

Press Release

NCBA Group PLC reports Profit After Tax growth of 20.3% to KES 9.3 billion

Nairobi, August 24th 2023: NCBA Group PLC has posted a profit after tax of **KES 9.3 billion** in its H1 results ending June 30th 2023, which is a **20.3 per cent** increase compared to KES 7.8 billion reported during a similar period last year.

The Group registered a profit before tax of **KES 12.4 billion** representing **11 per cent** growth up from KES 11.2 billion in H1 2022.

Key Highlights

- Assets grew to KES 660 billion, 9 per cent up year on year
- Customer deposits closed at KES 517 billion, 10 per cent up year on year
- NCBA Group disbursed KES 457 billion in digital loans, 35 per cent increase year on year
- Operating income of KES 31.0 billion, 7 per cent up year on year
- Provision for credit losses was KES 4.4 billion, 21 per cent down year on year
- Profit before tax of KES 12.4 billion, 11 per cent up year on year
- Profit after tax of KES 9.3 billion, 20.3 per cent up year on year

The underlying growth trends in bottom line profitability remained solid compared to 2022 driven by an increase in operating income and a decline in loan impairment charges by 21 per cent. The Group's operating expenses were however elevated 24.0 per cent year on year on the back of inflationary pressures and continued investment in the current 5 year strategy which comes to a close in 2024.

While releasing the half year financial results, NCBA Group Managing Director, John Gachora commented, "These strong operating results are attributable to consistent focus on our strategic priorities."

The Group's strong performance enabled the Board of Directors to recommend an interim dividend declaration of KES 1.75 per share.



NCBA's strategic priorities remain unchanged as the Group heads into the second half of the year: Become a distinguished brand known for customer experience, scale retail banking to expand distribution, deepen leadership in corporate banking and asset finance, drive digital transformation and develop a high performance culture.

The Group's first half of the year performance was significantly buoyed by the contributions of the regional subsidiaries (Tanzania, Rwanda and Uganda) which collectively delivered a profit before tax of KES 1.4 billion (this was a notable improvement from the loss of KES 178 million posted in H1 2022). This change in outcomes was a result of the Group's turnaround strategy which led to a recalibration of the business models in these markets and a right-sizing of the operating models.

Gachora noted that in Kenya there is continued growth in the core business. Our Retail and Corporate Banking customer deposits have grown on the back of building a bigger and smarter network and offering superior customer experience. This year, we have opened branches in Kenol, Murang'a, Chwele, Kahawa Sukari and Eastleigh with a plan to open Migori, Ruaka and Wote branches within the month. We now boast of a network of 90 branches across 24 counties in Kenya."

NCBA recognizes that our license to operate is granted by the communities we serve. Over 3,000 students from Primary, Tertiary and University institutions have benefited from its 2023 education, mentorship and financial innovation sponsorship initiatives. Through the environment and natural resources citizenship pillar, NCBA with a number of partners in Government, private sector and learning institutions has so far planted over 7 million trees as a corporate response to reforestation. NCBA's investment of over KES 50 million in the sport of Golf through the NCBA Golf series, the Junior Golf Foundation (JGF) and Kenya Golf Union (KGU) sponsorships is a significant milestone in promoting and democratizing the sport and uplifting the social and economic livelihood of communities. Most recently, at the World's largest Junior Golf event attended by 55 countries and held in Pinehurst USA, Kenya was proudly represented by 12 junior players across various age categories courtesy of JGF, who qualified through an NCBA sponsored golf tour.



Gachora pointed out that while the macro-environment remains challenging particularly rising inflation and forex pressure, NCBA Group`s regional employee footprint of more than 3,000 professionals remains committed to deliver financial solutions that help customers navigate the changing microeconomic environment. He further noted that a resilient and strong banking sector performance will support credit availability for customers in both the private and public sectors, which will in turn boost investment and tax revenue for the nation.

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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.