

The financial statements set out below relate to NIC Group PLC as at 30th September 2019.NIC Group PLC merged with Commercial Bank of Africa Limited with effect from 30th September 2019 and changed its name to NCBA Group PLC.

I STATEMENT OF FINANCIAL POSITION	aroup FEC as e	it sotii septei	BANK	c droup r Lc	mergeu wit	ii commercie	ii balik ol Ali	COMPANY	with effect in	om som sep	itember 2015	and change	GROUP	NCDA GIOUP	PLC.
	30th Sep, 2019 Un-audited Shs '000	30th June, 2019 Un-audited Shs '000	31st March, 2019 Un-audited Shs '000	31st Dec, 2018 Audited Shs '000	30th Sep, 2018 Un-audited Shs '000	30th Sep, 2019 Un-audited Shs '000	30th June, 2019 Un-audited Shs '000	31st March, 2019 Un-audited Shs '000	31st Dec, 2018 Audited Shs '000	30th Sep, 2018 Un-audited Shs '000	30th Sep, 2019 Un-audited Shs '000	30th June, 2019 Un-audited Shs'000	31st March, 2019 Un-audited Shs '000	31st Dec, 2018 Audited Shs '000	30th Sep, 2018 Un-audited Shs '000
A ASSETS 1 Cash (both Local & Foreign) 2 Balances due from Central Banks	1,678,226 8,404,749	1,593,052 11,580,122	1,422,824 13,734,971	1,868,958 8,675,288	1,503,950 7,551,763	-	-	-	-	:	2,165,460 9,299,130	2,111,532 12,423,990	1,926,796 14,675,243	2,246,650 9,726,252	1,979,277 8,496,806
Kenyan Government securities held for dealing purposes     Financial assets at fair value through profit & loss	-	-		-	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	-	-	-	-	-	364,910	349,795	355,424	691,915	768,410
a) Held to Maturity: a. Kenya Government securities	26,601,177	20,497,752	20,312,864	22,742,049	21,533,223	-	-	-	-	-	26,601,177	20,497,752	20,312,864	22,742,049	21,533,223
<ul> <li>b. Other securities</li> <li>b) Available for sale:         <ul> <li>a. Kenya Government securities</li> </ul> </li> </ul>	36,062,317	36,792,273	37,271,381	35,304,859	35,468,682	-	-	-	-	-	2,297,863 36,062,317	2,233,727 36,792,273	2,054,503 37,271,381	1,927,530 35,304,859	1,706,389 35,468,682
b. Other securities 6 Deposits and balances due from local banking institutions 7 Deposits and balances due from banking institutions abroad	28,110	204,594	525,732	4,449,858	517,478	-	-	-	-	-	867,137 31,126	752,856 207,294	757,436 528,086	1,190,680 2,288	1,475,299 519,983
8 Tax recoverable 9 Loans and advances to customers (net)	4,661,158 15,673 112,195,447	6,983,615 51,586 110,896,178	3,844,687 474,910 110,625,115	919,156 110,975,823	4,141,097 107,788,924	18,150	12,911	62,054	19,232	52,632	5,986,173 182,860 119,875,423	8,146,305 312,566 118,503,822	5,019,550 690,415 118,324,269	5,250,774 1,075,176 118,071,672	4,959,932 243,746 114,928,801
Balances due from banking institutions in the group     Investments in associates     Investments in subsidiary companies	1,767,322	1,987,587 -	2,171,061	1,697,318	1,552,917	459,452 - 29,628,705	463,254 - 29,618,705	1,362,791 29,568,705	337,455 29,568,705	445,425 29,468,705	-	- -	-	- - -	- - -
13 Investments in joint ventures	1,108,505	1,167,129	1,212,428	1,243,106	1,011,535	· · · · ·			· · · · · · · · · · · · · · · · · · ·	-	1,233,924	1,291,101	1,357,385	1,369,575	1,137,496
16 Prepaid lease rentals 17 Intangible assets	6,531 1,397,864	6,562 1,345,774	6,604 1,318,703	6,625 1,307,090	6,656 1,235,503	-	-	-	-	:	522,531 1,912,367	522,562 1,863,794	522,604 1,836,974	522,625 1,829,118	522,656 1,743,234
18 Deferred tax asset 19 Retirement benefit asset 20 Other assets 21 TOTAL ASSETS B LIABILITIES	4,494,586 3,083,729	4,032,275 3,019,448	4,032,275 3,085,628	4,032,275 1,832,229	3,869,380 1,800,437	<u>-</u> 125	250	- 375	500	500	4,685,490 3,787,148	4,360,548 3,769,689	4,342,292 3,654,927	4,395,617 2,152,774	4,139,566 2,183,642
21 TOTAL ASSETS B LIABILITIES 22 Balances due to Central Banks	201,505,394	200.157.947	200,039,183	195.054.634	187.981.545	30.106.432	30,095,120	30,993,925	29,925,892	29,967,262	215.875.036	214.139.606	213,630,149	208.499,554	201,807,142
Customer deposits     Deposits and balances due to local banking institutions     Deposits and balances due to foreign banking institutions	148,657,374 1,991,404 3,491,778	143,299,384 13,882 4,676,008	142,683,154 19,035 5,430,174	136,071,763 8,689,970 457,988	136,276,568 1,950,741 303,125	-	-	-	- -		158,236,582 1,991,404 4,427,891	152,304,452 13,882 5,403,083	151,080,548 19,035 6,153,610	144,501,060 8,689,970 1,216,459	144,957,949 1,950,741 1,071,600
Other money market deposits Porrowed funds	8,228,807 96,144	13,745,739	14,745,464	14,868,336	15,765,958	-	-	-	-	:	8,391,473	13,909,763	14,918,897	14,868,336	15,765,958
22 Balances due to Central Banks 23 Customer deposits 24 Deposits and balances due to local banking institutions 25 Deposits and balances due to foreign banking institutions 26 Other money market deposits 27 Borrowed funds 28 Balances due to banking institutions in the group 29 Tax payable 30 Dividends payable 31 Deferred tax (lability 32 Retirement benefit (lability	36,144	140,645	116,506	84,307 - -	50,395 151,307	40,396	41,019	41,393	42,986	50,846	1,589 40,396	1,290 41,019	6,774 41,393	11,288 42,986	157,093 50,846
33 Other liabilities '	4,585,183	5,016,063 <b>166,891,721</b>	5,245,743 <b>168,240,076</b>	3,765,674 <b>163,938,038</b>	4,388,527	52,922	48,416 <b>89,435</b>	52,769 <b>94,162</b>	64,299 <b>107,285</b>	49,656	4,276,499 <b>177,365,834</b>	4,771,117	4,103,910	3,384,322 <b>172,714,421</b>	3,949,294
SHAREHOLDERS' FUNDS	<b>167,050,690</b> 15,000,000	<b>166,891,721</b> 15,000,000	<b>168,240,076</b> 15,000,000	<b>163,938,038</b> 15,000,000	<b>158,886,621</b> 15,000,000	<b>93,318</b> 3,519,701	<b>89,435</b> 3,519,701	<b>94,162</b> 3,519,701	<b>107,285</b> 3,519,701	<b>100,502</b> 3,519,701	<b>177,365,834</b> 3,519,701	<b>176,444,606</b> 3,519,701	<b>176,324,167</b> 3,519,701	<b>172,714,421</b> 3,519,701	<b>167,903,481</b> 3,519,701
35 Paid up /Assigned capital 36 Share premium 37 Revaluation reserves 38 Retained earnings	9,446,004 175,750 8,043,220	9,446,004 175,750 6,732,091	9,446,004 175,750 5,656,411	9,446,004 175,750 4,702,188	9,446,004 3,204,040	2,373,994	2,373,994 24,111,990	2,373,994 24,126,143	2,373,994 23,044,987	2,373,994	2,373,994 175,750 32,003,783	2,373,994 175,750 30,890,513	2,373,994 175,750 29,936,118	2,373,994 175,750 28,897,206	2,373,994 27,604,124
39 Statutory loan loss reserves 40 Other reserves	1,789,730	1,912,381	1,520,942	892,654 900,000	688,919 755,961	24,115,415	24,111,550	-		23,373,003	18,550 170,491	46,678 401,928	43,252 59,114	63,462 (484,711) 879,925	653,944 (696,448)
42 Capital grants	34,454,704	33,266,226	31,799,107	31,116,596	29,094,924	30,013,114	30,005,685	879,925 30,899,763	879,925 <b>29,818,607</b>	29,866,760	38,262,269	37,408,564	879,925 <b>36,987,854</b>	35,425,327	33,455,315
43 Non-controlling interests 44 TOTAL SHAREHOLDERS' FUNDS 45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	34,454,704 201,505,394	33,266,226 200,157,947	31,799,107 200,039,183	31,116,596 195,054,634	29,094,924 187,981,545	30,013,114 30,106,432	30,005,685 30,095,120	30,899,763 30,993,925	29,818,607 29,925,892	29,866,760 29,967,262	246,933 <b>38,509,202</b> <b>215,875,036</b>	286,436 <b>37,695,000</b> <b>214,139,606</b>	318,128 <b>37,305,982</b> <b>213,630,149</b>	359,806 35,785,133 208,499,554	448,346 33,903,661 201,807,142
I STATEMENT OF COMPREHENSIVE INCOME  1 INTEREST INCOME															
Loans and advances     Government securities     Deposits and placements with banking institutions     Other Interest Income	8,573,336 5,028,057 182,762	5,726,433 3,231,306 96,610	2,774,352 1,630,251 24,165	11,450,437 6,451,319 130,741	8,409,708 4,758,706 115,241	29,408	21,491	7,182	59,124	52,063	9,243,032 5,298,325 176,449	6,163,730 3,404,561 87,880	2,989,114 1,720,909 16,660	12,339,213 6,836,149 120,448	9,077,667 5,038,888 113,306
1.5 TOTAL INTEREST INCOME	13,784,155	9,054,349	4,428,768	18,032,497	13,283,655	29,408	21,491	7,182	59,124	52,063	14,717,806	9,656,171	4,726,683	19,295,810	14,229,861
2 INTEREST EXPENSES 2.1 Customer deposits 2.2 Deposits and placement from banking institutions 2.3 Other interest expenses 2.4 TOTAL INTEREST EXPENSES	5,066,975 133,831 884,544	3,252,112 84,315 632,732	1,574,608 38,430 317,839	6,936,818 177,293 1,293,930	5,353,341 123,273 959,551	-	-	-	-	<u> </u>	5,275,392 175,283 902,296	3,366,334 113,786 645,104	1,631,246 53,341 324,168	7,183,476 217,781 1,314,848	5,544,402 143,835 975,625
2.4 TOTALINTEREST EXPENSES 3 NET INTEREST INCOME 4 NON-INTEREST INCOME	6,085,350 7,698,805	3,969,159 5,085,190	1,930,877 2,497,891	8,408,041 9,624,456	6,436,165 6,847,490	29,408	21,491	7,182	59,124	52,063	6,352,971 8,364,835	4,125,224 5,530,947	2,008,755 2,717,928	8,716,105 10,579,705	6,663,862 7,565,999
Fees and commissions on loans and advances     Other fees and commissions	1,218,846 732,441	707,592 481,777	327,684 226,826	1,424,778 902,629	1,019,849 675,416	-	-	-	-	:	1,301,571 798,423	757,212 524,239	352,704 246,480	1,516,765 990,074	1,089,849 739,600
Foreign exchange trading income     Other income     Other income	1,004,124 - 731,255 <b>3,686,666</b>	673,237 442,195	273,563 115,325	1,187,563 555,466 <b>4,070,436</b>	937,263	1,050,000 199,228	1,050,000 128,441	1,050,000 41,367 <b>1,091,367</b>	200,000 145,811	200,000 107,797	1,090,714 1,065,367	735,820 647,186	308,638 209,809 <b>1,117,631</b>	1,277,502 853,859	1,002,803 
4.6 TOTAL NON-INTEREST INCOME 5 TOTAL OPERATING INCOME 6 OPERATING EXPENSES	11,385,471	2,304,801 7,389,991	943,398 3,441,289	13,694,892	2,981,789 9,829,279	1,249,228 1,278,636	1,178,441 1,199,932	1,091,367 1,098,549	345,811 404,935	307,797 359,860	4,256,075 12,620,910	2,664,457 8,195,404	3,835,559	4,638,200 15,217,905	3,388,962 10,954,961
6.1 Loan loss provision 6.2 Staff costs 6.3 Directors' emoluments	1,983,843 2,279,610 44,885	1,143,282 1,470,356 29,864	486,883 706,679 15,022	2,038,271 2,903,784 59,305	1,409,685 2,082,794 44,076	94,955 72,001	58,292 52,759	29,131 25,623	103,449 97,183	77,825 77,076	2,309,476 2,878,104 183,692	1,443,010 1,851,842 133,703	673,210 895,771 67,045	2,353,977 3,608,823 226,159	1,599,639 2,598,094 176,340
6.4 Rental charges 6.5 Depreciation charge on property and equipment	250,650 187,797	168,037 127,050	84,374 63,853	257136 222,573	190,492 161,223	1,158	772	386	1,543	-	313,076 221,901	208,728 149,626	104,258 74,933	390,404 279,910	289,653 203,804
6.6 Amortisation charges 6.7 Other operating expenses 6.8 TOTAL OPERATING EXPENSES	194,049 1,815,416 <b>6,756,250</b>	125,887 1,170,439 <b>4,234,915</b>	59,856 532,123 <b>1,948,790</b>	165,948 2,065,825 <b>7,712,842</b>	114,899 1,449,744 <b>5,452,913</b>	25,621 <b>193,735</b>	13,820 <b>125,643</b>	7,119 <b>62,259</b>	29,754 <b>231,929</b>	21,313 <b>176,214</b>	219,050 2,028,560 <b>8,153,859</b>	143,949 1,304,004 <b>5,234,862</b>	67,796 616,754 <b>2,499,767</b>	194,007 2,341,760 <b>9,395,040</b>	135,260 1,633,907 <b>6,636,697</b>
7 Profit before tax and exceptional items 8 Exceptional items 9 PROFIT AFTER EXCEPTIONAL ITEMS	4,629,221 344,188 <b>4,285,033</b>	3,155,076 255,217 <b>2,899,859</b>	1,492,499 <b>1,492,499</b>	5,982,050 <b>5,982,050</b>	4,376,366 4,376,366	1,084,901	1,074,289 1,074,289	1,036,290 1,036,290	173,006 173,006	183,646 183,646	4,467,051 344,188 <b>4,122,863</b>	2,960,542 255,217 <b>2,705,325</b>	1,335,792 1,335,792	5,822,865 <b>5,822,865</b>	4,318,264 4,318,264
10 Current tax 11 Deferred tax 12 PROFIT AFTER TAX AND EXCEPTIONAL ITEMS	(1,406,313) 462,311 <b>3,341,031</b>	(869,956) 2,029,903	(447,749) 1,044,750	5,982,050 (1,526,564) (48,230) 4,407,256	(1,867,415) 743,887 <b>3,252,838</b>	(10,470) 1,074,431	(7,287) 1,067,002	4,113 1,040,403	173,006 (31,812) 141,194	4,906 188,552	(1,480,164) 462,311 <b>3,105,010</b>	(802,173) <b>1,903,152</b>	(404,522) 931,270	(1,547,161) (47,334) <b>4,228,370</b>	(1,850,863) 743,887 <b>3,211,288</b>
13 Other Comprehensive Income: 13.1 Exchange differences on translation of foreign operations 13.2 Fair value changes in available-for-sale financial assets	897,076	1,019,727	628,288		741,086	-	-	-	-	-	(219,796) 874,998	(118,670) 1,005,309	(56,930) 600,755	(150,283) 489,349	161,769 296,172
13.3 Revaluation surplus on property, plant and equipment 13.4 Share of comprehensive income of associates	657,076	1,015,727	020,200	515,231 175,750 -	741,086	=		=	=		6/4,556	1,005,505	-	175,750	230,172
13.5 Income tax relating to components of other comprehensive income 14 OTHER COMPREHENSIVE INCOME FOR THE PERIOD NET OF TAX 15 TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	897,076 4,238,107	1,019,727 3,049,630	628,288 1,673,038	690,981 5,098,237	741,086 3,993,924	1,074,431	1,067,002	1,040,403	141,194	188,552	655,202 3,760,212	886,639 2,789,791	543,825 1,475,095	514,816 4,743,186	457,941 3,669,229
Earnings per share- basic & diluted - Shs Interim dividend per share - declared - Shs Final dividend per share - declared - Shs	222.74 16.70	135.33 16.70	69.65	293.82 60.00	216.86	1.53 0.25	1.52 0.25	148	0.20 1.25	0.27	4.57 0.25	2.81 0.25	138	6.06 1.25	4.56
II OTHER DISCLOSURES  1 NON-PERFORMING LOANS AND ADVANCES									1,25						
(a) Gross Non-performing loans and advances (b) Less interest in suspense (c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)	17,043,581 3,131,270 <b>13,912,311</b>	16,404,564 2,845,713 <b>13,558,851</b>	16,342,129 2,548,630 <b>13,793,499</b>	15,830,063 2,096,327 <b>13,733,736</b>	15,890,886 1,816,759 <b>14,074,127</b>	-	-	-	-	-	18,691,573 3,272,292 <b>15,419,281</b>	18,144,099 2,957,354 <b>15,186,745</b>	17,430,025 2,630,243 <b>14,799,782</b>	16,840,373 2,166,420 <b>14,673,953</b>	16,418,524 1,862,059 <b>14,556,465</b>
(d) Less loan loss provision (e) NET NON-PERFORMING LOANS AND ADVANCES (c-d) (f) Discounted value of securities	4,565,084 <b>9,347,227</b> 9,347,227	4,279,885 <b>9,278,966</b> 9,278,966	4,252,555 <b>9,540,944</b> 9,540,944	4,714,260 <b>9,019,476</b> 9,019,476	6,244,974 <b>7,829,153</b> 7,829,153	-	-	-	-	-	5,312,699 <b>10,106,582</b> 10,106,582	5,116,974 <b>10,069,771</b> 10,069,771	4,479,802 <b>10,319,980</b> 10,319,980	5,161,412 <b>9,512,541</b> 9,512,541	6,577,109 <b>7,979,357</b> 7,979,357
(g) NET NPLS EXPOSURE (e-f) 2 INSIDER LOANS AND ADVANCES	-		-	-	-	-	-	-	-	-	-		-	-	
(a) Directors, shareholders and Associates (b) Employees (c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES	1,606,674 2,301,178 <b>3,907,853</b>	1,472,800 2,239,430 <b>3,712,231</b>	1,231,023 2,104,741 <b>3,335,764</b>	1,012,452 2,190,253 <b>3,202,705</b>	1,115,797 2,198,600 <b>3,314,397</b>	-			-	-	1,700,153 2,429,428 <b>4,129,581</b>	1,565,325 2,362,259 <b>3,927,584</b>	1,304,240 2,213,730 <b>3,517,970</b>	1,086,362 2,292,094 <b>3,378,456</b>	1,173,882 2,284,065 <b>3,457,947</b>
OFF-BALANCE SHEET ITEMS     (a) Letters of credit, guarantees, acceptances     (b) Forwards, swaps and options	14,678,131 10,053,844	14,718,915 12,052,253	13,993,979 7,335,940	14,349,249 6,656,906	15,626,513 9,389,768	:	:	-	-	:	15,470,927 11,021,516	15,144,943 12,052,253	15,320,995 7,335,940	16,996,843 6,656,906	15,755,642 9,916,976
(c) Other contingent liabilities (d)TOTAL CONTINGENT LIABILITIES 4 CAPITAL STRENGTH	24,731,975	26,771,168	21,329,919	21,006,155	25,016,281	-	-	-	-	-	26,492,443	27,197,196	22,656,935	23,653,749	25,672,618
(a) Core capital (b) Minimum statutory capital (c) Excess (a-b)	29,405,996 1,000,000 <b>28,405,996</b>	29,147,186 1,000,000 <b>28,147,186</b>	28,505,770 1,000,000 <b>27,505,770</b>	28,030,736 1,000,000 <b>27,030,736</b>	24,756,610 1,000,000 <b>23,756,610</b>	-	-	-	-		35,293,980 1,000,000 <b>34,293,980</b>	35,055,347 1,000,000 <b>34,055,347</b>	34,558,304 1,000,000 <b>33,558,304</b>	33,907,805 1,000,000 <b>32,907,805</b>	30,941,827 1,000,000 <b>29,941,827</b>
(c) Excess (a-1) (d) Supplementary capital (e) TOTAL CAPITAL (a+d) (f) TOTAL RISK WEIGHTED ASSETS	1,318,828 30,724,824 170,723,814	2,425,465 <b>31.572.651</b>	2,809,986 <b>31,315,755</b>	2,826,247 <b>30,856,983</b>	3,458,258 28,214,867 162,888,649	-	-	-	-	-	1,337,378 36,631,359 180,520,313	2,472,143 <b>37,527,490</b>	2,853,238 <b>37,411,542</b>	2,889,709 <b>36,797,514</b>	3,423,283 <b>34,365,110</b>
(g) Core capital / Total deposits liabilities (h) Minimum statutory ratio	19.78% 8.00%	171,020,333 20.34% 8.00%	166,706,652 19.98% 8.00%	165,126,598 20.60% 8.00%	18.14% 8.00%	-		-	-		22.30% 8.00%	180,634,272 23.02% 8.00%	175,876,805 22.87% 8.00%	173,578,841 23.47% 8.00%	171,043,514 21.35% 8.00%
(I) Excess (g-h) (j) Core capital / Total risk weighted assets (k) Minimum statutory ratio	<b>11.78%</b> 17.22% 10.50%	12.34% 17.04% 10.50% <b>6.54%</b>	<b>11,98%</b> 17:10% 10.50%	<b>12.60%</b> 16.98% 10.50%	<b>10.14%</b> 15.20% 10.50%	-		-	-	-	<b>14.30%</b> 19.55% 10.50%	<b>15.02%</b> 19.41% 10.50%	<b>14.87%</b> 19.65% 10.50%	15.47% 19.53% 10.50% <b>9.03%</b>	<b>13.35%</b> 18.09% 10.50%
(I) Excess (j-k) (m) Total capital / Total risk weighted assets (n) Minimum statutory ratio	<b>6,72%</b> 18.00% 14.50%	18.46% 14.50%	<b>6.60%</b> 18.78% 14.50%	<b>6,48%</b> 18.69% 14.50%	<b>4.70%</b> 17.32% 14.50%	-	- - -		<u> </u>		<b>9.05%</b> 20.29% 14.50% <b>5.79%</b>	<b>8.91%</b> 20.78% 14.50%	<b>9.15%</b> 21.27% 14.50%	21.20% 14.50%	<b>7.59%</b> 20.09% 14.50%
(o) Excess (m-n) (p) Adjusted Core Capital / Total deposits liabilities* (q) Adjusted Core Capital / Total risk weighted assets*	<b>3,50%</b> 21.17% 18.21%	<b>3,96%</b> 21.90% 18.10%	<b>4,28%</b> 21.87% 18.42%	<b>4,19%</b> 22.32% 18.15%	<b>2,82%</b> 19.97% 16.71%	-	=	-	-	-	<b>5,79%</b> 23.61% 20.46%	<b>6,28%</b> 24.47% 20.36%	14.50% <b>6.77%</b> 24.67% 20.87%	<b>6,70%</b> 23.44% 19.26%	<b>5,59%</b> 21.79% 19.27%
(i) Adjusted Total Capital / Total risk weighted assets*  1 LiQuibTY  (a) Liquidity ratio	18.97% 49.68%	19.49% 52.38%	20.08%	19.83% 48.25%	18.83% 51.27%	-				-	21.19% 48.36%	21.94% 50.90%	22.46% 50.38%	20.91% 48.66%	21.24% 49.27%
(a) Exponent Fature (b) Minimum statutory ratio (c) Excess (a-b)	20.00% 29.68%	20.00% 32.38%	20.00% 31.82%	20.00% 28.25%	20.00% 31.27%	-			<u>-</u>	-	20.00% 28.36%	20.00% 3 <b>0.90%</b>	20.00% <b>30.38%</b>	20.00% 28.66%	20.00% 29.27%
MESSAGE FROM THE DIRECTORS															

On 6th December 2018 NIC Group PLC (NIC) and Commercial Bank of Africa Limited (CBA) announced that their respective board of directors had authorized the commencement of discussions regarding a potential merger of the two entities, On 29th and 30th January 2019 CBA and NIC Boards of Directors respectively approved the proposed merger and resolved to recommend to their respective shareholders a merger of the two entities. During the Annual General meetings held on 16th April 2019 and 17th April 2019 for CBA and NIC respectively, the shareholders approved the merger of the two entities through a share exchange.

On 27th September 2019 the Central Bank of Kenya approved the merger and transfer of 100% of the shares of CBA to NIC Bank Kenya PLC and further allotment to CBA shareholders of 53 per cent of the share capital of NIC Group PLC. The merger was effective from 30th September 2019 and the merged entity changed name from NIC Group PLC to NCBA Group PLC.

The businesses of NIC Bank Kenya PLC and the Kenya panking business of CBA were amalgamated to form a merged operating bank NCBA Bank Kenya PLC (previously CBA). The process of amalgamating the subsidiary businesses, both in Kenya and outside Kenya and the adoption of the name NCBA and brand identity by each is ongoing and subject to regulatory approvals, is expected to be completed by 31st March 2020.

## **Exceptional Items**

We have incurred KShs 344 million pre-merger costs relating to legal and other transaction advisory services, and brand development for the 9 months period to 30th September 2019 which are reported as an exceptional item.

The financial statements are extracts from the books of the institution. 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 Roads, Upperhill, Nairobi.

By Order of the Board - Livingstone Murage (Group Company Secretary)

