



Press release

NCBA Group PLC reports KES 3.41 billion in profit after tax for first Quarter 2022

Nairobi, May 4th 2022: NCBA Group PLC has recorded a profit after tax of KES 3.41 billion for the quarter ending March 31, 2022, an increase of 20% compared to the KES 2.84 billion posted during a similar period in 2021.

Summary Key Highlights

- Assets grew to KES 587.4 Bn, 8% up year on year.
- Customer deposits closed at KES 465.5 Bn, 7% up year on year.
- NCBA Group disbursed KES 163.4 Bn in digital loans, 26% increase year on year in line with its digitization agenda and its commitment to supporting small businesses and individual customers during this period.
- Operating income increased to KES 13.2 Bn, 11% up year on year.
- Provision for credit losses for the quarter was KES 2.5Bn, 4% down year on year.
- Non-Performing Loans (NPL's) coverage ratio improved to 72.6%, from 65.0% in the same period last year.
- Profit before tax of KES 4.85Bn, 25% up year on year.
- Profit after tax of KES 3.41 Bn, 20% up year on year.

Commenting on the results, John Gachora, Group Managing Director, NCBA Group said the results reflect strong underlying performance across all areas of the business and an improving economy.

"Our financial results this quarter, are a strong reflection that the post-merger foundation that we have built is very solid and is unlocking growth opportunities while delivering operational efficiencies." said Mr. Gachora.

In Q1 2022, total assets increased to KES 587 billion, representing a strong growth of 8% year on year. Customer deposits in the period also increased by 7% year on year fuelled by strong business development efforts that have attracted new customers to the Group.

Net interest income recorded an 8% increase year on year due to growth in interest income from treasury investments. The overall effect was an operating income in the period that closed at KES 13.2 Billion representing 11% growth against prior year performance.

The Group gross loans stood at KES 285.2 billion, representing 2% year on year growth in all banking subsidiaries. Digital loan disbursements however, increased significantly by 26% to KES 163.4 billion from KES 129.9 billion during the same period a year ago. This is in line with NCBA Group's digitization agenda and its commitment to supporting small businesses and individual customers during this period.



NCBA Group's non-performing loan ratio stands at 15.8%, largely in line with industry-wide levels. In Q1 2022, NCBA Group further improved the NPL coverage ratio to 72.6% from 65.0% in the same period last year. Additionally, NCBA Group's focus on maintaining high credit quality as well as the concerted recovery efforts, particularly in the digital lending business have begun to bear fruit in stabilizing the credit portfolio.

NCBA Group's capital and liquidity levels remain very strong, with liquidity at 63% and Total capital / Total risk weighted assets at 17.9%.

Group Strategy & Outlook

NCBA's strategic priorities are clearly defined, and their successful execution will prove critical against the current operating background. While remarking on the execution of the NCBA Group's strategy, Gachora stated, "The Group continues to invest in and prioritize efforts to - build a distinguished brand known for customer experience, scale retail banking, deepen its market leadership in corporate banking and asset finance, digitally transform and develop a high-performance employee culture."

"While the macro-economic environment remains uncertain in light of the Russia- Ukraine crisis and upcoming elections, at NCBA we have established the right guard rails to mitigate against this risk and steer us on a continued path of growth," Mr. Gachora concluded.

NCBA Group is scheduled to hold its 62nd Annual General Meeting on May 5th 2022, where shareholders are expected to confirm the interim dividend of Shs. 0.75 per ordinary share paid on 12th October 2021 and consider approving a final dividend of Shs 2.25 per ordinary share (In 2020, the Group paid a total of dividend of Shs 1.50 per ordinary share).

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About NCBA

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 50 million customers, the NCBA Group is the largest banking group in Africa by customer numbers. NCBA Bank Kenya PLC is Kenya's third largest bank by assets. The Bank is set 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.