



Q3 2024 Investor Pack

December 2024

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OPERATING ENVIRONMENT <

UPDATE ON STRATEGY <

FINANCIAL PERFORMANCE Q3 2024 <

1

Resilient fundamentals across our business

- ✓ We have seen a **+6% CAGR in Total Assets** over the past three years across our Group
- ✓ This endowment allows us to deliver resilient returns with a **20.4% ROAE**
- ✓ **Our ex Kenya subsidiary contribution to Group Top Line** has improved to **18%** (15% in Q3 23)
- ✓ Strong delivery of profitability from **our digital business growing +78% y-o-y** across all our markets with digital disbursements standing at KES 751Bn

2

Steady balance sheet outcomes with well controlled risks

- ✓ Reoriented funding mix ensuring a stronger **CASA deposit base at 52% of deposits (50% previous period)**
- ✓ We continue to be at the forefront of financial inclusion efforts ensuring financial support to individuals & MSMEs & our **digital disbursements continue to grow y-o-y (KES 751Bn, +8%)**
- ✓ We are delivering a better-quality loan book compared to similarly sized peers and the industry at large with **NPL ratio at 12.3% (Industry at 16.3%)**

3

We have delivered on our 2020-2024 strategic ambitions

- ✓ **A bigger branch network** (118 branches group wide)
- ✓ Our investments in Brand, modernized technology and our Sustainability agenda has seen NCBA receiving distinguished awards in **Brand, Customer Experience and Sustainability**
- ✓ Planted over **625,000 trees** cumulatively & Installed **5 Electric Vehicles charging stations**

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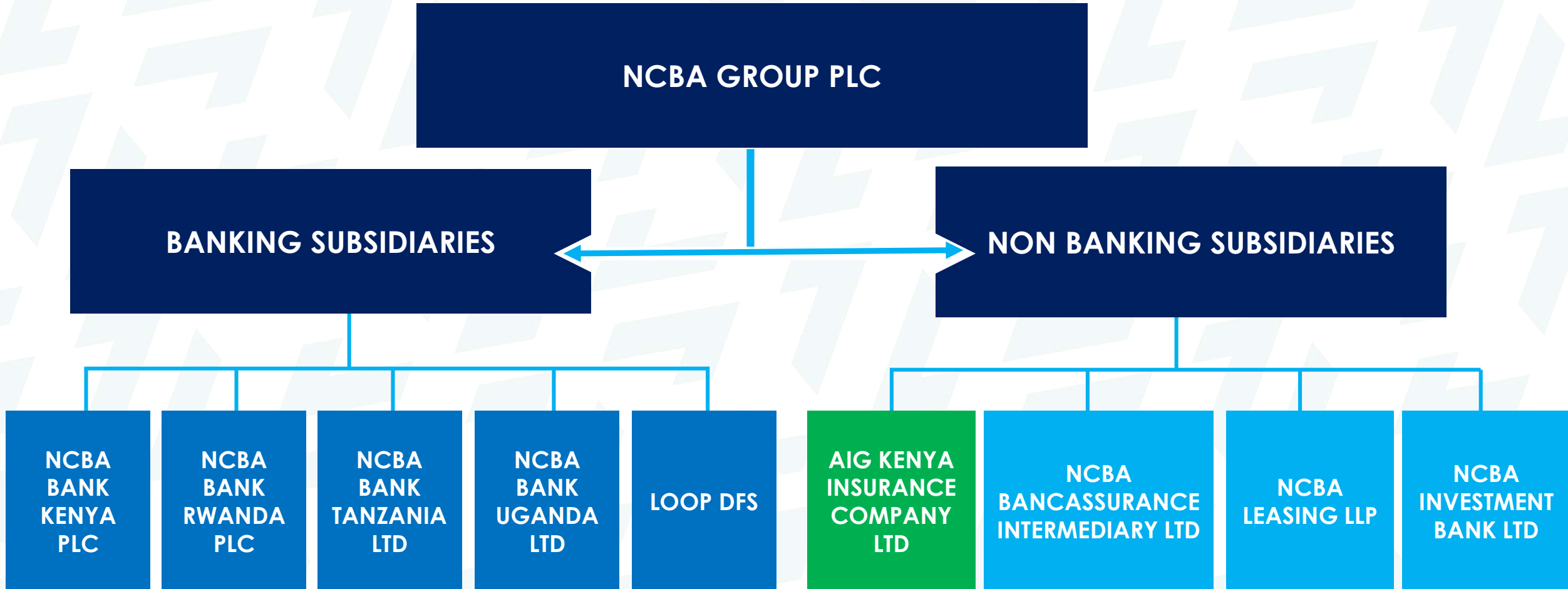
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Our Group Structure : We have expanded beyond our banking roots to provide non-banking services to our customers



Welcome to the bank that says **Go For It**, Welcome to the bank that banks on your ambition,
Welcome to **NCBA**

Our Purpose

To be the **Financial Partner** that Inspires your Growth



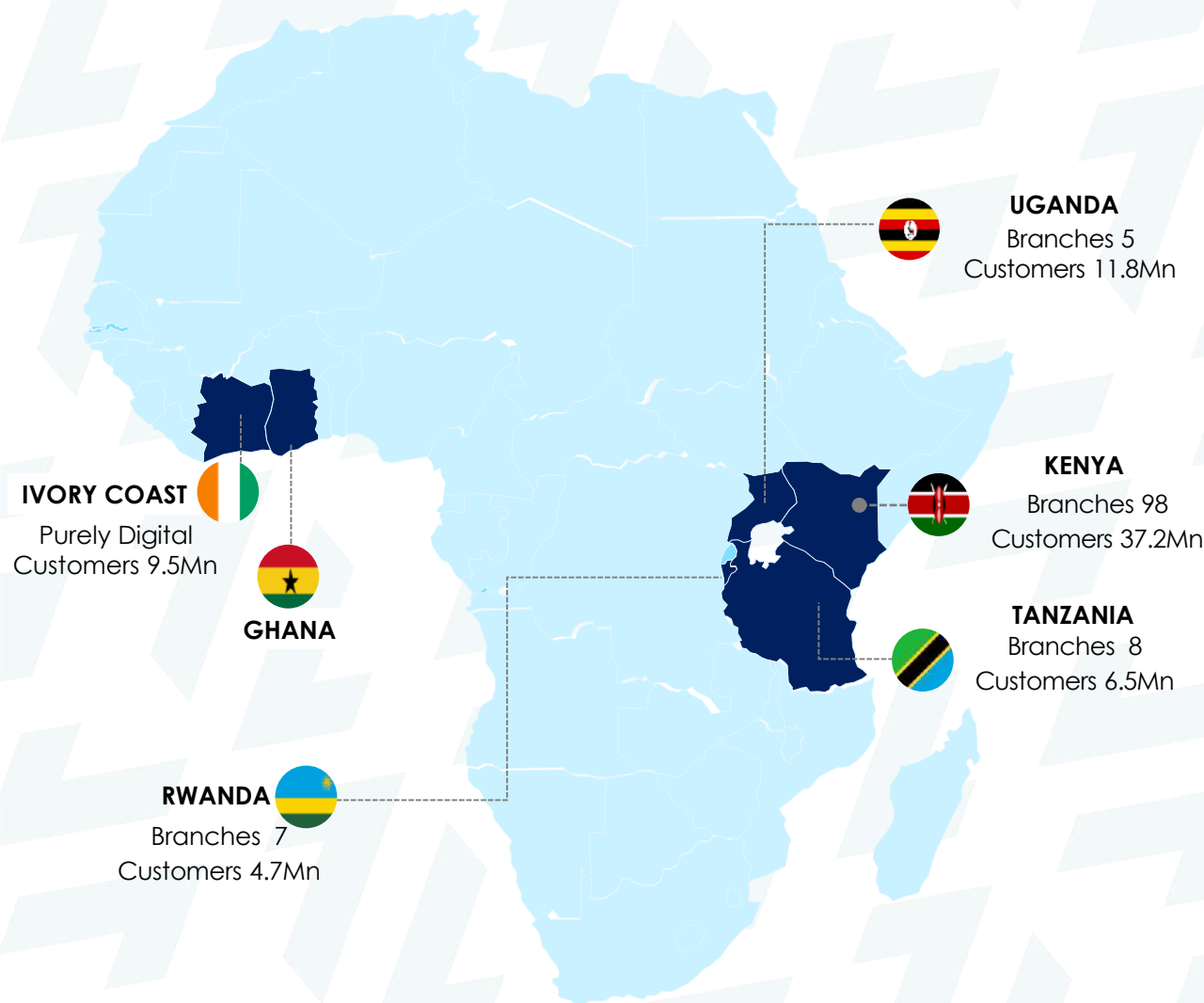
Our Values

- **Driven**
- **Open**
- **Responsive**
- **Trusted**

Our Customer Promise

- We **Know** You
- We **Back** You
- We **Wow** You

Our Regional Footprint




+3,000 Staff


118 Branches*


>60Mn Customers

Banking Business

KES **100Bn**
Capital
~USD 775Mn

KES **515Bn**
Deposits
~USD 4Bn

KES **335Bn**
Lending
~USD 3Bn

KES **751Bn**
Digital Disbursements+
~USD 6Bn

Non-Banking Business

KES **61.4Bn**
AUM
~USD 476Mn

KES **2.9Bn**
Insurance Premium
~USD 22Mn

KES **5.2Bn**
Leased Assets
~USD 40Mn

Notes:
* Branches opened in Q3-24 - * KE: Kerugoya & Nyahururu
+ Denotes Digital Loans disbursed by our Digital Financial Services business

We have received distinguished awards and accolades for our renowned customer experience and sustainability initiatives



Brand

- ★ **Top 10 Most Valuable Kenyan Brands 2024** : *Brand Finance*
- ★ **85th Most Valuable Brand in Africa** : *Brand Finance*
- ★ **Best Performing Thematic Campaign** : *Mdundo Awards*



Customer Experience

- ★ **Innovation Award**: *Customer Experience Africa Awards (CXA) 2024*
- ★ **Best Bank in Customer Experience, East Africa**: *Africa Bank 4.0 Awards 2024*
- ★ **Best Overall Banking Experience Award**: *Banking on Women Awards*



Sustainability

- ★ **Sustainable Finance 2024** : *Kenya Green Building Society (KGBS)*
- ★ **Sustainability Signatories**: *UN Global Compact*
- ★ **Gold Seal Certification in Gender Equality**: *Prime Minister's Gender Monitoring Office (Rwanda)*



We are led by an exceptional team which has demonstrated resilience in managing our business



John Gachora

Group Managing Director



David Abwoga

Group Director Finance



Kathyryne Maundu

Group Company Secretary



Monicah Kihia

Group Director, Human Resources & Culture



Tim Armitage

Group Director, Risk & Controls



Louisa Wandabwa

Director of Strategy & Ag. Group Director, Regional Business



Tirus Withiga

Group Director, Retail Banking



Raphael Agung

Group Director, Global Markets



Lennox Mugambi

Group Director, Asset Finance & Business Solutions



Eric Muriuki

Group Director, Digital Business



Pauline Ndote

Group Director, Credit Risk Management



Nelly Wainaina

Group Director Marketing, Comm. & Marketing



Isaac Owilla

Group Director, Technology and Operations

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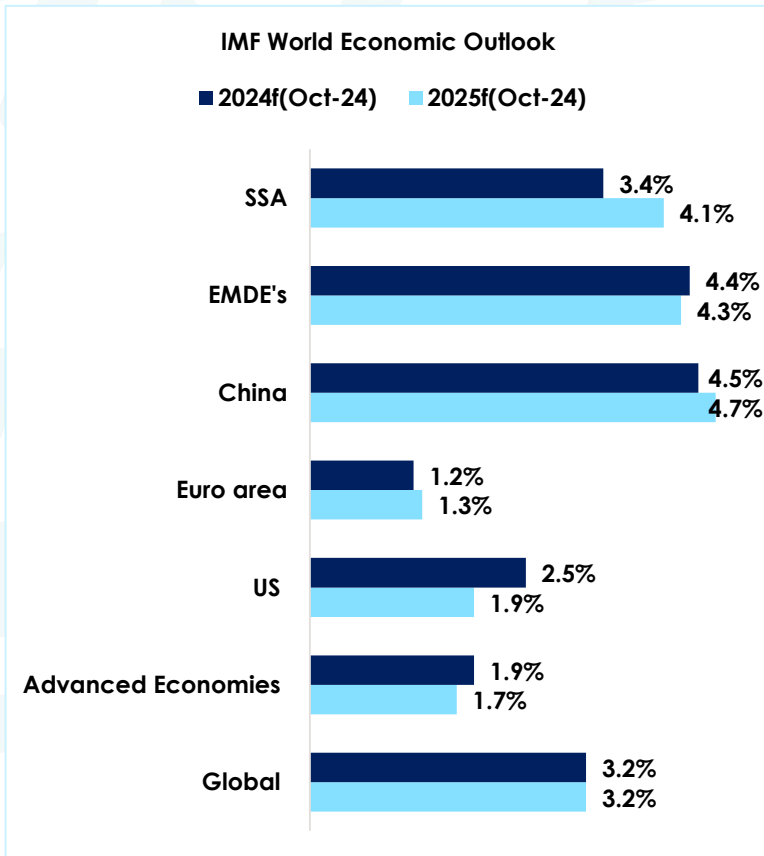
OPERATING ENVIRONMENT <

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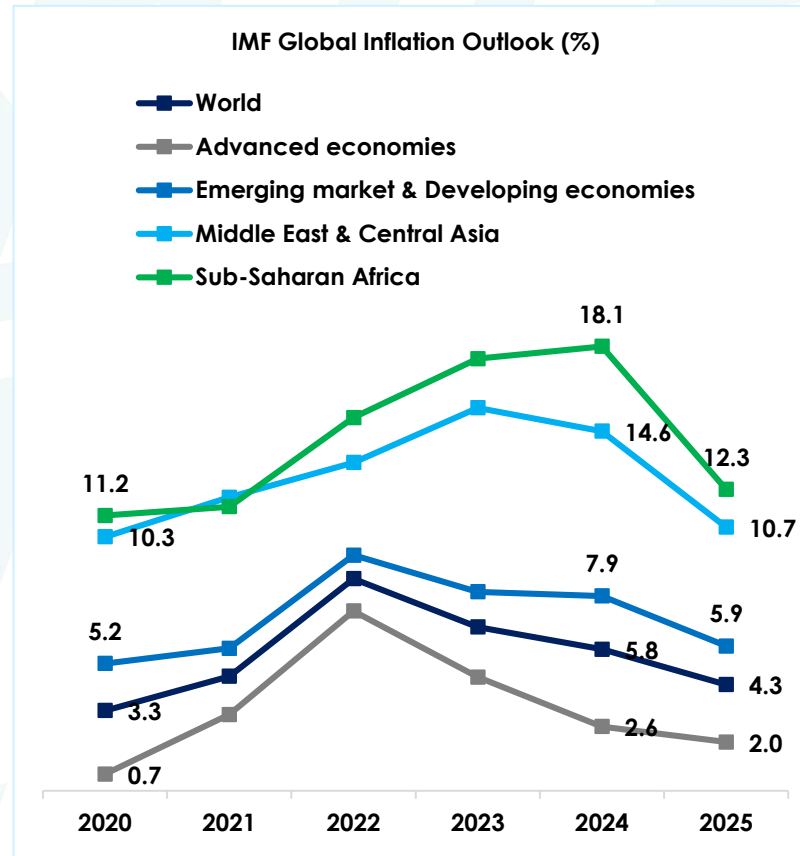
FINANCIAL PERFORMANCE H1 2024 <

Global economic growth to remain moderate in 2025. Inflation expectations continue to edge down providing a path for gradual monetary easing

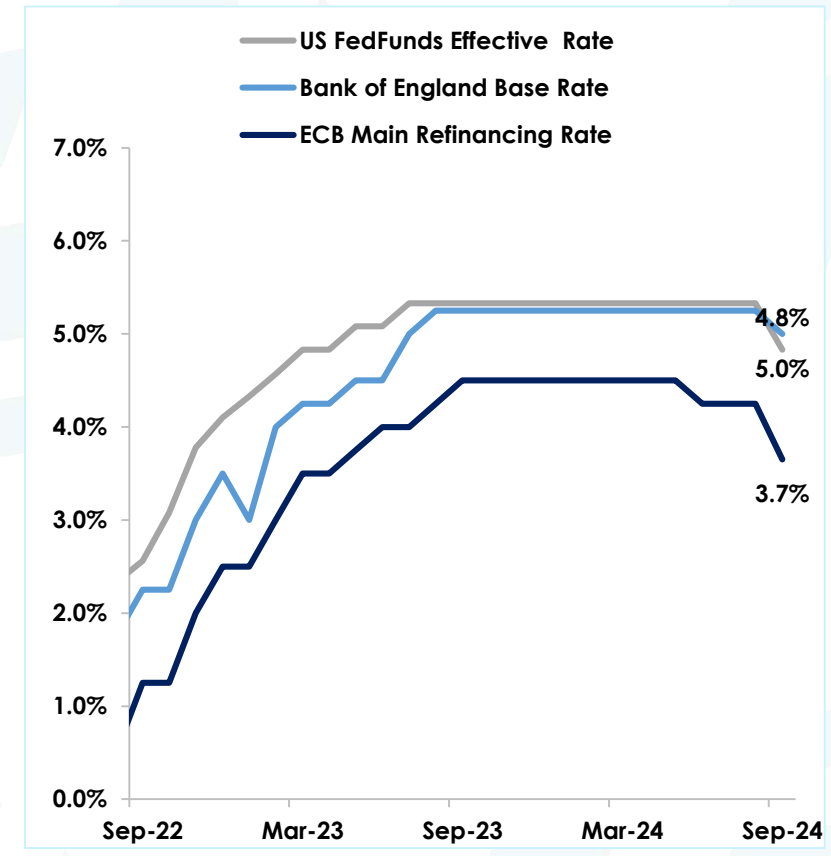
1 Global growth is projected to remain moderate, divergence between services & manufacturing



2 Inflation expected to edge down from a global average of 6.7% in 2023 to 5.8% in 2024 & 4.3% in 2025



3 Gradual decline in interest rates expected into 2025 although sticky core inflation & fiscal dominance by administrations remain areas to watch



Growth expectations are well anchored across the region

KENYA

- Growth expectations revised down to 5.0% reflecting weak aggregate demand. Credit growth is low growing at 1.3% y-o-y in Aug-24
- To stimulate growth, MPC is likely to maintain its rate cut path given stability in inflation and currency.

UGANDA

- Growth remains supported by steady flows of FDI & forecasted favourable weather conditions.
- External sector outlook appears vulnerable with reserves down to 3 months of cover driven by high imports amid large oil sector investment

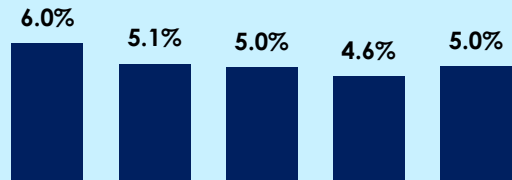
RWANDA

- Strong growth outturn in Jun-24 at 9.8% with some risk emanating from inflation given increase from 2.5% to 3.8% in Oct-24.
- RWF could remain under pressure due to a growing trade deficit and susceptibility to climate related shocks

TANZANIA

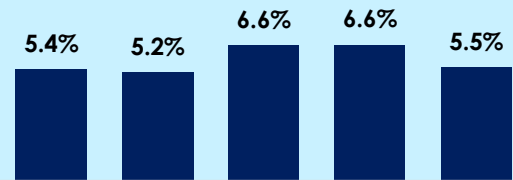
- Economic expansion has maintained momentum at 5.3% in Jun-24 boosted by improved external & fiscal balances.
- With a stable outlook; risks will emerge from intensification of regional conflicts & increased commodity price volatility

Real GDP Growth



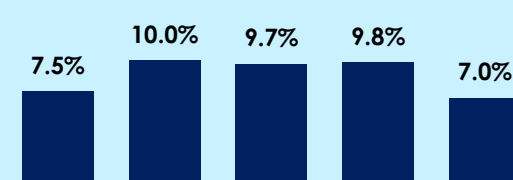
Sep-23 Dec-23 Mar-24 Jun-24 2024F

Real GDP Growth



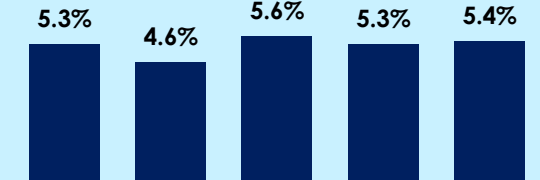
Sep-23 Dec-23 Mar-24 Jun-24 2024F

Real GDP Growth



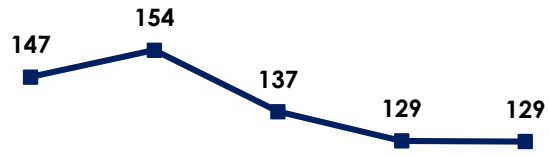
Sep-23 Dec-23 Mar-24 Jun-24 2024F

Real GDP Growth



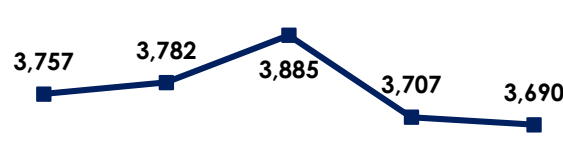
Sep-23 Dec-23 Mar-24 Jun-24 2024F

USD~KES



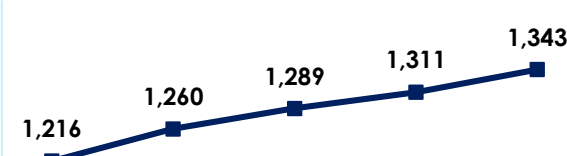
Sep-23 Dec-23 Mar-24 Jun-24 Sep-24

USD~UGX



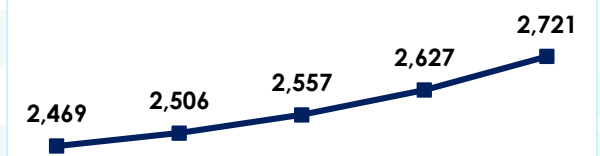
Sep-23 Dec-23 Mar-24 Jun-24 Sep-24

USD~RWF



Sep-23 Dec-23 Mar-24 Jun-24 Sep-24

USD~TZS



Sep-23 Dec-23 Mar-24 Jun-24 Sep-24

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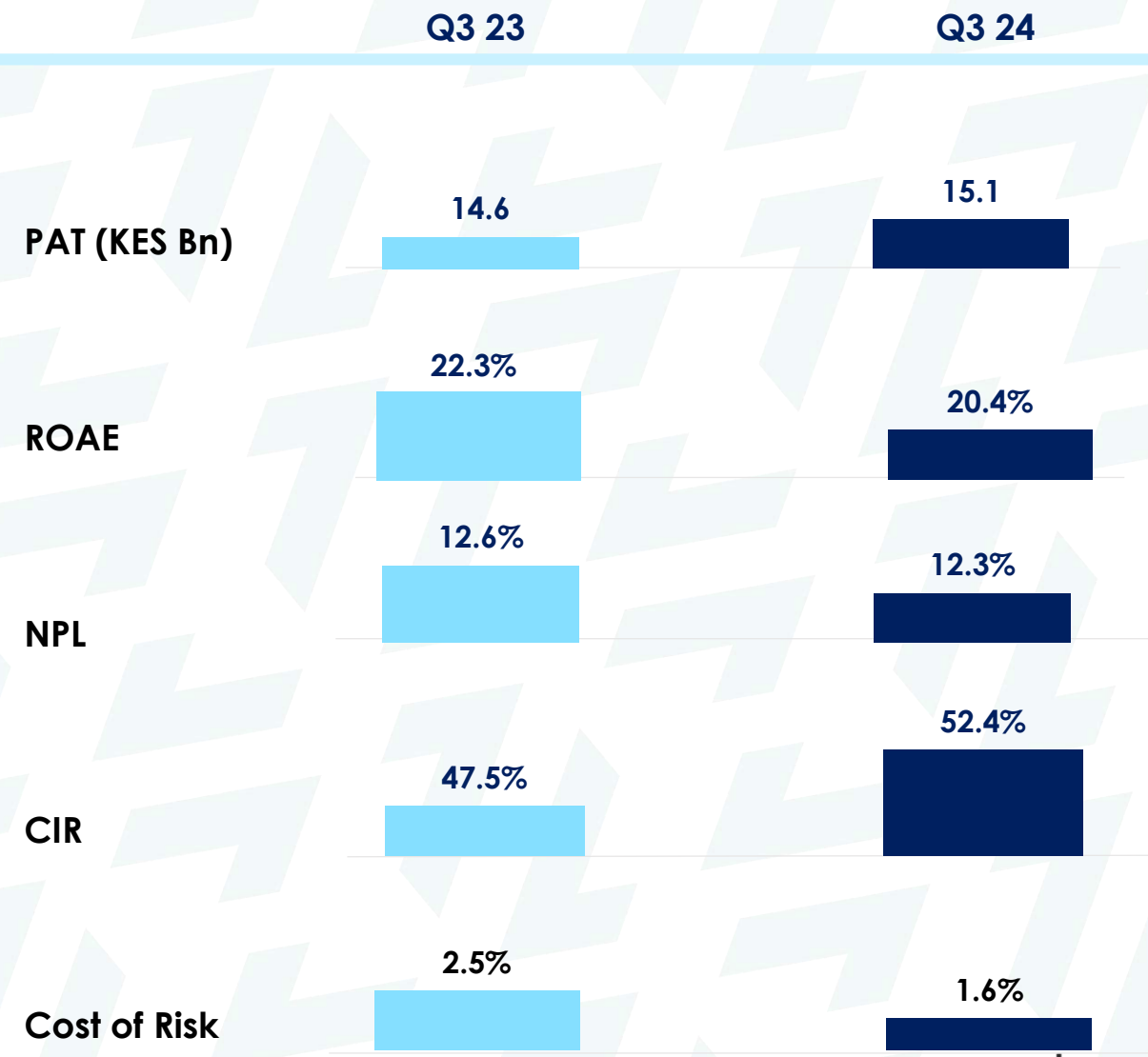
OPERATING ENVIRONMENT <

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Despite macroeconomic headwinds, our strategy is delivering a resilient set of results with bottom line growth and our Group ROAE registering at 20.4%

-  **Become a Distinguished Brand Known For Customer Experience**
-  **Scale Retail Banking: Expand Distribution**
-  **Deepen Leadership in Corporate Banking & Asset Finance**
-  **Digital Transformation**
-  **Develop a High Performance Employee Culture**



We have leveraged on Always on Media campaigns, brands assets & targeted customer engagements to Reinforce the “Go For IT” Positioning and support business outcomes

Key investments made...

...to drive our Brand Positioning

Increased loyalty and satisfaction across key customer touch points

2

Thematic Campaigns
Numbers That Matter
Twende Mbele

+60

BU Product Campaigns

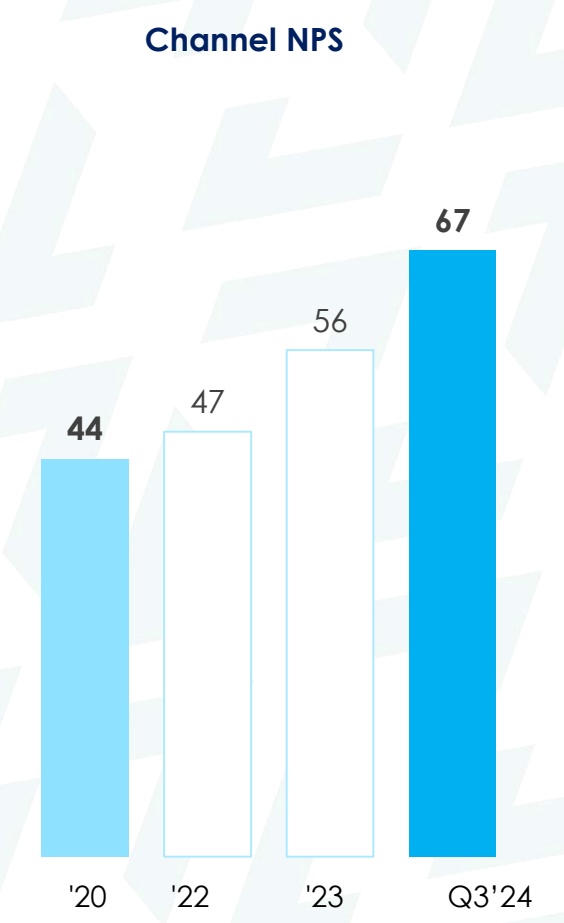
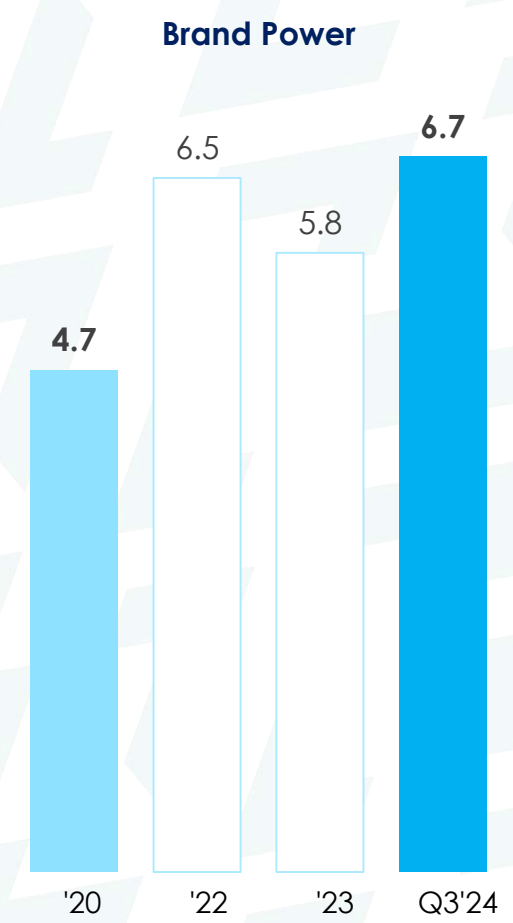
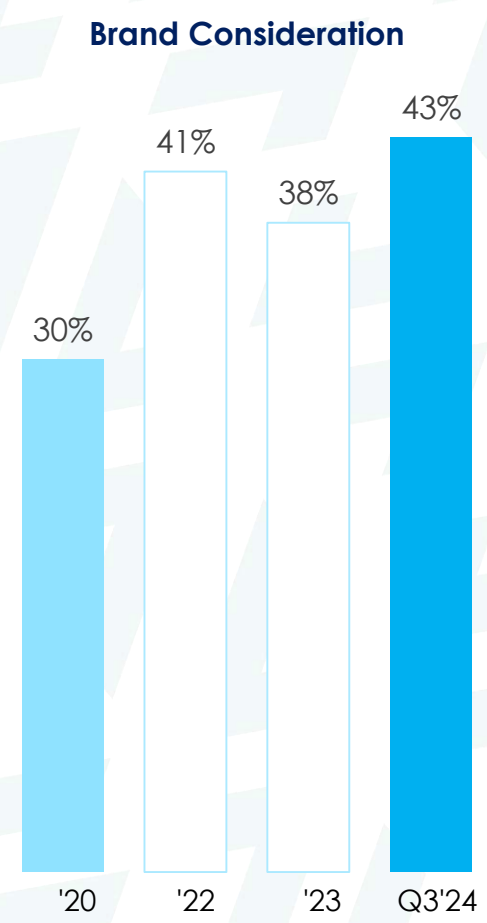
+3,000

Customer Engagements

4

Brand Assets

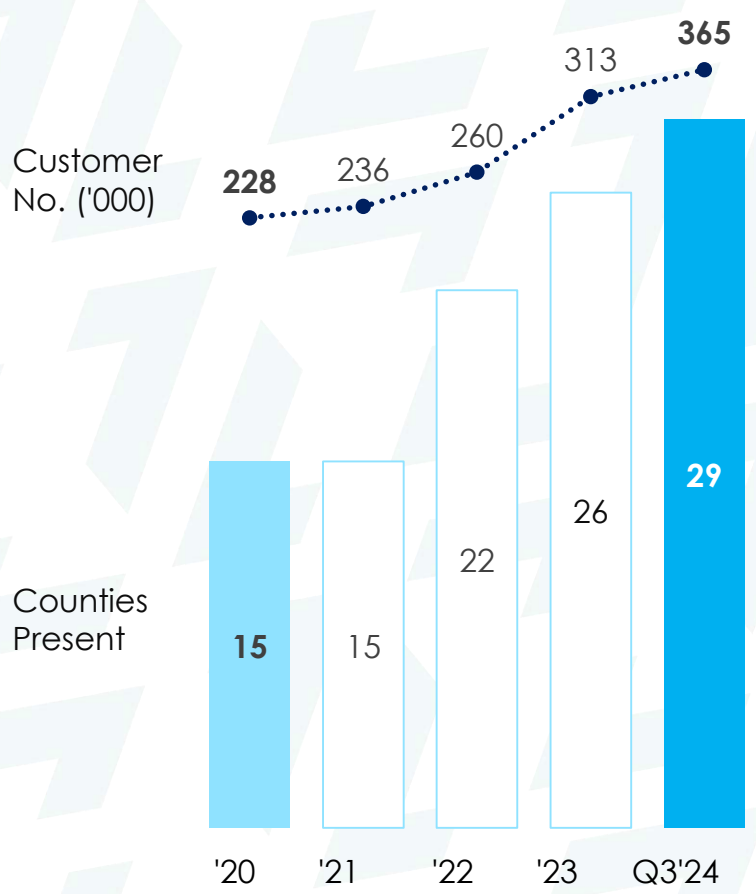
- NCBA Johari Awards
- NCBA Golf Series / Junior Golf Series
- NCBA - KMI Motor Show
- NCBA Economic Forum



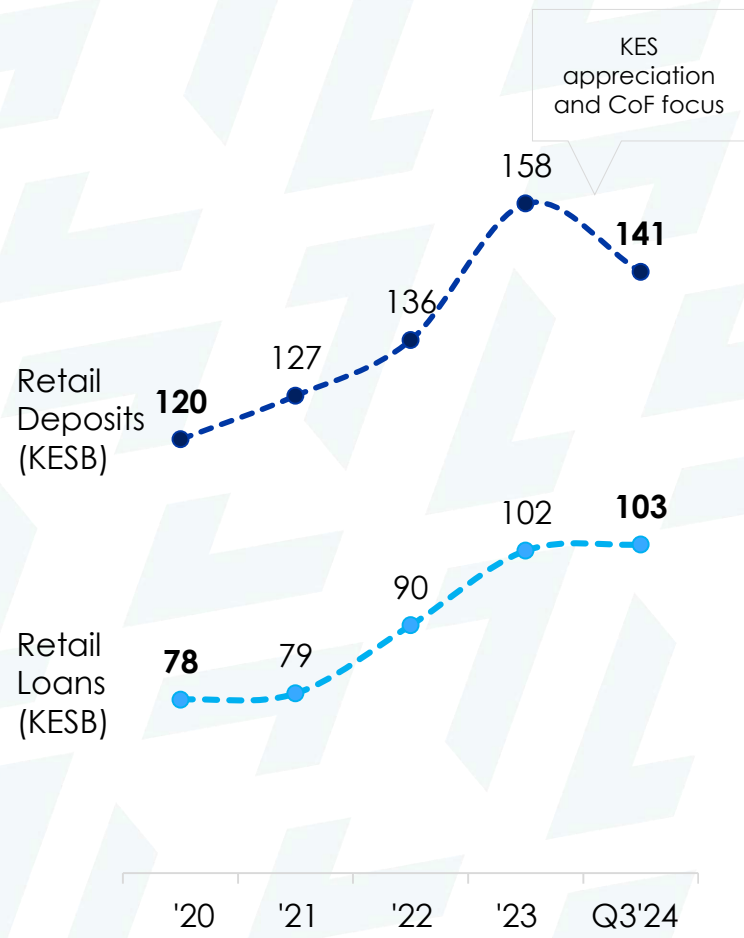


Significant growth in our retail customer base and overall contribution of retail banking as we scale up our branch network

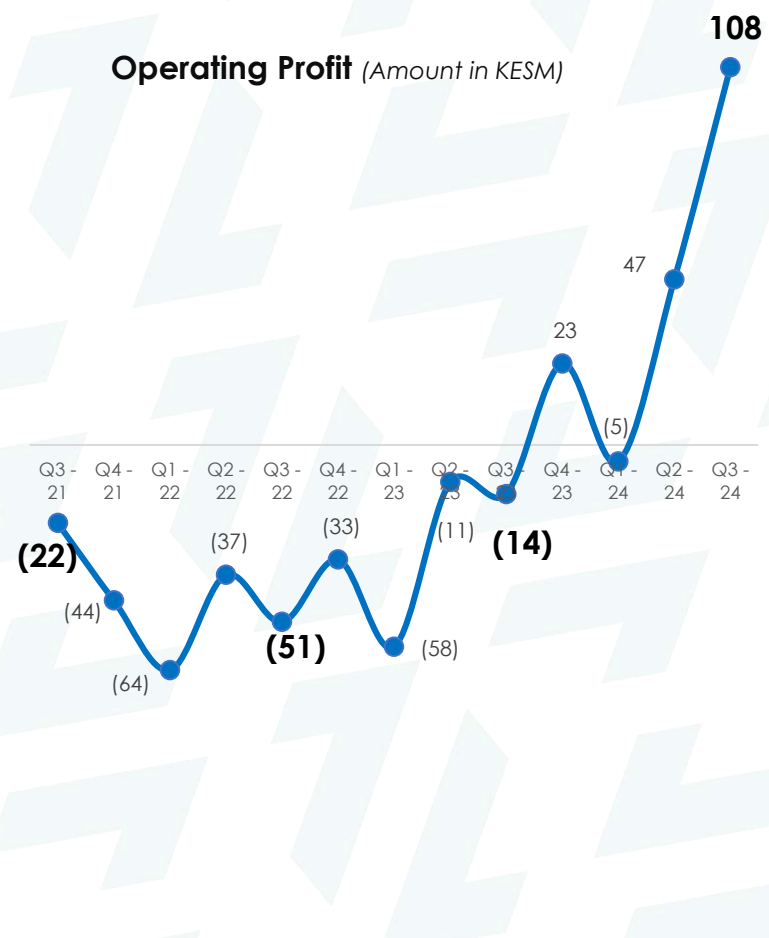
Our increasing footprint continues to support our customers acquisition efforts



Significant contribution to KE business: Retail Deposits account for 31% of the Deposit Book; Retail Loans 35% of the Loan Book



18/27 branches have broken even with accelerating combined operating profit.



Market dynamics notwithstanding we are the #3 Corporate Bank in East Africa with a deposit base of KES 211Bn (Q3'24)

Enablers



49

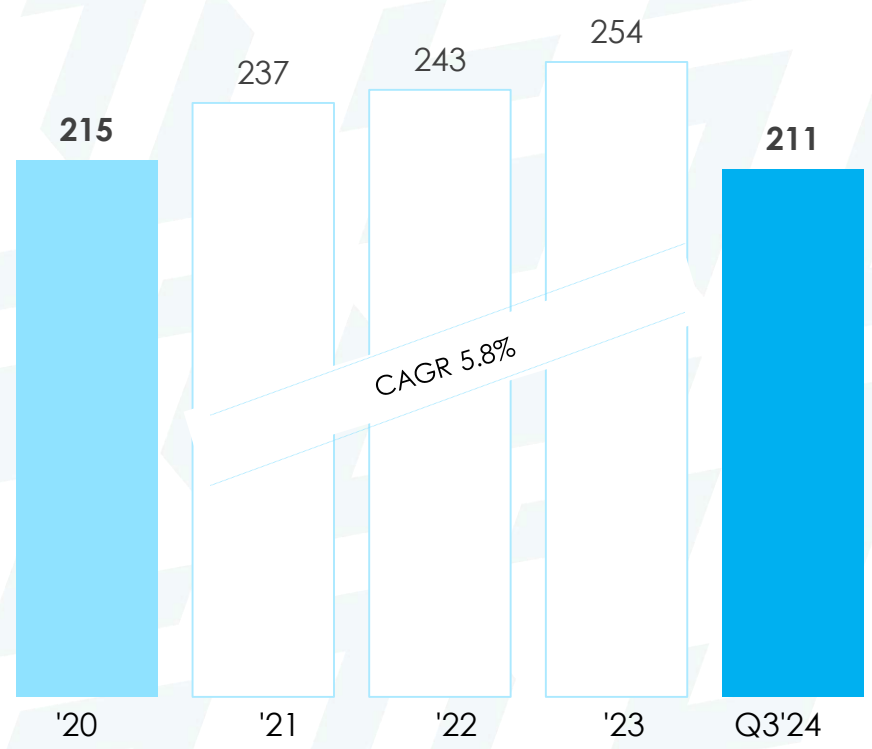
Staff directly involved in Relationship Management post roll out of Sector Based Structure

Banking Top 10 Customers in financial services, manufacturing, trade & telecommunication

- Embedding New Capabilities
- Rolled out a new **FTP Model**
 - Rolled out a **new base rate pricing model**

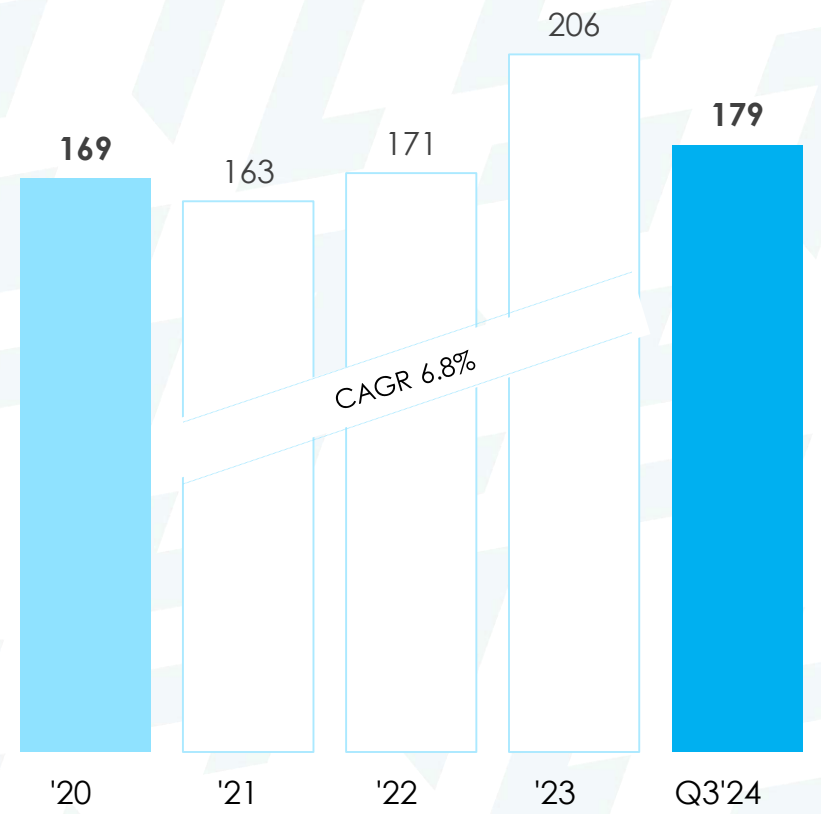
Deposits(KES B)

Q3 2024: Impacted by aggressive deposit repricing and FX



Gross Loans (KES B)

Q3 2024: Impacted by KES appreciation (from 157 (Dec-23) to 129 (Sep-24))



We have continued to reinforce our leadership in Asset Finance by leveraging on our strategic partnerships and being first to market with innovative solutions

Enablers

15 Sec
Conditional Approval
(1st to Market)

15
Scheme Onboarded

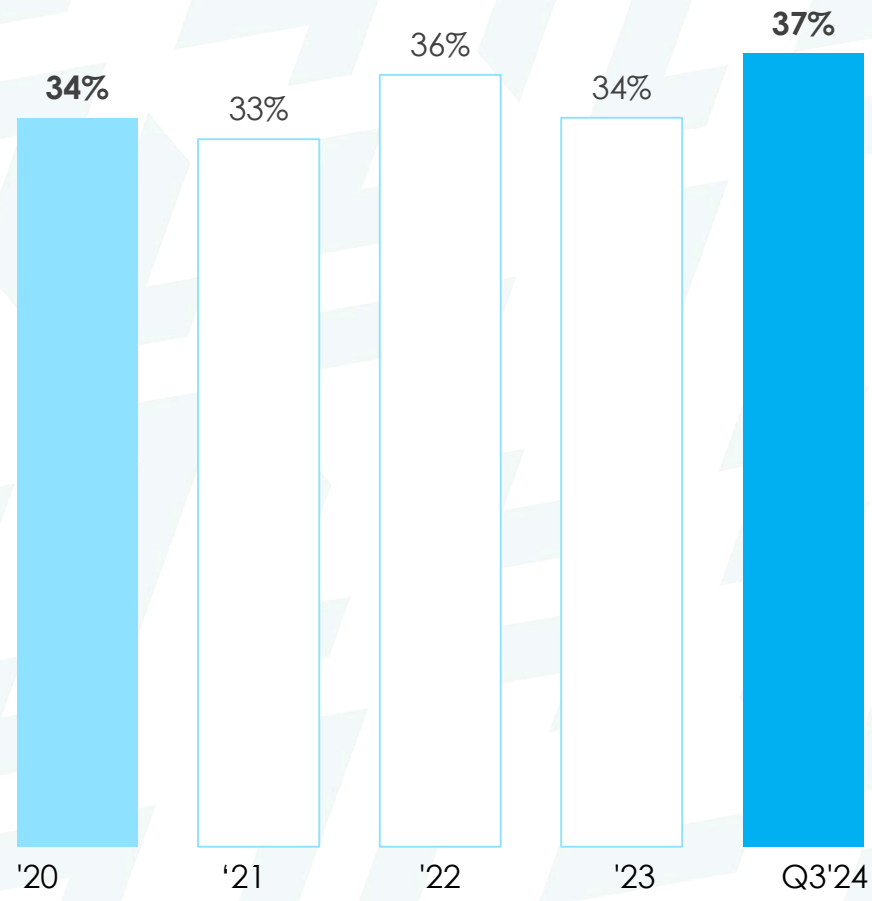
1.2
TAT (Days)

Automated auto equity/
log book origination
process

Enriched our offering
through Carduka by
integrating the motor
vehicle ecosystem

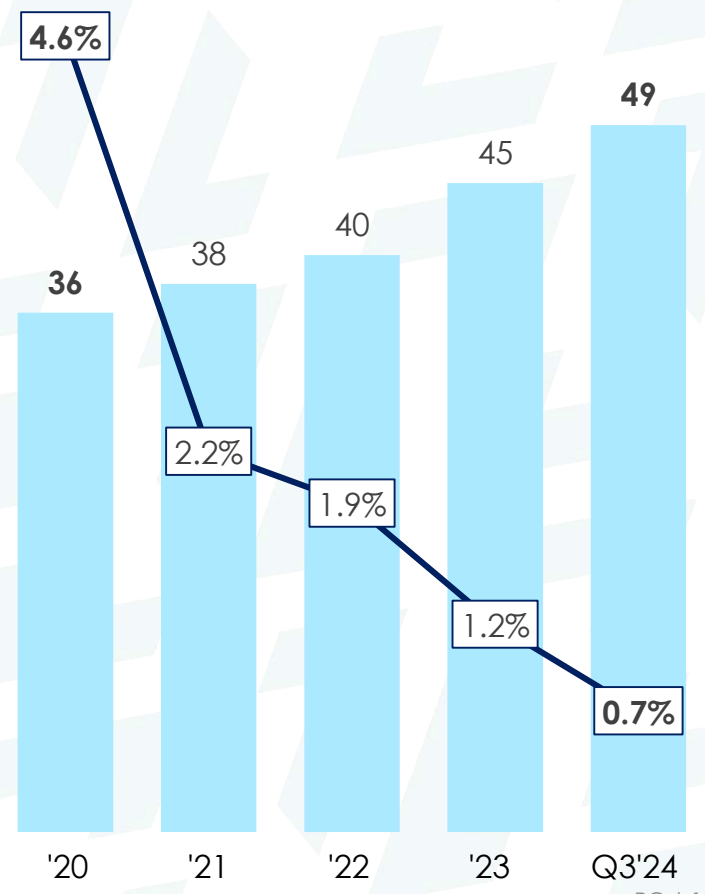
Market Dominance

Market Share

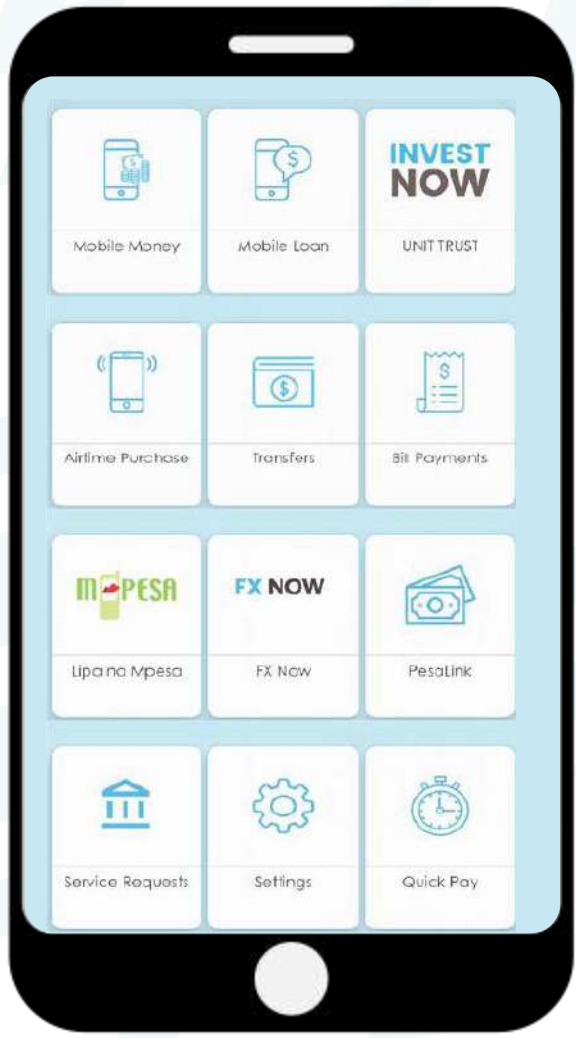


Controlled Risks

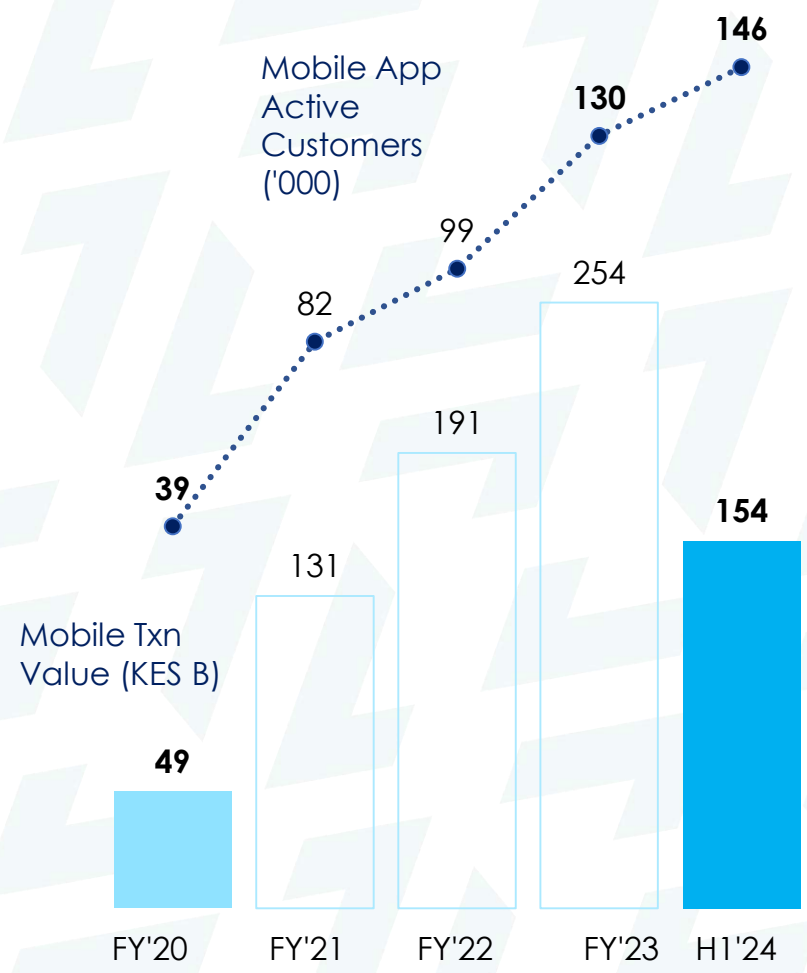
Gross Lending (KES B) — CoR



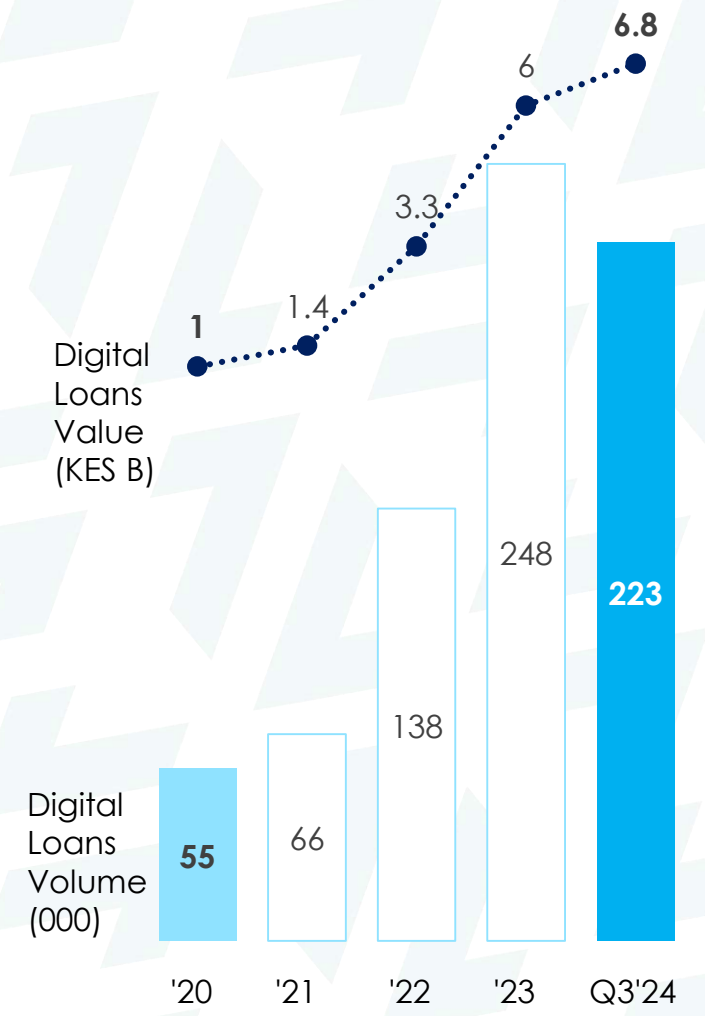
We have undertaken major enhancement on our mobile banking App and target campaigns to drive adoption and utilization among our customers



NCBA Now Utilization

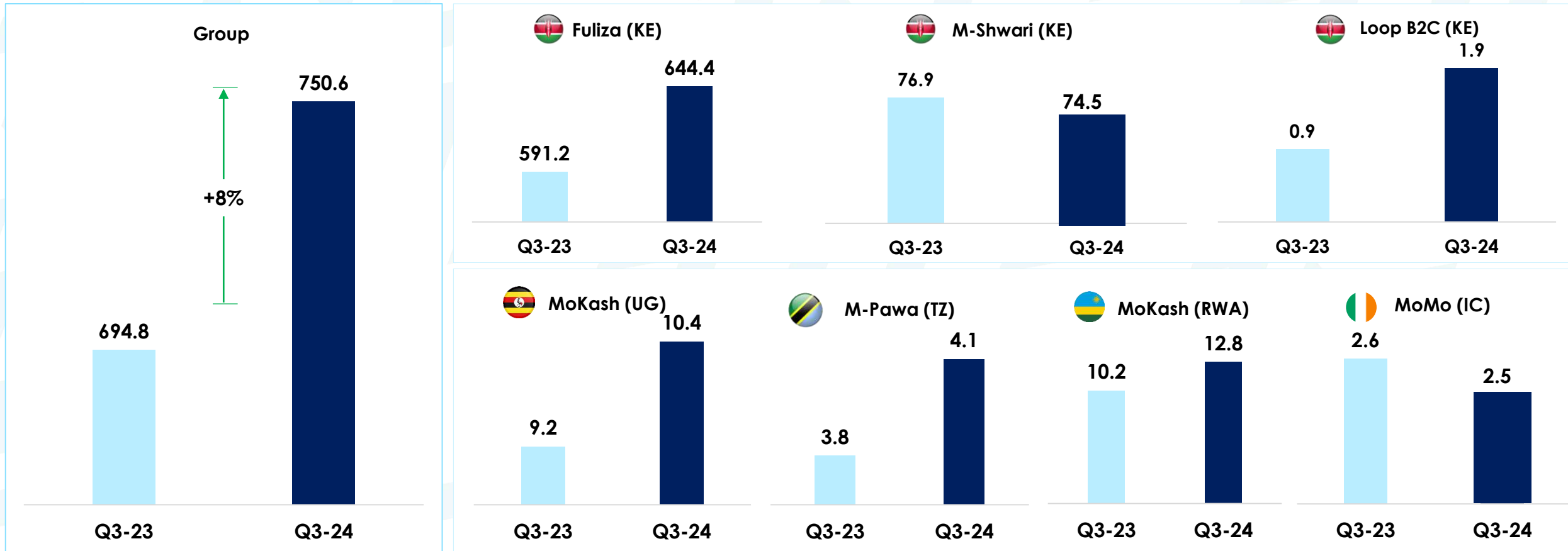


Benefits accruing from targeted mobile loans campaigns aimed at driving uptake



Our investment in digital financial services enabled us to disburse KES 751B in digital loans over 9 months in 2024 supporting our financial inclusion agenda & diversifying our customer base across Sub Saharan Africa

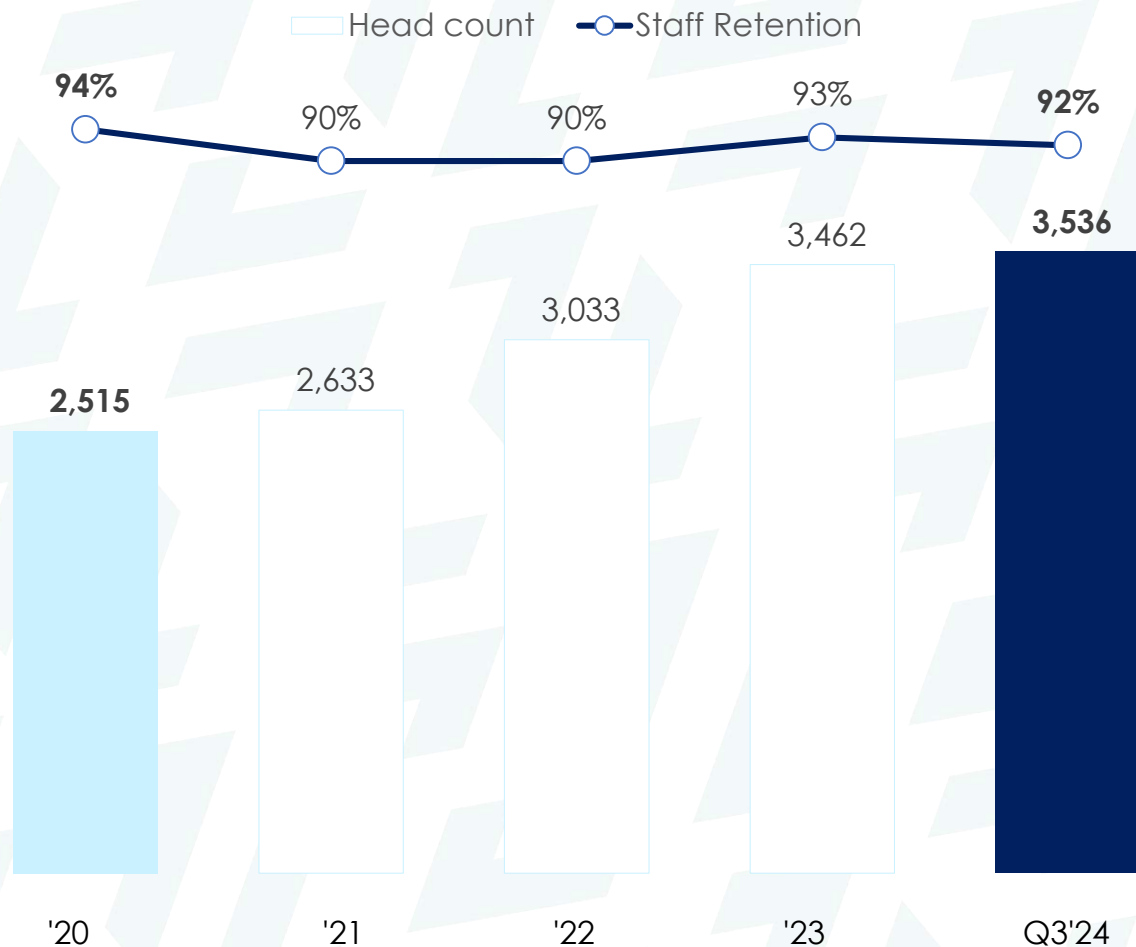
Evolution of digital disbursements (KES Bns)



Staff retention has stabilized with current focus around boosting productivity at the same time being recognized as a great workplace

Relatively Stable Employee Turnover, HC increase to support growth

Industry Recognition



- 🏆 HR Director of the Year (IHRM KE Awards 2024)
- 🏆 ESG Initiative of the Year (IHRM KE Awards 2024)
- 🏆 2nd Runners: Great Workplace Environment category (FKE 2023)
- 🏆 Ranked 5th: Best companies to work for in Kenya. LinkedIn 2022 Top Companies Ranking(2022)

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Our diversified business model continues to demonstrate strength, with strong contribution from our non banking and digital banking subsidiaries

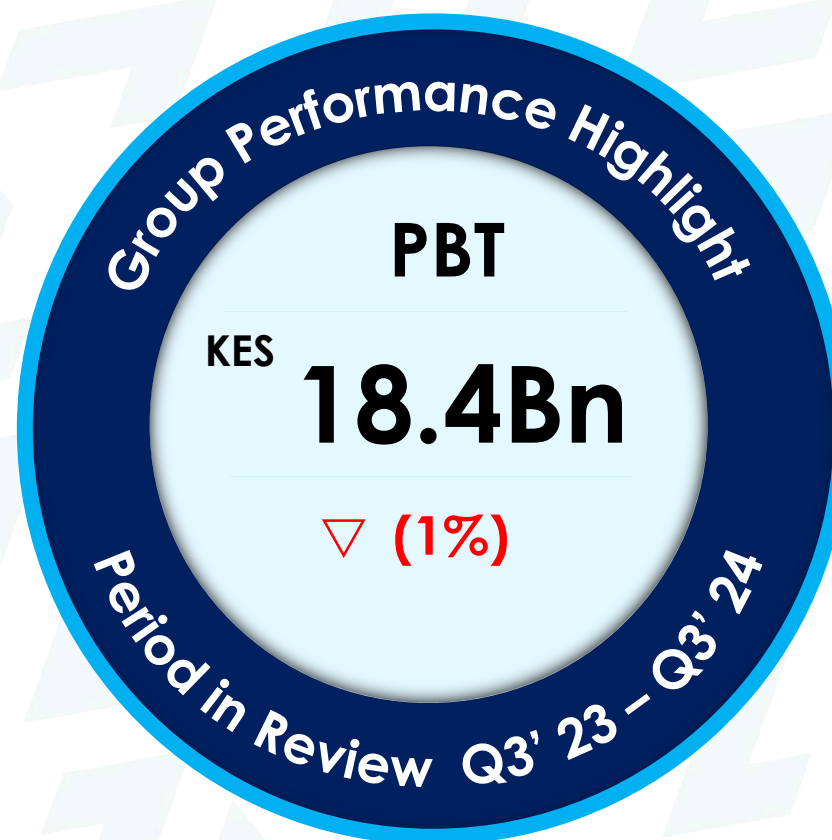
PBT Amount in KES Mns

Core Banking Subsidiaries

	Q3 23	%Δ	Q3 24
Kenya	14,042	(13%)	12,206
Uganda	402	+6%	425
Tanzania	377	(30%)	263
Rwanda	325	(>100%)	(2)
Total	15,146	(15%)	12,892

Non Banking Subsidiaries

	Q3 23	%Δ	Q3 24
Investment Bank	276	(37%)	175
Bancassurance	234	+27%	297
Insurance	0	n/m	78
Leasing LLP	142	+81%	257
Total	652	+24%	807









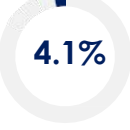


PBT Amount in KES Mns

Digital Banking

	Q3 23	%Δ	Q3 24
Digital Business (KE)	1,637	+90%	3,116
Digital Ghana	(8)	>100%	(21)
M-Pawa (TZ)	143	+63%	233
Mo-Kash (UG)	561	+59%	891
Mo-Kash (RW)	487	+24%	604
Total	2,820	+78%	4,823

Our focus on enhancing the contribution from subsidiaries has demonstrated success with our Group deriving 18% of top line outside of Kenya bank with strong profitability outcomes across

		REVENUE	% CONTRIBUTION	EFFICIENCY	RETURNS*
		TOTAL INCOME		COST TO INCOME RATIO	RETURN ON AVERAGE EQUITY
Banking Subsidiaries	 NCBAK	KES 38.3Bn ▼ (1%)		51.4%	▼ 18.4%
	 NCBAU	KES 2.5Bn ▲ +10%		58.1%	▼ 21.9%
	 NCBAT	KES 2.2Bn ▲ +3%		75.8%	▼ 17.4%
	 NCBAR	KES 2.1Bn ▲ +5%		53.1%	▼ 17.1%
	Non-Bank Subsidiaries	KES 1.9Bn ▲ +18%		46.5%	▲ 26.9%
Group		KES 47Bn ▲ +1%		52.4%	▼ 20.4%

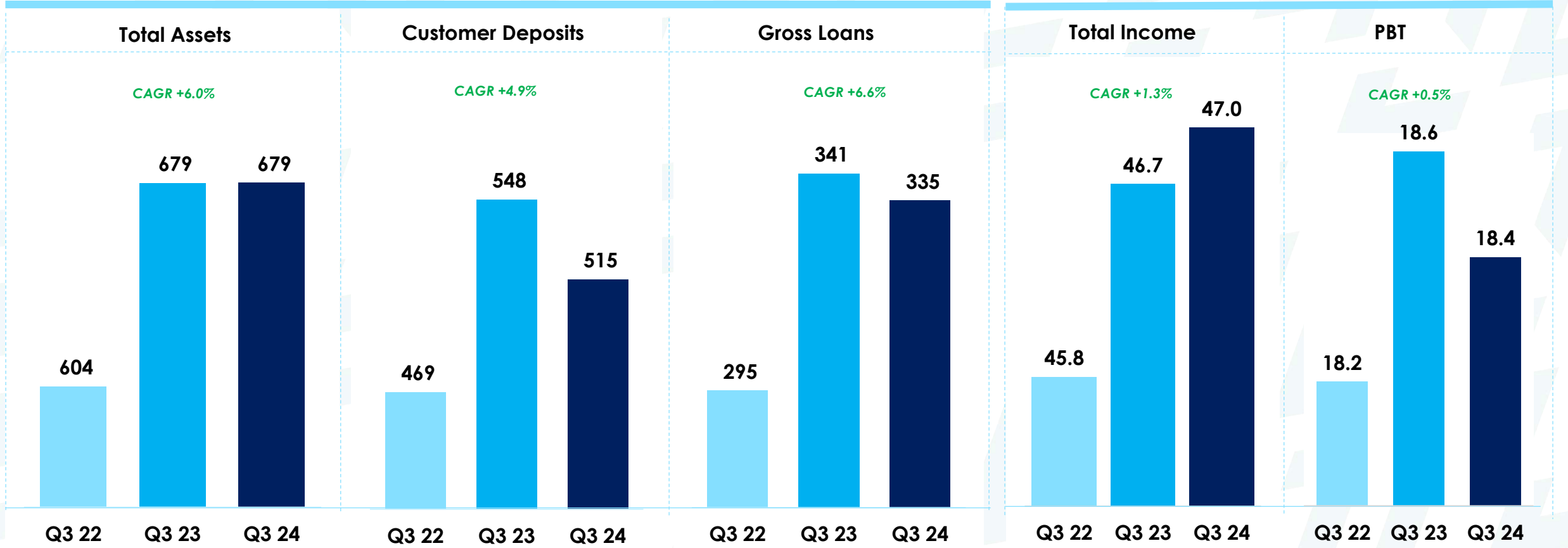
Note: * ROE denotes aggregate profitability from our core bank and digital business across our markets

Our Group continues to demonstrate strong fundamentals with a resilient asset base which is delivering resilience in our income lines

Amounts in KES Bns

Balance Sheet

Income Statement

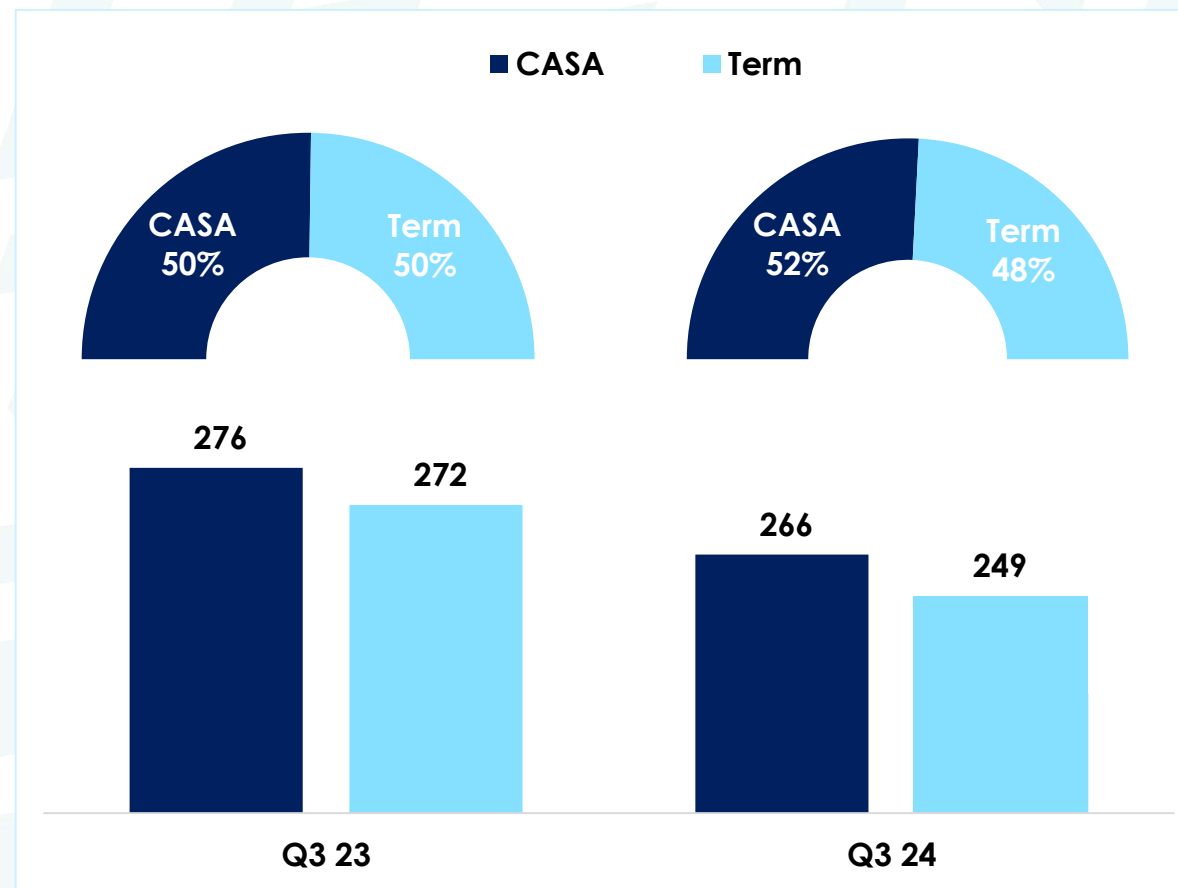
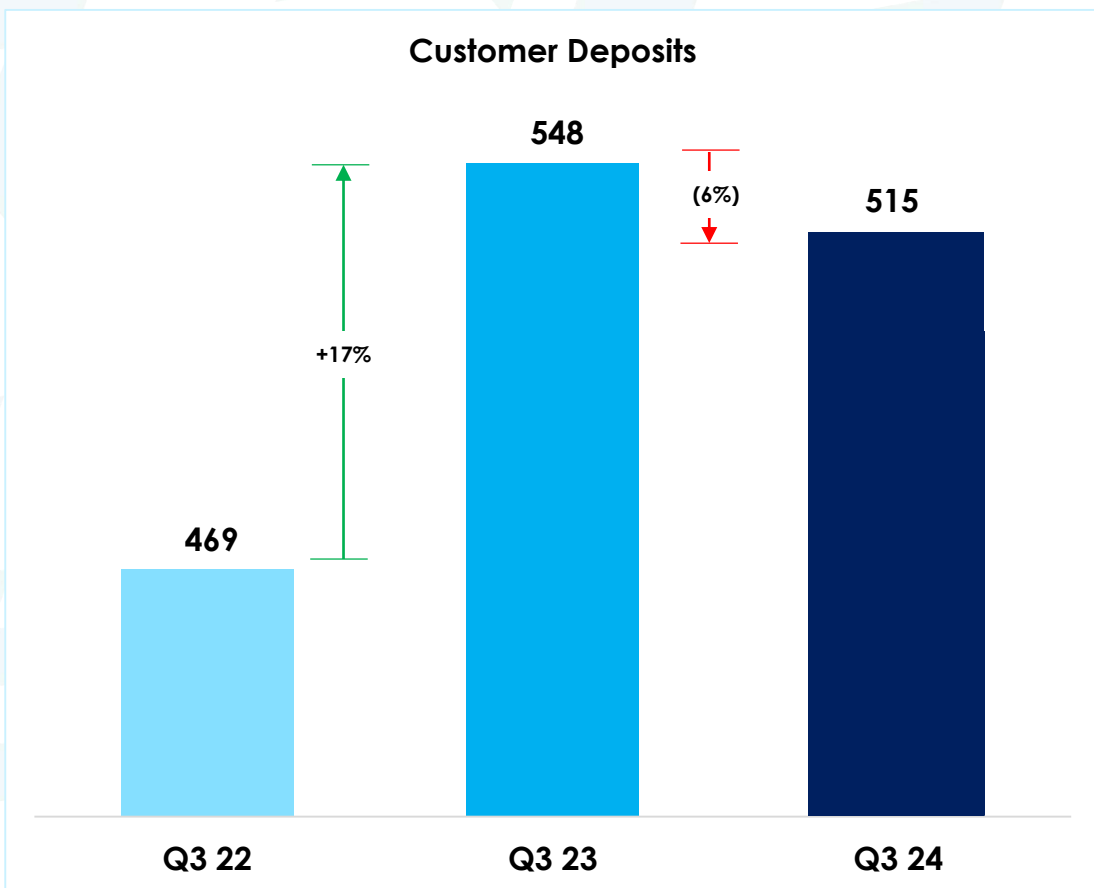


Following successful capital raising efforts & to limit cost of funding pressures, we reoriented our funding mix to strengthen the CASA deposit base

Amounts in KES Bns

Drop in deposit reflecting reorientation to higher CASA and a more optimal funding mix

...CASA is now 52% of our deposit mix

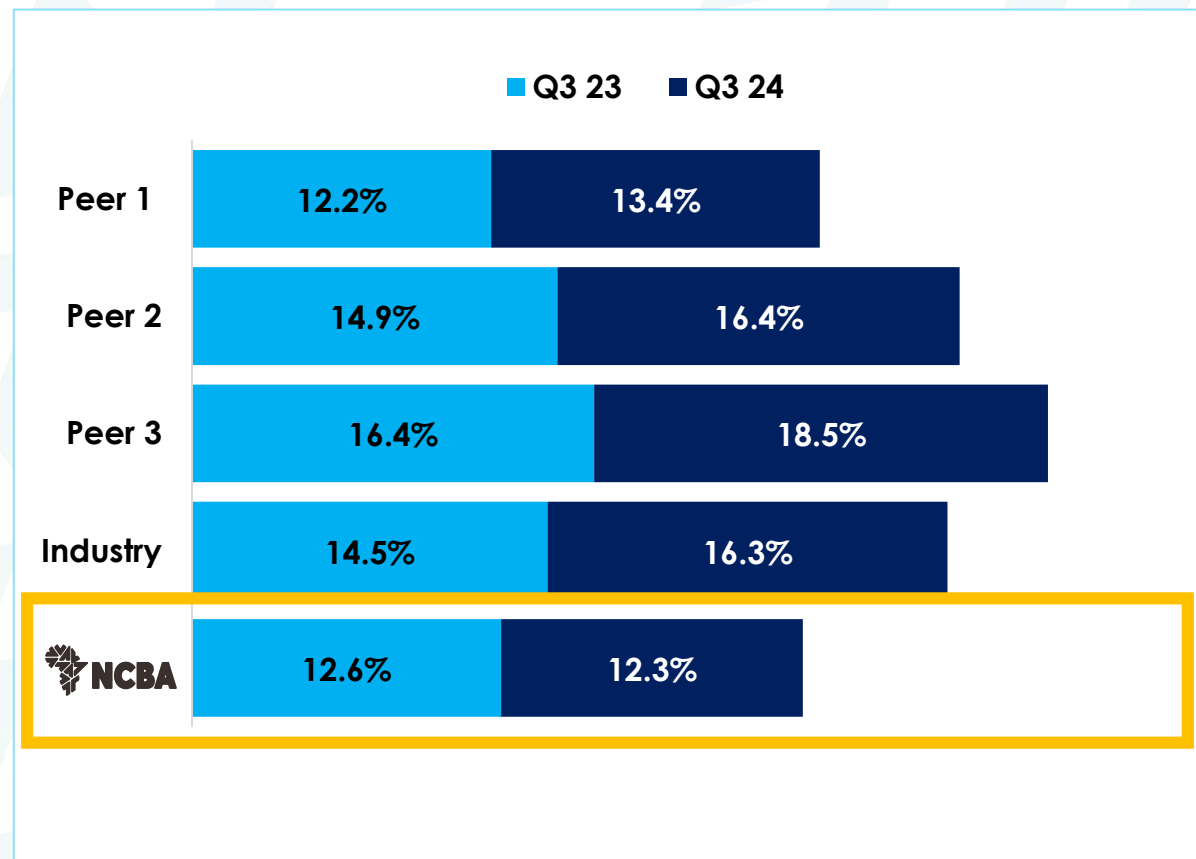
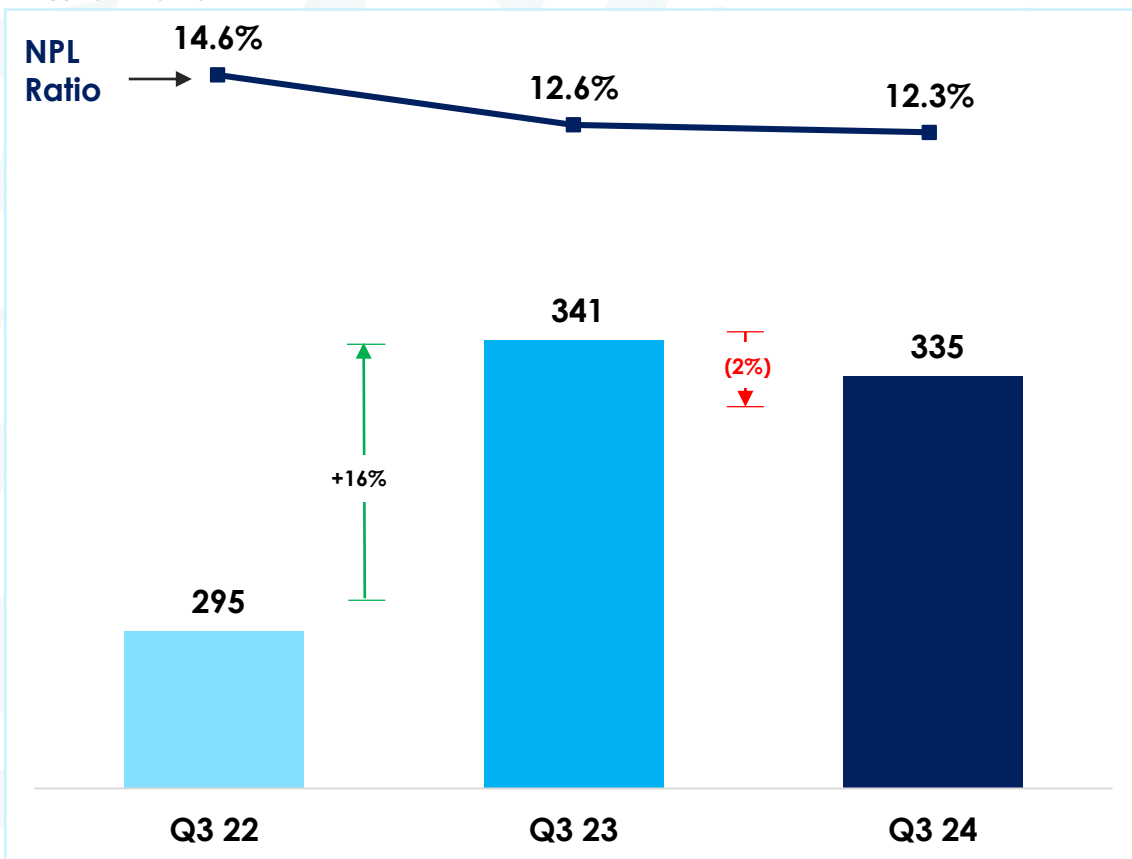


Our credit outcomes continue to show improvement in loan quality albeit on the back of some softness in lending y-o-y...

Slight softness in lending given mixed economic conditions...

...however we continue to deliver a better quality loan book compared to similarly sized peers and the industry at large

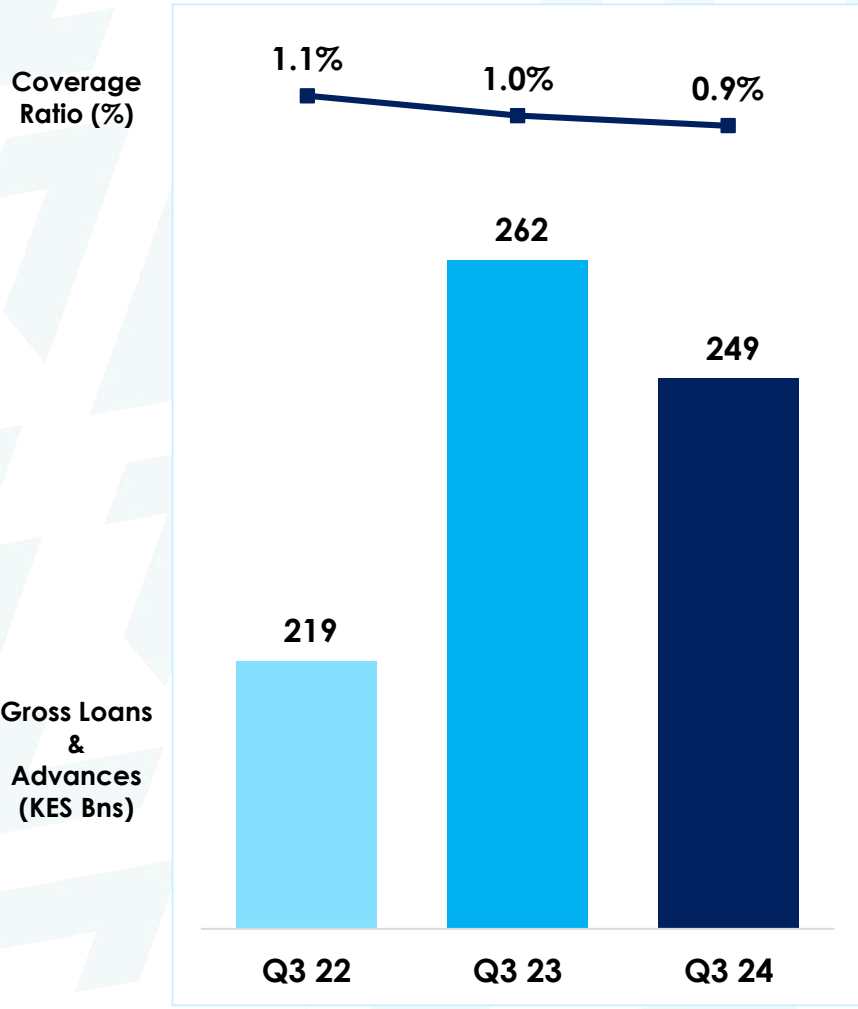
Amounts in KES Bns



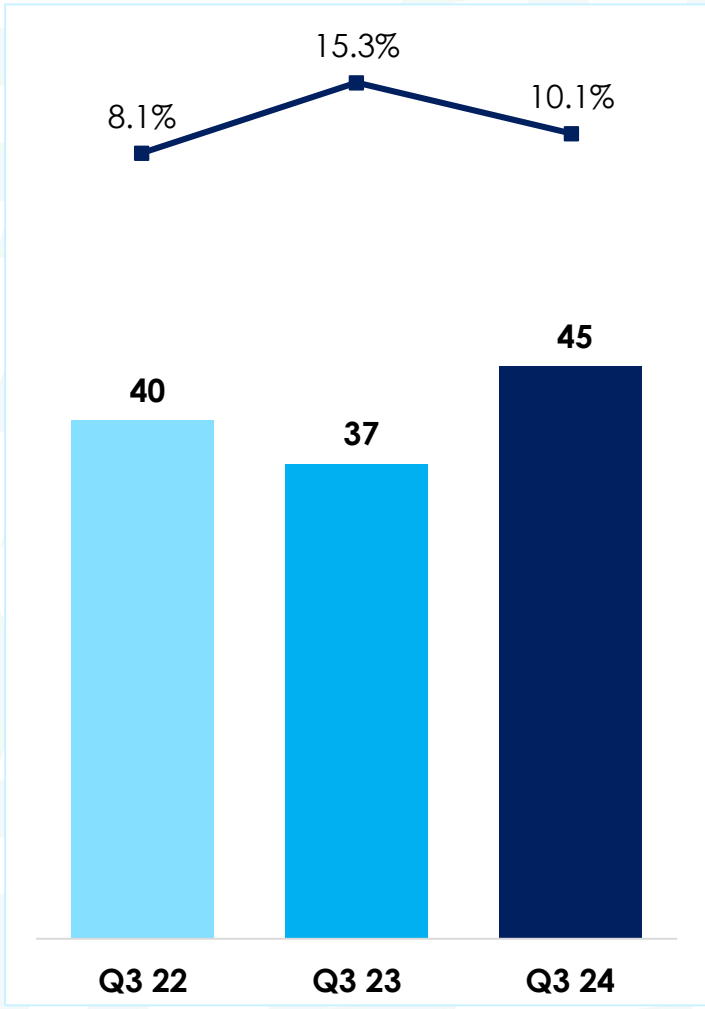
Notes:
 * Denotes Kenyan Banking Sector
 + Regional NPL ratios: RWA 5% , TZ: 3.7%, UG 5.2%

...with adequate provisioning and coverage across loan classification buckets

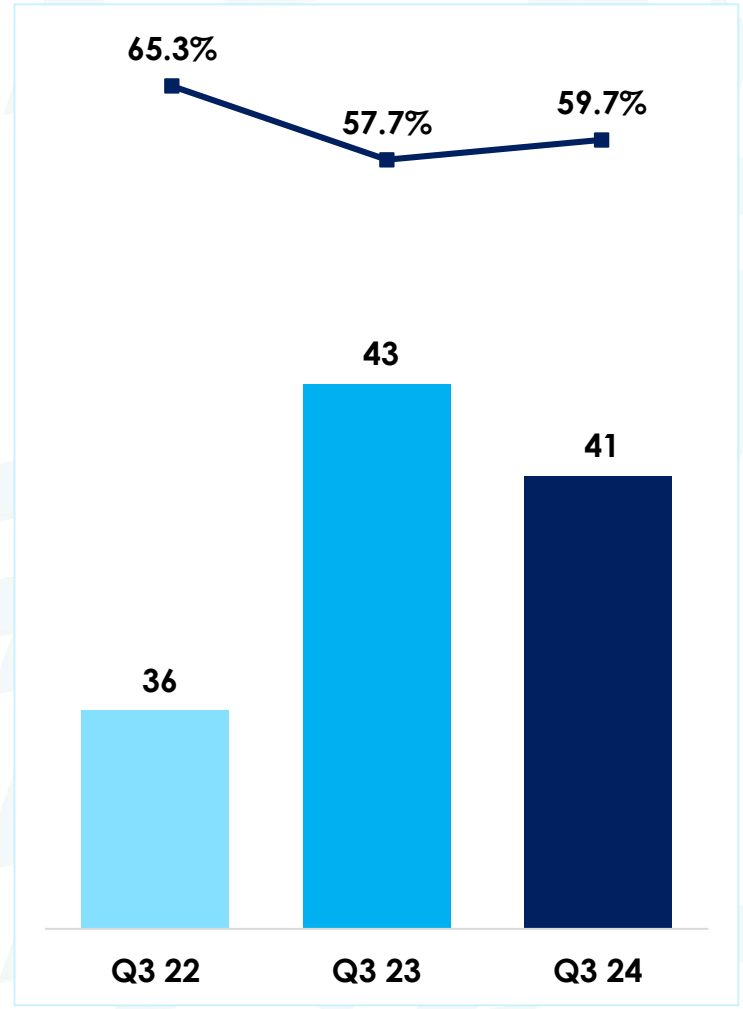
Stage 1



Stage 2

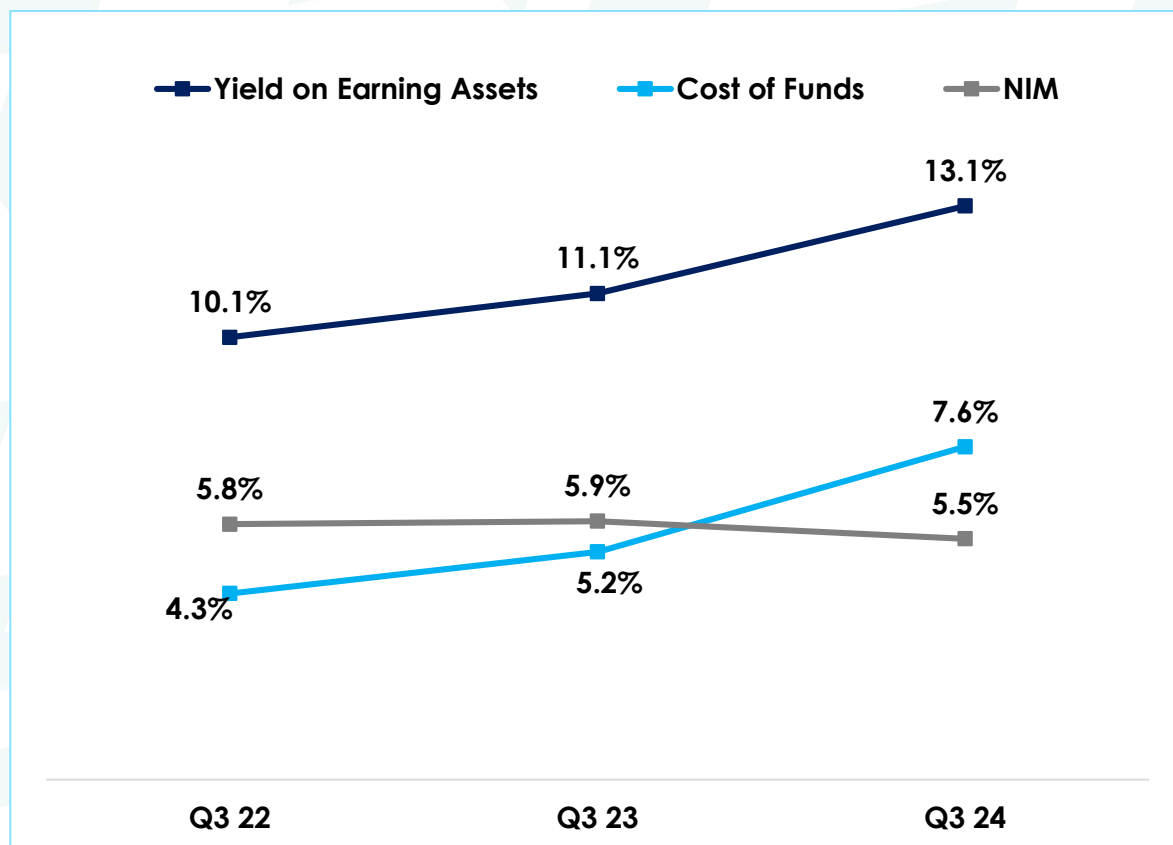


Stage 3

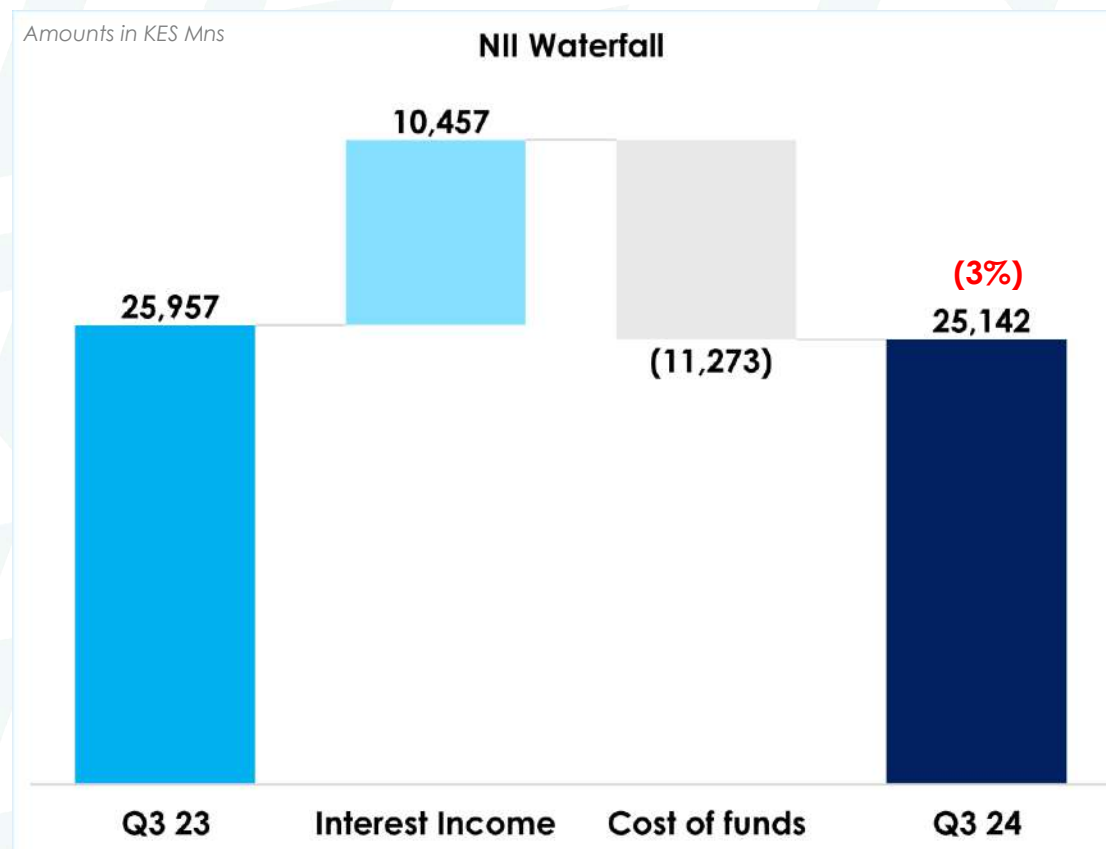


On the back of interest rate pressures, we focused on protecting our bottom line by tightening deposit costs and improving pricing across all lending ensuring margin protection

Our efforts on protecting our margins enabled us to largely defend our NIM position...



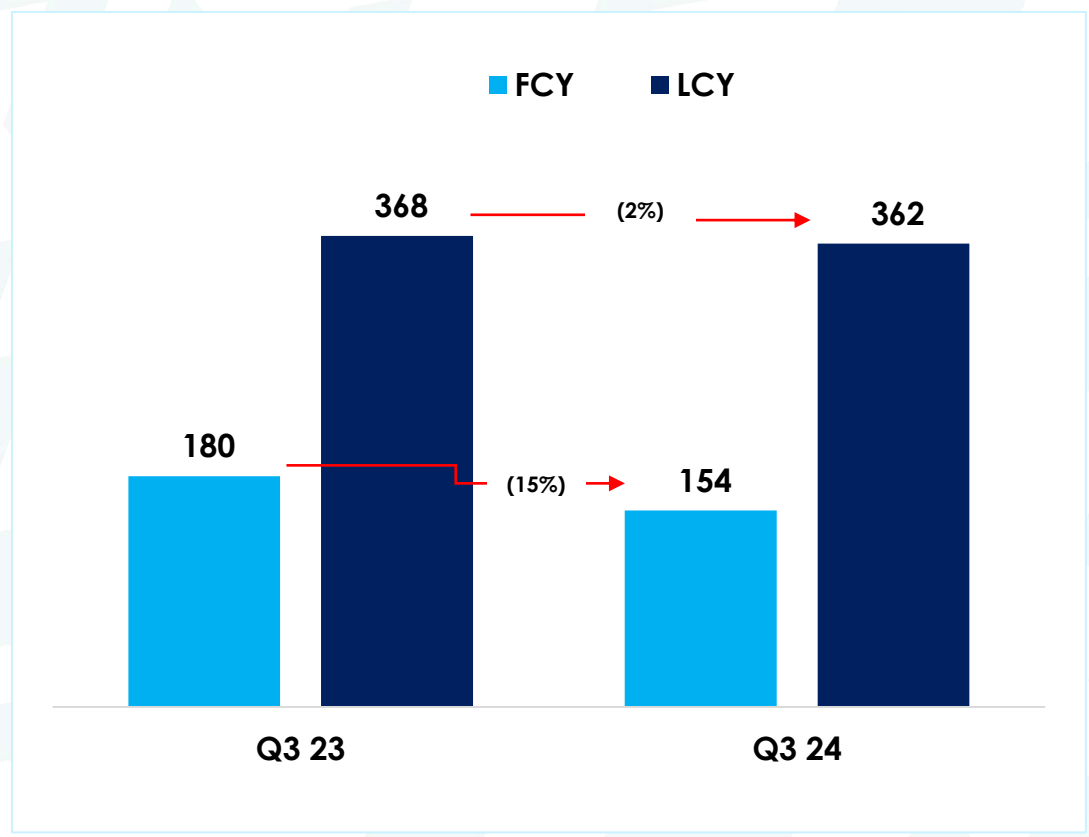
... delivering resilient net interest income performance



Our non funded income streams received a healthy boost from fees derived from varied solutions we offer our clients

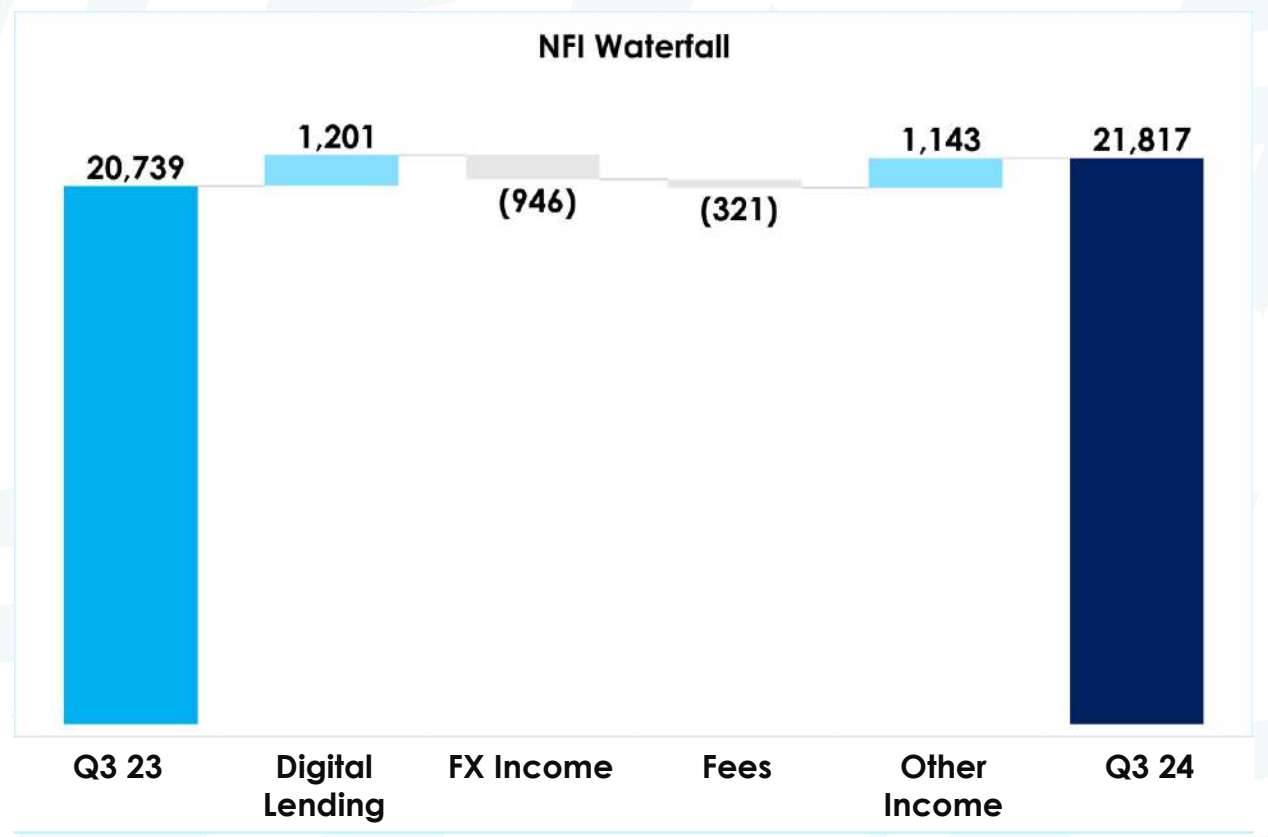
Y-o-Y we have seen a drop in our FCY deposit book due to translation effects given appreciation on the KES...

Amounts in KES Bns



...we nonetheless continue see solid performance in fees derived from digital solutions, trade finance and cash management

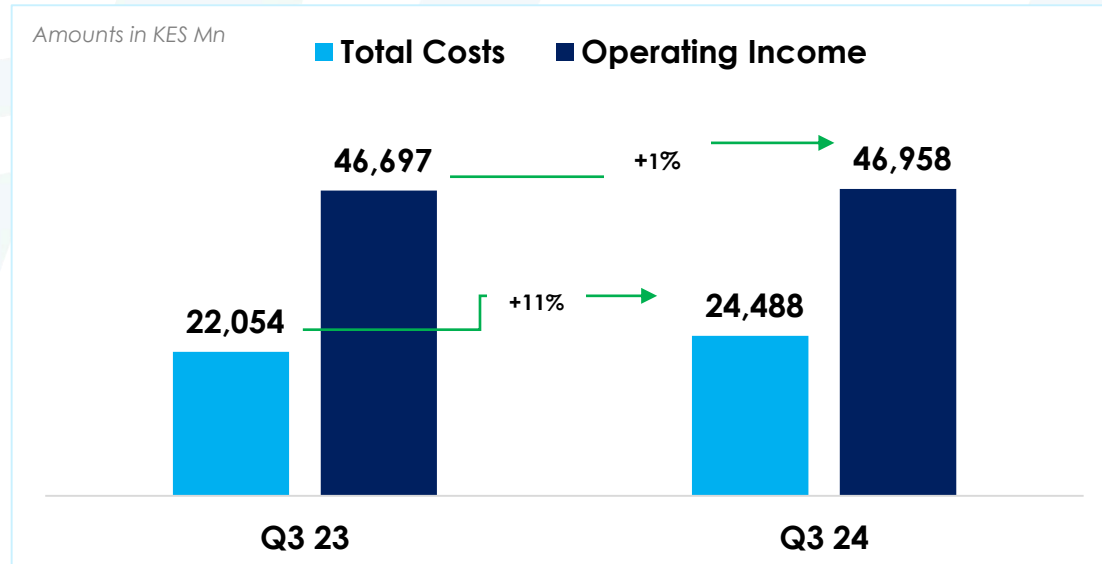
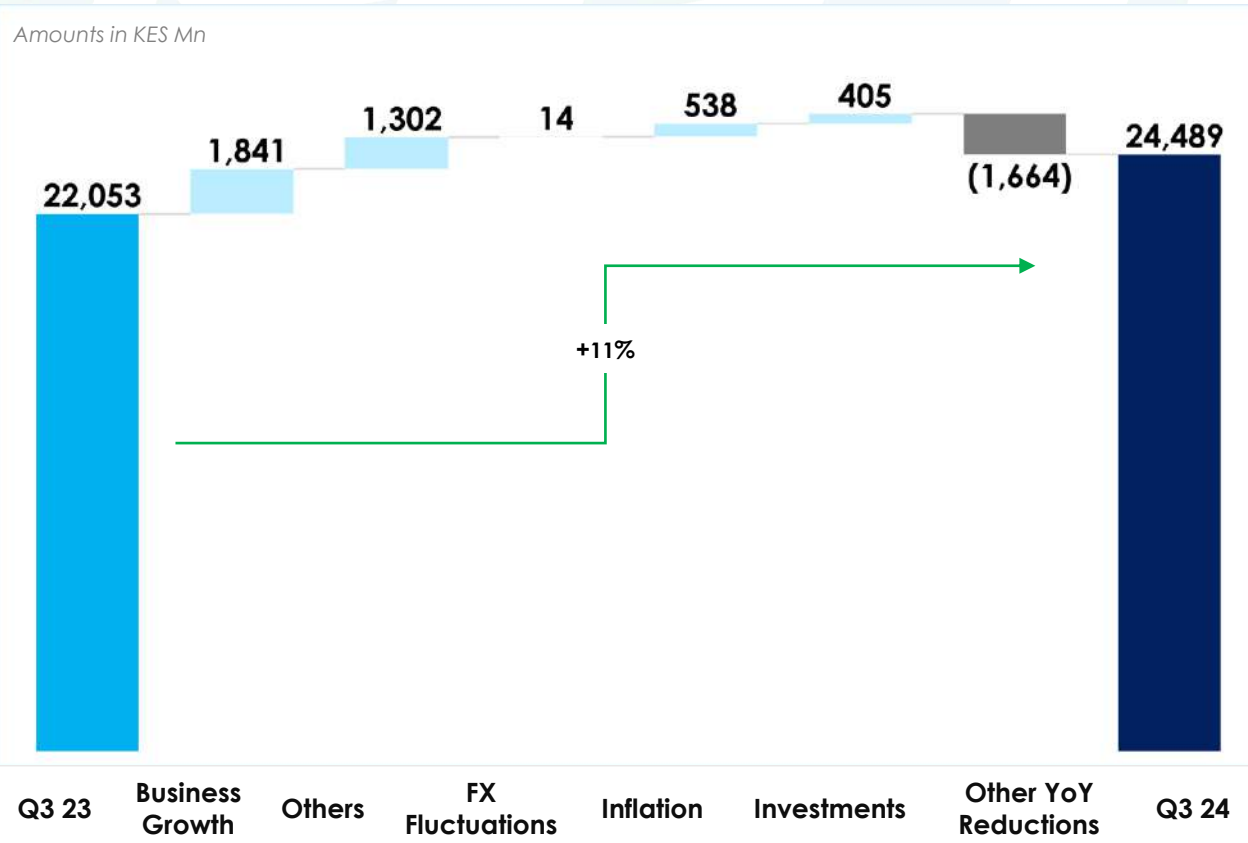
Amounts in KES Mns



Our strategic investments, notably in our distribution network & digital platforms, have put pressure on our near term efficiency metrics. We remain focused on driving to break even

OPEX Increased by 11% in Q3 24 as we continued to book growth related expenses....

...notwithstanding the increase in costs, we believe we are at inflection point in efficiency given the peak of our investment cycle

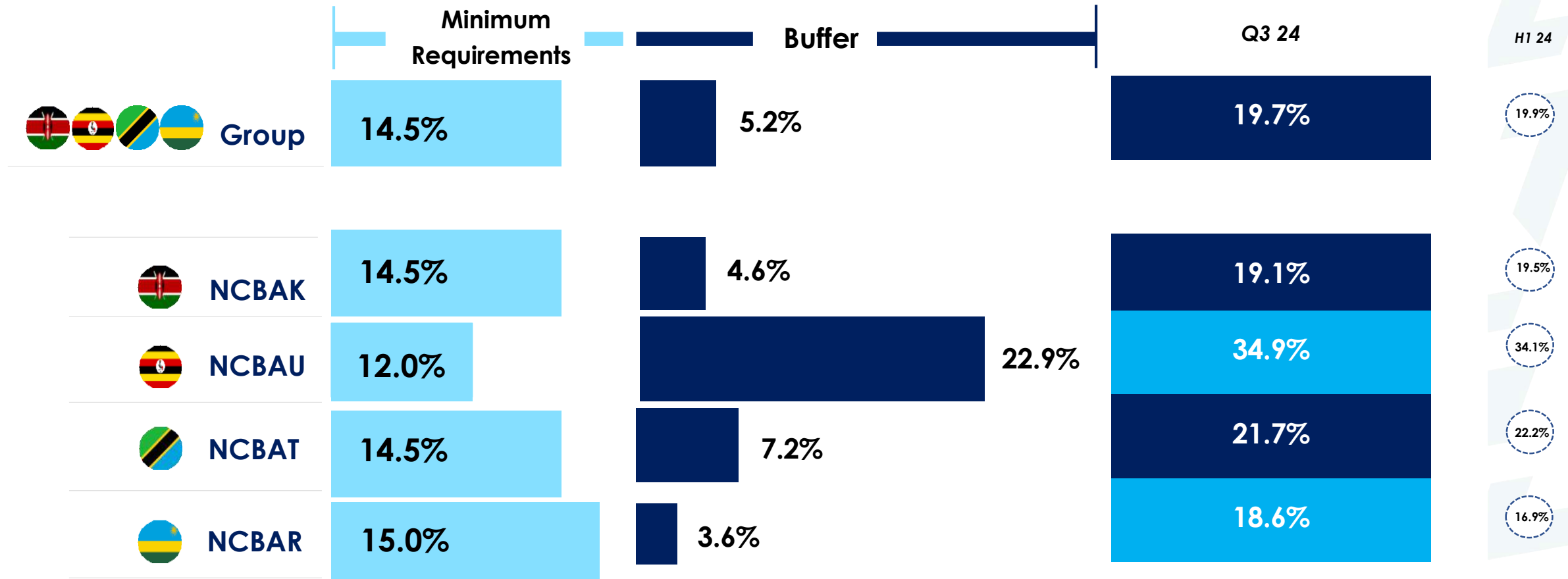


	Q3 23	Q3 24
Cost to Income Ratio	47.5%	52.4%
Cost to Assets	3.2%	3.6%
Staff Costs Intensity ⁽¹⁾	18.7%	20.3%
IT Costs Intensity ⁽²⁾	7.5%	9.6%

Notes:
 1: Staff Cost Intensity calculated as Staff costs vs. Operating Income
 2: IT Cost Intensity calculated as IT OPEX vs. Operating Income

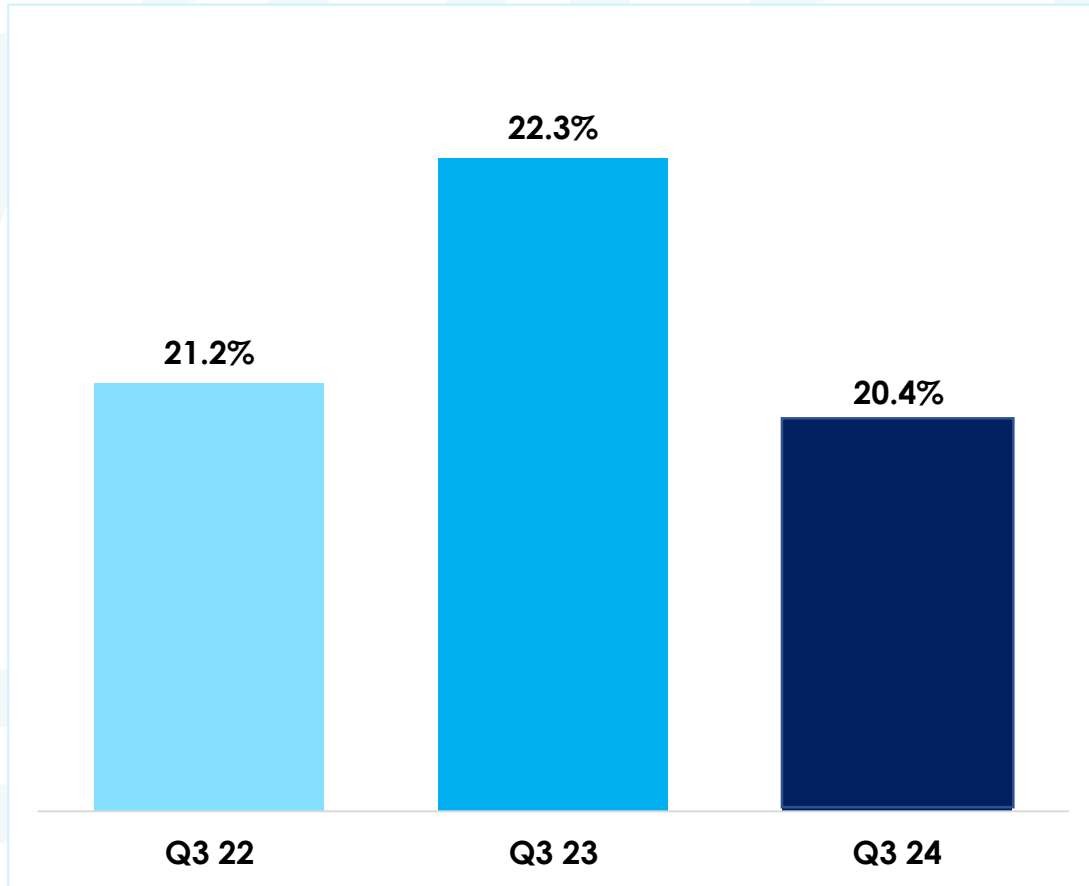
The Group efforts on reorienting the balance sheet to protect its bottom line is delivering capital across our core markets providing ample room to invest for growth....

Total Capital/RWA across our Markets

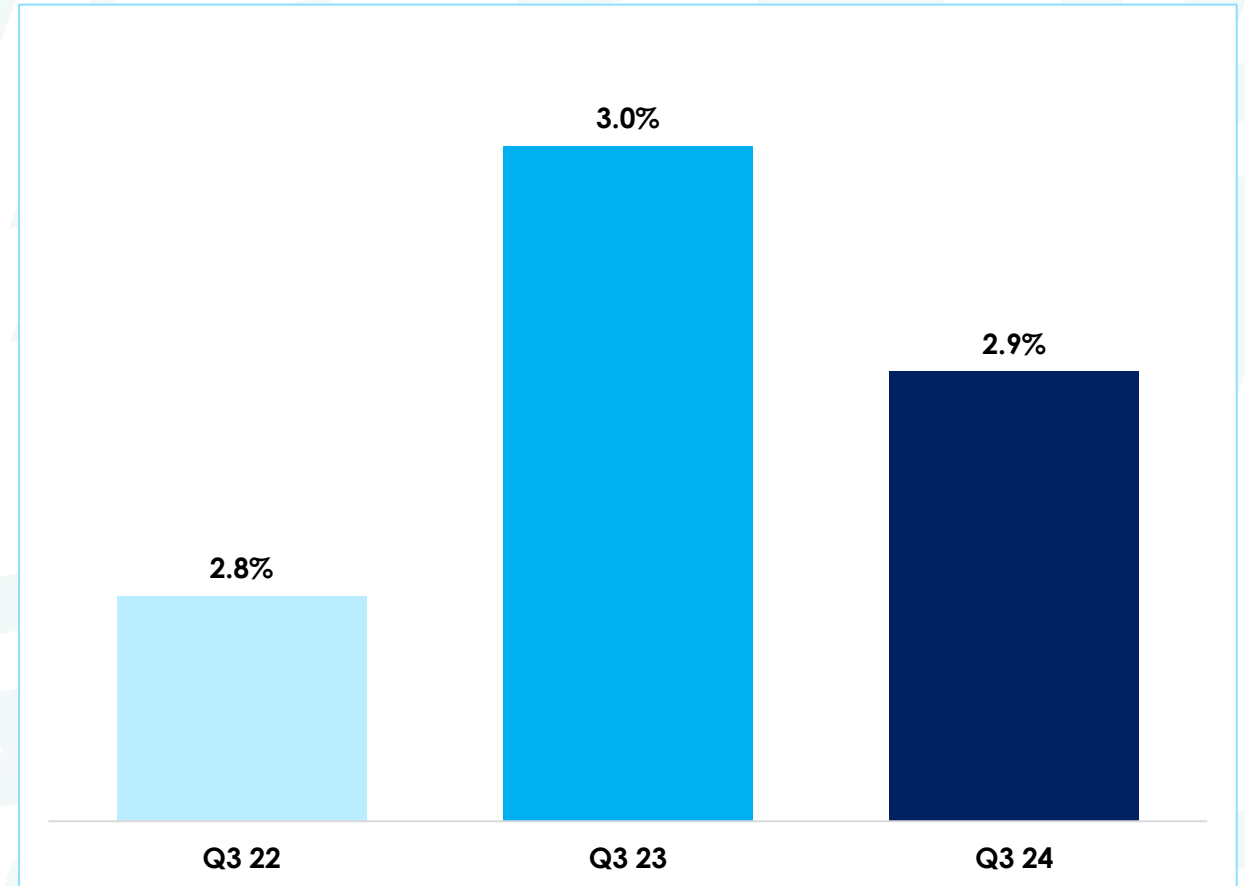


...and delivering stable returns to our shareholders over the last 3 years

Our Group is showing resilience on ROAE...



...while matching similar sized peers on ROAA....



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1

Resilient fundamentals across our business

- ✓ We have seen a **+6% CAGR in Total Assets** over the past three years across our Group
- ✓ This endowment allows us to deliver resilient returns with a **20.4% ROAE**
- ✓ **Our ex Kenya subsidiary contribution to Group Top Line** has improved to **18%** (15% in Q3 23)
- ✓ Strong delivery of profitability from **our digital business growing +78% y-o-y** across all our markets with digital disbursements standing at KES 751Bn

2

Steady balance sheet outcomes with well controlled risks

- ✓ Reoriented funding mix ensuring a stronger **CASA deposit base at 52% of deposits (50% previous period)**
- ✓ We continue to be at the forefront of financial inclusion efforts ensuring financial support to individuals & MSMEs & our **digital disbursements continue to grow y-o-y (KES 751Bn,+8%)**
- ✓ We are delivering a better-quality loan book compared to similarly sized peers and the industry at large with **NPL ratio at 12.3% (Industry at 16.3%)**

3

We have delivered on our 2020-2024 strategic ambitions

- ✓ **A bigger branch network** (118 branches group wide)
- ✓ Our investments in Brand, modernized technology and our Sustainability agenda has seen NCBA receiving distinguished awards in **Brand, Customer Experience and Sustainability**
- ✓ Planted over **625,000 trees** cumulatively & Installed **5 Electric Vehicles charging stations**

 **THANK YOU**

Statement of Profit & Loss

Amounts in KES Millions

	NCBA Bank Kenya			NCBA Group Consolidated		
	Q3 23	Q3 24	Δ%	Q3 23	Q3 24	Δ%
Interest Income	41,661	51,199	23%	46,968	57,424	22%
Interest Expenses	(19,703)	(29,550)	55%	(21,011)	(32,284)	54%
Net Interest Income	22,588	21,649	(4%)	25,957	25,141	(3%)
FX Income	5,427	4,465	(18%)	6,045	5,099	(16%)
Other Non- Interest Income	10,667	12,152	14%	14,694	16,717	14%
Non – Funded Income	16,093	16,618	3%	20,739	21,817	5%
Operating Income	38,682	38,267	(1%)	46,697	46,957	1%
Operating Expenses	(17,293)	(19,280)	11%	(22,054)	(24,488)	11%
Operating Profit	21,388	18,987	(11%)	24,643	22,469	(9%)
Impairments	(5,709)	(3,665)	36%	(6,073)	(4,079)	33%
Profit Before Tax	15,679	15,322	2%	18,570	18,390	1%
Share of Associates Profits	-	-	-	-	21	-
Profit Before Tax	15,679	15,322	2%	18,570	18,411	1%
Tax	(3,114)	(2,605)	16%	(3,924)	(3,292)	16%
Profit after Tax	12,565	12,717	1%	14,646	15,098	3%

Statement of Financial Position

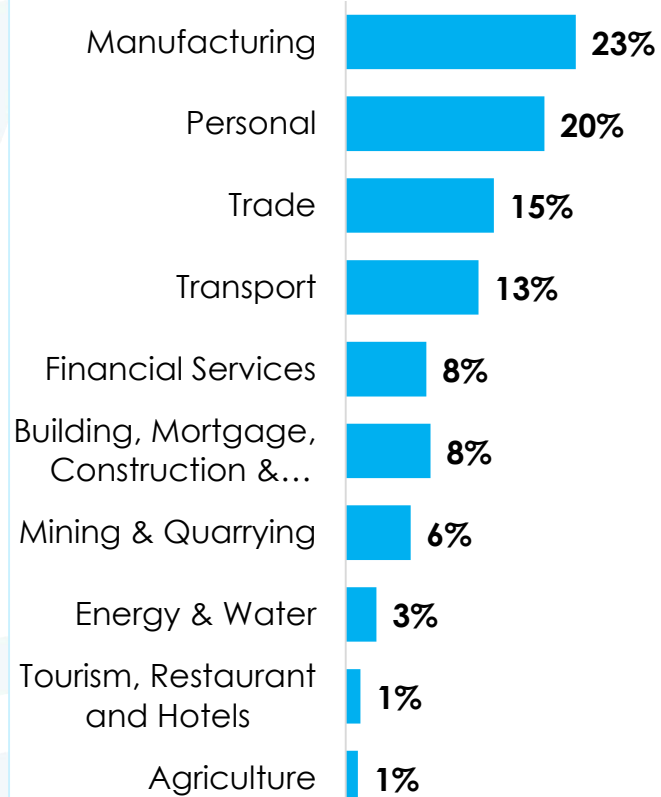
Amounts in KES Millions

	NCBA Bank Kenya			NCBA Group Consolidated		
	Q3 23	Q3 24	Δ%	Q3 23	Q3 24	Δ%
Assets						
Net Loans and Advances	270,633	268,281	(1%)	308,701	303,453	(2%)
Investments	206,542	188,510	(9%)	230,645	217,511	(6%)
Cash and Balances with Banks	73,387	83,916	14%	91,957	105,975	15%
Other Assets	60,870	59,295	(3%)	47,490	51,892	9%
Total Assets	611,433	600,001	(2%)	678,793	678,832	0%
Liabilities & Equity						
Customer Deposits	489,528	462,911	(5%)	548,134	515,109	(6%)
Borrowings	20,393	25,507	25%	15,235	29,489	94%
Other Liabilities	19,943	21,737	9%	26,909	34,423	28%
Shareholders Equity	81,568	89,846	10%	88,514	99,811	13%
Total Liabilities & Equity	611,433	600,001	(2%)	678,793	678,832	0%

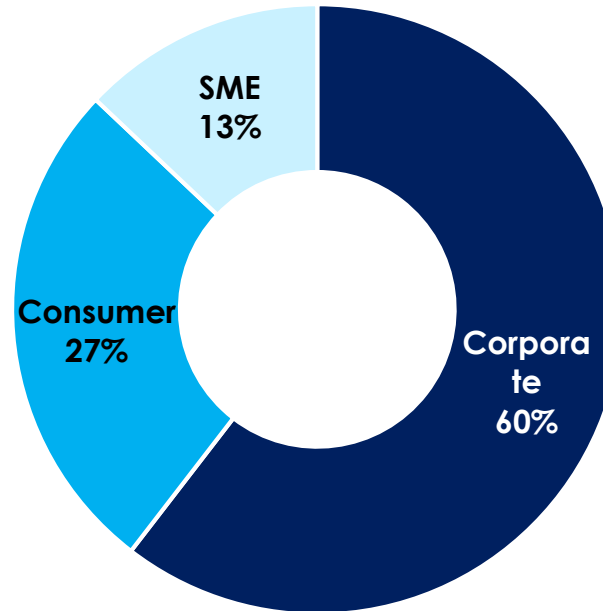
Our loan book is well diversified across product, currency and industry

Q3 24 Loan Book

Loan Book by Sector



Loan Book by Segment



Loan Book by Currency

