



Press release

NCBA Group PLC reports a pre-tax profit of KES 11.2 billion in half-year results

Nairobi, August 29th 2022: NCBA Group PLC has posted a profit before tax of KES 11.2 billion in its half-year results ending June 30th 2022, which is a 51% increase compared to KES 7.4 billion reported during a similar period last year.

Summary Key Highlights

- Assets grew to KES 604 Bn, 11% up year on year
- Customer deposits closed at KES 468 Bn, 7% up year on year
- NCBA Group disbursed KES 339 Bn in digital loans, 25% increase year on year
- Operating income of KES 28.9 Bn, 20 % up year on year
- Operating profit before loan loss provisions of KES 17.5 Bn, 27% up year on year
- Provision for credit losses was KES 5.6 Bn, 6% down year on year
- NPL coverage ratio declined slightly to 62%, from 68% in the same period last year
- Profit before tax of KES 11.2 Bn, 51% up year on year
- Profit after tax of KES 7.8 Bn, 67% up year on year
- Interim dividend of KES 2 per ordinary share held

Commenting on the results, John Gachora, the Group Managing Director of NCBA Group, said the results reflect the outcomes of the strategic actions that the Group has taken to support customers navigate the current macro-economic environment and a confirmation that the merger is bearing the fruits of its promise.

“Looking at our results, you will note that we have been deliberate in our effort to drive a diversified business serving a wide spectrum of customers. Our commitment to supporting customers by making it easier for them to access financial solutions underscores our improved Group performance. We have provided an enabling environment for businesses to continue to thrive by increasing our product portfolio and tailoring solutions to suit every customer's needs especially during this period which experienced challenges from the Russia/Ukraine war and risks emanating from the political calendar. Through our digital banking partnerships (M-Shwari, Fuliza, Mpawa, Mokash and Momokash), we continue to provide much needed financial relief to many families and small businesses,” noted Mr. Gachora.



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The Group registered a profit after tax of KES 7.8 Bn representing 67% growth up from KES 4.7 Bn in half year 2021. Growth in profitability was attributed to increase in operating income, strong expense management and a decline in impairment charges. While the Group experienced revenue growth in most areas, non-interest income was particularly strong, thanks to an outperformance in foreign exchange revenues. Thanks to a strong customer base and the Group's ability to source, manage risk and supply foreign currency, the Group was the top earner of foreign exchange revenues during the period. The Group's retail expansion is also starting to pay off, helping to maintain an acceptable cost of funds.

NCBA Group launched an ambitious branch expansion agenda last year which has seen it open 18 branches across the region in the last 18 months. This year alone, the Group has opened four branches in Busia, Utawala, Kenol and River Road and plans to open seven more branches by the end of the year.

"Opening of these branches creates job opportunities across the country and enables us to take our services closer to the people. We believe that this wider distribution network allows us to contribute directly to the country's economic growth agenda. The retail expansion is supported by continuous review of our products and services to make them more attractive and problem-solving to the communities we serve" said Mr. Gachora.

In this regard, the Group rolled out 15 secs pre-conditional approval on asset finance through which customers are able to get indicative approvals within 15 seconds of completing an online application. The program has seen a strong uptake and already over KES 2.5 Bn has been approved through this channel. The Group also launched an 11.9% promotional mortgage campaign to customers that has recorded customer uptake valued at KES 3 Bn. The mortgage campaign will run until the end of October.

NCBA also became the first bank to finance electric vehicles as part of its green strategy by injecting KES 2 Bn in asset finance, a move that the lender says will bolster its asset quality and support the government's effort to reduce carbon emissions in the country.

Future Outlook

"This period has demonstrated that the strategy that we put in place to ensure that we power and inspire the growth of our customers looking to improve their economic livelihoods is working.



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We remain focused on supporting our customers' ambitions as we collectively work towards creating more opportunities for businesses and individuals to thrive," added Mr. Gachora.

While releasing the H1 results, Mr. Gachora emphasized that the Group remains very optimistic with regard to overall macro-economic outlook. For that reason, the Group will continue to invest in the region and it supports the citizens dreams for a prosperous future. He emphasized that with the likely conclusion of the elections in Kenya, the region's economy is set to benefit from likely transition dividends.

The Group remains committed to support the various governments and citizens in their overall growth priorities, Mr. Gachora concluded.

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