



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

I STATEMENT OF FINANCIAL POSITION	BANK				COMPANY				GROUP CONSOLIDATED			
	30th June, 2020 Un-audited Shs '000	31st Mar, 2020 Un-audited Shs '000	31st Dec, 2019 Audited Shs '000	30th June, 2019 Un-audited Shs '000	30th June, 2020 Un-audited Shs '000	31st Mar, 2020 Un-audited Shs '000	31st Dec, 2019 Audited Shs '000	30th June, 2019 Un-audited Shs '000	30th June, 2020 Un-audited Shs '000	31st Mar, 2020 Un-audited Shs '000	31st Dec, 2019 Audited Shs '000	30th June, 2019 Un-audited Shs '000
A ASSETS												
1 Cash (both Local & Foreign)	5,733,837	11,091,439	9,183,499	8,213,189	-	-	-	-	7,395,722	13,038,425	10,851,729	9,625,730
2 Balances due from Central Banks	29,157,389	27,598,555	23,683,685	8,642,505	-	-	-	-	32,579,920	30,318,199	26,358,325	10,625,845
3 Kenyan Government securities held for dealing purposes	-	-	-	-	-	-	-	-	-	-	-	-
4 Financial assets at fair value through profit & loss	766,052	631,463	708,122	499,684	-	-	-	-	1,301,947	1,177,740	1,097,844	499,684
5 Investment Securities:												
a) Held to Maturity												
a. Kenya Government securities	89,749,224	80,598,303	79,507,225	50,980,193	-	-	-	-	89,749,224	80,598,303	79,507,225	50,980,193
b. Other securities	4,634,334	8,697,923	8,183,003	6,009,665	-	-	-	-	11,184,124	14,880,539	12,979,477	9,235,683
b) Available for sale:												
a. Kenya Government securities	65,154,297	55,950,587	49,500,824	13,244,177	-	-	-	-	65,154,297	55,950,587	49,500,824	13,244,177
b. Other securities	54,632	65,226	68,663	64,712	-	-	-	-	2,062,875	3,033,922	2,470,252	2,470,252
6 Deposits and balances due from local banking institutions	65,465	791,788	4,783,674	6,088,671	-	-	-	-	471,566	816,174	5,617,504	7,370,092
7 Deposits and balances due from banking institutions abroad	16,721,683	18,920,994	16,839,936	19,681,922	-	-	-	-	19,032,985	21,455,786	19,951,625	20,239,384
8 Tax recoverable	463,157	-	-	22,572	17,435	-	-	12,911	940,875	337,557	268,080	367,629
9 Loans and advances to customers (net)	225,738,081	223,696,774	227,868,480	109,381,939	-	-	-	-	248,306,422	245,858,007	249,355,409	120,273,084
10 Balances due from banking institutions in the group	2,059,923	1,820,189	3,238,061	1,488,818	640,263	514,559	519,697	463,254	-	-	-	-
11 Investments in associates	2,701,492	2,701,492	2,701,492	2,701,492	-	-	-	-	3,768,955	3,768,955	3,768,955	3,724,975
12 Investments in subsidiary companies	10,151,313	8,930,444	8,554,544	8,241,574	62,420,446	62,420,446	62,420,446	29,618,705	-	-	-	-
13 Investments in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-
14 Investment properties	-	-	-	-	-	-	-	-	-	-	-	-
15 Property and equipment	3,436,715	3,567,517	3,394,351	2,115,247	-	-	-	-	4,658,630	4,963,485	3,844,075	2,859,615
16 Prepaid lease rentals	6,437	6,479	6,500	-	-	-	-	-	522,437	522,479	522,500	-
17 Intangible assets	6,277,026	6,426,687	6,766,497	2,940,675	-	-	-	-	6,490,594	6,689,101	7,008,902	3,014,850
18 Deferred tax asset	6,624,393	6,792,484	6,792,702	2,110,399	13,321	15,984	15,984	-	7,157,366	7,085,373	7,085,373	3,260,100
19 Retirement benefit asset	-	-	-	-	-	-	-	-	-	-	-	-
20 Other assets	11,302,269	12,266,606	13,109,427	4,444,496	1,266	1,900	-	250	12,860,251	12,646,643	14,091,632	4,168,424
21 TOTAL ASSETS	480,797,719	477,674,950	464,890,685	246,871,930	63,092,731	62,952,889	62,956,127	30,095,120	514,030,076	509,595,221	494,843,401	261,959,717
B LIABILITIES												
22 Balances due to Central Banks	-	-	-	-	-	-	-	-	-	-	-	-
23 Customer deposits	361,843,101	363,463,600	353,618,522	191,667,205	-	-	-	-	390,488,899	390,529,283	378,237,043	205,684,677
24 Deposits and balances due to local banking institutions	3,654,148	554,796	549,701	58,681	-	-	-	-	4,047,186	2,537,097	3,570,901	1,811,347
25 Deposits and balances due to foreign banking institutions	7,316,027	4,649,719	6,136,598	428,444	-	-	-	-	9,031,428	6,331,229	7,322,009	1,019,097
26 Other money market deposits	-	-	-	-	-	-	-	-	-	-	-	-
27 Borrowed funds	21,416,426	22,317,329	22,081,244	14,871,967	-	-	-	-	21,416,426	22,317,329	22,081,244	14,871,967
28 Balances due to banking institutions in the group	289,263	966,503	283,905	195,347	-	-	-	-	-	-	-	-
29 Tax payable	-	1,025,328	283,425	-	-	4,630	5,623	-	-	-	899,829	13,027
30 Dividends payable	-	-	-	-	36,311	36,501	37,819	41,019	36,311	36,501	37,819	-
31 Deferred tax liability	-	-	-	-	-	-	-	-	22,397	21,183	21,340	21,704
32 Retirement benefit liability	-	-	-	-	-	-	-	-	-	-	-	-
33 Other liabilities	14,112,741	13,605,476	12,521,035	4,515,910	109,582	121,312	119,921	48,416	18,684,123	18,106,612	16,300,193	6,774,429
34 TOTAL LIABILITIES	408,631,706	406,582,751	395,474,430	211,737,554	145,893	162,443	163,363	89,435	443,727,956	440,779,063	427,583,576	230,183,221
C SHAREHOLDERS' FUNDS												
35 Paid up /Assigned capital	10,859,384	10,859,384	10,859,384	5,755,468	7,488,725	7,488,725	7,488,725	3,519,701	7,488,725	7,488,725	7,488,725	3,519,701
36 Share Premium	33,406,022	33,406,022	33,406,022	5,036,649	22,179,426	22,179,426	22,179,426	2,373,994	22,179,426	22,179,426	22,179,426	2,373,994
37 Revaluation reserves	-	-	-	-	-	-	-	-	-	-	-	-
38 Retained earnings	26,899,503	25,973,194	22,280,987	23,478,137	33,278,687	33,122,295	30,877,995	24,111,990	39,530,018	38,589,158	35,962,429	24,274,784
39 Statutory loan reserves	1,239,956	1,239,956	-	656,295	-	-	-	-	1,531,712	1,464,055	1,993,378	1,338,744
40 Other reserves	(238,852)	(386,357)	(330,138)	207,827	-	-	-	-	(673,835)	(1,158,115)	(1,083,969)	269,273
41 Proposed dividends	-	-	3,200,000	-	-	-	-	-	-	-	2,246,618	-
42 Capital grants	-	-	-	-	-	-	-	-	-	-	-	-
	72,166,013	71,092,199	69,416,255	35,134,376	62,946,838	62,790,446	62,792,764	30,005,685	70,056,046	68,565,249	66,992,607	31,776,496
43 Non-controlling interests	-	-	-	-	-	-	-	-	246,074	250,909	267,218	-
44 TOTAL SHAREHOLDERS' FUNDS	72,166,013	71,092,199	69,416,255	35,134,376	62,946,838	62,790,446	62,792,764	30,005,685	70,302,120	68,816,158	67,259,825	31,776,496
45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	480,797,719	477,674,950	464,890,685	246,871,930	63,092,731	62,952,889	62,956,127	30,095,120	514,030,076	509,595,221	494,843,401	261,959,717
II STATEMENT OF COMPREHENSIVE INCOME												
1 INTEREST INCOME												
1.1 Loans and advances	11,215,780	5,543,337	13,667,871	5,248,937	-	-	-	-	12,039,227	6,194,894	15,703,106	5,935,608
1.2 Government securities	7,667,429	3,591,806	8,597,211	3,287,130	-	-	-	-	8,166,853	3,825,512	9,174,993	3,587,730
1.3 Deposits and placements with banking institutions	318,842	88,634	432,322	188,515	16,676	8,569	38,109	21,491	423,494	133,690	536,279	229,459
1.4 Other interest income	51,070	22,228	99,453	64,489	-	-	-	-	51,070	22,228	99,453	64,489
1.5 TOTAL INTEREST INCOME	19,253,121	9,246,005	22,796,857	8,789,071	16,676	8,569	38,109	21,491	20,680,644	10,176,324	25,513,831	9,817,286
2 INTEREST EXPENSE												
2.1 Customer deposits	7,705,043	3,799,682	9,653,133	3,836,308	-	-	-	-	8,418,522	4,151,142	10,580,382	4,175,519
2.2 Deposits and placement from banking institutions	92,742	53,259	146,605	66,811	-	-	-	-	227,513	111,236	293,135	136,796
2.3 Other interest expenses	814,294	411,452	1,289,735	533,573	-	-	-	-	821,035	414,859	1,302,421	533,573
2.4 TOTAL INTEREST EXPENSE	8,612,079	4,264,393	11,089,473	4,436,692	-	-	-	-	9,467,070	4,677,237	12,175,938	4,845,888
3 NET INTEREST INCOME	10,641,042	4,981,612	11,707,384	4,352,379	16,676	8,569	38,109	21,491	11,213,574	5,499,087	13,337,893	4,971,398
4 NON - INTEREST INCOME												
4.1 Fees and commissions on loans and advances	3,383,242	2,710,791	8,585,854	2,781,133	-	-	-	-	4,687,299	3,152,967	9,392,394	3,135,252
4.2 Other fees and commissions	2,374,961	721,831	2,174,957	1,464,730	-	-	-	-	2,516,141	818,810	2,504,248	1,588,834
4.3 Foreign exchange trading income	1,783,777	948,641	2,652,455	1,093,388	-	-	-	-	1,928,674	1,010,514	2,842,327	1,169,197
4.4 Dividend income	23,396	23,396	139,900	-	175,000	-	-	-	23,396	23,396	-	-
4.5 Other income	518,079	220,049	972,024	118,658	98,131	47,298	92,750,466	128,441	919,851	417,434	5,582,864	300,225
4.6 TOTAL NON-INTEREST INCOME	8,083,455	4,624,708	14,525,190	5,457,909	273,131	47,298	10,575,046	1,778,441	10,075,361	5,423,121	20,321,833	6,193,308
5 TOTAL OPERATING INCOME	18,724,497	9,606,320	26,232,574	9,810,288	289,807	55,867	10,613,155	1,999,932	21,288,935	10,922,208	33,659,726	11,164,706
6 OPERATING EXPENSES												
6.1 Loan loss provision	7,079,014	3,337,216	5,984,982	1,148,362	-	-	-	-	7,625,535	3,775,232	6,250,273	1,271,259
6.2 Staff costs	2,646,175	1,253,450</										

III OTHER DISCLOSURES

	BANK				COMPANY				GROUP CONSOLIDATED			
	30th June, 2020 Un-audited Shs '000	31st Mar, 2020 Un-audited Shs '000	31st Dec, 2019 Audited Shs '000	30th June, 2019 Un-audited Shs '000	30th June, 2020 Un-audited Shs '000	31st Mar, 2020 Un-audited Shs '000	31st Dec, 2019 Audited Shs '000	30th June, 2019 Un-audited Shs '000	30th June, 2020 Un-audited Shs '000	31st Mar, 2020 Un-audited Shs '000	31st Dec, 2019 Audited Shs '000	30th June, 2019 Un-audited Shs '000
1 NON-PERFORMING LOANS AND ADVANCES												
(a) Gross Non-performing loans and advances	34,949,715	34,747,568	30,515,948	10,250,740	-	-	-	-	38,677,728	38,849,070	33,658,667	12,169,631
(b) Less Interest in Suspense	6,403,444	6,906,205	6,207,777	2,549,631	-	-	-	-	6,938,280	7,428,215	6,697,150	2,799,557
(c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)	28,546,271	27,841,363	24,308,171	7,701,109	-	-	-	-	31,739,448	31,420,855	26,961,517	9,370,074
(d) Less Loan Loss Provision	12,174,903	11,606,693	10,318,641	6,086,482	-	-	-	-	14,177,373	13,750,594	12,114,762	6,745,504
(e) NET NON-PERFORMING LOANS AND ADVANCES (c-d)	16,371,368	16,234,670	13,989,530	1,614,627	-	-	-	-	17,562,075	17,670,261	14,846,755	2,624,570
(f) Discounted Value of Securities	16,371,368	16,234,670	13,989,530	1,614,627	-	-	-	-	17,562,075	17,670,261	14,846,755	2,624,570
(g) NET NPLS EXPOSURE (e-f)	-	-	-	-	-	-	-	-	-	-	-	-
2 INSIDER LOANS AND ADVANCES												
(a) Directors, shareholders and associates	14,285,024	13,428,178	14,211,932	5,914,991	-	-	-	-	14,438,023	13,596,168	14,371,749	5,914,991
(b) Employees	4,971,634	5,105,152	5,150,274	2,774,299	-	-	-	-	5,686,945	5,453,673	5,487,678	3,321,599
(c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES	19,256,658	18,533,330	19,362,206	8,689,290	-	-	-	-	20,124,968	19,049,841	19,859,427	9,236,590
3 OFF-BALANCE SHEET ITEMS												
(a) Letters of credit, guarantees, acceptances	51,694,865	53,500,052	49,607,900	24,005,585	-	-	-	-	56,823,746	58,496,837	54,413,720	28,301,612
(b) Forwards, Swaps and options	11,188,816	6,813,414	5,003,287	6,972,715	-	-	-	-	11,188,816	6,813,414	5,003,287	6,972,715
(c) Other contingent liabilities	-	-	-	-	-	-	-	-	-	-	-	-
(d) TOTAL CONTINGENT LIABILITIES	62,883,681	60,313,466	54,611,187	30,978,300	-	-	-	-	68,012,562	65,310,251	59,417,007	35,274,327
4 CAPITAL STRENGTH												
(a) Core capital	64,213,108	65,570,928	62,561,322	26,674,529	-	-	-	-	66,160,553	67,925,322	63,835,814	25,002,091
(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	1,000,000	1,000,000	1,000,000	1,000,000
(c) Excess (a-b)	63,213,108	64,570,928	61,561,322	25,674,529	-	-	-	-	65,160,553	66,925,322	62,835,814	24,002,091
(d) Supplementary Capital	3,324,312	2,068,966	2,620,795	2,056,295	-	-	-	-	3,616,068	2,295,065	2,820,173	2,738,744
(e) TOTAL CAPITAL (a+d)	67,537,420	67,639,894	65,182,117	28,730,824	-	-	-	-	69,776,621	70,220,387	66,655,987	27,740,835
(f) TOTAL RISK WEIGHTED ASSETS	347,883,542	347,277,838	350,879,900	164,056,295	-	-	-	-	376,801,591	379,147,134	384,348,562	180,106,074
(g) Core Capital / Total deposits liabilities	17.75%	18.04%	17.69%	13.92%	-	-	-	-	16.94%	17.39%	16.88%	12.16%
(h) Minimum statutory ratio	8.00%	8.00%	8.00%	8.00%	-	-	-	-	8.00%	8.00%	8.00%	8.00%
(i) Excess (g-h)	9.75%	10.04%	9.69%	5.92%	-	-	-	-	8.94%	9.39%	8.88%	4.16%
(j) Core Capital / Total risk weighted assets	18.46%	18.88%	17.83%	16.26%	-	-	-	-	17.56%	17.92%	16.61%	13.88%
(k) Minimum statutory ratio	10.50%	10.50%	10.50%	10.50%	-	-	-	-	10.50%	10.50%	10.50%	10.50%
(l) Excess (j-k)	7.96%	8.38%	7.33%	5.76%	-	-	-	-	7.06%	7.42%	6.11%	3.38%
(m) Total Capital / Total risk weighted assets	19.41%	19.48%	18.58%	17.52%	-	-	-	-	18.52%	18.52%	17.34%	15.40%
(n) Minimum statutory ratio	14.50%	14.50%	14.50%	14.50%	-	-	-	-	14.50%	14.50%	14.50%	14.50%
(o) Excess (m-n)	4.91%	4.98%	4.08%	3.02%	-	-	-	-	4.02%	4.02%	2.84%	0.90%
(p) Adjusted Core Capital / Total deposits liabilities*	17.94%	18.33%	18.55%	13.90%	-	-	-	-	17.12%	17.69%	17.76%	14.50%
(q) Adjusted Core Capital / Total risk weighted assets*	18.66%	19.18%	18.69%	16.30%	-	-	-	-	17.74%	18.22%	17.47%	13.88%
(r) Adjusted Total Capital / Total risk weighted assets*	19.61%	19.78%	19.44%	17.90%	-	-	-	-	18.70%	18.82%	18.21%	15.77%
5 LIQUIDITY												
(a) Liquidity Ratio	54.65%	54.55%	50.95%	50.49%	-	-	-	-	54.88%	55.54%	51.83%	55.68%
(b) Minimum statutory ratio	20.00%	20.00%	20.00%	20.00%	-	-	-	-	20.00%	20.00%	20.00%	20.00%
(c) Excess (a-b)	34.65%	34.55%	30.95%	30.49%	-	-	-	-	34.88%	35.54%	31.83%	35.68%

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Share Capital Shs '000	Share Premium Shs '000	Statutory and Other Reserves Shs '000	Revenue Reserves Shs '000	Proposed Dividends Shs '000	Total Shs '000
At 1st January 2020	7,488,725	22,179,426	(884,592)	36,229,647	2,246,618	67,259,824
Profit for the period	-	-	-	2,632,161	-	2,632,161
Other comprehensive income	-	-	1,742,469	(1,332,334)	-	410,135
2019 Final Dividends rescinded	-	-	-	2,246,618	(2,246,618)	-
Balance as at 30th June 2020	7,488,725	22,179,426	857,877	39,776,092	-	70,302,120

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS	30th June, 2020 Un-audited Shs '000	31st Dec, 2019 Audited Shs '000
Cash flows generated from operating activities	16,906,397	24,536,349
Net cash used in investing activities	(17,754,135)	(13,444,491)
Net cash generated / (used) in financing activities	(664,819)	1,588,513
Net increase / (decrease) in cash and cash equivalents	(1,512,557)	12,680,371
Cash and cash equivalents at 1st January	41,376,089	28,695,718
Cash and cash equivalents at the end of the period	39,863,532	41,376,089

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

MESSAGE FROM DIRECTORS
Financial Statements

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

The H1 2020 financial statements of the Bank are prepared on a prospective basis (a continuation of CBA), representing 6 months performance of NCBA Bank (merged bank) for 2020 while the prior year comparatives are those of CBA. The consolidated financial statements are also a continuation of the financial statements of CBA with an adjustment to capital to reflect the legal capital of NCBA Group. The prior year comparatives are those of CBA.

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

Regional Integration

The planned integration of the regional subsidiaries has now been completed.

Impact of Covid-19 on the Kenyan Banking Business

The Kenyan economy continues to be impacted by the Covid-19 pandemic, with contraction in industrial, trade, real estate and services output across small and large businesses. The Bank has restructured loans amounting to KES 58 billion to assist customers cope with the Covid-19 disruption. The Bank's business is expected to be impacted by slow growth in lending and revenues in the short to medium term. The impact of the Covid-19 pandemic on Bank's results, including credit quality and provisions, remains uncertain and dependent on several factors including, the spread of Covid-19, further steps taken by the government and the Central Bank to mitigate the economic impact, steps taken by the Bank and the time it takes for economic activities to resume to normal levels. The Group's capital and liquidity position is strong and will continue to be the focus area during this period.

These financial statements are extracts from the books of NCBA Group PLC. The complete set of quarterly financial statements, statutory and qualitative disclosures can be accessed on the institution's website www.ncbagroup.com. They may also be accessed at the institution's head office located at NCBA Centre, Mara and Ragati Road, Upper Hill.

BY ORDER OF THE BOARD
LIVINGSTONE MURAGE
GROUP COMPANY SECRETARY
NCBA GROUP PLC
26 August 2020


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