

Press Release

NCBA GROUP PLC PROFIT AFTER TAX RISES TO KES 9.8 BILLION IN H1 2024 RESULTS

Nairobi, August 22nd, 2024: NCBA Group PLC has posted a profit after tax of KES 9.8 billion in its first half of 2024 financial results which is a 5.0 per cent increase compared to KES 9.4 billion reported during a similar period in 2023.

Key Highlights

- Customer deposits closed at **KES 529 billion, 2.4 per cent** up year on year.
- Total Assets grew to **KES 689 billion, 4.3 per cent** up year on year.
- Digital Loans disbursed were **KES 478 billion, 4.0 per cent** increase year on year.
- Operating income of **KES 31.4 billion, 1.1 per cent** up year on year.
- Operating expenses of **KES 16.5 billion, 15.5 per cent** up year on year.
- Provision for credit losses was **KES 2.7 billion, 38.3 per cent** down year on year.
- Profit before tax of **KES 12.2 billion, flat growth** year on year.
- Profit after tax of **KES 9.8 billion, 5.0 per cent** up year on year.

NCBA demonstrated strong financial fundamentals recording positive operating income of KES 31 billion and a decline in loan impairment charges of 38.3 per cent year on year, backed by the Group's five strategic pillars; Become a Distinguished Brand Known for Customer Experience, Scale Retail Banking, Deepen Leadership in Corporate Banking and Asset Finance, Digital Transformation and a High-Performance Employee Culture.

"We are pleased to announce another set of strong financial results for the first half of 2024," said John Gachora, Group Managing Director of NCBA. "Despite some headwinds presented by the current operating environment, our diversified business model continued to demonstrate resilience."

"Our banking business across the Group delivered a collective PBT of KES 11.7 billion in the period. These outcomes are flat year on year largely driven by a tight interest rate environment which has elevated our cost of funds and pressured our profit margins. Despite these challenges, we remain committed to strategically managing our balance sheet and optimizing our financial performance to sustain our growth trajectory."



Our non-banking subsidiaries, including Investment Banking, Bancassurance and Leasing, have buttressed our overall performance, contributing KES 0.6 billion in profitability. Collectively, these units have achieved an impressive 56% year-on-year growth, underscoring the enduring strength and versatility of our brand in unlocking substantial value for both our customers and shareholders.

One of the Group's strategic mandates to become a Distinguished brand known for customer experience was acknowledged through awards across the region. NCBA was recognized for Excellence in Customer Experience at the Connected Banking Summit, 2nd place overall winner in the KBA Customer Satisfaction Survey and Best Bank in Customer Experience by Africa Bank Awards. The Group was ranked 6th in Kenya, 85th in Africa's most valuable brands and Top 5 most loved banks by women in Kenya.

NCBA's quest to putting customers at the heart of its operations saw the Group implement notable initiatives including, the SME Development Programme partnership with Strathmore Business School which has impacted over 1500 business owners since inception, scheme agreements with several vehicle dealers including Isuzu, CFAO, Simba and Inchape which helped sustain NCBA's Asset Finance market leadership at 37% and most recently, the waiver of monthly account maintenance fees for retail banking customers to cushion economic shocks and drive customer acquisition.

The Group continued to accelerate and promote financial inclusion across the region by disbursing KES 478 billion worth of Digital Loans. This accompanied by innovation on digital platforms services such as the ability to invest on the bank app, instant digital loans and additional pay bill features ensured that NCBA empowered over 60 million customers across Africa and enabled them achieve their financial goals.

As a leading employer across the region, NCBA played a critical role in economic progress by creating additional job opportunities driven by expansion in the Group's smart network comprising 115 branches and a focus on enhancing digital skills development for a future-proof digital at the core organization.



NCBA made progress towards achieving its sustainability commitments with the implementation of environmental and social impact related activities. These included awarding 169 education scholarships, planting 175,044 trees, mobilizing green & sustainable financing worth KES 6.5 billion, catalyzing socioeconomic community impact through regional golf activations and upskilling 90% of NCBA staff through the 'I Change the Story' program.

The 100% acquisition of AIG Kenya further strengthened NCBA's position in the financial services industry by tapping into a sizeable KES 309 billion insurance industry. This strategic move embedded an over 50-year-old well known insurance business to enable customers conveniently access all their financial products under one roof.

Looking Ahead: Gachora remarked, "The economic outlook for the latter half of the year presents a nuanced blend of optimism and caution. In Kenya, we have observed positive trends with inflation easing to 4.6% and the local currency stabilizing against major currencies. We are encouraged by the Government's commitment to support sustainable growth, to maintain fiscal discipline, and to continue fostering a favorable financial environment. These efforts will be key in driving economic progress and supporting the ongoing success of the private sector."

The Group's strong performance enabled the Board of Directors to approve an interim dividend declaration of KES 2.25 for every ordinary share.

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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. NCBA Group operates a network of more than 100 branches in five countries including Kenya, Uganda, Tanzania, Rwanda, and Ivory Coast. Serving over 60 million customers, the NCBA Group is the largest banking group in Africa by customer numbers. NCBA Bank Kenya PLC is among the top leading banks by assets. The Bank continues to play a key role in supporting Africa's economic ambitions. The Bank is a Market Leader in Corporate Banking, Asset Finance and Digital Banking.