

**ABSA BANK KENYA PLC Q3 2024 RESULTS**

**Absa Bank Kenya** released Q32024 financial results posting a **19.8%** rise in PAT to **KES 14.75Bn**. This was attributable to a **17.7%** and **13.0%** growth in net interest & non-interest income, respectively.

The Group's earnings per share increased to **KES 2.71** from **KES 2.27** recorded in the previous year.

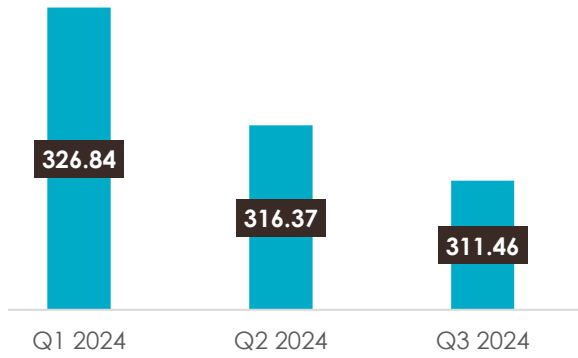
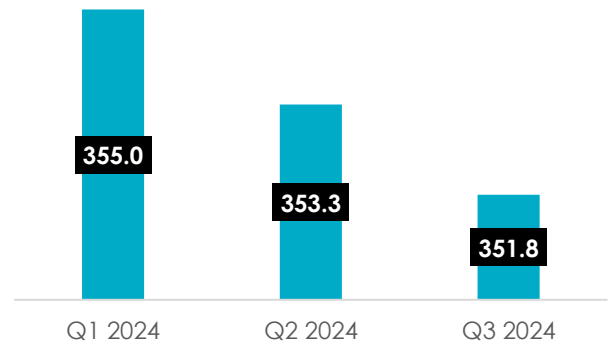
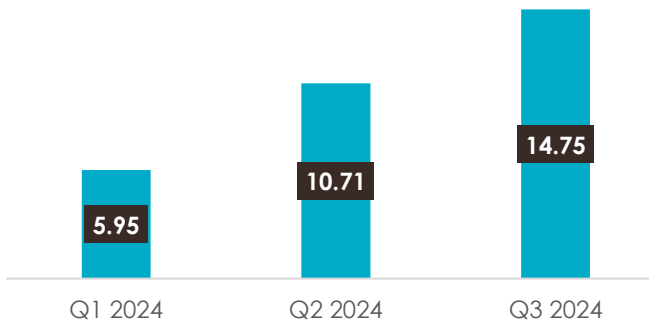
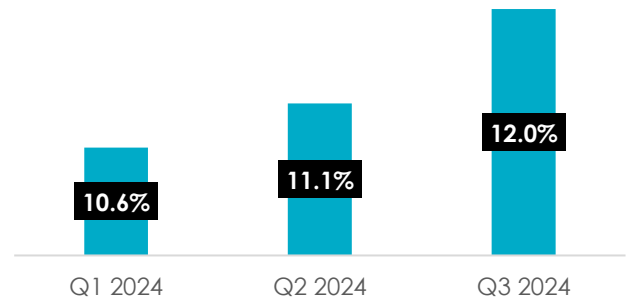
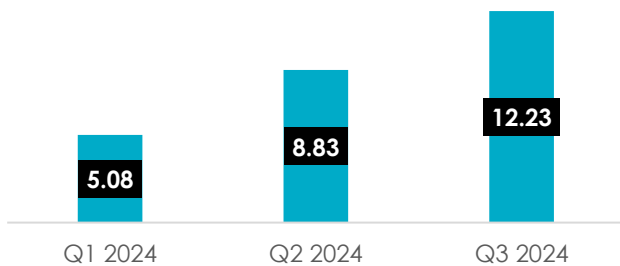
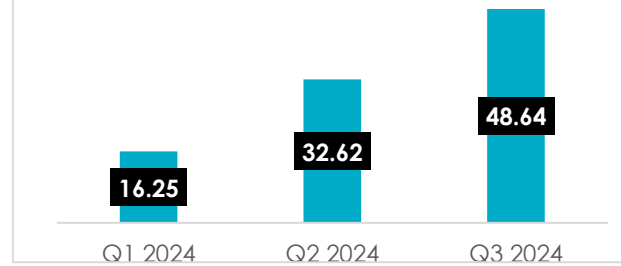
Q3'2024 Results				
Key Metrics Y/Y				
Metric		Y/Y % ▲		Q2 vs Q3 ▲
Customer Deposits	↓	0.7%		0.4%
Loans & Advances	↓	5.9%		1.6%
Government Securities	↓	8.5%	↑	2.3%
Net Interest Income	↑	17.7%		50.1%
Non-Funded Income	↑	13.0%		38.6%
Forex Trading Income	↓	2.1%	↑	30.2%
Loan Loss Provisions	↑	18.7%	↑	55.2%
PAT	↑	19.8%	↑	37.7%
EPS	↑	19.4%	↑	37.6%

Key Ratios				
Ratio		Q12024	Q22024	Q32024
Loan Deposit Ratio	↓	92.1%	89.5%	88.5%
Net Interest Margin	↑	2.3%	4.8%	7.1%
Cost to Income	↑	48.5%	52.0%	55.0%
NPL Ratio	↑	10.6%	11.1%	12.0%
ROE	↑	7.9%	14.7%	19.1%

Source: Company financials, NCBA IB Research

**Market Indicators**

- Current Market Price: **KES 15.45**,
- YTD Performance: **+34%**,
- P/E Ratio: **5.7x**
- P/B Ratio: **1.1x**

**Loans (Bn)**

**Deposits (Bn)**

**PAT (Bn)**

**NPL Ratio(%)**

**Total Non-Interest Income (Bn)**

**Total Interest Income (Bn)**


Source: Company financials, NCBA IB Research

**DISCLAIMER AND DISCLOSURES****1. General Disclaimer**

This research report (Report) has been prepared by NCBA Investment Bank (NCBA-IB) and contains detailed industry analyses, statistics and forecasts exclusively for informational purposes and is intended solely for the use of NCBA-IB clients and may not be distributed, published, or reproduced, in whole or in part, nor may its contents be disclosed to any other party without the express written consent of NCBA-IB. While this Report contains analyses and insights aimed at assisting customers in making investment decisions regarding various securities, it does not constitute an offer, solicitation, or recommendation to buy or sell any securities, and it is not intended to provide the basis for any evaluation of the securities discussed herein. NCBA-IB expressly disclaims any responsibility for errors and omissions in this Report. The Information set forth in this Report has been obtained from sources believed reliable and developed through the application of independent judgement, but NCBA-IB does not warrant its completeness or accuracy. Opinions expressed in this Report are current viewpoints as of the date of issue and are subject to change without notice. Furthermore, NCBA-IB is under no obligation to update or keep the information current. While every effort has been made to ensure the accuracy and completeness of the information provided, no representation or warranty, express or implied, is made as to the accuracy or completeness of the information contained herein, and nothing contained herein is, or shall be relied upon as, a promise or representation as to the future performance of any securities or financial product and market conditions which may change and this might materially impact the accuracy and validity of such analysis.

**2. Use of Information**

The information presented in this Report is intended solely for informational purposes and is not a comprehensive treatment of the topic at hand. NCBA-IB makes every effort to use reliable, comprehensive information, but we do not represent that the information is accurate or complete. NCBA-IB is not responsible for errors or omissions nor for results obtained from the use of this information. All information is provided "as is", without warranty of any kind, express or implied.

**3. No Guarantees on Performance**

NCBA-IB, its affiliates, employees, or any associated entities provide no guarantee, warranty, or representation regarding the potential performance or expected outcomes of any investment or financial transaction referenced within this document. Investment values can fluctuate, and the past performance of a security, industry, sector, market, financial product, trading strategy, or individual investment does not guarantee future results or returns.

**4. Independent Decision Making**

Recipients of this Report are strongly advised to make investment decisions based on their own investment objectives, careful consideration of their financial situation, operational capacity, and the availability of resources. It is recommended that all clients conduct thorough due diligence and, where appropriate, consult independent financial, legal, tax, or other professional advisors to assess the suitability of any potential investment.

**5. Limitation of Liability**

The Bank, its affiliates, and their respective officers, directors, employees, or agents accepts no liability whatsoever for any direct or consequential loss or damage arising from the use of this Report or the information contained herein. Past performance is not necessarily indicative of future results, and NCBA-IB does not undertake that the recipient of this report will obtain profits or avoid incurring losses. This Report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any advice or recommendation in these reports is suitable for their particular circumstances and, if necessary, seek professional advice, including tax advice.

#### **6. Authority to Enter Contracts**

Please be advised that legally binding obligations on behalf of NCBA-IB can only be established through formal written agreements, duly signed by authorized representatives of NCBA-IB. No electronic communications or implied agreements through informal communications shall be considered binding under any circumstances.

#### **7. Disclosure Statement**

NCBA-IB may, from time to time, participate or invest in transactions with the companies mentioned herein, perform services for or solicit business from company(s) mentioned, and/or have a position or effect transactions in the securities or options thereof. Members of NCBA-IB, its principals or affiliates, may have a financial interest in securities of the companies mentioned in this report.

#### **8. Conflicts of Interest**

NCBA-IB may engage in transactions in a manner that is inconsistent with the recommendations made in this Report, and it may have commercial relationships with entities mentioned in this Report. NCBA-IB may have provided advice or investment services relating to the investments concerned or a related investment to any company mentioned in this Report prior to its publication. Further, NCBA-IB may receive compensation for these services and acts as a market maker or liquidity provider in the securities that are the subject of this report. NCBA-IB does not prepare research on entities within its corporate group ("the NCBA Group") or other entities where a real or perceived conflict of interest may exist.

#### **9. Confidentiality**

This Report is confidential and is intended only for the person or entity to which it is addressed. It may contain confidential, proprietary, or legally privileged information. No confidentiality or privilege is waived or lost by any misdelivery or transmission errors. If you are not the intended recipient, please immediately delete it and all copies of it from your system, destroy any hard copies of it, and notify the sender. You must not, directly or indirectly, use, disclose, distribute, print, or copy any part of this report if you are not the intended recipient.

#### **10. Intellectual Property Rights**

All content, data, analyses, graphics, and logos provided in this Report are the exclusive property of NCBA-IB and/or its affiliates, unless otherwise noted, and cannot be copied, distributed, transmitted, displayed, published, or broadcast without the prior written permission of NCBA-IB.

#### **11. Regulatory Compliance**

This Report is also subject to regulatory restrictions and obligations that may affect its use. NCBA-IB produces research reports which adhere to regulatory standards. This document may not be distributed in any jurisdiction where its distribution may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

## 12. Use and Distribution

These materials are intended only for clients of NCBA-IB, and may not be reproduced, redistributed, or copied in whole or in part for any purpose without the express written consent of NCBA-IB

*© 2024 NCBA-IB. All rights reserved. This document contains intellectual property belonging to NCBA-IB. Unauthorized use is prohibited. For further information regarding the methodologies used or data in the report, contact NCBA-IB at [ncbaresearch@ncbagroup.com](mailto:ncbaresearch@ncbagroup.com)*