

NCBA GROUP PLC SUMMARY AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	2019 Shs '000	2018 Shs '000
ASSETS		
Net interest income	21,536,642	15,769,551
Credit Impairment Charges	(5,635,308)	(3,709,228)
Net Interest income after credit impairment charges	15,901,334	12,060,323
Net fee and commission income	3,042,082	2,529,995
Net trading income	3,032,077	2,504,982
Other operating income	4,778,149	396,043
NET OPERATING INCOME	26,753,642	17,491,343
Operating expenses	(15,583,963)	(11,041,134)
PROFIT BEFORE SHARE OF ASSOCIATE'S PROFIT	11,169,679	6,450,209
Share of associates profit	143,880	283,979
PROFIT BEFORE INCOME TAX	11,313,559	6,734,188
Income tax expense	(3,471,783)	(1,730,869)
PROFIT FOR THE YEAR	7,841,776	5,003,319
OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX	(87,664)	(87,370)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	7,754,112	4,915,949
EARNINGS PER SHARE - BASIC AND DILUTED	Shs 8.67	Shs 7.11

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
ASSET		
Cash and balances with Central Banks	37,195,306	18,488,300
Due from banking institutions	25,556,324	18,481,312
Government securities	137,039,426	65,064,995
Loans and advances to customers	248,885,318	121,503,411
Current and Deferred income tax	7,353,453	3,740,457
Due from group companies and investments	13,260,865	7,721,473
Property, equipment and Intangible assets	15,227,206	5,998,896
Others assets	10,199,518	4,108,048
TOTAL ASSETS	494,717,416	245,106,892
LIABILITIES		
Customer deposits	378,237,043	196,527,724
Due to banking institutions	10,892,910	5,446,410
Borrowings	22,081,245	7,962,958
Current and Deferred income tax	34,367	21,271
Other liabilities	16,212,026	4,540,718
TOTAL LIABILITIES	427,457,591	214,499,081
EQUITY		
Capital and reserves attributable to equity holders of the bank		
Share capital	7,488,725	3,519,701
Share premium	22,179,426	2,373,994
Revenue reserves	38,209,047	24,881,131
Other reserves	(884,591)	(167,015)
Total capital & reserves attributable to equity holders of the Bank	66,992,607	30,607,811
Non-controlling interests	267,218	-
Total equity	67,259,825	30,607,811
Total liabilities and equity	494,717,416	245,106,892

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY							
	Share capital Shs'000	Share premium Shs'000	Revenue reserves Shs'000	Other reserves Shs'000	Capital and reserves attributable to equity holders of the Bank Shs'000	Non controlling interests Shs'000	Total Shs'000
At 1 January 2018	5,755,468	5,036,649	18,121,196	1,216,401	30,129,714	-	30,129,714
Adjustment on initial application of IFRS 9 net of tax	-	-	(1,650,567)	-	(1,650,567)	-	(1,650,567)
Profit for the year	-	-	5,003,319	-	5,003,319	-	5,003,319
Other comprehensive income for the year:	-	-	-	(87,370)	(87,370)	-	(87,370)
Total comprehensive income for the year	-	-	5,003,319	(87,370)	3,265,382	-	3,265,382
Transactions with owners, recorded directly through equity	(2,235,767)	(2,662,655)	3,407,183	(1,296,046)	(2,787,285)	-	(2,787,285)
At 31 December 2018	3,519,701	2,373,994	24,881,131	(167,015)	30,607,811	-	30,607,811
At 1 January 2019	3,519,701	2,373,994	24,881,131	(167,015)	30,607,811	-	30,607,811
Adjustment on initial application of IFRS 16 net of tax	-	-	(160,234)	-	(160,234)	-	(160,234)
Profit for the year	-	-	7,821,491	-	7,821,491	20,285	7,841,776
Other comprehensive income for the year:	-	-	-	(87,664)	(87,664)	-	(87,664)
Total comprehensive income for the year	-	-	7,821,491	(87,664)	7,733,827	20,285	7,754,112
Transactions with owners, recorded directly through equity	3,969,024	19,805,432	5,666,659	(629,912)	28,811,203	246,933	29,058,136
At 31 December 2019	7,488,725	22,179,426	38,209,047	(884,591)	66,992,607	267,218	67,259,825

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS	2019 Shs '000	2018 Shs '000
Net cash generated / (used in) from operating activities	24,536,349	4,914,043
Net cash used in investing activities	(13,444,491)	(10,289,892)
Net cash used in financing activities	1,588,513	(3,660,197)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	12,680,371	(9,036,046)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	28,695,718	37,731,764
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	41,376,089	28,695,718

The summary Group financial statements and summary directors' remuneration report are extracts from the audited Group financial statements and directors' remuneration report. They were approved by the Board of Directors on 24 March 2020.

A complete set of the audited Group financial statements including explanatory notes can be accessed on the institution's website www.ncbagroup.com.

BY ORDER OF THE BOARD
LIVINGSTONE MURAGE
GROUP COMPANY SECRETARY
NCBA GROUP PLC

SUMMARY DIRECTORS' REMUNERATION REPORT

The directors' remuneration for the year was Shs 208,798,000 (2018: Shs 155,905,000).

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF NCBA GROUP PLC

Opinion

We have audited the summary financial statements of NCBA Group PLC, which comprise the summary consolidated statement of financial position at 31 December 2019 and the summary consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended which are derived from the audited financial statements of NCBA Group PLC and its subsidiaries (together, the "Group") for the year ended 31 December 2019. The Group's financial statements are prepared in accordance with International Financial Reporting Standards and the Kenyan Companies Act, 2015.

In our opinion the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements of the Group which are prepared in accordance with International Financial Reporting Standards (IFRS) and the Kenyan Companies Act, 2015.

The summary directors' remuneration report is derived from the directors' remuneration report for the year ended 31 December 2019.

Summary financial statements and directors' remuneration report

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. In addition, the summary directors' remuneration report does not contain all the disclosures required by the Companies (General) (Amendment) (No. 2) Regulations, 2017.

Reading the summary financial statements, the summary directors' remuneration report and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements, the directors' remuneration report and the auditor's report thereon. The summary financial statements, the summary directors' remuneration report and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our audit report dated 26 March 2020 and also confirmed that the auditable part of the directors' remuneration report was prepared in accordance with the Kenyan Companies Act, 2015. That audit report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements and the summary directors' remuneration report in accordance with the International Financial Reporting Standards and Kenyan Companies Act 2015.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements and the summary directors' remuneration report are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to report on summary financial statements.



Certified Public Accountants

Nairobi

26 March 2020

FCPA Richard Njoroge, Practising certificate No. 1244

Signing partner responsible for the independent audit

Summary of Key Audit Matters

The key audit matters raised by the auditor were on:

- Estimation of expected credit losses on loans and advances at amortised cost
- Valuation of loan note measured at fair value
- Accounting consideration of the Merger transaction



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