FitchRatings

Banks
Bank Holding Companies
Kenya

NCBA Group PLC/NCBA Bank Kenya Plc

Key Rating Drivers

NCBA Group PLC's and NCBA Bank Kenya Plc's Long-Term Issuer Default Ratings (IDRs) are driven by their standalone creditworthiness, as expressed by their Viability Ratings (VRs) of 'b-'. The VRs reflect the concentration of the group's operations in Kenya and high sovereign exposure relative to capital. NCBA Bank's Long-Term IDR is also underpinned by a limited probability of government support, as reflected in its Government Support Rating (GSR) of 'b-'. The Stable Outlooks on both entities' Long-Term IDRs mirror the Outlook on Kenya.

NCBA Group's and NCBA Bank's National Long-Term Ratings are in line with those of their peers, KCB Group PLC and KCB Bank Kenya Limited, and two notches below that of Stanbic Bank Kenya Limited (AAA(ken)), which benefits from shareholder support.

VRs Equalised with Group VR: The VRs of NCBA Group, a non-operating bank holding company (BHC), and NCBA Bank, its main operating bank, are the same as the group VR, based on the consolidated assessment of NCBA Group. NCBA Bank represents the majority (end-1H25: 87%) of NCBA Group's consolidated assets. NCBA Group's VR reflects acceptable double leverage at the BHC (107% at end-1H25), and high capital and liquidity fungibility within the group.

Tier 1 Bank in Kenya: NCBA Group is the fourth-largest banking group in Kenya, with a 7% share in system total assets at end-1H25 and 8% in deposits through NCBA Bank. The group has subsidiaries in three other east African countries.

High Concentrations: NCBA Group's investments in Kenya's government securities accounted for a high 189% of its Kenyan banking subsidiary's standalone Fitch Core Capital (FCC) at end-1H25. Single-obligor and industry concentrations are also substantial.

Weak Loan Quality: NCBA Group's regulatory impaired loans accounted for 12.2% of gross loans at end-1H25 (end-2024: 8.5%) and were 66% covered by total loan loss allowances, reflecting moderate reliance on collateral. Fitch Ratings expects the impaired loans ratio to decrease gradually and only modestly in the near term, as loan growth rebounds and collections improve.

Good Profitability Metrics: NCBA Group's operating profit/risk-weighted assets (RWAs) ratio was an annualised 5.7% in 1H25 (unchanged from 2024), supported by a high net interest margin (NIM), strong non-interest income and good operating efficiency. Cost of risk remains pressured by weak loan quality, but strong pre-impairment profit should cushion the risks.

Reasonable Capital Buffers: Strong earnings retention has supported NCBA Group's sound FCC ratio (end-1H25: 23.1%; end-2024: 22.7%). NCBA Group's and NCBA Bank's regulatory capital ratios are well above their minimum requirements and internal limits.

Deposit-Funded: NCBA Group's funding profile is dominated by customer accounts (97% of non-equity funding at end-1H25) and is moderately reliant on price-sensitive term deposits. Liquidity is healthy, as underlined by a reasonable loans/deposits ratio of 63% at end-1H25.

Government Support: NCBA Bank's GSR of 'b-' considers the authorities' strong propensity to provide support to the bank given its systemic importance, but also Kenya's limited financial flexibility, as captured in the sovereign rating. NCBA Group's GSR of 'no support' (ns) reflects Fitch's view that government support is unlikely to extend to a non-operating BHC, given its low systemic importance and a liability structure that may be politically acceptable to be bailed in.

Ratings

NCBA Group PLC

Foreign Currency

Long-Term IDR	B-
Short-Term IDR	B
Viability Rating	b-
Government Support Rating	ns

National Ratings

National Long-Term Rating	AA(ken)
National Short-Term Rating	F1+(ken)

NCBA Bank Kenya Plc

Foreign Currency

Long-Term IDR	B-
Short-Term IDR	B
Viability Rating	b-
Government Support Rating	b-

National Ratings

National Long-Term Rating	AA(ken)
National Short-Term Rating	F1+(ken)

Sovereign Risk (Kenya)

Long-Term Foreign-Currency IDR	B-
Long-Term Local-Currency IDR	B-
Country Ceiling	B

Outlooks

Long-Term Foreign-Currency IDR	Stable
National Long-Term Rating	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Highest ESG Relevance Scores

Environmental	2
Social	3
Governance	3

Applicable Criteria

National Scale Rating Criteria (December 2020)

Bank Rating Criteria (March 2025)

Related Research

Fitch Affirms NCBA Group PLC at 'B-', Outlook Stable (November 2024)

Kenyan Banks' Impaired Loan Ratios to Remain Elevated in 2026 (November 2025)

Kenyan Banks' Strong Pre-Impairment Profits to Further Mitigate High NPL Risks (March 2025)

New Core Capital Requirement to Accelerate Kenyan Banking Sector Consolidation (February 2025)

Sub-Saharan African Banks Facing Higher Paid-In Capital Requirements (November 2025)

Analysts

Konstantin Alekseenko
+44 20 3530 1165
konstantin.alekseenko@fitchratings.com

Eric Dupont
+33 1 44 29 91 31
eric.dupont@fitchratings.com

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

A downgrade of NCBA Group's Long-Term IDR would result from a downgrade of its VR. A downgrade of NCBA Bank's Long-Term IDR would result from a downgrade of both its VR and GSR.

A sovereign downgrade could result in downgrades of the VRs of NCBA Group and NCBA Bank. Absent a sovereign downgrade, VR downgrades could result from greater-than-expected asset-quality pressure if this leads to a marked weakening in profitability and in regulatory capital ratios falling below their minimum requirements. Funding instability and drainage of liquidity could also lead to downgrades of the VRs.

A rise in double leverage to above 120% on a sustained basis or regulatory restrictions on NCBA Bank channelling dividends or other cashflows to its BHC would put pressure on NCBA Group's VR.

A downgrade of NCBA Bank's GSR would result from a downgrade of Kenya's Long-Term IDRs, or if NCBA Bank's domestic deposit franchise weakened materially.

A downgrade of both entities' National Ratings would result from a weakening of their creditworthiness relative to that of other Kenyan issuers.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

Upgrades of the Long-Term IDRs and VRs would require a sovereign upgrade, with the entities maintaining stable financial metrics.

An upgrade of NCBA Bank's GSR would require an upgrade of Kenya's Long-Term IDRs.

An upgrade of both entities' National Ratings would result from a strengthening of their creditworthiness relative to that of other Kenyan issuers.

Significant Changes from Last Review

Kenya's Sovereign Ratings Constrained by High Debt Servicing Costs

Fitch's July 2025 affirmation of Kenya's Long-Term IDRs at 'B-' reflects strong medium-term growth prospects, a diversified economy and recent strengthening of the monetary policy framework. However, the ratings are constrained by weak governance indicators, high debt-servicing costs, a significant level of informality constraining government revenue, and high external debt, underpinned by challenges to fiscal consolidation.

External liquidity pressures have moderated following the government's early settlement of a USD2 billion Eurobond maturity in February 2024, and efforts to strengthen the monetary policy framework. These efforts have attracted higher portfolio inflows and, together with higher export and tourism receipts, strong remittances, official loans and recent FX purchases by the Central Bank of Kenya (CBK), have strengthened external buffers and contributed to a stronger currency.

Fitch maintains a conservative revenue outlook for Kenya due to the expectation of revenue shortfalls, which is consistent with the country's record of underperformance and gaps in public financial management. Fitch does not expect measures under the recently enacted Finance 2025 Act to add material revenue to GDP. The new law does not introduce new taxes or raise headline tax rates, following strong public opposition and concerns over renewed violent social unrest. Instead, it focuses on measures to strengthen tax administration, including digitisation initiatives, and reduce tax expenditures. However, the progress will be limited, due to implementation risk and persistent revenue leakages.

Increased Core Capital Requirement

Kenya enacted new absolute capital rules in December 2024, increasing the minimum core capital requirement for all commercial banks in annual increments, to KES3 billion at end-2025, and eventually KES10 billion (USD77 million) at end-2029, from the current KES1 billion. Banks are able to use their retained profits to build core capital over the long implementation period.

Fifteen of the largest banks, which represented 88% of sector assets at end-1H25 and include the four Fitch-rated banks, had core capital exceeding the final KES10 billion requirement at end-1H25. Fitch believes that eight of the remaining 23 banks will reach compliance by end-2029 through earnings retention alone due to their reasonable levels of profitability and generally small shortfalls from the KES10 billion requirement.

The remaining 15 banks, which together accounted for just 4.5% of sector assets at end-1H25, are unlikely to comply with the end-2029 requirement through earnings retention alone due to their large capital shortfalls and weak

profitability. Furthermore, Fitch estimates that 10 of these banks will not comply with the initial KES3 billion requirement effective at end-2025 without merging or receiving fresh equity injections. Many are subsidiaries of regional banking groups that view Kenya as an important market, and so we expect them to receive capital support from their parents. Capital injections for small domestically-owned banks are less certain and we believe they are far more likely to be subject to M&A activity.

Easing Monetary Policy

The CBK began easing monetary policy in August 2024, cutting the central bank rate by a cumulative 375bp to 9.25% by October 2025. This followed inflation having been well within the CBK's target range of 5% +/- 2.5% since 4Q23 (September 2025: 4.6%) and the stabilisation of the shilling exchange rate.

The currency recovered in March 2024 following the refinancing and partial repayment of the sovereign Eurobond in February 2024, which increased investor confidence and reduced speculative foreign-exchange demand. The exchange rate has been at around USD1/KES129–130 since 2Q24, supported by continuing foreign-currency inflows, mainly from commodity exports, remittances and official loans. Exchange rate stability also supported an increase of the CBK's international reserves to USD12.2 billion on 6 November 2025, providing reserve coverage of about 4.4 months of current external payments, in line with 'B' rated peers.

Ratings Navigator

NCBA Group PLC — ESG Relevance: — Banks Ratings Navigator

	Operating Environment	Business Profile	Risk Profile	Asset Quality (Financial Profile)	Earnings & Profitability (Financial Profile)	Capitalisation & Leverage (Financial Profile)	Funding & Liquidity (Financial Profile)	Implied Viability Rating	Viability Rating	Government Support	Issuer Default Rating
		20%	10%	20%	15%	25%	10%				
aaa								aaa	aaa	aaa	AAA
aa+								aa+	aa+	aa+	AA+
aa								aa	aa	aa	AA
aa-								aa-	aa-	aa-	AA-
a+								a+	a+	a+	A+
a								a	a	a	A
a-								a-	a-	a-	A-
bbb+								bbb+	bbb+	bbb+	BBB+
bbb								bbb	bbb	bbb	BBB
bbb-								bbb-	bbb-	bbb-	BBB-
bb+								bb+	bb+	bb+	BB+
bb								bb	bb	bb	BB
bb-								bb-	bb-	bb-	BB-
b+								b+	b+	b+	B+
b								b	b	b	B
b-								b-	b-	b-	B- Sta
ccc+								ccc+	ccc+	ccc+	CCC+
ccc								ccc	ccc	ccc	CCC
ccc-								ccc-	ccc-	ccc-	CCC-
cc								cc	cc	cc	CC
c								c	c	c	C
f								f	f	ns	D or RD

The Key Rating Driver (KRD) weightings used to determine the implied VR are shown as percentages at the top. In cases where the implied VR is adjusted upwards or downwards to arrive at the VR, the KRD associated with the adjustment reason is highlighted in red. The shaded areas indicate the benchmark-implied scores for each KRD.

VR - Adjustments to Key Rating Drivers

The earnings and profitability score of 'b' is below the 'bb' category implied score due to the following adjustment reason: revenue diversification (negative). This reflects concentration on the Kenyan operating environment for revenue generation.

The capitalisation and leverage score of 'b-' is below the 'bb' category implied score due to the following adjustment reason: risk profile and business model (negative).

Company Summary and Key Qualitative Factors

Operating Environment

Public Sector Arrears Undermine Loan Quality

The banking sector's impaired loans ratio remains high, having peaked at 17.6% at end-1H25 before a slight decline to 17.1% at end-3Q25. High impaired loans have been heavily influenced by significant pending public sector bills to government contractors and service providers, which have been accumulating for over a decade and are estimated to have reached KES664 billion (USD5.1 billion) at end-1H22. There is limited information from the government regarding arrears accrued after end-1H22.

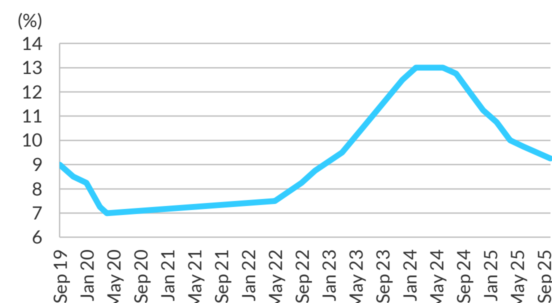
High interest rates in recent years have also contributed to a high stock of impaired loans. Sharp increases of the central bank rate in 2023 and 1Q24 were passed on to borrowers as almost all loans are extended at floating interest rates, pressuring debt-service capacity. We expect the stock of sector impaired loans to remain high in the near term, as audit and resolution of the pending bills is a lengthy process, but for the sector impaired loans ratio to gradually decline as credit growth rebounds.

Uneven Profitability Across the Sector

The Kenyan banking sector continues to generate strong pre-impairment operating profits that are sufficient to absorb loan impairment charges stemming from high impaired loans, while supporting credit growth. Net interest margins were high in 1H25 (estimated at 8.3% of average earning assets, annualised) due to high yields on loans and securities investments and relatively inexpensive funding. However, cost efficiency varies significantly across the banking sector, with smaller banks beyond the largest 15 generally reporting notably higher cost/income ratios than their larger peers, undermining their ability to absorb loan impairment charges and grow.

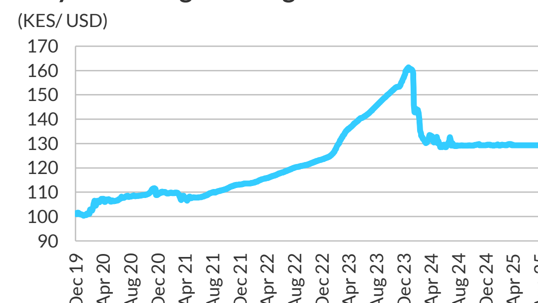
Fitch expects the banking sector's loan impairment charges to be contained below 2% of average loans in 2025 (1H25: 1.9%, annualised) and to decline in 2026 as loan quality risks moderate. Pre-impairment operating profit (1H25: 9.2% of average loans, annualised) will therefore comfortably absorb loan impairment charges and support internal capital generation while allowing for dividend distributions.

Central Bank Rate



Source: Fitch Ratings, Central Bank of Kenya

Kenya's Shilling Exchange Rate



Source: Fitch Ratings, Central Bank of Kenya

Business Profile

Large Kenyan Banking Group

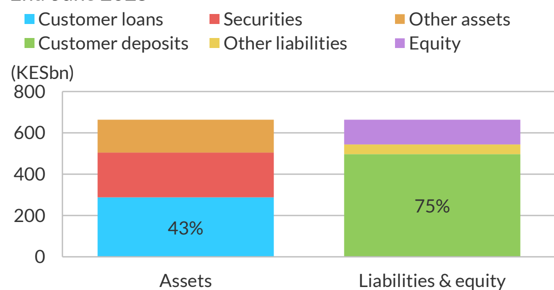
We consider NCBA Group's business profile as a strength, with a large franchise and fairly diverse business model. NCBA Group is a Kenyan-listed holding company, with its wholly owned subsidiary, NCBA Bank, being its main operating entity (end-1H25: 7.4% domestic market share by assets). Other group entities include regional banking subsidiaries in Uganda, Tanzania and Rwanda, and a digital presence in Cote d'Ivoire, as well as subsidiaries operating in leasing, insurance and investment banking.

NCBA Group's business model is weighted towards financing corporate customers, such as local manufacturers, exporters and farmers, with a moderate contribution of retail products and services.

Higher Contribution of Non-Banking Businesses

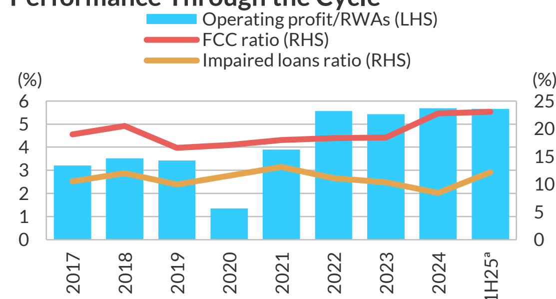
NCBA Group's strong domestic franchise in banking and non-banking supports strong revenue generation. Banking subsidiaries account for most of group revenue (72% in 6M25), although the contribution of non-banking businesses increased from 4.7% of revenue in 6M24 to 5.9% in 6M25. This mainly relates to insurance revenue following the acquisition and integration of NCBA IG (formerly AIG Kenya). Digital banking contributed 25% of revenue in 6M25.

Balance Sheet
End-June 2025



Source: Fitch Ratings, Fitch Solutions, NCBA Group

Performance Through the Cycle



[a] Annualised
Source: Fitch Ratings, Fitch Solutions, NCBA Group

Risk Profile

Sovereign Exposure Constrains Ratings

Securities represent a material element of NCBA Group's balance sheet (33% of total assets, or 183% of consolidated total equity at end-1H25), 83% of which were Kenyan government fixed-income securities. High sovereign exposure relative to capital, together with the concentration of operations in Kenya, constrain the Long-Term IDRs and the VRs at the level of Kenya's sovereign rating.

Concentrated Balance Sheet

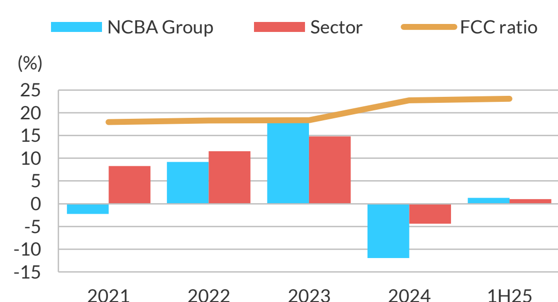
NCBA Group's corporate loan book (80% of gross loans) is mainly concentrated in the manufacturing, trade, and transport and communication sectors, which together represented over half of gross loans at end-2024. Retail mortgages represented 4% of gross loans and were extended at moderate loan-to-value ratios. The share of non-mortgage retail loans was equal to 63% of group FCC at end-2024.

Heightened Exposure to Market Risk

Dollarisation of NCBA Group's loan book declined to 27% of gross loans at end-1H25 (in line with the market average; end-2023: 30%), mainly due to shilling appreciation in 1H24, as the value of foreign-currency (FC) loans deflated in shilling terms. FC loans are generally issued to naturally hedged borrowers, such as those with FC receivables, which helps to manage credit risk. However, such FC loans expose the group to increasing concentration risk in case of shilling depreciation.

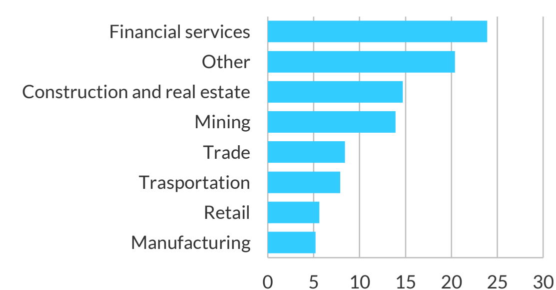
The loan book is mainly priced at floating rates (including retail loans), which supports margins with rising rates, but raises credit risk as borrowers' debt servicing costs increase. NCBA Group is moderately exposed to interest rate risk amid currently declining interest rates, as lower lending rates and yields on sovereign securities will narrow the NIM. Nevertheless, the NIM will remain adequate due to already low funding costs.

Loan Growth



Source: Fitch Ratings, Fitch Solutions, NCBA Group

Loan Split by Industry (%)
End-2024



Source: Fitch Ratings, Fitch Solutions, NCBA Group

Financial Profile

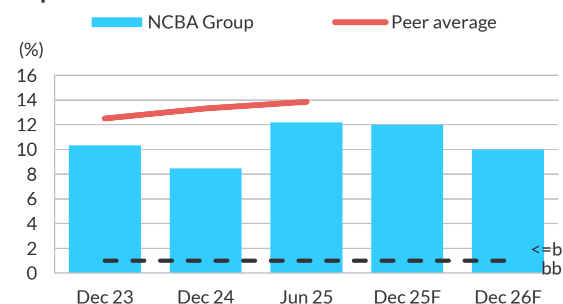
Asset Quality

Credit risk mainly stems from the loan book, which accounted for 43% of total assets at end-1H25. The impaired loans ratio increased to 12.2% at end-1H25 (end-2024: 8.5%) due to high interest rates leading to high debt servicing costs for borrowers, as well as the accumulation of government arrears to contractors and service providers affecting the timeliness of loan repayments. Coverage of impaired loans by total loan loss allowances was 66% at end-1H25, reflecting the group's reliance on hard collateral.

Stage 2 loans accounted for a moderate 11% of gross loans at end-2024 and were only moderately covered by specific loan loss allowances (4%). Stage 2 loans are concentrated within the corporate portfolio. Our assessment of asset quality at NCBA Group also considers an above-market-average share of assets invested in debt securities (33% of assets at end-1H25), 83% of which are Kenyan sovereign bonds (B-/Stable).

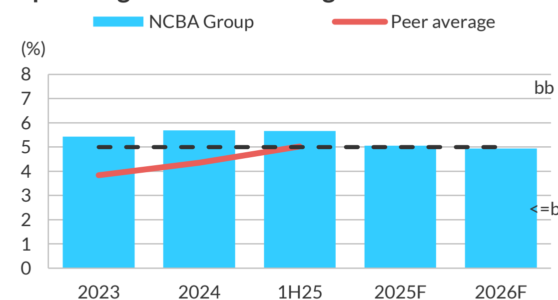
We forecast the impaired loans ratio to have peaked and to decline gradually in 2H25 and 2026, as inflation has come down and the CBK has reduced rates. However, we expect the stock of impaired loans to remain heightened in the medium term, until substantial progress has been made in clearing public-sector arrears. We also estimate that NCBA Group's strong pre-impairment profitability (10.8% of average loans in 1H25, annualised) will be sufficient to cover newly originated impaired loans and to write off legacy problem exposures.

Impaired Loans/Gross Loans



Source: Fitch Ratings, Fitch Solutions, banks

Operating Profit/Risk-Weighted Assets



Source: Fitch Ratings, Fitch Solutions, banks

Earnings and Profitability

Profitability metrics remained strong at NCBA Group in 1H25, despite the NIM contracting slightly (1H25: 7.5%, annualised; 2024: 8.1%) due to lower asset yields. Non-interest income has consistently contributed slightly less than half of revenue over the past four years (6M25: 41%), which compares well with peers and the market average. The group expects operating expenses (1H25: 53% of revenue) to decline below 50% in the medium term, supported by cost optimisation and continuing strong earnings.

Cost of risk (an annualised 2.1% of average loans in 1H25) is the main area of vulnerability for NCBA Group, as well as for other banks in Kenya, due to asset-quality pressures. However, it has remained well below the group's strong pre-impairment operating profitability (an annualised 10.8% of average loans in 1H25).

We expect NCBA Group's earnings in 2H25 and 2026 to moderate from high levels as interest rates fall, but to remain strong compared to domestic peers. Pre-impairment operating profit should therefore be sufficient to withstand even a sharp increase in cost of risk without affecting capital.

Capitalisation and Leverage

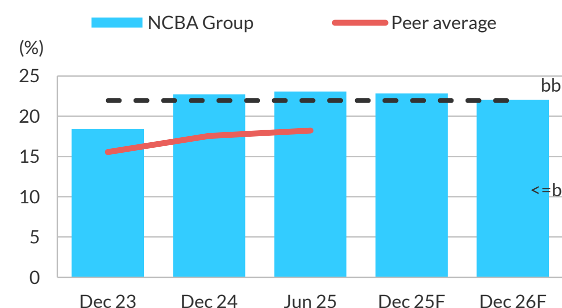
Our assessment of NCBA Group's capitalisation considers its high exposure to Kenya's sovereign debt securities through the Kenyan bank's balance sheet (end-1H25: 189% of NCBA Bank's FCC) and the group's exposure to the broader Kenyan operating environment. Nevertheless, we view NCBA Group's capitalisation as adequate relative to the risks undertaken.

The sharp improvement in NCBA Group's consolidated FCC ratio over the past 18 months (end-1H25: 23.1%; end-2023: 18.4%) was due to earnings retention and limited RWA growth, helped by muted loan growth, shilling appreciation, and deflation of the FC component of RWAs in shilling terms. Our assessment of capitalisation is further supported by a similar improvement in the tangible leverage ratio (end-1H25: 17%; end-2024: 15.2%) and strong pre-impairment operating profitability, which should be sufficient to cover loan impairments, distribute dividends (the group targets a 50% payout ratio) and provide room for continuing moderate RWA growth.

The group's consolidated regulatory Tier 1 (22.3%) and total capital (22.4%) ratios were well above minimum requirements of 10.5% and 14.5%, respectively (including a 2.5% capital conservation buffer), at end-1H25. NCBA Bank's standalone Tier 1 and total capital ratios (end-1H25: both 21.6%) were also comfortably above the minimum requirements and higher than the group's internal target of 300bp over minimum requirements. All NCBA Group's subsidiary banks have been compliant with minimum regulatory capital requirements in their respective jurisdictions.

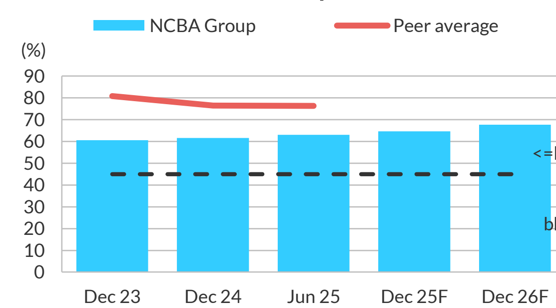
Capital incumbrance by unreserved impaired loans remained moderate at 12% of FCC at end-1H25, and hard collateral on some of the impaired loans mitigates the risks. We expect NCBA Group's capitalisation to decline slightly in the medium term as credit growth picks up, but for the regulatory capital ratios to remain comfortably above the 300bp internal buffer.

FCC Ratio



Source: Fitch Ratings, Fitch Solutions, banks

Gross Loans/Customer Deposits



Source: Fitch Ratings, Fitch Solutions, banks

Funding and Liquidity

The large and granular customer deposit base provided 97% of non-equity funding at end-1H25. However, deposit growth was weak in 6M25 (-1%) due to the group's focus on preserving margins. The share of current and savings accounts increased to 58% of total deposits at end-2024 (end-1H24: 49%), underpinning deposit stability and further supporting low funding costs.

Wholesale funding is limited at NCBA Group (3% of liabilities at end-1H25) and includes medium-term borrowings from multilateral banks and agencies.

Balance-sheet liquidity is sound, with a low loans/deposits ratio of 63% at end-1H25. The group's regulatory liquidity ratio was a solid 57.1%, well above the minimum requirement of 20% and above the sector average (about 50%). FC liquidity was good, with cash and net interbank placements covering 34% of FC customer deposits at end-2024. Local-currency liquidity is mostly represented by investments in sovereign bonds and Treasury bills, which are repo-able with the CBK.

Additional Notes on Charts

Black dashed lines represent boundaries for indicative quantitative ranges and implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'b&below' category.

Peer average includes KCB Group PLC (VR: b-), I&M Group Plc (b-), Stanbic Bank Kenya Limited (b), Absa Bank Kenya PLC, Diamond Trust Bank Kenya Limited, Equity Group Holdings PLC, The Co-operative Bank of Kenya Limited. Unless otherwise stated, financial year end is 31 December for all banks in this report.

Financials

Financial Statements

	31 Dec 22 12 months (KESm)	31 Dec 23 12 months (KESm)	31 Dec 24 12 months (KESm)	30 Jun 25 1st half (KESm)	31 Dec 25F 12 months (KESm)	31 Dec 26F 12 months (KESm)
Summary income statement						
Net interest and dividend income	28,750	35,533	47,447	20,848	-	-
Net fees and commissions	18,085	16,837	5,581	9,235	-	-
Other operating income	13,228	9,241	8,762	5,248	-	-
Total operating income	60,063	61,611	61,789	35,330	67,766	71,685
Operating costs	25,120	28,696	31,949	18,553	-	-
Pre-impairment operating profit	34,943	32,915	29,840	16,777	-	-
Loan and other impairment charges	12,466	7,441	4,987	3,227	-	-
Operating profit	22,477	25,473	24,853	13,551	24,994	27,876
Other non-operating items (net)	15	9	288	-	-	-
Tax	8,714	4,025	3,275	2,503	-	-
Net income	13,778	21,457	21,866	11,047	-	-
Other comprehensive income	-2,186	-625	-165	3,038	-	-
Fitch comprehensive income	11,592	20,832	21,701	14,085	-	-
Summary balance sheet						
Assets						
Gross loans	297,180	350,902	309,145	313,076	330,785	363,864
– Of which impaired	32,869	36,253	26,151	38,135	-	-
Loan loss allowances	21,147	20,688	15,213	24,991	-	-
Net loans	276,033	330,214	293,932	288,085	-	-
Interbank	9,748	28,245	29,501	65,861	-	-
Derivatives	17	8	18	-	-	-
Other securities and earning assets	236,689	250,770	227,831	219,900	-	-
Total earning assets	522,487	609,238	551,282	573,846	-	-
Cash and due from banks	54,571	81,832	67,134	43,675	-	-
Other assets	42,603	43,552	47,527	45,439	-	-
Total assets	619,662	734,621	665,944	662,959	686,374	734,939
Liabilities						
Customer deposits	502,676	579,402	502,017	496,970	512,057	537,660
Interbank and other short-term funding	5,914	26,681	13,408	5,843	-	-
Other long-term funding	4,207	6,412	10,172	8,458	-	-
Trading liabilities and derivatives	-	-	-	-	-	-
Total funding and derivatives	512,797	612,495	525,596	511,271	-	-
Other liabilities	24,443	25,464	30,633	33,242	-	-
Preference shares and hybrid capital	-	-	-	-	-	-
Total equity	82,422	96,663	109,715	118,446	-	-
Total liabilities and equity	619,662	734,621	665,944	662,959	686,374	734,939
Exchange rate	USD1= KES123.3735	USD1= KES156.4618	USD1= KES129.2927	USD1= KES129.2343	-	-

Source: Fitch Ratings, Fitch Solutions, NCBA Group

Key Ratios

	31 Dec 22	31 Dec 23	31 Dec 24	30 Jun 25	31 Dec 25F	31 Dec 26F
(%; annualised as appropriate)						
Profitability						
Operating profit/risk-weighted assets	5.6	5.4	5.7	5.7	5.1	4.9
Net interest income/average earning assets	5.6	6.2	8.1	7.5	7.6	6.8
Non-interest expense/gross revenue	42.0	46.6	51.6	52.5	-	-
Net income/average equity	17.1	24.2	21.6	19.4	-	-
Asset quality						
Impaired loans ratio	11.1	10.3	8.5	12.2	12.0	10.0
Growth in gross loans	9.2	18.1	-11.9	1.3	7.0	10.0
Loan loss allowances/impaired loans	64.3	57.1	58.2	65.5	-	-
Loan impairment charges/average gross loans	4.4	2.3	1.5	2.1	2.1	1.2
Capitalisation						
Common equity Tier 1 ratio	0.0	0.0	-	-	-	-
Fitch Core Capital ratio	18.3	18.4	22.7	23.1	22.8	22.0
Tangible common equity/tangible assets	12.1	11.9	15.2	17.0	-	-
Net impaired loans/Fitch Core Capital	15.9	18.1	11.0	11.8	-	-
Funding and liquidity						
Gross loans/customer deposits	59.1	60.6	61.6	63.0	64.6	67.7
Customer deposits/total non-equity funding	98.0	94.6	95.5	97.2	-	-

Source: Fitch Ratings, Fitch Solutions, NCBA Group

Support Assessment

Commercial Banks: Government Support	
Typical D-SIB GSR for sovereign's rating level (assuming high propensity)	b-
Actual jurisdiction D-SIB GSR	b-
Government Support Rating	ns
Government ability to support D-SIBs	
Sovereign Rating	B-/ Stable
Size of banking system	Neutral
Structure of banking system	Neutral
Sovereign financial flexibility (for rating level)	Neutral
Government propensity to support D-SIBs	
Resolution legislation	Neutral
Support stance	Neutral
Government propensity to support bank	
Systemic importance	Negative
Liability structure	Negative
Ownership	Neutral

The colours indicate the weighting of each KRD in the assessment.

Higher influence   Moderate influence   Lower influence

NCBA Group's GSR of 'no support' (ns) reflects Fitch's view that government support is unlikely to extend to a non-operating holding company given its low systemic importance and a liability structure that may be more politically acceptable to be bailed in.

NCBA Bank's GSR of 'b-' is in line with Kenya's domestic systemically important bank (D-SIB) GSR of 'b-' and considers the authorities' high propensity to provide support to the bank given its high systemic importance. We also believe that the Kenyan authorities have a moderate propensity to support the broader banking system to maintain financial stability and to preserve Kenya's position as a regional financial hub.

However, the authorities' ability to support banks is constrained by Kenya's limited financial flexibility, as captured by its Long-Term IDR of 'B-'. This is despite the banking system's small size (with total assets and gross loans at end-1H25 equivalent to 42% and 20% of 2025 forecast GDP, respectively), a fragmented market structure, high foreign ownership and only moderate FC external funding.

Environmental, Social and Governance Considerations

FitchRatings **NCBA Group PLC**

Banks
Ratings Navigator

Credit-Relevant ESG Derivation

NCBA Group PLC has 5 ESG potential rating drivers
- NCBA Group PLC has exposure to compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security) but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

			ESG Relevance to Credit Rating
key driver	0	issues	5
driver	0	issues	4
potential driver	5	issues	3
not a rating driver	4	issues	2
	5	issues	1

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance
GHG Emissions & Air Quality	1	n.a.	n.a.	5
Energy Management	1	n.a.	n.a.	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Business Profile (incl. Management & governance); Risk Profile; Asset Quality	1

How to Read This Page
ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.

The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.h scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities: SME and community development programs; financial literacy programs	Business Profile (incl. Management & governance); Risk Profile	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Business Profile (incl. Management & governance); Risk Profile	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile (incl. Management & governance)	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Business Profile (incl. Management & governance); Financial Profile	1

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference	G Relevance
Management Strategy	3	Operational implementation of strategy	Business Profile (incl. Management & governance)	5
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Business Profile (incl. Management & governance); Earnings & Profitability; Capitalisation & Leverage	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile (incl. Management & governance)	3
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile (incl. Management & governance)	2
				1

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

Score	Description
5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.

FORECAST DISCLAIMER FOR FINANCIAL INSTITUTIONS

Any forecast(s) in this report reflect Fitch's forward view on the issuer's financial metrics. They are constructed using a proprietary internal forecasting tool and based on a combination of Fitch's own performance assumptions, macroeconomic forecasts, sector-level outlook and issuer-specific considerations. As a result, Fitch's forecasts may differ materially from the rated entity's forecasts or guidance and may not reflect the assumptions that other market participants may make. To the extent Fitch is aware of material non-public information with respect to future events, such as planned recapitalisations or merger and acquisition activity, Fitch may not reflect these non-public future events in its published forecasts. However, where relevant, such information is considered by Fitch as part of the rating process.

Fitch may update the forecasts in future reports but assumes no responsibility to do so. Original financial statement data for historical periods may be processed by affiliates of Fitch, together with certain outsourcing services. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by its employees.

Fitch's forecasts are one component used by the agency to assign a rating or determine a rating Outlook. The information in the forecasts reflects material but not exhaustive elements of Fitch's rating assumptions for the issuer's financial performance. It cannot be used to establish a rating, and it should not be relied on for that purpose.

DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: https://www.fitchratings.com/understandingcreditratings. In addition, the following https://www.fitchratings.com/rating-definitions-document details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at https://www.fitchratings.com/site/regulatory. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third- party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US$1,000 to US$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US$10,000 to US$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.

Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see https://www.fitchratings.com/site/regulatory), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

Copyright © 2025 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.