KES '000	KES '000	KES '000	KES '000	KES '000
Allocation of the premiums paid	82,544	445,163	289,581	535,938	1,353,226
Less amounts recovered from reinsurance:					
Incurred insurance service expenses	(46,761)	(38,711)	(77,495)	(36,528)	(199,495)
Changes that relate to past service	(4,066)	(48,850)	2,240	(39,265)	(89,941)
Changes that relate to future service	5,264	-	-	6,515	11,779
Net expenses from reinsurance contracts held	36,981	357,602	214,326	466,660	1,075,569

31 December 2024	Motor Private	Liability	Fire Industrial	Others	Total
	KES '000	KES '000	KES '000	KES '000	KES '000
Allocation of the premiums paid	(167,700)	(120,837)	(173,174)	(283,412)	(745,123)
Less amounts recovered from reinsurance:					
Incurred insurance service expenses	(268,254)	250,546	45,502	(182,437)	(154,643)
Changes that relate to past service	(519,754)	1,377,231	478,498	(336,223)	999,752
Changes that relate to future service	1,082	(353,200)	(360,989)	(200,095)	(913,202)
Net expenses from reinsurance contracts held	(954,626)	1,153,740	(10,163)	(1,002,167)	(813,216)

12. Net finance income from insurance and reinsurance contracts

31 December 2025	Motor Private	Liability	Fire Industrial	Others	Total
	KES '000	KES '000	KES '000	KES '000	KES '000
(a) Net finance expenses from insurance contracts					
Interest accreted on present value cash flows	(33,146)	(40,286)	(15,188)	(53,642)	(142,262)
Interest accreted on risk adjustment	(2,248)	(5,382)	(810)	(5,626)	(14,066)
Effect of financial risk and changes in financial risk	(14,916)	(29,811)	(4,343)	(18,757)	(67,827)
Total	(50,310)	(75,479)	(20,341)	(78,025)	(224,155)

(b) Net finance income from reinsurance contracts					
Interest accreted on present value cash flows	9,361	25,326	8,121	30,427	73,235
Interest accreted on risk adjustment	616	3,465	437	3,169	7,687
Effect of financial risk and changes in financial risk	4,641	24,596	2,573	11,757	43,567
Total	14,618	53,387	11,131	45,353	124,489
Net insurance finance expenses	(35,692)	(22,092)	(9,210)	(32,672)	(99,666)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

12. Net finance income from insurance and reinsurance contracts (Continued)

31 December 2024	Motor Private	Liability	Fire Industrial	Others	Total
	KES '000	KES '000	KES '000	KES '000	KES '000
(a) Net finance expenses from insurance contracts					
Interest accreted on present value cash flows	(148,206)	(87,268)	(69,466)	84,258	(220,682)
Interest accreted on risk adjustment	(9,794)	(16,874)	(6,238)	9,747	(23,159)
Effect of financial risk and changes in financial risk	(10,709)	19,564	4,485	(196,631)	(183,291)
Total	(168,709)	(84,578)	(71,219)	(102,626)	(427,132)

(b) Net finance income from reinsurance contracts					
Interest accreted on present value cash flows	6,915	8,530	9,329	76,199	100,973
Interest accreted on risk adjustment	768	1,171	432	14,957	17,328
Effect of financial risk and changes in financial risk	6,147	22,318	4,162	18,425	51,052
Total	13,830	32,019	13,923	109,581	169,353
Net insurance finance expenses	(154,879)	(52,559)	(57,296)	6,955	(257,779)

13. Net Foreign exchange income

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Realised gains	5,091,671	6,253,099	-	-
Unrealised loss	(11,900)	(3,336)	-	-
Total	5,079,771	6,249,763	-	-

14. Net Gains on disposal of financial asset

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Financial assets mandatorily measured at fair value through profit or loss	165,041	14,977	-	-
Financial assets designated at fair value through other comprehensive income	385,851	319,351	-	-
Total	550,892	334,328	-	-

Net gain on disposal of financial instruments relates to sale of government securities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

15. Other income

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
(a) Fair value loss of financial assets				
Fair value loss of loan note through profit and loss*(note 27b)	-	(94,249)	-	-
(b) Other income				
Dividend income	-	-	14,541,999	12,144,600
Wealth management fees	998,446	641,929	-	-
Insurance brokerage commission	598,353	676,028	-	-
Management fees (group recharges)	-	-	330,817	305,279
Operating lease rentals	538,176	583,970	-	-
Gain on disposal of property and equipment	32,293	21,283	-	-
Corporate finance/advisory income	151,111	92,188	-	-
Other**	359,013	313,080	-	-
	2,677,392	2,328,478	14,872,816	12,449,879

*Fair value loss of financial assets relates to loans note with guarantee by Government of Kenya for an advance to the national airline (Kenya Airways). The value of the loan note is impacted by qualitative, judgmental analysis of developments at the original borrower company and in the airline industry, and the future actions of the Government of Kenya and other Shareholders. The valuation is based on discounted value of expected future cash flows.

**Other income mainly includes brokerage commissions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

16. Operating expenses

		GROUP		COMPANY	
		2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Employee benefits	17 (a)	16,600,877	13,897,679	422,568	354,747
Premises and maintenance expenses		737,944	713,865	-	-
Equipment and motor vehicle expenses		522,594	580,728	-	-
Marketing and business development expenses		1,965,942	1,956,482	-	-
Security and insurance expenses		1,217,453	1,002,023	-	-
Information technology expenses		4,886,311	4,890,185	-	-
Communication and stationery		1,022,373	921,751	-	-
Professional fees		1,051,365	924,257	-	-
Depreciation of property and equipment	33	1,158,129	936,674	-	-
Amortisation of intangible assets (software)	32	1,188,932	1,193,001	-	-
Amortisation of operating lease	35	125	125	-	-
Regulatory deposits insurance		851,956	842,769	-	-
Auditors' remuneration (inclusive of VAT)	17 (b)	103,352	70,841	1,447	1,767
Depreciation on right of use assets	36	955,711	1,023,765	-	-
Other expenses *		5,539,072	3,228,580	533,828	104,273
Total expenses		37,802,136	32,182,725	957,843	460,787
Non attributable expenses**		(670,954)	(292,842)	-	-
		37,131,182	31,889,883	957,843	460,787

*Other expenses mainly include operational expenses and credit card expenses.

**Non-attributable expenses are overhead costs that are excluded from the measurement of insurance contract liabilities and hence not part of insurance service result.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

17.(a) Employee benefits

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Salaries and allowances	13,068,113	10,559,103	400,276	203,261
Contributions to defined contribution scheme	1,163,109	999,640	21,682	148,142
Medical	727,758	632,364	-	(3,686)
Training	329,173	235,734	-	-
Staff benefits	286,985	357,151	-	-
Other staff costs*	1,025,739	1,113,687	610	7,030
	16,600,877	13,897,679	422,568	354,747
Number of employees as at 31 December	4,002	3,790	6	6

*Other staff costs mainly include recruitment and other staff wellness costs.

17. (b) Auditors' remuneration

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Statutory audit fees	44,374	43,444	1,447	1,359
Other regulatory mandated audits	28,015	24,386	-	-
Prior year audit overruns*	6,998	-	-	-
Other fees**	23,965	3,011	-	408
	103,352	70,841	1,447	1,767

The above auditor's remuneration fees relate to statutory audit services offered by Deloitte & Touche LLP to all the Group entities with the exception of NCBA Bank Uganda Limited, NCBA Bank Rwanda PLC and NCBA Insurance Kenya Limited which are audited by KPMG, KPMG and PWC consecutively.

*Prior year audit overruns mainly include one off cost relating to business combination review and cyber controls related review.

**Other fees in 2025 mostly relate to additional scope related to the audit by the Kenya Revenue Authority.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

18. Income tax expense

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Current tax				
Income tax based on taxable profit for the year	6,098,292	2,566,642	122,995	118,561
Prior year (over)/under provision of current tax	(10,921)	(344,721)	(175)	661
Deferred tax:				
Deferred income tax (credit)/ charge (note 34)	(1,126,252)	1,127,338	(138,951)	39,526
(Over)/under provision of deferred tax in prior year (note 34)	(464,407)	(77,521)	(1)	(35,479)
Deferred tax on tax losses not recognized (note 34)	-	3,543	-	-
	4,496,712	3,275,281	(16,132)	123,269
	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Profit before tax				
Income tax at statutory rates*	27,890,230	25,141,048	14,023,357	12,028,970
Expenses not deductible for tax purposes	8,324,179	7,514,964	4,207,007	3,608,692
Income not assessable for tax purposes**	1,281,776	692,917	66,223	91,573
Income not assessable for tax purposes**	(4,542,303)	(4,426,876)	(4,289,186)	(3,542,178)
Share of profits taxed on associates	(91,612)	(87,025)	-	-
(Over)/under provision of current tax in prior year	(10,921)	(344,721)	(175)	661
Under provision of deferred tax in prior year	(464,407)	(77,521)	(1)	(35,479)
Deferred income tax not recognised	-	3,543	-	-
	4,496,712	3,275,281	(16,132)	123,269
Current income tax(recoverable)/ payable				
At 1 January				
NCBA Insurance acquisition	(1,873,270)	148,444	1,372	(2,786)
Exchange difference on translation	-	(294,561)	-	-
Tax charge - current year	(103,377)	34,678	-	-
Prior year (over)/under provision of current tax	6,098,292	2,566,642	122,995	118,561
Income tax paid	(10,921)	(344,721)	(175)	660
	(1,355,814)	(3,983,752)	(112,276)	(115,063)
At 31 December	2,754,910	(1,873,270)	11,916	1,372
Comprising:				
Current income tax recoverable	(538,983)	(1,880,967)	-	-
Current income tax payable	3,293,893	7,697	11,916	1,372
At 31 December	2,754,910	(1,873,270)	11,916	1,372

*Income tax for the Group has been computed based on a notional 30% rate (28% for NCBA Bank Rwanda PLC).

**Income not assessable for tax purposes primarily relates to interest earned on infrastructure bonds, which is exempt from tax under the Kenya Income Tax Act.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

19. Dividends per share

Dividend per share is based on the dividends paid and proposed for the year and the number of ordinary shares at year end. Proposed dividends are accounted for as a separate component of equity until they have been ratified at an Annual General Meeting.

At the Annual General Meeting to be held on 26 May 2026, a final dividend in respect of the year ended 31 December 2025 of KES 4.60 per share is to be proposed (2024: KES 3.25 per share) amounting to KES 7.6 billion (2024: KES 5.4 billion). During the year, the interim dividend paid for 2025 was KES 2.50 per share (2024: KES 2.25 per share) amounting to KES 4.1 billion (2024: KES 3.7 billion).

Dividends paid are subject to withholding tax at the rate of 5% and 15% for residents and non-residents respectively where applicable.

The below is a summary of distributions made and proposed.

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Cash dividends on ordinary shares declared and paid:				
Final dividend	5,354,438	4,942,557	5,354,438	4,942,557
Interim dividend	4,118,799	3,706,919	4,118,799	3,706,919
Total dividends paid	9,473,237	8,649,476	9,473,237	8,649,476
Proposed final dividend	7,578,590	5,354,438	7,578,590	5,354,438

20. Earnings per share (EPS)

Earnings per share (EPS) is calculated by dividing the profit for the year after taxation by the weighted average number of ordinary shares in issue during the year. There were no potentially dilutive shares outstanding at 31 December 2025 or 2024. Diluted earnings per share are therefore equal to basic earnings per share.

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Group net profit	23,400,299	21,881,139	14,039,489	11,905,701
Weighted average number of ordinary shares				
Number of shares issued/deemed to be outstanding 1 Jan ('000)	1,647,519	1,647,519	1,647,519	1,647,519
Weighted average number of shares ('000) 31 December	1,647,519	1,647,519	1,647,519	1,647,519
Basic EPS (KES)	14.20	13.28	8.52	7.23

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

21. Cash and balances with Central Bank

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Cash in hand	16,517,298	19,045,550	-	-
Balances with central banks	28,967,069	2,803,408	-	-
Mandatory reserve deposits	18,296,308	21,830,543	-	-
Less: Impairment loss allowance	(6,607)	(120)	-	-
	63,774,068	43,679,381	-	-

The mandatory reserve deposits funds with the central banks in Kenya, Uganda, Tanzania and Rwanda are not interest earning and are based on the value of deposits as adjusted by central banks' requirements from time to time. Mandatory reserves deposit relating to Kenya are not fully restricted and can be accessed for settlement transactions.

22. Items in the course of collection

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Clearing account balances	687,951	553,733	-	-

These are clearing instruments, which included issued cheques and payments instructions that are payable on presentation.

23. Due from banking institutions

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Current accounts, overnight and call deposits	29,257,527	23,454,990	-	-
Time deposits	22,149,489	29,552,689	-	-
Impairment	(39,244)	(51,599)	-	-
	51,367,772	52,956,080	-	-

All the balances due from banking institutions had maturities of less than 91 days from date of placement and are classified as current assets.

The weighted average interest rate on due from banking institutions as at 31 December 2024 was 6.3% (2024: 6.0%).

24. Derivative assets

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Derivative assets	6,432	18,089	-	-

The amount represents the fair value of forward foreign exchange contracts. These derivative assets and liabilities are measured at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

25. Government securities

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Fixed rate Treasury bonds – amortised cost	121,827,117	119,754,941	-	-
Fixed rate Treasury bonds – FVOCI	83,585,714	75,482,300	-	-
Treasury bills – amortised cost	10,370,583	3,109,074	-	-
Treasury bills – FVOCI	4,031,394	9,169,977	-	-
Fixed rate treasury bonds – FVTPL	1,736,271	-	-	-
	221,551,079	207,516,292	-	-
Maturity analysis				
Maturing within 91 days from date of acquisition	1,183,487	5,893,863	-	-
Maturing after 91 days but within 360 days from date of acquisition	15,549,707	12,071,895	-	-
Maturing after 360 days from date of acquisition	204,817,885	189,550,534	-	-
	221,551,079	207,516,292	-	-

The movement in treasury bonds at amortised cost was as follows:

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
At start of year	119,754,941	131,675,531	-	-
Additions during the year	14,533,863	5,260,271	-	-
Maturities and disposals	(12,468,345)	(13,236,747)	-	-
Impairment charge	(7,383)	(9,449)	-	-
Foreign exchange movement	14,041	(3,934,665)	-	-
At end of year	121,827,117	119,754,941	-	-

The movement in Treasury bonds – FVOCI was as follows:

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
At start of year	75,482,300	82,494,116	-	-
NCBA Insurance Kenya Limited acquisition	-	1,876,590	-	-
Additions during the year	28,333,976	22,136,968	-	-
Maturities and disposals	(25,937,235)	(33,284,585)	-	-
Changes in fair value	5,561,539	3,320,726	-	-
Impairment (charge)/release	(8,646)	1,324	-	-
Foreign exchange movement	153,780	(1,062,839)	-	-
At end of year	83,585,714	75,482,300	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

25. Government Securities (Continued)

The movement in Treasury bills at amortised cost was as follows:

At start of year	3,109,074	12,718,799	-	-
NCBA Insurance Kenya Limited acquisition	-	13,017	-	-
Additions during the year	8,939,585	3,047,310	-	-
Maturities and disposals	(982,149)	(11,496,584)	-	-
Impairment (charge)/release	(5,046)	4,180	-	-
Foreign exchange movement	(690,881)	(1,177,648)	-	-
At end of year	10,370,583	3,109,074	-	-

The movement in Treasury bills – FVOCI was as follows:

At start of year	9,169,977	1,972,527	-	-
Additions during the year	32,645,359	49,199,503	-	-
Maturities and disposals	(38,085,791)	(41,840,097)	-	-
Changes in fair value	140,181	3,660	-	-
Impairment charge	(407)	(4,070)	-	-
Foreign exchange movement	162,075	(161,546)	-	-
At end of year	4,031,394	9,169,977	-	-

The movement in Treasury bonds at FVTPL was as follows:

At start of year	-	-	-	-
Additions during the year	38,180,970	-	-	-
Maturities and disposals	(36,427,791)	-	-	-
Impairment	(799)	-	-	-
Changes in fair value	(16,109)	-	-	-
At end of year	1,736,271	-	-	-

Expected credit losses movement was as follows:

At start of year	(135,895)	(126,935)	-	-
NCBA Insurance Company Limited acquisition	-	(945)	-	-
Impairment	(22,281)	(8,015)	-	-
At end of year	(158,176)	(135,895)	-	-

The weighted average interest rate on Government securities as at 31 December 2025 was 11.4% (2024:11.3%).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

26. Investment securities

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Unit trusts at FVTPL (mandatory)	66,666	49,882	-	-
Other investment securities at FVTPL – (mandatory)	72,105	72,124	-	-
Other investment securities at FVOCI- (mandatory)	42,010	43,470	-	-
Other investment securities at amortised cost	572,681	824,553	-	-
Financial assets at amortised cost	14,759,166	14,236,801	-	-
	15,512,628	15,226,830	-	-
Expected credit losses movement was as follows:				
At start of year	(15,079)	(2,360)	-	-
Increase in ECL	(218,770)	(12,719)	-	-
At end of year	(233,849)	(15,079)	-	-
The movement in financial assets held at amortised cost was as follows:				
At start of year	14,236,801	15,330,847	-	-
Additions	4,125,501	1,931,452	-	-
Disposals	(3,384,366)	(3,012,779)	-	-
Increase in ECL	(218,770)	(12,719)	-	-
At end of year	14,759,166	14,236,801	-	-
The movement in equity securities was as follows:				
At start of year	-	1,519,899	-	-
Disposal in the year	-	(1,519,899)	-	-
At end of year	-	-	-	-
The movement in unit trusts at fair value through profit or loss was as follows:				
At start of year	49,882	59,097	-	-
Fair value gain/(loss)	16,784	(9,215)	-	-
At end of year	66,666	49,882	-	-
The movement in other investment securities at fair value through profit or loss was as follows:				
At start of year	72,124	73,995	-	-
Fair value loss	(19)	(1,871)	-	-
At end of year	72,105	72,124	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

26. Investment securities (Continued)

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
The movement in other investment securities at amortised costs was as follows:				
At start of year	824,553	651,003	-	-
Disposals	(251,872)	-	-	-
Additions	-	173,550	-	-
At end of year	572,681	824,553	-	-
The movement in other investment securities at fair value through other comprehensive incomes was as follows:				
At start of year	43,470	50,607	-	-
Foreign currency movement	(1,460)	(7,137)	-	-
At end of year	42,010	43,470	-	-
Classified as:				
Non-current	15,484,697	14,381,664	-	-
Current	27,931	845,166	-	-
Total	15,512,628	15,226,830	-	-

The weighted average interest rate on Investment securities as at 31 December 2025 was 5.0% (2024:5.7%).

Equity securities comprise of shares quoted in the New York Stock Exchange ("NYSE"), "listed shares" and are stated at their fair value on the last day of business in the year. These values are subject to frequent variations due to changes in their market prices. The shares were disposed in 2024.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

27. Customer loans and advances - Group

i) Summary of customer loans and advances

	2025 KES'000	2024 KES'000
Loans and advances classified as:		
a) Loans and receivables (amortised cost) net of ECL	303,591,552	290,541,204
b) Loan notes at FVTPL	3,326,423	3,391,146
	306,917,975	293,932,350
(a) Loans and advances at amortised cost		
Overdrafts	24,492,743	26,674,529
Term loans	288,742,650	271,158,394
Credit cards	1,310,626	1,365,660
Bills discounted	7,616,294	6,555,236
	322,162,313	305,753,819
Provisions for impairment		
Stage 3	(14,241,643)	(11,716,301)
Stage 2	(2,154,114)	(1,392,471)
Stage 1	(2,175,004)	(2,103,843)
	(18,570,761)	(15,212,615)
Net loans and advances at amortised cost	303,591,552	290,541,204
(b) Loan notes at fair value through profit or loss		
Loans notes	3,326,423	3,391,146
At start of year	3,391,146	4,095,870
Fair value loss	-	(94,249)
Foreign currency exchange rate movements	(64,723)	(610,475)
At end of year	3,326,423	3,391,146
(c) Current and non-current analysis		
Current	112,789,148	129,698,250
Non-current	194,128,827	164,234,100
	306,917,975	293,932,350

Significant changes in the gross carrying amounts of loans and advances to customers that contributed to movements in loss allowances were new loans advanced in the year, as well as write off of impaired loans.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

27. Customer loans and advances – Group (Continued)

The table below shows the movement in gross loans and advances between the various credit quality stages in the year.

	Stage 1 12-month ECL KES'000	Stage 2 Lifetime ECL KES'000	Stage 3 Lifetime ECL KES'000	KES'000
Gross carrying amount as at 1 January 2025	244,430,156	35,173,100	26,150,563	305,753,819
Transfer to stage 1	11,153,114	(10,800,885)	(352,229)	-
Transfer to stage 2	(2,651,881)	3,140,546	(488,665)	-
Transfer to stage 3	(2,886,338)	(1,076,515)	3,962,853	-
Net new financial assets originated or purchased	89,990,393	2,484,839	4,048,293	96,523,525
Foreign exchange and other changes	(25,769,307)	(7,756,126)	(1,788,848)	(35,314,281)
Foreign exchange and other changes	(35,040,225)	(1,468,676)	(523,004)	(37,031,905)
Repayments	(479,096)	(282,572)	(6,809,835)	(7,571,503)
Write-offs	-	-	(197,342)	(197,342)
Gross carrying amounts as at 31 December 2025	278,746,816	19,413,711	24,001,786	322,162,313
Gross carrying amount as at 1 January 2024	283,598,769	26,954,101	36,253,433	346,806,303
Transfer to stage 1	2,671,162	(2,226,972)	(444,190)	-
Transfer to stage 2	(22,656,845)	28,194,429	(5,537,584)	-
Transfer to stage 3	(3,543,519)	(6,095,084)	9,638,603	-
Net new financial assets originated or purchased	34,428,954	1,100,784	5,717,685	41,247,423
Foreign exchange and other changes	(35,190,604)	(10,739,778)	(5,542,681)	(51,473,063)
Repayments	(14,805,490)	(1,864,682)	(2,545,190)	(19,215,362)
Write Off	(72,271)	(149,698)	(11,389,513)	(11,611,482)
Gross carrying amounts as at 31 December 2024	244,430,156	35,173,100	26,150,563	305,753,819

Impairment of financial assets

The loss allowance recognised in the period is impacted by a variety of factors as follows:

- Transfers between Stage 1 and Stage 2 or stage 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit impaired in the period, and the consequent "step up" or "step down" between 12-month and lifetime ECL;
- Additional allowance for new financial instruments recognised during the period, as well as releases for financial instruments derecognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions;
- Discount unwind within ECL due to the passage of time, as ECL is measured on a present value basis; and
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

27. Customer loans and advances – Group (Continued)

The following tables provide details of the changes in the loss allowance in the year due to these factors:

Year 2025	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	KES '000	KES'000	KES'000	KES'000
At start of year	2,103,843	1,392,471	11,716,301	15,212,615
Transfer to stage 1	471,686	(367,807)	(103,879)	-
Transfer to stage 2	(38,312)	61,541	(23,229)	-
Transfer to stage 3	(35,237)	(144,360)	179,597	-
Net new impairments created	452,439	871,968	8,870,230	10,194,637
Total charge to profit or loss	850,576	421,342	8,922,719	10,194,637
Foreign exchange and other movements	(300,319)	622,873	412,458	735,012
Write-offs	(479,096)	(282,572)	(6,809,835)	(7,571,503)
At 31 December 2025	2,175,004	2,154,114	14,241,643	18,570,761
Year 2024				
At start of year	2,372,860	2,437,697	15,877,191	20,687,748
Transfer to stage 1	466,463	(259,317)	(207,146)	-
Transfer to stage 2	(67,880)	159,771	(91,891)	-
Transfer to stage 3	(98,662)	(762,289)	860,951	-
Net new impairments (released) /created	(59,771)	(673,747)	9,351,294	8,617,776
Total charge/(release) to profit or loss	240,150	(1,535,582)	9,913,208	8,617,776
Foreign exchange and other movements	(436,896)	592,803	(2,442,232)	(2,286,325)
Write-offs	(72,271)	(102,447)	(11,631,866)	(11,806,584)
At 31 December 2024	2,103,843	1,392,471	11,716,301	15,212,615

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

28. Insurance contract liabilities

(a) Contracts measured under the PAA – Total insurance contracts issued

Reconciliation of the liability for remaining coverage and the liability for incurred claims

Year ended 31 December 2025

	LRC		LIC		
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non- financial risk	Total
	KES '000	KES '000	KES '000	KES '000	KES '000
Opening insurance contract assets	-	-	-	-	-
Opening insurance contract liabilities	479,923	104,159	1,423,961	142,973	2,151,016
Net balance at 1 July 2025	479,923	104,159	1,423,961	142,973	2,151,016
Insurance revenue	(3,473,186)	-	-	-	(3,473,186)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	(61,849)	1,561,785	34,375	1,534,311
Insurance acquisition cash flows amortization	491,499	-	-	-	491,499
Changes that relate to past service – adjustments to the LIC	-	-	(25,737)	(75,696)	(101,433)
Losses for the net outflow recognized on initial recognition	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	(42,311)	-	-	(42,311)
Insurance service expenses	491,499	(104,160)	1,536,048	(41,321)	1,882,066
Insurance service result	(2,981,687)	(104,160)	1,536,048	(41,321)	(1,591,120)
Net finance expenses from insurance contracts issued	-	-	204,325	19,830	224,155
Total changes in the statement of financial performance	(2,981,687)	(104,160)	1,740,373	(21,491)	(1,366,965)
Cash flows					
Premiums received	3,479,776	1	-	-	3,479,777
Claims and other directly attributable expenses paid	-	-	(1,760,679)	-	(1,760,679)
Insurance acquisition costs	(565,499)	-	-	-	(565,499)
Total cash flows	2,914,277	1	(1,760,679)	-	1,153,599
Closing insurance contract assets	(109,704)	-	53,792	3,550	(52,362)
Closing insurance contract liabilities	522,217	-	1,349,863	117,932	1,990,012
Net balance at 31 December 2025	412,513	-	1,403,655	121,482	1,937,650

Who We Are

Our Business

ESG, Climate Risk &
Sustainable Finance

Our Financials

Other Information

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

28 Insurance contract liabilities (Continued)

(a) Contracts measured under the PAA – insurance contracts issued (Motor Private)

Reconciliation of the liability for remaining coverage and the liability for incurred claims

Year ended 31 December 2025

	LRC		LIC		Risk
	Excluding loss component	Loss component	Present value of future cash flows	adjustment for non-financial risk	Total
	KES '000	KES '000	KES '000	KES '000	KES '000
Opening insurance contract assets	-	-	-	-	-
Opening insurance contract liabilities	323,522	5,986	389,208	28,917	747,633
Net balance at 1 January 2025	323,522	5,986	389,208	28,917	747,633
Insurance revenue	(1,007,632)	-	-	-	(1,007,632)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	23,135	686,650	11,393	721,178
Insurance acquisition cash flows amortization	95,532	-	-	-	95,532
Changes that relate to past service – adjustments to the LIC	-	-	(40,883)	(19,642)	(60,525)
Losses for the net outflow recognized on initial recognition	-	(29,122)	-	-	(29,122)
Insurance service expenses	95,532	(5,987)	645,767	(8,249)	727,063
Insurance service result	(912,100)	(5,987)	645,767	(8,249)	(280,569)
Net finance expenses from insurance contracts issued	-	-	47,127	3,183	50,310
Total changes in the statement of financial performance	(912,100)	(5,987)	692,894	(5,066)	(230,259)
Cash flows					
Premiums received	899,899	1	-	-	899,900
Claims and other directly attributable expenses paid	-	-	(725,721)	-	(725,721)
Insurance acquisition costs	(92,261)	-	-	-	(92,261)
Total cash flows	807,638	1	(725,721)	-	81,918
Closing insurance contract assets	-	-	-	-	-
Closing insurance contract liabilities	219,060	-	356,381	23,851	599,292
Net balance at 31 December 2025	219,060	-	356,381	23,851	599,292

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

28 Insurance contract liabilities (Continued)

(a) Contracts measured under the PAA – insurance contracts issued (Liability)

Reconciliation of the liability for remaining coverage and the liability for incurred claims

Year ended 31 December 2025

	LRC		LIC		Risk
	Excluding loss component	Loss component	Present value of future cash flows	adjustment for non-financial risk	Total
	KES '000	KES '000	KES '000	KES '000	KES '000
Opening insurance contract assets	-	-	-	-	-
Opening insurance contract liabilities	(56,917)	-	391,308	56,135	390,526
Net balance at 1 January 2025	(56,917)	-	391,308	56,135	390,526
Insurance revenue	(666,098)	-	-	-	(666,098)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	202,915	4,811	207,726
Insurance acquisition cash flows amortization	101,536	-	-	-	101,536
Changes that relate to past service – adjustments to the LIC	-	-	32,358	(17,649)	14,709
Losses for the net outflow recognized on initial recognition	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance service expenses	101,536	-	235,273	(12,838)	323,971
Insurance service result	(564,562)	-	235,273	(12,838)	(342,127)
Net finance expenses from insurance contracts issued	-	-	67,138	8,341	75,479
Total changes in the statement of financial performance	(564,562)	-	302,411	(4,497)	(266,648)
Cash flows					
Premiums received	796,847	-	-	-	796,847
Claims and other directly attributable expenses paid	-	-	(225,172)	-	(225,172)
Insurance acquisition costs	(126,524)	-	-	-	(126,524)
Total cash flows	670,323	-	(225,172)	-	445,151
Closing insurance contract liabilities	48,844	-	468,547	51,638	569,029
Net balance at 31 December 2025	48,844	-	468,547	51,638	569,029

Who We Are

Our Business

ESG, Climate Risk & Sustainable Finance

Our Financials

Other Information

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

28 Insurance contract liabilities (Continued)

(a) Contracts measured under the PAA – insurance contracts issued (Fire industrial)

Reconciliation of the liability for remaining coverage and the liability for incurred claims

Year ended 31 December 2025

	LRC		LIC		Risk	
	Excluding loss component	Loss component	Present value of future cash flows	adjustment for non-financial risk	Total	
	KES '000	KES '000	KES '000	KES '000	KES '000	
Opening insurance contract assets	-	-	-	-	-	
Opening insurance contract liabilities	146,259	-	143,074	8,041	297,374	
Net balance at 1 January 2025	146,259	-	143,074	8,041	297,374	
Insurance revenue	(626,290)	-	-	-	(626,290)	
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	237,845	4,018	241,863	
Insurance acquisition cash flows amortization	122,644	-	-	-	122,644	
Changes that relate to past service – adjustments to the LIC	-	-	(35,842)	(6,666)	(42,508)	
Insurance service expenses	122,644	-	202,003	(2,648)	321,999	
Insurance service result	(503,646)	-	202,003	(2,648)	(304,291)	
Net finance expenses from insurance contracts issued	-	-	19,310	1,031	20,341	
Total changes in the statement of financial performance	(503,646)	-	221,313	(1,617)	(283,950)	
Cash flows						
Premiums received	552,038	-	-	-	552,038	
Claims and other directly attributable expenses paid	-	-	(244,984)	-	(244,984)	
Insurance acquisition costs	(167,630)	-	-	-	(167,630)	
Total cash flows	384,408	-	(244,984)	-	139,424	
Closing insurance contract assets	-	-	-	-	-	
Closing insurance contract liabilities	27,021	-	119,403	6,424	152,848	
Net balance at 31 December 2025	27,021	-	119,403	6,424	152,848	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2024

28 Insurance contract liabilities (Continued)

a) Contracts measured under the PAA – insurance contracts issued (Others)

Reconciliation of the liability for remaining coverage and the liability for incurred claims

Year ended 31 December 2025

	LRC		LIC		Risk	
	Excluding loss component	Loss component	Present value of future cash flows	adjustment for non-financial risk	Total	
	KES '000	KES '000	KES '000	KES '000	KES '000	
Opening insurance contract assets	-	-	-	-	-	
Opening insurance contract liabilities	67,059	98,173	500,371	49,880	715,483	
Net balance at 1 January 2025	67,059	98,173	500,371	49,880	715,483	
Insurance revenue	(1,173,166)	-	-	-	(1,173,166)	
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	(84,984)	434,375	14,153	363,544	
Insurance acquisition cash flows amortization	171,787	-	-	-	171,787	
Changes that relate to past service – adjustments to the LIC	-	-	18,630	(31,739)	(13,109)	
Losses for the net outflow recognized on initial recognition	-	29,122	-	-	29,122	
Losses on onerous contracts and reversal of those losses	-	(42,311)	-	-	(42,311)	
Insurance service expenses	171,787	(98,173)	453,005	(17,586)	509,033	
Insurance service result	(1,001,379)	(98,173)	453,005	(17,586)	(664,133)	
Net finance expenses from insurance contracts issued	-	-	70,753	7,272	78,025	
Total changes in the statement of financial performance	(1,001,379)	(98,173)	523,758	(10,314)	(586,108)	
Cash flows						
Premiums received	1,230,992	-	-	-	1,230,992	
Claims and other directly attributable expenses paid	-	-	(564,802)	-	(564,802)	
Insurance acquisition costs	(179,084)	-	-	-	(179,084)	
Total cash flows	1,051,908	-	(564,802)	-	487,106	
Closing insurance contract assets	(109,704)	-	53,792	3,550	(52,362)	
Closing insurance contract liabilities	227,292	-	405,535	36,016	668,843	
Net balance at 31 December 2025	117,588	-	459,327	39,566	616,481	

Who We Are

Our Business

ESG, Climate Risk & Sustainable Finance

Our Financials

Other Information

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

28 Insurance contract liabilities (Continued)

(a) Contracts measured under the PAA – total reinsurance contracts issued

Reconciliation of the remaining coverage and incurred claims

	LRC		LIC		Risk adjustment for non- financial risk	Total
	Excluding loss- recovery component	Loss- recovery component	Present value of future cash flows			
	KES '000	KES '000	KES '000	KES '000		KES '000
Opening insurance contract assets	-	-	-	-	-	-
Opening insurance contract liabilities	575,954	152,566	1,733,924	230,951		2,693,395
Net balance at 1 July 2024	575,954	152,566	1,733,924	230,951		2,693,395
Insurance revenue	(1,717,633)	-	-	-		(1,717,633)
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	(25,966)	(1,382)	(122,683)		(150,031)
Insurance acquisition cash flows amortization	233,881	-	-	-		233,881
Changes that relate to past service – adjustments to the LIC	-	-	541,372	4,241		545,613
Losses on onerous contracts and reversal of those losses	-	(133,771)	-	-		(133,771)
Insurance service expenses	233,881	(159,737)	539,990	(118,442)		495,692
Insurance service result	(1,483,752)	(159,737)	539,990	(118,442)		(1,221,941)
Net finance expenses from insurance contracts issued	-	111,330	285,338	30,464		427,132
Total changes in the statement of financial performance	(1,483,752)	(48,407)	825,328	(87,978)		(794,809)
Cash flows						
Premiums received	1,536,804	-	-	-		1,536,804
Claims and other directly attributable expenses paid	-	-	(1,135,291)	-		(1,135,291)
Insurance acquisition costs	(149,083)	-	-	-		(149,083)
Total cash flows	1,387,721	-	(1,135,291)	-		252,430
Closing insurance contract liabilities	479,923	104,159	1,423,961	142,973		2,151,016
Net balance at 31 December 2024	479,923	104,159	1,423,961	142,973		2,151,016

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

28 Insurance contract liabilities (Continued)

(a) Contracts measured under the PAA – reinsurance contracts issued (Motor Private)

Reconciliation of the remaining coverage and incurred claims

	LRC		LIC		Risk adjustment for non- financial risk	Total
	Excluding loss- recovery component	Loss- recovery component	Present value of future cash flows			
	KES '000	KES '000	KES '000	KES '000		KES '000
Year ended 31 December 2024						
Opening reinsurance contract assets	-	-	-	-		-
Opening reinsurance contract liabilities	400,975	36,971	315,350	20,812		774,108
Net balance at 1 July 2024	400,975	36,971	315,350	20,812		774,108
Insurance revenue	(584,754)	-	-	-		(584,754)
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	339,566	9,047		348,613
Insurance acquisition cash flows amortization	29,919	-	-	-		29,919
Changes that relate to past service – adjustments to the LIC	-	-	(196,527)	(5,138)		(201,665)
Losses for the net outflow recognized on initial recognition	-	(36,971)	-	-		(36,971)
Losses on onerous contracts and reversal of those losses	-	5,986	-	-		5,986
Insurance service expenses	29,919	(30,985)	143,039	3,909		145,882
Insurance service result	(554,835)	(30,985)	143,039	3,909		(438,872)
Net finance expenses from insurance contracts issued	-	-	164,513	4,196		168,709
Total changes in the statement of financial performance	(554,835)	(30,985)	307,552	8,105		(270,163)
Cash flows						
Premiums received	465,923	-	-	-		465,923
Claims and other directly attributable expenses paid	-	-	(233,694)	-		(233,694)
Insurance acquisition costs	11,459	-	-	-		11,459
Total cash flows	477,382	-	(233,694)	-		243,688
Closing reinsurance contract assets	-	-	-	-		-
Closing reinsurance contract liabilities	323,522	5,986	389,208	28,917		747,633
Net balance at 31 December 2024	323,522	5,986	389,208	28,917		747,633

Who We Are

Our Business

ESG, Climate Risk &
Sustainable Finance

Our Financials

Other Information

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

28 Insurance contract liabilities (Continued)

a) Contracts measured under the PAA – reinsurance contracts issued (Liability)

Reconciliation of the remaining coverage and incurred claims

Year ended 31 December 2024	Excluding loss- recovery component	LRC		LIC Risk adjustment for non- financial risk	Total
		Loss- recovery component	Present value of future cash flows		
	KES '000	KES '000	KES '000	KES '000	KES '000
Opening reinsurance contract assets	-	-	-	-	-
Opening reinsurance contract liabilities	31,515	-	596,870	143,631	772,016
Net balance at 1 July 2024	31,515	-	596,870	143,631	772,016
Insurance revenue	(237,795)	-	-	-	(237,795)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	(259,045)	(89,692)	(348,737)
Insurance acquisition cash flows amortization	85,033	-	-	-	85,033
Changes that relate to past service – adjustments to the LIC	-	-	316,778	(6,319)	310,459
Losses for the net outflow recognized on initial recognition	-	(55,956)	-	-	(55,956)
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance service expenses	85,033	(55,956)	57,733	(96,011)	(9,201)
Insurance service result	(152,762)	(55,956)	57,733	(96,011)	(246,996)
Net finance expenses from insurance contracts issued	-	55,956	20,107	8,515	84,578
Total changes in the statement of financial performance	(152,762)	-	77,840	(87,496)	(162,418)
Cash flows					
Premiums received	131,018	-	-	-	131,018
Claims and other directly attributable expenses paid	-	-	(283,402)	-	(283,402)
Insurance acquisition costs	(66,688)	-	-	-	(66,688)
Total cash flows	64,330	-	(283,402)	-	(219,072)
Closing reinsurance contract liabilities	(56,917)	-	391,308	56,135	390,526
Net balance at 31 December 2024	(56,917)	-	391,308	56,135	390,526

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

28 Insurance contract liabilities (Continued)

(a) Contracts measured under the PAA – insurance contracts issued (Fire industrial)

Reconciliation of the remaining coverage and incurred claims

	LRC		LIC		
	Excluding loss- recovery component	Loss- recovery component	Present value of future cash flows	Risk adjustment for non- financial risk	Total
Year ended 31 December 2024	KES '000	KES '000	KES '000	KES '000	KES '000
Opening reinsurance contract assets	-	-	-	-	-
Opening reinsurance contract liabilities	(23,499)	-	284,273	26,002	286,776
Net balance at 1 July 2024	(23,499)	-	284,273	26,002	286,776
Insurance revenue	(439,832)	-	-	-	(439,832)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-	(69,049)	(20,109)	(89,158)
Insurance acquisition cash flows amortization	65,119	-	-	-	65,119
Changes that relate to past service – adjustments to the LIC	-	-	81,477	433	81,910
Losses for the net outflow recognized on initial recognition	-	(10,781)	-	-	(10,781)
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Insurance service expenses	65,119	(10,781)	12,428	(19,676)	47,090
Insurance service result	(374,713)	(10,781)	12,428	(19,676)	(392,742)
Net finance expenses from insurance contracts issued	-	10,781	58,723	1,715	71,219
Total changes in the statement of financial performance	(374,713)	-	71,151	(17,961)	(321,523)
Cash flows					
Premiums received	573,716	-	-	-	573,716
Claims and other directly attributable expenses paid	-	-	(212,350)	-	(212,350)
Insurance acquisition costs	(29,245)	-	-	-	(29,245)
Total cash flows	544,471	-	(212,350)	-	332,121
Closing insurance contract assets	-	-	-	-	-
Closing insurance contract liabilities	146,259	-	143,074	8,041	297,374
Net balance at 31 December 2024	146,259	-	143,074	8,041	297,374

Who We Are

Our Business

ESG, Climate Risk & Sustainable Finance

Our Financials

Other Information

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

28 Insurance contract liabilities (Continued)

a) Contracts measured under the PAA – insurance contracts issued (Others)

Reconciliation of the remaining coverage and incurred claims

Year ended 31 December 2024	LRC		LIC		Total
	Excluding loss-recovery component	Loss-recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	
	KES '000	KES '000	KES '000	KES '000	KES '000
Opening insurance contract assets	-	-	-	-	-
Opening insurance contract liabilities	166,963	115,595	537,431	40,506	860,495
Net balance at 1 July 2024	166,963	115,595	537,431	40,506	860,495
Insurance revenue	(455,252)	-	-	-	(455,252)
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	(25,966)	(12,854)	(21,929)	(60,749)
Insurance acquisition cash flows amortization	53,810	-	-	-	53,810
Changes that relate to past service – adjustments to the LIC	-	-	339,644	15,265	354,909
Losses for the net outflow recognized on initial recognition	-	103,708	-	-	103,708
Losses on onerous contracts and reversal of those losses	-	(139,757)	-	-	(139,757)
Insurance service expenses	53,810	(62,015)	326,790	(6,664)	311,921
Insurance service result	(401,442)	(62,015)	326,790	(6,664)	(143,331)
Net finance expenses from insurance contracts issued	-	44,593	41,995	16,038	102,626
Total changes in the statement of financial performance	(401,442)	(17,422)	368,785	9,374	(40,705)
Cash flows					
Premiums received	366,147	-	-	-	366,147
Claims and other directly attributable expenses paid	-	-	(405,845)	-	(405,845)
Insurance acquisition costs	(64,609)	-	-	-	(64,609)
Total cash flows	301,538	-	(405,845)	-	(104,307)
Closing insurance contract assets	-	-	-	-	-
Closing insurance contract liabilities	67,059	98,173	500,371	49,880	715,483
Net balance at 31 December 2024	67,059	98,173	500,371	49,880	715,483

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

28 Insurance contract liabilities (Continued)

b) Contracts measured under the PAA – total reinsurance contracts held

Reconciliation of the remaining coverage and incurred claims

Year ended 31 December 2025	ARC		AIC		Total
	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	
	KES '000	KES '000	KES '000	KES '000	KES '000
Opening reinsurance contract assets	196,769	76,221	1,355,227	92,335	1,720,552
Opening reinsurance contract liabilities	(76,723)	2,788	10,481	985	(62,469)
Net balance at 1 January 2025	120,046	79,009	1,365,708	93,320	1,658,083
Allocation of premiums paid	(1,353,226)	-	-	-	(1,353,226)
Recoveries of incurred claims and other insurance service expense	-	(67,230)	251,565	15,159	199,494
Changes related to past service (changes related to incurred claims component)	-	-	133,022	(43,080)	89,942
Changes that relate to future service: Recoveries and reversals of recoveries of losses on onerous underlying contracts – subsequent measurement	-	(11,779)	-	-	(11,779)
Total amounts recovered from reinsurance	-	(79,009)	384,587	(27,921)	277,657
Total net expenses from reinsurance	(1,353,226)	(79,009)	384,587	(27,921)	(1,075,569)
Net finance income from reinsurance contracts held	-	-	112,918	11,571	124,489
Total changes in the statement of financial performance	(1,353,226)	(79,009)	497,505	(16,350)	(951,080)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	1,168,843	-	-	-	1,168,843
Reinsurance recoveries	-	-	(655,753)	-	(655,753)
Total cash flows	1,168,843	-	(655,753)	-	513,090
Balance at 31 December 2025					
Closing reinsurance contract assets	79,921	-	1,154,179	73,374	1,307,474
Closing reinsurance contract liabilities	(144,258)	-	53,281	3,596	(87,381)
Net balance at 31 December 2025	(64,337)	-	1,207,460	76,970	1,220,093

Who We Are

Our Business

ESG, Climate Risk & Sustainable Finance

Our Financials

Other Information

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

28 Insurance contract liabilities (Continued)

b) Contracts measured under the PAA –reinsurance contracts held (Motor Private)

Reconciliation of the remaining coverage and incurred claims

Year ended 31 December 2025	ARC		AIC		Total
	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	
	KES '000	KES '000	KES '000	KES '000	
Opening reinsurance contract assets	68,391	26,492	471,040	32,093	598,016
Opening reinsurance contract liabilities	(26,667)	969	3,643	341	(21,714)
Net balance at 1 January 2025	41,724	27,461	474,683	32,434	576,302
Allocation of premiums paid	(82,544)	-	-	-	(82,544)
Recoveries of incurred claims and other insurance service expense	-	4,182	42,275	304	46,761
Changes related to past service (changes related to incurred claims component)	-	(26,379)	56,856	(26,411)	4,066
Changes that relate to future service: Recoveries and reversals of recoveries of losses on onerous underlying contracts - subsequent measurement	-	(5,264)	-	-	(5,264)
Total amounts recovered from reinsurance	-	(27,461)	99,131	(26,107)	45,563
Total net expenses from reinsurance	(82,544)	(27,461)	99,131	(26,107)	(36,981)
Net finance income from reinsurance contracts held	-	-	13,720	898	14,618
Total changes in the statement of financial performance	(82,544)	(27,461)	112,851	(25,209)	(22,363)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	22,793	-	-	-	22,793
Reinsurance recoveries	-	-	(384,010)	-	(384,010)
Total cash flows	22,793	-	(384,010)	-	(361,217)
Balance at 31 December 2025					
Closing reinsurance contract assets	(18,027)	-	203,524	7,225	192,722
Closing reinsurance contract liabilities	-	-	-	-	-
Net balance at 31 December 2025	(18,027)	-	203,524	7,225	192,722

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

28 Insurance contract liabilities (Continued)

b) Contracts measured under the PAA –reinsurance contracts held (Liability)

Reconciliation of the remaining coverage and incurred claims

Year ended 31 December 2025	ARC		AIC		Total
	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	
	KES '000	KES '000	KES '000	KES '000	
Opening reinsurance contract assets	35,724	13,838	246,047	16,764	312,373
Opening reinsurance contract liabilities	(13,929)	506	1,903	179	(11,341)
Net balance at 1 January 2025	21,795	14,344	247,950	16,943	301,032
Allocation of premiums paid	(445,163)	-	-	-	(445,163)
Recoveries of incurred claims and other insurance service expense	-	-	34,901	3,810	38,711
Changes related to past service (changes related to incurred claims component)	-	(14,344)	49,798	13,396	48,850
Changes that relate to future service: Recoveries and reversals of recoveries of losses on onerous underlying contracts - subsequent measurement	-	-	-	-	-
Total amounts recovered from reinsurance	-	(14,344)	84,699	17,206	87,561
Total net expenses from reinsurance	(445,163)	(14,344)	84,699	17,206	(357,602)
Net finance income from reinsurance contracts held	-	-	47,492	5,895	53,387
Total changes in the statement of financial performance	(445,163)	(14,344)	132,191	23,101	(304,215)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	355,621	-	-	-	355,621
Reinsurance recoveries	-	-	52,000	-	52,000
Total cash flows	355,621	-	52,000	-	407,621
Balance at 31 December 2025					
Closing reinsurance contract assets	(10,324)	-	404,006	37,610	404,291
Closing reinsurance contract liabilities	(57,423)	-	28,135	2,434	(26,854)
Net balance at 31 December 2025	(67,747)	-	432,141	40,044	404,438

Who We Are

Our Business

ESG, Climate Risk & Sustainable Finance

Our Financials

Other Information

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

28 Insurance contract liabilities (Continued)

b) Contracts measured under the PAA –reinsurance contracts held (Fire Industrial)

Reconciliation of the remaining coverage and incurred claims

Year ended 31 December 2025	ARC		AIC		Total
	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	
	KES '000	KES '000	KES '000	KES '000	KES '000
Opening reinsurance contract assets	27,203	10,537	187,358	12,765	237,863
Opening reinsurance contract liabilities	(10,607)	385	1,449	136	(8,637)
Net balance at 1 January 2025	16,596	10,922	188,807	12,901	229,226
Allocation of premiums paid	(289,581)	-	-	-	(289,581)
Recoveries of incurred claims and other insurance service expense	-	-	-	-	-
Changes related to past service (changes related to incurred claims component)	-	10,922	93,581	(5,164)	77,495
Changes that relate to future service: Recoveries and reversals of recoveries of losses on onerous underlying contracts - subsequent measurement	-	-	2,421	(4,661)	(2,240)
Total amounts recovered from reinsurance	-	10,922	96,002	(9,825)	75,255
Total net expenses from reinsurance	(289,581)	10,922	96,002	(9,825)	(214,326)
Net finance income from reinsurance contracts held	-	-	10,569	562	11,131
Total changes in the statement of financial performance	(289,581)	10,922	106,571	(9,263)	(203,195)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	283,747	-	-	-	283,747
Reinsurance recoveries	-	-	(154,941)	-	(154,941)
Total cash flows	283,747	-	(154,941)	-	128,806
Balance at 31 December 2025					
Closing reinsurance contract assets	30,165	-	134,487	3,318	167,969
Closing reinsurance contract liabilities	(19,403)	-	5,950	320	(13,132)
Net balance at 31 December 2025	10,762	-	140,437	3,638	154,837

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

28 Insurance contract liabilities (Continued)

b) Contracts measured under the PAA – reinsurance contracts held (Others)

Reconciliation of the remaining coverage and incurred claims

Year ended 31 December 2025	ARC		AIC		Total
	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	
	KES '000	KES '000	KES '000	KES '000	KES '000
Opening reinsurance contract assets	65,451	25,354	450,782	30,713	572,300
Opening reinsurance contract liabilities	(25,520)	928	3,486	329	(20,777)
Net balance at 1 January 2025	39,931	26,282	454,268	31,042	551,523
Allocation of premiums paid	(535,938)	-	-	-	(535,938)
Recoveries of incurred claims and other insurance service expense	-	(71,411)	174,389	11,045	114,023
Changes related to past service (changes related to incurred claims component)	-	51,645	(67,214)	(24,901)	(40,470)
Changes that relate to future service: Recoveries and reversals of recoveries of losses on onerous underlying contracts - subsequent measurement	-	(6,515)	(2,421)	4,661	(4,275)
Total amounts recovered from reinsurance	-	(26,281)	104,754	(9,195)	69,278
Total net expenses from reinsurance	(535,938)	(26,281)	104,754	(9,195)	(466,660)
Net finance income from reinsurance contracts held	-	-	41,137	4,216	45,353
Total changes in the statement of financial performance	(535,938)	(26,281)	145,891	(4,979)	(421,307)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	506,683	-	-	-	506,683
Reinsurance recoveries	-	-	(168,802)	-	(168,802)
Total cash flows	506,683	-	(168,802)	-	337,881
Balance at 31 December 2025					
Closing reinsurance contract assets	78,108	1	412,162	25,221	515,492
Closing reinsurance contract liabilities	(67,432)	-	19,195	842	(47,395)
Net balance at 31 December 2025	10,676	1	431,357	26,063	468,097

Who We Are

Our Business

ESG, Climate Risk & Sustainable Finance

Our Financials

Other Information

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

28 Insurance contract liabilities (Continued)

b) Contracts measured under the PAA – total reinsurance contracts held

Reconciliation of the remaining coverage and incurred claims

Year ended 31 December 2024	ARC		AIC		Total
	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	
	KES '000	KES '000	KES '000	KES '000	KES '000
Opening reinsurance contract assets	289,324	104,630	1,442,704	182,583	2,019,241
Opening reinsurance contract liabilities	-	-	-	-	-
Net balance at 1 January 2024	289,324	104,630	1,442,704	182,583	2,019,241
Allocation of premiums paid	(745,123)	-	-	-	(745,123)
Recoveries of incurred claims and other insurance service expense	-	(37,321)	(924,473)	(117,749)	(1,079,543)
Changes related to past service (changes related to incurred claims component)	-	-	993,532	6,218	999,750
Changes that relate to future service: Recoveries and reversals of recoveries of losses on onerous underlying contracts - subsequent measurement	-	11,700	-	-	11,700
Total amounts recovered from reinsurance	(745,123)	(25,621)	69,059	(111,531)	(813,216)
Total net expenses from reinsurance	(745,123)	(25,621)	69,059	(111,531)	(813,216)
Net finance income from reinsurance contracts held	-	-	147,085	22,268	169,353
Total changes in the statement of financial performance	(745,123)	(25,621)	216,144	(89,263)	(643,863)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	575,845	-	-	-	575,845
Reinsurance recoveries	-	-	(293,140)	-	(293,140)
Total cash flows	575,845	-	(293,140)	-	282,705
Balance at 31 December 2025					
Closing reinsurance contract assets	196,769	76,221	1,355,227	92,335	1,720,552
Closing reinsurance contract liabilities	(76,723)	2,788	10,481	985	(62,469)
Net balance at 31 December 2025	120,046	79,009	1,365,708	93,320	1,658,083

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

28 Insurance contract liabilities (Continued)

b) Contracts measured under the PAA – total reinsurance contracts held

Reconciliation of the remaining coverage and incurred claims

Year ended 31 December 2024	ARC		AIC		Total
	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	
	KES '000	KES '000	KES '000	KES '000	KES '000
Opening reinsurance contract assets	83,155	30,072	414,647	52,476	580,350
Opening reinsurance contract liabilities	-	-	-	-	-
Net balance at 1 July 2024	83,155	30,072	414,647	52,476	580,350
Allocation of premiums paid	(311,151)	-	-	-	(311,151)
Recoveries of incurred claims and other insurance service expense	-	10,229	(90,012)	(18,164)	(97,947)
Changes related to past service (changes related to incurred claims component)	-	-	(521,919)	(10,769)	(532,688)
Changes that relate to future service: Recoveries and reversals of recoveries of losses on onerous underlying contracts - subsequent measurement	-	(12,840)	-	-	(12,840)
Total amounts recovered from reinsurance	(311,151)	(2,611)	(611,931)	(28,933)	(954,626)
Total net expenses from reinsurance	(311,151)	(2,611)	(611,931)	(28,933)	(954,626)
Net finance income from reinsurance contracts held	-	-	4,939	8,891	13,830
Total changes in the statement of financial performance	(311,151)	(2,611)	(606,992)	(20,042)	(940,796)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	269,720	-	-	-	269,720
Reinsurance recoveries	-	-	667,028	-	667,028
Total cash flows	269,720	-	667,028	-	936,748
Balance at 31 December 2025					
Closing reinsurance contract assets	68,391	26,492	471,040	32,093	598,016
Closing reinsurance contract liabilities	(26,667)	969	3,643	341	(21,714)
Net balance at 31 December 2024	41,724	27,461	474,683	32,434	576,302

Who We Are

Our Business

ESG, Climate Risk & Sustainable Finance

Our Financials

Other Information

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

28 Insurance contract liabilities (Continued)

b) Contracts measured under the PAA – reinsurance contracts held (Liability)

Reconciliation of the remaining coverage and incurred claims

Year ended 31 December 2024	ARC		AIC		Total
	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	
	KES '000	KES '000	KES '000	KES '000	KES '000
Opening reinsurance contract assets	82,930	29,990	413,527	52,334	578,781
Opening reinsurance contract liabilities	-	-	-	-	-
Net balance at 1 July 2024	82,930	29,990	413,527	52,334	578,781
Allocation of premiums paid	(44,169)	-	-	-	(44,169)
Recoveries of incurred claims and other insurance service expense	-	(47,023)	(571,838)	(61,135)	(679,996)
Changes related to past service (changes related to incurred claims component)	-	-	1,822,816	23,712	1,846,528
Changes that relate to future service: Recoveries and reversals of recoveries of losses on onerous underlying contracts – subsequent measurement	-	31,377	-	-	31,377
Total amounts recovered from reinsurance	-	(15,646)	1,250,978	(37,423)	1,153,740
Total net expenses from reinsurance	(44,169)	(15,646)	1,250,978	(37,423)	1,153,740
Net finance income from reinsurance contracts held	-	-	29,987	2,032	32,019
Total changes in the statement of financial performance	(44,169)	(15,646)	1,280,965	(35,391)	1,185,759
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	(16,966)	-	-	-	(16,966)
Reinsurance recoveries	-	-	(1,446,542)	-	(1,446,542)
Total cash flows	(16,966)	-	(1,446,542)	-	(1,463,508)
Balance at 31 December 2025					
Closing reinsurance contract assets	35,724	13,838	246,047	16,764	312,373
Closing reinsurance contract liabilities	(13,929)	506	1,903	179	(11,341)
Net balance at 31 December 2024	21,795	14,344	247,950	16,943	301,032

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

28 Insurance contract liabilities (Continued)

b) Contracts measured under the PAA – reinsurance contracts held (Fire Industrial)

Reconciliation of the remaining coverage and incurred claims

Year ended 31 December 2024	ARC		AIC		Total
	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	
	KES '000	KES '000	KES '000	KES '000	KES '000
Opening reinsurance contract assets	30,805	11,140	153,610	19,440	214,995
Opening reinsurance contract liabilities	-	-	-	-	-
Net balance at 1 July 2024	30,805	11,140	153,610	19,440	214,995
Allocation of premiums paid	(130,562)	-	-	-	(130,562)
Recoveries of incurred claims and other insurance service expense	-	5,064	(62,789)	(4,257)	(61,982)
Changes related to past service (changes related to incurred claims component)	-	-	193,631	(5,968)	187,663
Changes that relate to future service: Recoveries and reversals of recoveries of losses on onerous underlying contracts – subsequent measurement	-	(5,282)	-	-	(5,282)
Total amounts recovered from reinsurance	-	(218)	130,842	(10,225)	(10,163)
Total net expenses from reinsurance	(130,562)	(218)	130,842	(10,225)	(10,163)
Net finance income from reinsurance contracts held	-	-	10,237	3,686	13,923
Total changes in the statement of financial performance	(130,562)	(218)	141,079	(6,539)	3,760
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	116,353	-	-	-	116,353
Reinsurance recoveries	-	-	(105,882)	-	(105,882)
Total cash flows	116,353	-	(105,882)	-	10,471
Balance at 31 December 2025					
Closing reinsurance contract assets	27,203	10,537	187,358	12,765	237,863
Closing reinsurance contract liabilities	(10,607)	385	1,449	136	(8,637)
Net balance at 31 December 2024	16,596	10,922	188,807	12,901	229,226

Who We Are

Our Business

ESG, Climate Risk & Sustainable Finance

Our Financials

Other Information

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

28 Insurance contract liabilities (Continued)

b) Contracts measured under the PAA – reinsurance contracts held (Others)

Reconciliation of the remaining coverage and incurred claims

Year ended 31 December 2024	ARC		AIC		Total
	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment for non-financial risk	
	KES '000	KES '000	KES '000	KES '000	KES '000
Opening reinsurance contract assets	92,434	33,428	460,920	58,333	645,115
Opening reinsurance contract liabilities	-	-	-	-	-
Net balance at 1 July 2024	92,434	33,428	460,920	58,333	645,115
Allocation of premiums paid	(259,241)	-	-	-	(259,241)
Recoveries of incurred claims and other insurance service expense	-	(5,591)	(199,834)	(34,193)	(239,618)
Changes related to past service (changes related to incurred claims component)	-	-	(500,996)	(757)	(501,753)
Changes that relate to future service: Recoveries and reversals of recoveries of losses on onerous underlying contracts - subsequent measurement	-	(1,555)	-	-	(1,555)
Total amounts recovered from reinsurance	-	(7,146)	(700,830)	(34,950)	(1,002,167)
Total net expenses from reinsurance	(259,241)	(7,146)	(700,830)	(34,950)	(1,002,167)
Net finance income from reinsurance contracts held	-	-	101,922	7,659	109,581
Total changes in the statement of financial performance	(259,241)	(7,146)	(598,908)	(27,291)	(892,586)
Cash flows					
Premiums paid net of ceding commissions and other directly attributable expenses paid	206,737	-	-	-	206,738
Reinsurance recoveries	-	-	592,256	-	592,256
Total cash flows	206,737	-	592,256	-	798,994
Balance at 31 December 2024					
Closing reinsurance contract assets	65,451	25,354	450,782	30,713	572,300
Closing reinsurance contract liabilities	(25,520)	928	3,486	329	(20,777)
Net balance at 31 December 2024	39,931	26,282	454,268	31,042	551,523

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

28 Insurance contract liabilities (Continued)

c) Claims development table

The tables below illustrate how estimates of cumulative claims for the Group have developed over time on a gross and net of reinsurance basis. Each table shows how the Group's estimates of total claims for each accident year have developed over time and reconciles the cumulative claims to the amount included in the statement of financial position. Balances have been translated at the exchange rates prevailing at the reporting date.

The tables present the following:

- Undiscounted estimates of cash outflows for incurred claims for each accident year from 2019, with comparisons to previous estimates of these undiscounted cash outflows;
- The cumulative actual cash payments made for incurred claims and other directly attributable expenses by accident year from 2019;
- Gross cumulative claims liabilities for accidents years prior to 2019;
- The effect of discounting and the risk adjustment for non-financial risk

Insurance claims – gross

All amounts in KES '000

Estimates of undiscounted ultimate claim costs – gross	2019 and prior	2020	2021	2022	2023	2024	2025	Total
At end of accident year	2,147,467	535,671	751,436	1,042,515	1,416,732	1,146,372	1,090,872	8,131,066
One year later	2,278,076	578,430	781,299	1,096,326	1,440,760	1,155,021	-	7,329,913
Two years later	2,442,102	601,417	821,628	1,114,920	1,451,630	-	-	6,431,697
Three years later	2,530,284	632,461	835,563	1,123,332	-	-	-	5,121,639
Four years later	2,649,370	643,187	841,866	-	-	-	-	4,134,424
Five years later	2,690,519	648,040	-	-	-	-	-	3,338,559
Six years later	2,709,133	-	-	-	-	-	-	2,709,133
Seven years later	-	-	-	-	-	-	-	-
Estimate of cumulative claim liabilities – accident years 2018-2025	2,709,133	648,040	841,866	1,123,332	1,451,630	1,155,021	1,090,872	9,019,894
Cumulative claim payments to date(2018-2025)	2,294,338	592,188	802,845	1,052,610	1,281,395	932,922	503,164	7,459,461
Outstanding claims reserves (OCR)	414,795	55,852	38,609	66,059	156,333	188,151	331,643	1,251,441
Incurred but not reported reserves (IBNR)	-	-	413	4,662	13,902	33,948	256,066	308,991
Unallocated loss adjustment expenses (ULAE)	9,258	1,247	880	1,682	4,110	5,715	18,832	41,723
Effect of discounting	(52,538)	(7,074)	(4,944)	(8,971)	(21,601)	(28,225)	(75,148)	(198,501)
Effect of the risk adjustment margin for non-financial risk	32,293	4,348	3,038	5,506	13,253	17,291	45,754	121,482
Liabilities for incurred claims for insurance contracts issued	403,807	54,372	37,996	68,939	165,997	216,879	577,146	1,525,137

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

28 (c) Claims development table (continued)

Insurance claims – net
All amounts in KES '000

Estimates of undiscounted
ultimate claim costs – net

	2019 and prior	2020	2021	2022	2023	2024	2025	Total
At end of accident year	430,667	290,016	304,460	312,979	338,995	346,151	718,928	2,742,196
One year later	331,574	221,560	246,827	264,985	267,028	471,010	-	1,802,984
Two years later	218,685	147,514	151,886	158,766	414,390	-	-	1,091,241
Three years later	271,418	201,151	217,669	261,666	-	-	-	951,904
Four years later	365,948	261,543	296,945	-	-	-	-	924,436
Five years later	468,043	254,671	-	-	-	-	-	722,714
Six years later	1,029,623	-	-	-	-	-	-	1,029,623
Seven years later	430,667	290,016	304,460	312,979	338,995	346,151	718,928	2,742,196
Estimate of cumulative claim liabilities – accident years 2018-2025	4,651,838	1,105,205	961,656	941,956	737,292	621,481	841,392	9,860,820
Cumulative claim payments to date	4,545,179	1,091,242	951,904	924,437	722,714	549,901	479,722	9,265,099
Outstanding claims reserves (OCR)	106,659	13,963	9,652	16,515	11,762	63,248	245,118	466,917
Incurred but not reported reserves (IBNR)	-	-	100	1,005	2,816	8,332	116,553	128,806
Unallocated loss adjustment expenses (ULAE)	-	-	-	-	-	-	-	41,724
Effect of discounting	-	-	-	-	-	-	-	71,004
Adjustment for reinsurance recoverables	-	-	-	-	-	-	-	(370,248)
Effect of the risk adjustment margin for non-financial risk	-	-	-	-	-	-	-	44,511
Liabilities for incurred claims for insurance contracts issued	-	-	-	-	-	-	-	240,706

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

29. Other assets

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Deposits and prepayments	3,198,796	2,580,265	-	-
Receivables from mobile banking operators*	17,818,093	13,654,965	-	-
Other receivables	4,249,266	3,033,261	785,640	674,533
	25,266,155	19,268,491	785,640	674,533

*Receivables represent the gross amounts due from mobile banking operations, arising from funding provided for mobile-initiated transactions. There no material impairment on this asset.

Other receivables mainly relate to suspense accounts across the Group.

30. Investment in associates

	Country of incorporation	Effective interest	2025 KES '000	2024 KES '000
CBA Mutuya Property Group Limited	Kenya	23.34%		
As start of the year			3,058,133	2,994,572
Share of profits				
Share of associates profits prior year adjustment			33,329	(2,056)
Share of associate's profits current year			58,912	65,617
Total share of profits			92,241	63,561
At end of year			3,150,374	3,058,133
NCBA Insurance Company Limited (Formerly AIG Kenya Insurance Company Limited)	Kenya	33.33%		
At start of the year			-	921,237
Share of profits				
Share of associates profits prior year adjustment			-	(1,367)
Share of associate's profits current year			-	24,062
Total share of profits			-	22,695
Transfer to Investment in subsidiary on 100% acquisition of AIG Kenya Insurance company Limited			-	(943,932)
At end of year			-	-
Bridge MicroFinance	Cote d'Ivoire	35.00%		
As start of the year			308,634	307,865
Share of profits				
Adjustment/movement during the year *			(42,146)	-
Associated (loss) / profits prior year adjustment			(1,307)	8,896
Share of associate's profits/(loss) current year			678	(8,127)
Total share of profits			(42,775)	769
At end of year			265,859	308,634
Total investment in associates			3,416,233	3,366,767

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

30 Investment in associates (Continued)

Summarised statement of financial position

Summarised statement of financial position	CBA Mutuya Property Group Limited		Bridge MicroFinance	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Current				
Assets	2,436,898	2,195,928	2,408,395	2,269,650
Liabilities	(100,792)	(188,211)	(127,762)	(628,570)
Net current assets	2,336,106	2,007,717	2,280,633	1,641,080
Non-current				
Assets	13,758,028	13,465,906	5,247,125	4,933,191
Liabilities	(957,543)	(937,879)	(6,902,313)	(5,811,878)
Net non-current assets	12,800,485	12,528,027	(1,655,188)	(878,687)
Net assets	15,136,591	14,535,744	625,445	762,393

Summarised statement of comprehensive income

	CBA Mutuya Property Group Limited		NCBA Insurance Company Limited		Bridge MicroFinance	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Revenue	468,878	465,109	-	982,160	469,778	752,222
Profit for the year	252,408	281,137	-	72,192	1,937	(23,219)
Share of associate's profit/(loss) for the year						
Current year	58,912	65,617	-	24,062	678	(8,127)
Prior year	33,329	(2,056)	-	(1,367)	(1,307)	8,896
Total	92,241	63,561	-	22,695	(629)	769

Share of associate's profit / (loss) for the year

	2025 KES '000	2024 KES '000
CBA Mutuya Property Group Limited	92,241	63,561
AIG Kenya Insurance Limited	-	22,695
Bridge Micro Finance	(629)	769
	91,612	87,025

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

30. Investment in associates (Continued)

The associates are unlisted.

- On July 1, 2024, NCBA Group PLC completed the full acquisition of AIG Kenya Limited from AIG MEA Limited by purchasing 66.66% of the outstanding ordinary shares. As a result, NCBA Group PLC's ownership in AIG Kenya Limited increased to 100%, up from 33.33%. NCBA Group PLC had initially acquired a 33.33% minority stake in AIG Kenya Limited in 2006 as detailed under business combination note 51.
- CBA Mutuya Property Group Limited is a property holding company which invests in investment property for rental income.
- Bridge Micro Finance, a company registered in the Republic of Cote d'Ivoire. The company is mainly involved in collection of savings and the financing of micro, small and medium enterprises; and provision of financial services to micro-entrepreneurs or small and medium-sized enterprises

Investments in associates are classified as non-current assets.

There are no material contingent liabilities that may affect the financial position of the associate investments companies.

31. Investment in subsidiaries

NCBA Group PLC, is the parent to the subsidiaries listed below:

Company name	Country of incorporation	Principal activity	Percentage of ownership interest (%)	2025 KES '000	2024 KES '000
NCBA Bank Kenya PLC	Kenya	Banking	100	57,247,745	57,247,745
NCBA Insurance Company Limited	Kenya	Insurance	100	1,407,593	1,407,593
NCBA Bank Tanzania Limited	Tanzania	Banking	100	7,085,647	7,085,647
NCBA Bank Uganda Limited	Uganda	Banking	100	4,946,083	4,946,083
NCBA Bank Rwanda PLC	Rwanda	Banking	100	3,300,113	3,300,113
NIC Properties Limited	Kenya	Property	100	550,000	550,000
NCBA Investment Bank Limited	Kenya	Financial advisory	100	500,000	500,000
NCBA Leasing LLP	Kenya	Leasing	100	200,000	200,000
Mercantile Finance Company Limited	Kenya	Dormant	100	50,000	50,000
NCBA Bancassurance Intermediary Limited	Kenya	Insurance Agency	100	1,000	1,000
National Industrial Credit Trustees	Kenya	Dormant	100	500	500
LOOP DFS Limited	Kenya	Financial Innovation	100	200,001	200,001
NIC Bank Kenya PLC	Kenya	Dormant	100	-	-
Uniproperty Management Limited	Kenya	Dormant	100	-	-
CBA Tanzania Limited	Tanzania	Dormant	100	-	-
CBA Uganda Limited	Uganda	Dormant	100	-	-
				75,488,682	75,488,682

On July 1, 2024, NCBA Group PLC completed the full acquisition of AIG Kenya Limited and was subsequently rebranded as NCBA Insurance Company Limited as NCBA insurance Company Limited.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

31. Investment in subsidiaries (Continued)

	NCBA Bank Kenya	NCBA Bank Tanzania	NCBA Bank Uganda	NCBA Bank Rwanda	Others	Total
	KES '000	KES '000	KES '000	KES '000	KES '000	KES '000
Year 2025						
Balance as at 1 January and 31 December 2025	57,247,745	7,085,647	4,946,083	3,300,113	2,909,094	75,488,682
Year 2024						
Balance as at 1 January 2024	57,247,745	7,085,647	4,946,083	3,300,113	1,501,501	74,081,089
Additional capital injection during the year	-	-	-	-	1,075,000	1,075,000
Transfer of associate	-	-	-	-	332,593	332,593
Balance at end of year	57,247,745	7,085,647	4,946,083	3,300,113	2,909,094	75,488,682

Others includes NCBA Insurance Company Limited, NIC Properties Limited, NCBA Investment Bank Limited, NCBA Leasing LLP, Mercantile Finance Company Limited, NCBA Bancassurance Intermediary Limited, National Industrial Credit Trustees and LOOP DFS Limited.

The list of subsidiaries owned indirectly by NCBA Group PLC through NCBA Bank Kenya PLC are listed below:

Company name	Country of incorporation	Principal activity	Percentage of ownership interest (%)	2025 KES '000	2024 KES '000
CBA Capital Limited	Kenya	Dormant	100	-	-
Syndicate Nominees Limited	Kenya	Nominee	100	2	2
CBA Insurance Agency Limited	Kenya	Dormant	100	-	-
First American Bank of Kenya Limited	Kenya	Dormant	100	-	-
First American Finance Company Limited	Kenya	Dormant	100	-	-
First Investment Limited	Kenya	Dormant	100	23,000	23,000
NCBA Trustee Nominees Limited	Kenya	Trustee	100	-	-
				23,002	23,002

NCBA Trustee Nominees Limited was incorporated in 2025, as a wholly owned subsidiary of NCBA Bank Kenya PLC, established to hold Real Estate Investment Trust (REIT) assets and serve as a dedicated investee of the Trustee, NCBA Bank Kenya PLC. The company did have transactions in the year

The subsidiaries below are owned indirectly by NCBA Group PLC through LOOP DFS Limited.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

31. Investment in subsidiaries (Continued)

Company name	Country of Principal incorporation activity	Percentage of ownership interest (%)	2025 KES '000	2024 KES '000
LOOP Payco Limited	Kenya Payment Service Provider	100.00%	6,000	6,000
Loop Capital Limited*	Kenya Digital Credit Provider	100.00%	-	-
Loop Payco Trustee Limited	Kenya Corporate Trustee of LOOP Payco Limited established to manage LOOP Payco Trust	100.00%	-	-
Loop DFS Uganda Limited*	Uganda Digital Financial Services and country holding company and Payment Service Provider	100.00%	-	-
LOOP Payco Trust	Uganda Incorporated under the Perpetual Succession Act to hold custodial rights of the balances held in the Trust Fund	100.00%	-	-
Loop Capital Uganda Limited*	Uganda Digital Credit Provider	100.00%	-	-
Loop DFS Rwanda Limited*	Rwanda Digital Financial Services and country holding company and Payment Service Provider	100.00%	-	-
Loop Payco Rwanda Limited*	Rwanda Payment Service Provider	100.00%	-	-
Loop Capital Rwanda Limited*	Rwanda Digital Credit Provider	100.00%	-	-
Loop DFS Ghana Limited	Ghana Digital Financial Services	70.00%	25,550	18,932
			31,550	24,932

Loop DFS Ghana Limited was incorporated in 2022 as a private limited liability company in Ghana for the provision of digital financial services to merchants and consumers.

LOOP Payco Limited was incorporated in 2022 as a private limited liability company in Kenya for the provision of payment services.

*The subsidiaries are yet to commence operations.

Investment in subsidiaries is classified as non-current asset.

There are no restrictions on the Group's ability to access or use assets and settle liabilities in the countries the Group operates in.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

31. Investment in subsidiaries (Continued)

Company name	Percentage of ownership interest (%)	2025 KES '000	2024 KES '000
LOOP DFS Limited	70%	(15,822)	(35,368)
Kulana Limited	30%	(6,781)	(15,372)
Total		(22,603)	(50,740)
Loop DFS Ghana Limited			
		2025 KES '000	2024 KES '000
Statement of financial position			
Non-current			
Assets		55,110	13,597
Liabilities		(130,353)	(49,509)
Net assets		(75,243)	(35,912)
Loop DFS Ghana Limited			
		2025 KES '000	2024 KES '000
Statement of comprehensive income			
Other income/(loss)		25,286	(5,777)
Expenses		(47,889)	(17,523)
Loss for the year		(22,603)	(23,300)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

32. Intangible assets - Group

a) Software

	2025 KES '000	2024 KES '000
At start of year	7,455,118	7,779,007
NCBA Insurance Company Limited acquisition	-	331,785
Additions during the year	1,004,631	817,215
Amortisation charge for the year (note 16)	(1,188,932)	(1,193,001)
Transfers from property and equipment (Note 33)	1,898	-
Write off	-	(219,039)
Foreign currency exchange movements on consolidation	(8,752)	(60,849)
At end of year	7,263,963	7,455,118
Cost	19,793,410	18,847,730
Accumulated amortisation	(12,520,695)	(11,331,763)
Foreign currency exchange rate movement on consolidation	(8,752)	(60,849)
	7,263,963	7,455,118

Software comprises capitalised computer software costs, mainly relating to business software developments, generated internally with the support of external vendors. The capitalised costs are amortised over the estimated useful lives of three to ten years. The remaining useful lives of these intangible assets vary but do not exceed ten years.

Computer software materially comprises of the core Banking and mobile banking systems with a net book value of KES 3.5 billion (2024: KES 3.4 billion) being amortized over a period of 10 years and work in progress of KES 2.4 billion (2024: 2.4 billion). During the year, the Group wrote off KES Nil (2024 – KES 218.5 million relating to software that was declared redundant).

Intangible assets are classified as non-current.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

33. Property and equipment - Group

	Improvements on leased properties	Equipment, furniture and fittings	Motor vehicles	Work in progress	Total
	KES '000	KES '000	KES '000	KES '000	KES '000
At 1 January 2025					
Cost	4,059,757	8,759,473	300,778	182,061	13,302,069
Accumulated depreciation	(2,494,050)	(6,288,015)	(186,819)	-	(8,968,884)
Net book amount	1,565,707	2,471,458	113,959	182,061	4,333,185
Year ended 31 December 2025					
Opening net book amount	1,565,707	2,471,458	113,959	182,061	4,333,185
Asset additions - at cost	86,822	1,125,885	71,580	278,634	1,562,921
Exchange rate movements	(1,219)	2,006	(200)	(15,588)	(15,001)
Capitalisation of work in progress	27,882	97,654	-	(125,536)	-
Transfer to intangible assets	-	-	-	(1,898)	(1,898)
Asset disposals	(374,049)	(583,382)	(37,921)	(412)	(995,764)
Depreciation eliminated on disposals	373,808	582,432	37,921	-	994,161
Depreciation charge	(319,156)	(795,620)	(43,353)	-	(1,158,129)
	1,359,795	2,900,433	141,986	317,261	4,719,475
At 31 December 2025					
Cost	3,799,193	9,401,636	334,237	317,261	13,852,327
Accumulated depreciation	(2,439,398)	(6,501,203)	(192,251)	-	(9,132,852)
Net book amount	1,359,795	2,900,433	141,986	317,261	4,719,475

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

33. Property and equipment - Group (Continued)

	Improvements on leased properties	Equipment, furniture and fittings	Motor vehicles	Work in progress	Total
	KES '000	KES '000	KES '000	KES '000	KES '000
At 1 January 2024					
Cost	3,297,264	7,159,474	229,192	224,269	10,910,199
Accumulated depreciation	(2,204,932)	(6,059,994)	(161,152)	-	(8,426,078)
Net book amount	1,092,332	1,099,480	68,040	224,269	2,484,121
Year ended 31 December 2024					
Opening net book amount	1,092,332	1,099,480	68,040	224,269	2,484,121
NCBA Insurance acquisition	-	82,328	1,423	-	83,751
Asset additions - at cost	451,754	448,281	41,694	1,754,476	2,696,205
Revaluation adjustments (Note 46)	151,457	-	-	-	151,457
Exchange rate movements	(359)	(3,248)	-	(137,328)	(140,935)
Capitalisation of work in progress	159,862	1,465,492	34,002	(1,659,356)	-
Asset disposals	(222)	(392,854)	(5,533)	-	(398,609)
Depreciation eliminated on disposals	-	381,529	5,533	-	387,062
Depreciation charge	(289,118)	(609,550)	(31,200)	-	(929,867)
	1,565,707	2,471,458	113,959	182,061	4,333,185
At 31 December 2024					
Cost	4,059,757	8,759,473	300,778	182,061	13,302,069
Accumulated depreciation	(2,494,050)	(6,288,015)	(186,819)	-	(8,968,884)
Net book amount	1,565,707	2,471,458	113,959	182,061	4,333,185

Work in progress comprise improvements on leased properties, equipment and fittings which are capitalised upon completion and commissioning of respective projects and depreciated over estimated useful lives of three to eight years.

Property and equipment with a cost of KES 6.4 billion were fully depreciated as at 31 December 2025 (2024 - KES 7.5 billion) and still in use. All property plant and equipment are classified as non-current assets.

Revaluation gain

As of 31 December 2024, the Group's improvement on leased properties were revalued at KES 634 million, up from KES 482 million, resulting in a gain of KES 151 million. The valuation was carried out by Knight Frank Valuers Limited, who exercised independence in the valuation. Knight Frank Valuers Limited is a member of the Institute of Surveyors of Kenya and possesses the necessary qualifications and recent experience in the fair value assessment of properties in the relevant areas. The valuation adheres to the International Valuation Standards (IVS) and the guidelines of the Institute of Surveyors of Kenya (ISK).

The fair value of the buildings was determined using the Discounted Cash Flow (DCF) method, based on the principle of anticipation, which states that the present value of an income-generating asset is determined by the expected future benefits. There have been no changes to the valuation technique during the period.

The book values of the leased properties were adjusted to the revaluations and the resultant surplus was credited to reserves in shareholders' equity. Leased properties are revalued every 3 - 5 years.

If building were measured using the cost model, the net carrying amount would have been KES 483,000 (2024: KES 483,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

34. Deferred income tax

Deferred income tax is calculated using the enacted income tax rate of 30% (2024 - 30%) with the exception of Rwanda whose tax rate changed to 28% from 30% in September 2024. The movements in the deferred income tax account were as follows:

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
At start of year	10,014,063	12,274,664	88,406	92,453
NCBA Insurance acquisition	-	70,687	-	-
Profit or loss credit (note 18)	1,126,252	(1,127,338)	138,951	(39,526)
Prior year under provision (note 18)	464,407	77,521	1	35,479
Income tax on changes in value of FVOCI financial instruments	(1,649,645)	(1,277,928)	-	-
Deferred tax asset on tax losses not recognized	-	(3,543)	-	-
At end of year	9,955,077	10,014,063	227,358	88,406

Group

	At start of year	Prior year over/ under provision	Recognised in profit or loss	Recognised in other comprehensive income	At end of year
Year ended 31 December 2025	KES '000	KES '000	KES '000	KES '000	KES'000
Property and equipment	198,565	33,912	(437,451)	-	(204,974)
Exchange rate difference on consolidation	49,018	(54,937)	-	56,038	50,119
IFRS 16 right of use and lease liability	238,409	(886)	6,117	-	243,640
Leave pay provision	15,512	(1,385)	(856)	-	13,271
Loan loss provision/(Release)	6,269,175	434,394	1,645,377	-	8,348,946
Changes in fair value of FVOCI financial instruments (note 45)	2,248,168	-	-	(1,705,683)	542,485
Changes in fair value of assets carried at FVTPL	11,507	-	-	-	11,507
Tax losses	990,752	53,309	(86,935)	-	957,126
Effect of change in tax rate	(7,043)	-	-	-	(7,043)
Net deferred income tax asset	10,014,063	464,407	1,126,252	(1,649,645)	9,955,077

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

34. Deferred income tax (Continued)

Group

	At start of year	NCBA Insurance acquisition	Prior year over/ under provision	Credited to profit and loss account	Credited to revaluation reserve	Reclassification of other timing differences	Reclassification of Deferred Tax Not Recognized	At end of year
Year ended 31 December 2024	KES '000	KES '000	KES '000	KES '000	KES '000	KES '000	KES '000	KES '000
Property and equipment	517,263	(17,008)	184	(200,814)	(45,437)	(47,994)	(7,629)	198,565
Accelerated depreciation	3,610	-	-	-	-	(3,610)	-	-
Exchange rate difference on consolidation	291,949	-	-	-	(242,931)	-	-	49,018
IFRS 16 right of use and lease liability	193,356	-	-	4,495	-	40,558	-	238,409
Leave pay provision	25,304	-	-	(1,858)	-	(7,934)	-	15,512
Loan loss provision	6,700,549	61,499	73,617	(1,015,020)	-	475,420	(26,890)	6,269,175
Changes in fair value of FVOCI financial instruments (note 45)	3,255,925	26,196	-	770	(997,316)	(42,490)	5,083	2,248,168
Changes in fair value of assets carried at FVTPL	11,507	-	-	-	-	-	-	11,507
Tax losses	2,624,693	-	3,720	85,089	-	-	(1,722,750)	990,752
Effect of change in tax rate	(7,043)	-	-	-	-	-	-	(7,043)
Deferred income tax not recognised	(1,342,449)	-	(3,543)	-	7,756	(413,950)	1,752,186	-
Net deferred income tax asset	12,274,664	70,687	73,978	(1,127,338)	(1,277,928)	-	-	10,014,063

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

34. Deferred income tax (Continued)

The Group has reviewed the OECD Pillar Two Global Anti Base Erosion (GloBE) rules across the jurisdictions in which it operates. Based on the applicable revenue thresholds, the Group does not meet the minimum requirement for Pillar Two compliance in FY 2025, having met the EUR 750 million revenue threshold in only one of the four preceding fiscal years. Kenya has enacted enabling legislation introducing a Qualified Domestic Minimum Top Up Tax (QDMTT); however, the operational framework is pending. Other regional jurisdictions in which the Group operates have not enacted Pillar Two legislation as at the reporting .

Company	At start of year	(Debited) Credited to profit and loss account	Debited to revaluation reserves	At end of year
	KES '000	KES '000	KES '000	KES '000
Year ended 31 December 2025				
Deferred income tax asset				
Provisions for leave accrual and other general accruals	88,406	138,952	-	227,358
Year ended 31 December 2024				
Deferred income tax asset				
Provisions for staff bonus accrual and other general accruals	92,453	(39,526)	35,479	88,406

The management evaluated the recoverability of the deferred tax asset and considers that sufficient taxable profits will be generated in future to utilize these assets.

35. Lease prepayments – Leasehold land

Group	2025 KES '000	2024 KES '000
Cost		
At start of year and end of year	526,000	526,000
Amortization		
At start of year	4,125	4,000
Charge for the year	125	125
At end of year	4,250	4,125
Net book value	521,750	521,875

This relates to land leased by the Group from the Government of Kenya for a lease term period of 99 years. The total amount disclosed as a lease liability in respect of this lease is non-current.

The charge for the year is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

36. Right of use asset – Group

	2025 KES '000	2024 KES '000
At 1 January	3,465,991	3,028,501
NCBA Insurance acquisition	-	26,829
Additions during the year	374,094	1,409,583
Prior period lease amendments	155,204	(1,810)
Derecognition of right of use asset on terminated leases	(14,541)	(99,786)
Depreciation charge for the year	(955,711)	(1,023,765)
Foreign currency exchange movements	128,743	126,439
Net book value	3,153,780	3,465,991

Right of use assets are classified as non-current assets.

The depreciation charge for the year is recognised in profit or loss.

The Group leases property for use as branches, offices and Automated Teller Machines (ATMs) spaces. The leases of branches, offices and ATM spaces are for periods between 5 years and 6 years, with options to renew. None of the leases carry a residual value guarantee or contain any restrictions or covenants other than the protective rights of the lessor.

	2025 KES '000	2024 KES '000
Amounts recognised in statement of comprehensive income		
Depreciation charge for the year	(955,711)	(1,023,765)
Amounts recognised in statement of cash flows		
Depreciation charge for the year	(955,711)	(1,023,765)

37. Goodwill - Group

	2025 KES '000	2024 KES '000
At start of year and end of year	34,000	34,000

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquirer. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash Generating Units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Ordinarily goodwill is recognised upon consolidation of interest in subsidiaries.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposals. Any impairment is recognised immediately as an expense and is not subsequently reversed. The assessment of goodwill for impairment has been carried out in respect of the respective entities considered to be the cash generating units by computing the value in use based on projected cash flows discounted using a weighted average rate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

38. Customer deposits – Group

	2025 KES '000	2024 KES '000
Current accounts	248,787,221	234,279,064
Call deposits	40,754,839	36,416,655
Time deposits	204,669,878	208,724,350
Savings accounts	35,295,085	20,915,803
Others	2,359,198	1,680,621
	531,866,221	502,016,493

Current and non-current analysis:

Current	530,217,888	500,911,740
Non-current	1,648,333	1,104,753
	531,866,221	502,016,493

Split as below

Repayable on demand	327,196,343	293,292,143
Maturing within 12 months	203,021,545	207,619,597
Maturing after 12 months	1,648,333	1,104,753
	531,866,221	502,016,493

The maturity analysis is based on the remaining periods to contractual maturity from year end.

39. Due to banking institutions – Group

	2025 KES '000	2024 KES '000
Maturing within 3 months		
Time deposits	3,869,924	11,317,009
Current account balances	6,467,195	2,090,650
Total due to banking institutions	10,337,119	13,407,659

All the balances due to banking institutions had maturities of less than 91 days and are classified as current.

40. Other liabilities

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Accrued expenses	9,756,768	7,630,619	-	-
Other settlement items	10,056,790	8,468,181	-	-
Other liabilities	9,787,784	8,142,052	1,563,032	974,613
	29,601,342	24,240,852	1,563,032	974,613

Other liabilities include pending obligations and items in suspense that are yet to reversed. In addition, the 2024 amounts include acquisition from NCBA Insurance Kenya Limited of KES 273 million.

Included in Company's other liabilities is dividend declared and but not yet paid to the shareholders' amounting to KES 774 million (2024: KES 675 million).

The other liabilities are all classified as current liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

41. Borrowings – Group

a) Summary of borrowings

Kenya

Kenya Mortgage Refinance Company (KMRC)

	2025 KES '000	2024 KES '000
Principal amount	749,116	804,103
Accrued interest	3,563	3,824
	752,679	807,927

European Investment Bank (EIB)

Principal amount	-	773,136
Accrued interest	-	2,858
	-	775,994

Agence Francaise de Developpement (AFD)

Principal amount	293,135	376,413
Accrued interest	2,071	2,659
	295,206	379,072

Société de Promotion et de Participation pour la Coopération Economique S.A. (Proparco)

Principal amount	5,017,665	6,463,750
Accrued interest	99,565	140,639
	5,117,230	6,604,389

Tanzania

Tanzania Mortgage Refinance Company (TMRC)

Principal amount	155,400	160,800
Accrued interest	2,203	2,643
	157,603	163,443

Rwanda

Development Bank of Rwanda (BRD)

Principal amount	1,242,575	1,435,837
Accrued interest	-	5,562
	1,242,575	1,441,399

Maturity Profile:

Current	1,649,854	2,842,880
Non-current	5,915,439	7,329,345
	7,565,293	10,172,225

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

41. Borrowings – Group (Continued)

a) Summary of borrowings (Continued)

	2025 KES '000	2024 KES '000
b) Net borrowings reconciliation		
At 1 January	10,172,225	6,411,971
Additions	-	6,843,499
Accrued interest (note 7)	509,723	662,079
Repayments (principal amount)	(2,306,472)	(1,854,207)
Repayments (interest amount)	(719,615)	(483,349)
Foreign currency exchange movements	(90,568)	(1,407,768)
At 31 December	7,565,293	10,172,225

Borrowings are financial instruments classified as a liability at amortised cost. The terms of the borrowings are as follows:

The Group had six long-term senior loans as below:

- US\$ 54 million unsecured facility raised from European Investment Bank (EIB) in December 2016, with a tenure of 9 years. This facility was paid off in June 2025 and was due to mature in December 2025;
- EUR 7.8 million unsecured facility raised from Agence Francaise de Development (AFD) in November 2015, with a grace period of 3 years during which no principal repayment under the Facility was due. Following expiry of the grace period, repayment to be done in 9 years with the last instalment payable in November 2027. Outstanding principal balance as of 31 December 2025 was EUR 1.9 million (2024: EUR 2.8 million).
- KES 860.5 million unsecured facility raised from Kenya Mortgage Refinance Company (KMRC) in October 2023. The facility is payable over a period of 12 years and had an outstanding principal balance as at 31 December 2025 of KES 749.1 million. (2024: KES 804.1 million).
- US\$ 50 million unsecured facility raised from Société de Promotion et de Participation pour la Coopération Economique S.A. (Proparco) in April 2024. The facility is payable over a period of 5 years with a grace period of 1 year. The outstanding balance as at 31 December 2025 was US\$ 38.9 million (2024: US\$ 50.0 million).

There were no charges placed on any of the Group's assets in relation to these borrowings.

- RWF 16.2 billion from the Development Bank of Rwanda (BRD) in three tranches: RWF 15 billion in 2022, RWF 1 billion in January 2024, and RWF 700 million in December 2024. The facilities have repayment periods of 12 years, 5 years, and October 2026, respectively. The cumulative outstanding principal balance as at 31 December 2025 was RWF 13.99 billion (2024: RWF 15.4 billion).
- TZS 3 billion unsecured facility raised from Tanzania Mortgage Refinance Company (TMRC) in April 2020. The facility is payable over a period of 5 years and had an outstanding principal balance as at 31 December 2025 of TZS 3 billion (2024: TZS 3 billion). During the year the Bank renewed the facility with TMRC to a 5 year revolving facility.

The borrowings from lenders require compliance with various specified financial ratios/covenants as per respective contractual agreements. The Group was compliant with all covenants.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

42. Lease liabilities

	2025 KES '000	2024 KES '000
At start of year	4,170,604	3,785,294
NCBA Insurance acquisition	-	23,406
Additions during the year	374,094	1,409,583
Prior period lease amendments	92,506	226
Derecognition on lease termination	(16,517)	-
Interest expense accruals (lease liabilities) during the year (note 7)	411,074	446,651
Principal repayments in the year	(979,929)	(865,022)
Interest on lease paid during the year	(283,784)	(380,994)
Foreign currency exchange movements	112,282	(248,540)
At end of year	3,880,330	4,170,604
Current and non-current analysis		
Current	1,236,908	1,182,716
Non-Current	2,643,422	2,987,888
	3,880,330	4,170,604

The lease payments in relation to short term leases (leases with a lease term of 12 months or less at commencement date) and leases in which the underlying asset is of low value are recognised as an expense on a straight-line basis over the lease term.

The maturity analysis of lease liabilities is disclosed in the liquidity risk analysis as below:

	2025 KES '000	2024 KES '000
Up to 1 year	964,558	1,258,549
1year to 5years	2,893,265	2,660,433
Over 5 years	13,453	582,350
	3,871,276	4,501,332

The amounts include future interest accrual as disclosed in liquidity risk analysis.

The Bank acts as a lessor of several assets. Future minimum lease payments operating leases as at 31 December were, as follows:

	2025 KES '000	2024 KES '000
Up to 1 year	1,025,713	1,933,568
1year to 5years	812,606	756,560
Over 5 years	87,716	-
	1,926,035	2,690,128
Amounts recognised in statement of comprehensive income		
Interest expense on lease liabilities (Note 7)	411,074	446,651
Amounts recognised in statement of cash flows		
Lease liability debits/(rent paid) in the year	979,929	865,022
Interest on lease paid during the year	283,784	380,994

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

43. Share capital – Group and Company

	2025 Number of shares (thousands)	2025 Value KES '000	2024 Number of shares (thousands)	2024 Value KES '000
Authorised				
At start and end of year	1,647,519	8,237,598	1,647,519	8,237,598
Issued and fully paid				
At start and end of the year	1,647,519	8,237,598	1,647,519	8,237,598

During the current reporting period, the authorised share capital remained unchanged with par value of KES 5.00 each. There were no additional shares issued during the current reporting period (2024: Nil).

44. Share premium – Group and Company

	2025 KES '000	2024 KES '000
At start and end of the year	21,424,322	21,424,322

45. Investment revaluation reserve

	2025 KES '000	2024 KES '000
Changes in fair value of financial Instruments at FVOCI		
At start of year	(2,454,519)	(4,781,589)
Changes in fair value of FVOCI		
Financial instruments	5,685,611	3,324,386
Deferred income tax (note 34)	(1,705,683)	(997,316)
Fair value gains on financial assets measured at FVOCI, net of tax	3,979,928	2,327,070
At end of year	1,525,409	(2,454,519)

The revaluation reserves, which is non-distributable, arises from changes to fair value of Government securities held at FVOCI.

The fair value gains on financial assets measured at FVOCI net of taxes amounted to KES 3,979,928,000 (2024: KES 2,327,070,000).

46. Revaluation on property

	2025 KES '000	2024 KES '000
As at 1 January	106,020	-
Changes in fair value of buildings (note 33)	-	151,457
Deferred income tax on changes in fair value buildings (note 34)	-	(45,437)
At end of year	106,020	106,020

The revaluation reserve is made up of periodic adjustment arising from the valuation of buildings owned by the bank, net of the related deferred taxation. In accordance to IFRS requirement, a deferred tax liability has been recognized in respect of revaluation surplus. The reserve is not available for distribution to the shareholders.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

47. Statutory loan loss reserve

The reserve represents an appropriation from retained earnings to comply with regional Central Banks' prudential guidelines on loan loss provisions. The balance represents excess of impairment provisions determined in accordance with the prudential guidelines over the impairment provisions recognised in accordance with the International Financial Reporting Standards. The reserve is non- distributable.

48. Related parties

Parties are considered related if one party has the ability to control the other party or exercise significant influence over that party's financial or operational decisions. In the normal course of business, current accounts are operated, and placements made between the Group companies at interest rates in line with the market. Included in customer loans and advances are amounts advanced to directors, companies controlled by directors or their associates and loans to key management personnel as follows:

	2025 KES '000	2024 KES '000
Due from group companies - Company		
Deposits with NCBA Bank Kenya PLC	483,809	1,333,377
Other receivables from NCBA Group companies	11,592	38,487
	495,401	1,371,864
Due to group companies - Company		
Due to NCBA Bank Kenya PLC	2,101,137	7,892,756
Other income - Company		
Dividend income	14,541,999	12,144,600
Management fees – group recharges	330,817	305,279
Loans and advances to directors - Group		
At start of year	269,181	278,338
Advanced during the year	23,416	27,830
Repaid during the year	(86,913)	(36,987)
At end of year	205,684	269,181
Loans and advances to other key management personnel - Group		
Loans and advances to other key management personnel	525,094	440,607

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

48. Related parties (Continued)

Loans and advances / facilities to companies controlled by directors, common shareholders or their associates - Group

	2025 KES '000	2024 KES '000
On-balance sheet	30,373,236	27,680,329
Off-balance sheet	1,488,519	1,904,009
Provisions for impaired related party loans and advances	537,726	378,778

Income earned on related party transactions - Group

	2025 KES '000	2024 KES '000
Interest income earned on related party loans and advances during the year	3,162,502	3,614,081
Commissions earned on related party loans and advances during the year	232,137	190,921
Commissions earned on Insurance related business		
ICEA Lion Insurance Holdings Limited	78,832	75,122

Income earned on related party transactions - Group

All facilities and arrangements relating to the above loans and advances have been made in the normal course of business and on terms similar to those applicable to third parties. The loans and advances are to companies on whose Boards the directors serve and to companies with common shareholders as those of the Group.

Related party deposits - Group

	2025 KES '000	2024 KES '000
Related party deposits	28,894,714	36,146,129
Interest expense incurred on related party deposits during the year	1,985,302	3,637,834

The above deposits are from directors, companies on whose Boards the directors serve and from companies with common shareholders as the Group.

Key management personnel compensation

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Salaries and other short term employment benefits	1,220,531	1,246,284	198,870	203,262
Post-employment benefits	88,969	113,301	21,682	21,760
	1,309,500	1,359,585	220,552	225,022

Key management personnel are described as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

48. Related parties (Continued)

Directors' Remuneration

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Fees for services as directors	90,271	100,013	51,895	48,550
Other emoluments (included in key management compensation above)	275,456	560,139	-	215,882
	365,727	660,152	51,895	264,432

49. Cash and cash equivalents

For the purposes of the cash flow statement, cash equivalents comprise short-term highly liquid investments, which are readily convertible into known amounts of cash without notice, with less than 91 days to maturity from the date of acquisition including balances with Central Banks, treasury bills and bonds, which are subject to insignificant risk of changes in their fair value and amounts due from and / or to banking institutions.

	GROUP		COMPANY	
	2025 KES '000	2024 KES '000	2025 KES '000	2024 KES '000
Cash and balances with Central Banks (note 21)	63,774,068	43,679,381	-	-
Less: Mandatory reserve deposits*	(3,454,811)	(1,943,223)	-	-
	60,319,257	41,736,158	-	-
Due from banking institutions (note 23)	51,367,772	52,956,080	495,401	1,333,377
Due to banking institutions (note 39)	(10,337,119)	(13,407,659)	-	-
Government securities (note 25)	1,183,487	5,893,863	-	-
	102,533,397	87,178,442	495,401	1,333,377

* The mandatory reserve deposits with Central Banks (Bank of Tanzania and Bank of Uganda) are not interest earning and are based on the value of deposits as adjusted by Central Bank from time to time. This balance is full restricted and not accessible for settlement transactions.

b) Cash and cash equivalents restatement

The restricted balances held with the Central Bank of Kenya can be accessed by the Bank during the day to settle transactions as long as the legislated reserve balance is deposited at the end of each day. This results in a restriction of the use of the funds and not accessing the funds. Due to the access to the funds not being impacted the nature of the mandatory reserve deposits still meet the definition of cash and cash equivalent as these would qualify as on demand deposits. Consequently, management has restated the statement of cashflows to include the mandatory reserve deposits within the cash and cash equivalent line. Comparative figures have been restated accordingly.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

49. Cash and cash equivalents (Continued)

b) Cash and cash equivalents restatement (Continued)

The impact of the above restatement is as summarised below

	As previously reported	Prior year adjustment	As restated
	KES '000	KES '000	KES '000
Changes in statement of cash flows - 2024			
Changes in operating assets and liabilities			
Decrease in balances held with Central Banks- mandatory reserves (Note 50)	2,906,164	(2,859,047)	47,117
Total changes in operating assets and liabilities (Note 50)	(40,615,142)	(2,859,047)	(43,474,189)
Net cash used in operating activities*	(11,598,292)	(2,859,047)	(14,457,339)
Net decrease in cash and cash equivalents	(958,842)	(2,859,047)	(3,817,889)
Cash and cash equivalent at the beginning of the year	69,040,140	21,464,143	90,504,283
Cash and cash equivalents at the end of the year	68,575,346	18,603,096	87,178,442
		-	-
Amendments to the note			
Changes in cash and cash equivalents note 49(a)			
Cash reserve requirements	(20,546,319)	18,603,096	(1,943,223)
Cash and balances with Central Banks	23,133,062	18,603,096	41,736,158
Due from banking institutions	52,956,080	-	52,956,080
Due to banking institutions	(13,407,659)	-	(13,407,659)
Government securities	5,893,863	-	5,893,863
Cash and cash equivalents	68,575,346	18,603,096	87,178,442

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

50. Cash generated from operations

		Notes	Group		Company	
			2025 KES '000	2024* KES '000	2025 KES '000	2024 KES '000
Additional cash flow information						
Other non cash items included in profit before tax						
Share of profit from associates	30	(91,612)	(87,025)	-	-	
Fair value loss on loan note		-	94,249	-	-	
Intangible assets write off		-	219,039	-	-	
Unrealized foreign exchange income		246,921	(488,711)	-	-	
Gain on disposal property and equipment(15(b))		(32,293)	(21,283)	-	-	
Credit impairment charge	8	6,902,153	5,046,435	-	-	
Amortisation of intangible assets	32	1,188,932	1,193,001	-	-	
Depreciation charge on property and equipment	33	1,158,129	936,674	-	-	
Depreciation of right of use asset	36	955,711	1,023,765	-	-	
Fair value (gain)/loss on investment securities		(16,765)	11,086	-	-	
Amortisation of lease prepayments	35	125	125	-	-	
Bargain purchase gain	51(d)	-	(266,832)	-	-	
Loss on re-measurement of investment in subsidiary	51(e)	-	273,111	-	-	
Interest expense on lease liabilities	42	411,074	446,651	-	-	
Interest expense on borrowings	41	509,723	662,079	-	-	
Interest income		(81,764,856)	(88,620,061)	-	-	
Interest expense		23,132,537	40,064,555	-	-	
Total non-cash items		(47,400,221)	(39,513,142)	-	-	
Changes in operating assets and liabilities						
(Increase)/decrease in balances held with Central Banks- mandatory reserves*		(1,511,588)	47,117	-	-	
(Increase)/ decrease in loans and advances		(19,048,919)	31,618,926	-	-	
(Increase)/ decrease in other assets		(5,711,537)	260,187	-	433,218	
Decrease/(increase) in derivative assets		11,657	(9,651)	-	-	
Decrease in due from group companies		-	-	(181,007)	(405,403)	
Decrease in due to group companies		-	-	(5,791,619)	(1,187,030)	
Increase/ (decrease) in customer deposits		29,410,472	(77,863,713)	-	-	
Increase/ (decrease) in other liabilities		5,219,149	2,472,945	588,422	(155,337)	
Total changes in operating assets and liabilities		8,369,234	(43,474,189)	(5,384,204)	(1,314,552)	

*Comparative figures have been restated. Refer to note 49(b)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

51. Business acquisition

On July 1, 2024, NCBA Group PLC completed the full acquisition of NCBA Insurance Company Limited from AIG MEA Limited by purchasing 66.66% of the outstanding ordinary shares for KES 1,075,000,000. As a result, NCBA Group PLC's ownership in NCBA Insurance Company Limited increased to 100%, up from 33.33%. NCBA Group PLC had initially acquired a 33.33% minority stake in NCBA Insurance Company Limited in 2006 for KES 332,593,000.

To perform the Purchase Price Allocation (PPA) valuation in compliance with IFRS 3, NCBA Group PLC appointed NCBA Investment Bank Limited to conduct the valuation.

This acquisition falls under the scope of IFRS 3 - Business Combinations, and has been accounted for using the acquisition method, with the following details:

- The consideration for the 66.66% acquisition was KES 1,075,000,000.
- The net assets of AIG Kenya Insurance Company as of 30 June 2024, the acquisition date, were valued at KES 2,028,244,000, which approximates the fair value on the acquisition date.

(a) Recognized amounts of identifiable assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of AIG Kenya Limited as at the date of acquisition were:

	2024 KES '000
Assets	
Due from banking institutions	208,144
Government securities at FVOCI	1,876,590
Government securities at amortized costs	13,017
Current income tax recoverable	294,561
Reinsurance contract assets	2,019,241
Other assets*	77,787
Intangible assets	331,785
Property and equipment	83,751
Deferred income tax	70,687
Right of use asset	26,829
Total assets	5,002,392
Liabilities	
Insurance contract liabilities	2,693,395
Other liabilities	272,943
Lease liability	23,406
Total liabilities	2,989,744
Net identifiable assets acquired	2,012,648

* The acquired other assets have a fair value of KES 41.1 million. The total gross contractual amount for the other assets is KES 41.1 million, with no loss allowance recognized upon acquisition. It is anticipated that the full contractual amounts will be collected. Acquisition-related costs of KES 48,364,944 are included in the administrative expenses in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

51. Business acquisition (Continued)

(b) Acquisition costs charged to expenses.

The acquisition costs charged to operating expenses was KES 48.4 million mainly relating to legal, accounting, actuarial and stamp duty.

The acquired business contributed revenues of KES 1.5 billion and net profit of KES 137.1 million to the Group for the period from 1 July to 31 December 2024.

If the acquisition had occurred on 1 January 2024, consolidated pro-forma revenue and profit for the year ended 31 December 2024 would have been KES 3.4 billion and KES 186.7 million respectively.

(c) Purchase consideration cash outflow

	2024 KES '000
Outflow of cash to acquire subsidiary (included in cash flows from financing activities, net of tax)	(1,075,000)
Cash consideration	
Balances due from Banking institutions acquired with the subsidiary (included in cash flows from investing activities)	208,144
Transaction costs of the acquisition (included in cash flows from operating activities) (Note 51(b))	(48,365)
Net cash flow on acquisition	(915,221)

(d) Purchase price allocation

The fair value of the identifiable assets acquired and the liabilities assumed was determined as at 30 June 2024 based on a Purchase Price Allocation (PPA) exercise performed on NCBA Insurance Company Limited. There was no significant intangible assets identified as part of the PPA exercise.

The expenses related to this transaction are as disclosed in note 51 (b)

Bargain purchase gain - Group

As per IFRS 3, the value of the consideration when compared to the net asset transferred results in a bargain purchase which was reflected in the Group's statement of profit and loss.

	2024 KES '000
Bargain Purchase Gain	
Net identifiable assets acquired	2,012,648
Less (a) Fair value of net assets acquired	(670,816)
(b) Purchase Price on full acquisition	(1,075,000)
Bargain purchase gain	266,832

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

51. Business acquisition (Continued)

(d) Purchase price allocation (Continued)

Bargain purchase gain - Group (Continued)

The gain on acquisition resulted from the negotiated purchase price being lower than the fair value of the identifiable net assets acquired. This favorable price is partially driven by synergies identified during the valuation process, where the integration of the insurance agency with the bank's operations is anticipated to generate substantial operational efficiencies

(e) Loss on remeasurement of investment in associate

As per IFRS 3, an equity interest previously held in the acquiree which qualified as an associate is treated as if it were disposed of and reacquired at fair value on the acquisition date. Accordingly, it is remeasured to its acquisition-date fair value, and any resulting gain or loss compared to its carrying amount under IAS 28 is recognised in statement profit or loss.

	2024 KES '000
Loss on re-measurement of Investment in associate	
Acquisition-date fair value	670,816
Carrying amount	(943,927)
Loss on re-measurement of investment in associate	(273,111)

The loss on remeasurement has been recognized through the statement of profit and loss.

The carrying amount represent initial investment in associate and share of profits less dividends over the years since investment in associate.

52. Off-balance sheet financial instruments, contingent liabilities, commitments and operating leases

In common with banking entities, the Group conducts business involving acceptances, guarantees, performance bonds and indemnities. These facilities are obligations on behalf of customers, in the normal course of business, matched and with recourse. In addition, there are other off-balance sheet financial instruments including foreign exchange forward contracts for the purchase and sale of foreign currencies, the nominal amounts of which are not reflected in the consolidated balance sheet.

	2025 KES '000	2024 KES '000
Letters of credit	19,357,079	21,031,011
Acceptances	2,894,534	6,709,153
Guarantees	29,534,836	27,176,562
	51,786,449	54,916,726

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

52. Off-balance sheet financial instruments, contingent liabilities, commitments and operating leases (Continued)

Nature of off-balance sheet financial instruments and contingent liabilities

Letters of credit commit the Group to make payments to third parties, on production of documents, which are subsequently reimbursed by customers.

An acceptance is an undertaking by a Group to pay a bill of exchange drawn on a customer. The Group expects most acceptances to be presented and reimbursement by the customer is normally immediate.

Guarantees are generally written by the Group to support performance by a customer to a third party. The Group would only be required to meet these obligations in the event of default by a customer.

	2025 KES '000	2024 KES '000
Commitments		
Un-drawn formal standby facilities, credit lines and other commitments to lend	4,380,665	7,931,045
Foreign exchange forward contracts	166,257	1,167,996
Swaps	2,731,248	434,773
Purchase of property, equipment and software	53,727	27,813

Commitments to lend are agreements to lend to a customer in future, subject to certain conditions, and are normally for a fixed period. The Group may withdraw from its contractual obligation for the un-drawn portion of agreed overdraft limits by giving reasonable notice to a customer.

Foreign exchange forward contracts are agreements to buy or sell a specified quantity of foreign currency, usually on a specified future date at an agreed price.

Legal claims contingency

The Group is a defendant in a number of legal proceedings arising from tax assessments and from normal course of business litigations mostly relating to the operational matters. Management is confident that no material liabilities will crystallise from these assessments, beyond the provisions already recorded.

Tax authorities' assessments

The Group has received tax assessments from Revenue Authorities in the markets it operates in, which it has challenged on various principles and continues to engage the relevant authorities to resolve the matters. Management is confident that no material liabilities will crystallise from these assessments, beyond the provisions already recorded.

The Group has not disclosed certain detailed information relating to these matters because providing such information could seriously prejudice the Group's position in the ongoing disputes.

Who We Are

Our Business

ESG, Climate Risk &
Sustainable Finance

Our Financials

Other Information

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

53. Fiduciary activities

The Group provides safekeeping, safe deposit, advisory, custody and nominee and investment management services to third parties. Safekeeping and safe deposit services involve providing secure and confidential storage for valuables and documents. Custodial and nominee services entail the holding of customers' assets and securities and collection of income on their behalf based on express instructions.

Advisory services involve the provision of a range of financial advice to clients either as independent advisors or as tied agents. Investment management involves advising customers on allocation and purchase and sale decisions in relation to a range of financial instruments, assets that are held in fiduciary capacity and which are not included in these financial statements. These arrangements involve the Group in an advisory capacity only, acting on specific instructions from clients and not in a discretionary manner. Consequently, the Group is not exposed to risks associated with mal-administration or underperformance of assets under its care.

At the balance sheet date, the Group had funds under investment management and securities held under nominee arrangements amounting to KES 573 billion (2024 – KES 329 billion). Other risks that may arise from these fiduciary activities are of operational and reputational nature. These risks are managed and mitigated through the existence and continuing application of sound governance and internal control policies and procedures that ensure the proper discharge of fiduciary duties.

54. Events after reporting period

On 21 January 2026, NCBA Group PLC ("the Group"), received a Notice of Intention from Nedbank Group Limited ("Nedbank"), a diversified financial services group headquartered in South Africa, to acquire approximately 1,087,362,891 ordinary shares in NCBA Group PLC, representing approximately 66% of the issued share capital, by way of a partial tender offer to existing shareholders. This proposed transaction, if successful, will result in NCBA Group PLC becoming a subsidiary of Nedbank, with the remaining 34% of shares continuing to be listed on the Nairobi Securities Exchange.

The consideration to participating shareholders will comprise 20% cash and 80% in new Nedbank ordinary shares listed on the Johannesburg Stock Exchange. NCBA Shareholders, who will have accepted the offer and would receive less than 200 Nedbank Shares, shall be paid their full consideration in cash.

Nedbank has received irrevocable undertakings from shareholders holding approximately 71.2% of NCBA's ordinary shares to accept the tender offer in respect of their pro-rata entitlement.

The transaction is subject to regulatory approvals, including from the Capital Markets Authority (Kenya), Central Bank of Kenya, and other relevant competition authorities.

The transaction is expected to close within six to nine months from the date of the announcement, subject to the satisfaction of all conditions precedent.

Management has assessed the nature of this event in accordance with IAS 10, "Events after the Reporting Period". The proposed acquisition represents a non-adjusting event after the reporting period as the transaction was not concluded as at the reporting date and does not provide evidence of conditions that existed at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

54. Events after reporting period (Continued)

However, the transaction is considered material and of such significance that non-disclosure could influence the economic decisions of users of the financial statements. Accordingly, the following disclosures are made:

- If completed, the transaction will result in a change of control, with NCBA becoming a subsidiary of Nedbank.
- The business combination positions NCBA as the cornerstone investment vehicle for Nedbank's East African expansion while allowing it to retain its independent governance structures, local leadership, brand identity, and NSE listing.
- The transaction is expected to generate significant synergies, including enhanced corporate and investment banking capabilities, increased resource base, and expanded growth opportunities in East Africa.
- There will be no immediate integration of systems and operations, as Nedbank currently only maintains a representative office in East Africa.

The Group will continue to monitor developments and will provide further disclosures as appropriate in future reporting periods

55. Segments reporting

The Group operates within various geographical segments, Kenya, Uganda, Tanzania, Rwanda and Ghana. Further to the geographical segmentation and this is the basis of allocation of resources by Chief Operating Decision Maker.

i) Corporate and institutional banking

Targets medium to large corporate clientele and institutions, with a focus on liability mobilization and asset growth. The Bank uses the following distribution channels.

ii) Retail banking (SME and Consumer banking)

Targets the mass to affluent and high net worth and business banking clientele, with a focus on becoming the customers' core deposit, transactional banker and financier. This also includes the Group's asset finance products.

iii) Treasury dealing

Treasury dealing targets corporate customers and institutions, with a focus on customers having a foreign exchange component in their business

iv) Digital Bank

This segment focuses on mobile savings and lending products at a micro level.

v) Investment banking

Investment banking targets large and medium sized companies for research, advisory, capital restructuring and stock brokerage requirements.

vi) Insurance

The principal activity of the company is the transaction of general insurance business.

There is no single customer within the Group who accounts for more than 10% of the revenue.

The table below analyses the breakdown of segmental assets, liabilities, income and expenses by geographical segments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

55. Segmental reporting (Continued)

Statement of profit or loss – Year ended 31 December 2025

Amount in KES '000	Kenya KES '000	Tanzania KES '000	Uganda KES '000	Ghana KES '000	Rwanda KES '000	Group functions KES '000	Group KES '000
Interest income and other credit-related fees	70,763,072	3,168,698	5,215,398	-	2,922,754	(305,066)	81,764,856
Interest expense	(20,779,798)	(1,128,549)	(1,717,968)	-	(732,085)	305,066	(24,053,334)
Net interest income	49,983,274	2,040,149	3,497,430	-	2,190,669	-	57,711,522
Net insurance service result	415,885	-	-	-	-	-	415,885
Non – interest revenue	27,306,349	519,727	443,396	25,286	282,604	(14,872,816)	13,704,546
Operating and other income	77,705,508	2,559,876	3,940,826	25,286	2,473,273	(14,872,816)	71,831,953
Impairment charges	(7,262,816)	97,940	95,581	-	167,142	-	(6,902,153)
Depreciation and amortization	(2,562,636)	(202,086)	(282,418)	-	(119,228)	-	(3,166,368)
Employee benefits	(14,150,480)	(904,256)	(910,668)	-	(635,473)	-	(16,600,877)
Operating expenses	(14,971,145)	(735,502)	(1,163,842)	(47,889)	(776,383)	330,824	(17,363,937)
Profit/(loss) before share of associate's profit	38,758,431	815,972	1,679,479	(22,603)	1,109,331	(14,541,992)	27,798,618
Share of associates profit	91,612	-	-	-	-	-	91,612
Profit before income tax	38,850,043	815,972	1,679,479	(22,603)	1,109,331	(14,541,992)	27,890,230
Income tax expense	(4,127,151)	290,231	(318,154)	-	(341,638)	-	(4,496,712)
Profit/(loss) for the year	34,722,892	1,106,203	1,361,325	(22,603)	767,693	(14,541,992)	23,393,518

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

55. Segmental reporting (Continued)

Statement of profit or loss – Year ended 31 December 2024

Amount in KES '000	Kenya KES '000	Tanzania KES '000	Uganda KES '000	Ghana KES '000	Rwanda KES '000	Group functions KES '000	Group KES '000
Interest income and other credit-related fees	77,900,273	3,311,361	4,463,526	-	3,224,099	(279,198)	88,620,061
Interest expense	(37,816,740)	(1,211,674)	(1,535,211)	-	(888,858)	279,198	(41,173,285)
Net interest income	40,083,533	2,099,687	2,928,315	-	2,335,241	-	47,446,776
Net insurance service result	150,946	-	-	-	-	-	150,946
Non – interest revenue	25,456,266	650,925	427,481	(5,777)	394,415	(12,530,691)	14,392,619
Operating and other income	65,690,745	2,750,612	3,355,796	(5,777)	2,729,656	(12,530,691)	61,990,341
Impairment charges	(4,801,833)	14,642	219,511	-	(478,755)	-	(5,046,435)
Depreciation and amortization	(2,364,744)	(425,666)	(215,371)	-	(147,783)	-	(3,153,564)
Employee benefits	(11,653,672)	(888,633)	(861,023)	-	(494,351)	-	(13,897,679)
Operating expenses	(12,795,154)	(618,877)	(861,481)	(17,523)	(856,635)	304,750	(14,838,640)
Profit before share of associate's profit	34,075,342	832,078	1,637,432	(23,300)	752,132	(12,225,941)	25,054,023
Share of associates profit	87,025	-	-	-	-	-	87,025
Profit before income tax	34,162,367	832,078	1,637,432	(23,300)	752,132	(12,225,941)	25,141,048
Income tax expense	(3,339,090)	522,687	(240,800)	-	(218,078)	-	(3,275,281)
Profit for the year	30,823,277	1,354,765	1,396,632	(23,300)	534,054	(12,225,941)	21,865,767

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

55. Segmental reporting (Continued)

Statement of financial position – As at 31 December 2025

Amount in KES '000	Kenya	Tanzania	Uganda	Ghana	Rwanda	Group functions	Group
Assets	KES '000	KES '000	KES '000	KES '000	KES '000		KES '000
Cash and balances with Central banks	51,993,628	4,992,984	2,874,800	-	3,912,656	-	63,774,068
Government securities	191,475,414	4,774,425	21,009,703	-	4,291,537	-	221,551,079
Due from banking institutions	41,810,974	4,215,293	3,637,487	-	5,306,399	(3,602,381)	51,367,772
Customer loans and advances	268,739,496	15,493,720	11,429,068	-	11,255,691	-	306,917,975
Investment securities	15,470,617	42,011	-	-	-	-	15,512,628
Reinsurance contract assets	1,307,474	-	-	-	-	-	1,307,474
Other assets	93,565,448	1,770,833	4,029,206	55,110	1,898,758	(45,703,194)	55,616,161
Total assets	664,363,051	31,289,266	42,980,264	55,110	26,665,041	(49,305,575)	716,047,157
Liabilities							
Customer deposits	467,217,751	19,743,369	28,610,514	-	16,294,587	-	531,866,221
Due to banking institutions	6,875,268	4,256,436	2,766,843	-	3,264,623	(6,826,051)	10,337,119
Borrowings	6,165,115	157,603	-	-	1,242,575	-	7,565,293
Insurance contract liabilities	1,990,012	-	-	-	-	-	1,990,012
Reinsurance contract liabilities	87,381	-	-	-	-	-	87,381
Other liabilities	6,771,931	1,321,418	2,406,294	130,353	1,928,989	24,216,580	36,775,565
Total liabilities	489,107,458	25,478,826	33,783,651	130,353	22,730,774	17,390,529	588,621,591
Shareholders' funds	175,255,593	5,810,440	9,196,613	(75,243)	3,934,267	(66,696,104)	127,425,566
Total liabilities and shareholders' funds	664,363,051	31,289,266	42,980,264	55,110	26,665,041	(49,305,575)	716,047,157

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2025

55. Segmental reporting (Continued)

Statement of financial position – As at 31 December 2024

Amount in KES '000	Kenya	Tanzania	Uganda	Ghana	Rwanda	Group functions	Group
Assets	KES '000	KES '000	KES '000	KES '000	KES '000	KES '000	KES '000
Cash and balances with Central banks	35,168,239	2,886,997	2,908,870	-	2,715,275	-	43,679,381
Government securities	182,945,351	4,664,004	16,034,855	-	3,872,082	-	207,516,292
Due from banking institutions	44,888,474	4,784,051	1,425,173	-	5,001,442	(3,143,060)	52,956,080
Customer loans and advances	261,000,639	13,675,109	10,399,252	-	8,857,350	-	293,932,350
Investment securities	15,183,360	43,470	-	-	-	-	15,226,830
Reinsurance contract assets	1,720,552	-	-	-	-	-	1,720,552
Other assets	95,999,503	1,430,535	2,841,011	13,597	801,155	(50,173,522)	50,912,279
Total assets	636,906,118	27,484,166	33,609,161	13,597	21,247,304	(53,316,582)	665,943,764
Liabilities							
Customer deposits	449,487,692	19,434,670	22,830,665	-	15,368,064	(5,104,597)	502,016,494
Due to banking institutions	12,889,332	1,820,305	38,586	-	-	(1,340,564)	13,407,659
Borrowings	8,567,383	163,443	-	-	1,441,399	-	10,172,225
Insurance contract liabilities	2,151,016	-	-	-	-	-	2,151,016
Reinsurance contract liabilities	62,469	-	-	-	-	-	62,469
Other liabilities	5,548,896	1,230,419	3,103,296	49,510	1,088,483	17,398,549	28,419,153
Total liabilities	478,706,788	22,648,837	25,972,547	49,510	17,897,946	10,953,388	556,229,016
Shareholders' funds	158,199,330	4,835,329	7,636,614	(35,913)	3,349,358	(64,269,970)	109,714,748
Total liabilities and shareholders' funds	636,906,118	27,484,166	33,609,161	13,597	21,247,304	(53,316,582)	665,943,764

NOTICE OF THE 66TH ANNUAL GENERAL MEETING

Notice is hereby given that the 66th Annual General Meeting (AGM) of the shareholders of NCBA Group PLC will be held via electronic communication on Tuesday, 26th May 2026 at 10:00 am in the manner set out in the notes immediately following this notice for the following purposes:

Ordinary Business

1. To read the notice convening the meeting.
2. To receive, consider and, if thought fit, adopt the Financial Statements for the year ended 31st December 2025, and the Directors' and Auditor's reports thereon.
3. Declaration of Dividend
 - a) To confirm an interim dividend of Shs 2.50 per ordinary share for the Financial Year ended 31st December 2025, which was paid to shareholders on 2nd October 2025.
 - b) To approve a final dividend of Shs 4.60 per ordinary share for the Financial Year ended 31st December 2025 as recommended by the Directors, to bring the total dividend to Shs 7.10 per ordinary share (2024: total dividend Shs 5.50 per ordinary share).
4. Elections of Directors
 - a) In accordance with Article 7.18 of the Company's Articles of Association, to re-appoint each of the following Directors who retire by rotation and being eligible, offer themselves for re-election:
 - i) A. S. M. Ndegwa; and
 - ii) Mrs. E. N. Ngaine.
 - b) In accordance with Article 7.7 of the Company's Articles of Association, M. Kenyatta having been appointed by the Board to fill a casual vacancy during the year 2025 and required to hold office until the AGM following his appointment, and being eligible, offers himself for election.
 - c) In accordance with Clause 2.5 of the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, the following Directors having each attained the age of 70 years retire from the Board, and being eligible, offers themselves for re-election.
 - i) D. A. Oyatsi; and
 - ii) J. S. Armitage.
5. Election of Board Audit and Risk Committee Members

In accordance with the provisions of Section 769 of the Companies Act, 2015, the following Directors, being members of the Board Audit and Risk Committee, be elected to serve as members of the said Committee:

 - i) Hon. A. H. H. Abdi;
 - ii) P. R. Lopokoityit; and
 - iii) K. Thuo.
6. To approve the Directors' Remuneration Report and the remuneration paid to the Directors in the year ended 31st December 2025, and to authorise the Board to fix the remuneration of the Directors for the year 2026.
7. To appoint Deloitte & Touche as the Auditors of the Company until the end of the next AGM by virtue of section 721(2) of the Companies Act, 2015, noting their eligibility having served as the Auditors for a period of five (5) years, and subject to Central Bank of Kenya approval in accordance with section 24(1) of the Banking Act (Cap.488), and to authorise the Directors to fix their remuneration for the ensuing financial year.
8. To transact any other business of the AGM of which due notice has been received.

BY ORDER OF THE BOARD

Esther Kung'u

Ag. Group Company Secretary

Nairobi

30th April 2026

NOTICE OF THE 66TH ANNUAL GENERAL MEETING (CONTINUED)

Notes:

1. NCBA Group PLC has convened and will conduct a Virtual AGM pursuant to section 283 of the Companies Act.
2. The Company, pursuant to Section 283 (3) of the Companies Act, has made available the following documents on the Company's website <https://ncbagroup.com/> (investor relations) for Shareholder access:
 - a) a copy of this Notice and the Proxy Form; and
 - b) the Company's Financial Statements and reports for the year 2025.
3. A Member entitled to attend and vote at the meeting and who is unable to attend is entitled to appoint a proxy to attend and vote on his, her or its behalf. A proxy need not be a Member of the Company. To be valid, a proxy form must be duly completed by the Member and lodged with the Company's shares registrar, C&R Group at their registered office on 1st Floor, Tower B, IKM Place, 5th Ngong Avenue, or with the Ag. Group Company Secretary at the Company's registered office situated at NCBA Centre, Mara and Ragati Road, Nairobi, Kenya, before Friday, 22nd May 2026 at 12:00 noon failing which it will be invalid. In the case of a Member which is a corporate body then the proxy must be given under its common seal or under the hand of an officer or attorney so authorised.
4. A copy of this notice, proxy form, and full copy of the Group financial statements including explanatory notes are available from the Company's website <https://ncbagroup.com/> (investor relations). Completed proxy forms, which must contain the appointed person's mobile telephone and email contact, should be delivered either physically where practicable to the Company's registered office or at C&R Group's registered office; or by sending a clear scanned copy via email to proxy@candr.africa no later than Friday, 22nd May 2026 at 12:00 noon. Shareholders will receive feedback on any corrections by Monday 25th May 2026 at 12:00 noon so as to make the necessary amendments before the AGM date.
5. All shareholders with valid emails and telephone numbers will be pre-registered for the AGM using their bio-data details on the company register and will receive a personalised link through email or SMS. Shareholders need to confirm their attendance for the AGM as follows:
 - a) Via the personalised pre-registration link to the AGM Platform that will be sent to them via SMS and/or email, and following the attendance confirmation prompts.
 - b) USSD platform users can access the system through *483*420# from their mobile telephones for all Kenyan telephone networks and follow the various prompts regarding the registration process.
 - c) Internet platform users can access the system and registration procedures through <https://digital.candr.africa/>.
 - d) Registration opens on Tuesday 12th May 2026 at 08:00 am and will conclude on Friday, 22nd May 2026 at 12:00 noon after which no further registration for the virtual AGM will be allowed.

In order to register for attendance, Shareholders will need to provide their official Identification Document Number, Shares/CDSC Account Number, Telephone Number (for USSD access) and their Email Address (for web access) which shall be input as guided through the registration process. Shareholders who may require assistance during the registration process can call the helpline (020) 869 0360 between 8:00 am and 4:30 pm or email digital@candr.africa.
6. Shareholders wishing to raise questions or seek clarification in relation to matters to be considered at the virtual AGM may do so prior to the meeting through written submission:
 - a) by email through digital@candr.africa; or
 - b) via their personalised link to the AGM platform and clicking the Q&A tab on the display screen; or
 - c) online through web access of the system at <https://digital.candr.africa/> using their registration details, and clicking the Q&A tab on the display screen; or
 - d) by short message service (SMS) through *483*420# and following the menu prompts to the Q&A menu; or
 - e) via formal letter, containing contact details to facilitate responses (i.e. email or postal address), which should be:
 - i. physically delivered where practicable to the Company's shares registrar C & R Group, 1st Floor, Tower B, IKM Place, 5th Ngong Avenue, or to the Company's registered office at NCBA Centre, Mara and Ragati Road, Upper Hill; or
 - ii. sent by registered post to the Company's shares registrar C & R Group through P. O. Box 8484 – 00100, Nairobi or the Company's postal address through P. O. Box 44599 – 00100, Nairobi.



NOTICE OF THE 66TH ANNUAL GENERAL MEETTING (CONTINUED)

All written submissions sent through email or physical formal letter will be required to contain the Shareholder's full name as per official Identification Document, Identification Number and Shares/CDS Account Number, to be received by the Company not later than Friday, 22nd May 2026 at 12:00 noon.

The Directors of the Company will provide feedback to the enquiries received through the Ag. Group Company Secretary at the earliest opportunity but no later than 24 hours before the start of the virtual AGM and will publish the full set of enquiries and feedback on the Company's website <https://ncbagroup.com/> (investor relations).

In addition to the above, Shareholders will have the opportunity to ask additional questions relating to the AGM agenda on the day, and within the duration, of the AGM through either the USSD or Online platforms. The Directors will thereafter address these questions, the responses to which will be published on the Company's website <https://ncbagroup.com/> (investor relations) within two (2) working days of the conclusion of the AGM.

7. Shareholders wishing to vote may do so through:
- a) Their personalised link to the AGM platform and clicking the Voting tab on the display screen;
 - b) Accessing Virtual AGM via online at <https://digital.candr.africa/>, using their registration details, and clicking the Voting tab on the display screen; or
 - c) Accessing Virtual AGM via USSD platform *483*420# and following the various prompts regarding the voting process.

Voting will open with registration on Tuesday 12th May 2026 at 08:00 am and will close on 22nd May 2026 at 5:00 pm, while the results will be announced at the AGM on 26th May 2026 and published within 24 hours following the conclusion of the AGM on the Company's website <https://ncbagroup.com/> (investor relations).

The voting procedures have been published on the Company's website <https://ncbagroup.com/> (investor relations) for ease of reference. Shareholders and proxies who may require assistance can call the helpline (020) 869 0360 between 8:00 am and 4:30 pm or email digital@candr.africa.

8. The live stream broadcast of the AGM will be available for Shareholders accessing the Virtual AGM through the web platform. Duly registered Shareholders and proxies will receive a short message service (SMS/USSD) prompt on their registered mobile numbers, one (1) week prior to the AGM acting as a reminder of the AGM. A second SMS/USSD prompt shall be sent two (2) hours ahead of the AGM, reminding duly registered Shareholders and proxies that the AGM will begin in two hours and providing a link to the live stream.

Should any changes be necessitated by any laws, regulations or circumstances, Shareholders will be updated through the registered contact details and through the Company's website <https://ncbagroup.com/> (investor relations).

PROXY FORM

The Ag. Group Company Secretary,

NCBA Group PLC

NCBA Centre

Mara & Ragati Road,

P. O. Box 44599 - 00100

GPO Nairobi

I/We _____ of

P. O. Box _____ being a member / members of NCBA Group PLC

and entitled to _____ votes hereby appoint _____

_____ of P. O. Box _____

Mobile _____ Email: _____

or failing him _____

of P. O. Box _____ Mobile _____

Email: _____

as my / our Proxy to vote for me / us on my / our behalf at the Annual General meeting of the company to be held on **26 May 2026** and at any adjournment thereof.

As witness my / our hand this _____ day of _____ 2026

Signature (s) of _____

Complete the form provided and attach a copy of your National ID and a copy of the National ID of the proxy appointed.

Return the form (plus copies of the National ID's) to the Company's Registrar, Custody & Registrars, 1st Floor, Tower B, IKM Place, 5th Ngong Avenue, P. O. Box 8484 – 00100, Nairobi or alternatively to the Registered Office of the Company so as to arrive not later than **12:00 noon on Friday 22 May 2026**.

Duly signed proxy forms and ID copies may also be emailed to proxy@candr.africa in PDF format.

Note: In case of a Corporation, the Proxy must be made under its Common Seal or the hand of an officer or attorney so authorised.



FOMU YA UWAKILISHI

Kaimu Katibu wa Kampuni,
NCBA Group PLC
NCBA Centre
Mara & Ragati Road,
P. O. Box 44599 - 00100
GPO Nairobi

Mimi / Sisi _____wa

anuani hii _____ nikiwa mwanachama/tukiwa wanachama

wa NCBA Group PLC na nikiwa/tukiwa na haki ya kura _____

namchagua / tunamchagua _____wa sanduku la posta _____

Simu ya rununu _____ barua pepe _____

na akiwa hatapata nafasi nimechagua / tumechagua _____

wa sanduku la posta _____ Simu ya rununu _____

barua pepe _____

akiwa mwakilishi wangu/wetu kunipigia/kutupigia kura kwa niaba yangu/yetu katika Mkutano wa Mwaka wa Kampuni utakaofanyika tarehe 26 Mei 2026 au tarehe yoyote iwapo mkutano utahairishwa. Nashuhudia kwa mkono/mikono yangu/yetu siku hii ya

Tarehe _____ mwezi wa _____ 2026

Sahihi _____

Jaza fomu uliyopewa na uambatanishe na nakala ya kitambulisho chako cha kitaifa na nakala ya kitambulisho cha kitaifa cha mwakilishi uliyemteua.

Rudisha fomu (pamoja na nakala za vitambulisho vya kitaifa) ukitumia anwani hii; Company's Registrar, Custody & Registrars, 1st Floor, Tower B, IKM Place, 5th Ngong Avenue, P. O. Box 8484 – 00100, Nairobi au kwa ofisi za kampuni zilizosajilisha ili zifike muda usiozidi saa **12:00 mchana, Ijumaa 22 Mei 2026.**

Fomu za uwakilishi zilizojazwa kulingana na maagizo pamoja na nakala za vitambulisho pia zinaweza kutumwa kupitia barua pepe kwa anwani hii; proxy@candr.africa kwa muundo wa PDF.

Elewa: Mwakala akiwa anawakilisha kampuni yoyote au shirika ni lazima atumie muhuri rasmi wa kampuni hiyo (common seal), au sahihi rasmi ya wakili aliyeidhinishwa.





NCBA

ncbagroup.com

Go for it

NCBA Bank Kenya PLC is regulated by the Central Bank of Kenya