



## Press release

### NCBA Group PLC reports a pre-tax profit of KES 11.1 billion in Q3 2021 results

**November 24<sup>th</sup> 2021:** NCBA Group PLC has posted a **profit before tax (PBT) of KES 11.1 billion** in its quarter three results ending September 30<sup>th</sup> 2021. The PBT of KES 11.1 billion is a **three-fold increase** compared to KES 3.8 billion reported during a similar period last year.

The Group registered a nine-month **profit after tax of KES 6.5 billion** representing **159% growth** up from KES 2.5 billion reported in a similar period in 2020. Growth in profitability was attributed to an increase in operating income to KES 36 billion (up KES 3.2 billion), driven by higher customer activity and a decline in loan impairment charges of KES 4.2 billion year over year.

#### **Key Summary Highlights**

- Asset base rose to KES 563 billion, 8% up year on year
- Customer deposits closed at KES 447 billion, 11% up year on year
- The Group disbursed KES 423 billion in digital loans, a 26% year on year increase in line with its digitization agenda
- Operating income of KES 36 billion, 10% up year on year
- Cost to income ratio of 43%, an improvement from 46% in the same period last year
- Operating profit before loan loss provisions of KES 20 billion, 17% up year on year
- Loan impairment charges for the period at KES 9.2 billion, 31% down year on year
- Non-Performing loans coverage ratio increased to 70%, from 58% in the same period last year
- Profit before tax of KES 11.1 billion, 192% up year on year
- Profit after tax of KES 6.5 billion, 159% up year on year

Commenting on the results, NCBA Group Managing Director, John Gachora said the strong financial results are early outcomes of the Group's focus on its strategic initiatives anchored on customer experience and of a steadily improving economic environment.

"Our operating results since the beginning of the year demonstrate that the actions we have taken to strengthen and enhance the Group's performance are well on track. We continue to



**NCBA**

exercise a conservative approach towards credit risk management. Looking at our results, you will note that our loan impairment charges, which were a drag on performance last year, have greatly reduced; 98% of the portfolio that we restructured during the COVID-19 period is now performing. We have also realized cost synergies from our merger; resulting in a significant improvement in our cost to income ratio to 43%, down from 46% in the same period last year." said Mr. Gachora.

Mr. Gachora added that the Group is proud to have the **fastest growing branch network in the country**, bringing its services closer to its customers.

"In addition to our investments in modernizing our technology architecture to deliver better customer propositions and to structurally improve our operational efficiency and agility, we have embarked on a bold branch expansion strategy. Since the beginning of the year, we have opened **nine branches**. We plan to **open four more branches** by the end of this year." said Mr. Gachora.

Besides new branches opened in Nairobi and Mombasa, NCBA has opened new branches in Nyeri, Karatina, Embu, Ruiru, Kakamega, Bungoma, and Kericho. NCBA has also signed several partnerships aimed at solidifying its strength in asset finance, growing its property finance business, facilitating customer deposits and providing support to SMEs. These include partnerships with Isuzu, DT Dobie, Toyota, Tata, Simba Corp, CMC Motors, Visa, Strathmore, Shelter Afrique, Buy Rent Kenya etc.

On citizenship, NCBA through the **NCBA Golf Series**, has sponsored 20 golf tournaments across the country attracting over **2700 golfers**. NCBA is keen to grow and nurture the sport in the region. The NCBA Golf Series is the only series where juniors compete on equal ground with other club members and can be overall winners. The Series has also incorporated two dedicated junior golf events. So far, the NCBA Golf Series has produced several junior golf winners who qualified to participate in the Rome Classic and in the Big 5 South African Championship next year. Furthermore, the US Kids Junior Golf recently accredited the NCBA Golf Series Junior Event as a Priority Golf Event - a first in Africa outside of South Africa. This means that junior golfers participating in the event will earn points towards the World Junior Golf Championship.



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### **Business Outlook**

Mr. Gachora said he anticipates that the reviewing of Covid -19 curfew restrictions and the ongoing vaccination program across the country will have tremendous impact in enhancing the health of our communities and restoring the state of our economy.

"We are feeling optimistic that economic recovery is certainly underway and that it will reflect in a continued uplift of our financial performance in the near term," said Gachora.

**-ENDS-**

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### **About NCBA Group**

*NCBA Group is a full-service banking group providing a broad range of financial products and services to corporate, institutional, SME and consumer banking customers.*

*The Group was created on 1<sup>st</sup> October 2019 following approval by Central Bank of Kenya and The National Treasury of the merger of NIC Group PLC (NIC) and Commercial Bank of Africa Limited (CBA). NCBA Group operates a network of more than 100 branches in five countries including Kenya, Uganda, Tanzania, Rwanda and Ivory Coast. Serving over 50 million customers, the NCBA Group is the largest banking group in Africa by customer numbers.*

*NCBA Bank Kenya PLC is Kenya's fourth largest bank by assets. The Bank is set to play a key role in supporting Kenya's economic ambitions, specifically facilitating implementation of the Government's Big Four Agenda which focuses on food security, affordable housing, manufacturing and universal healthcare. The Bank is a market leader in Corporate Banking, Asset Finance and Digital Banking.*