



Q1 2024 Investor Briefing

May 2024

CONTENTS

WHO WE ARE <

OPERATING ENVIRONMENT <

UPDATE ON STRATEGY <

FINANCIAL PERFORMANCE Q1 2024 <

2024 GUIDANCE <

CONTENTS

WHO WE ARE <

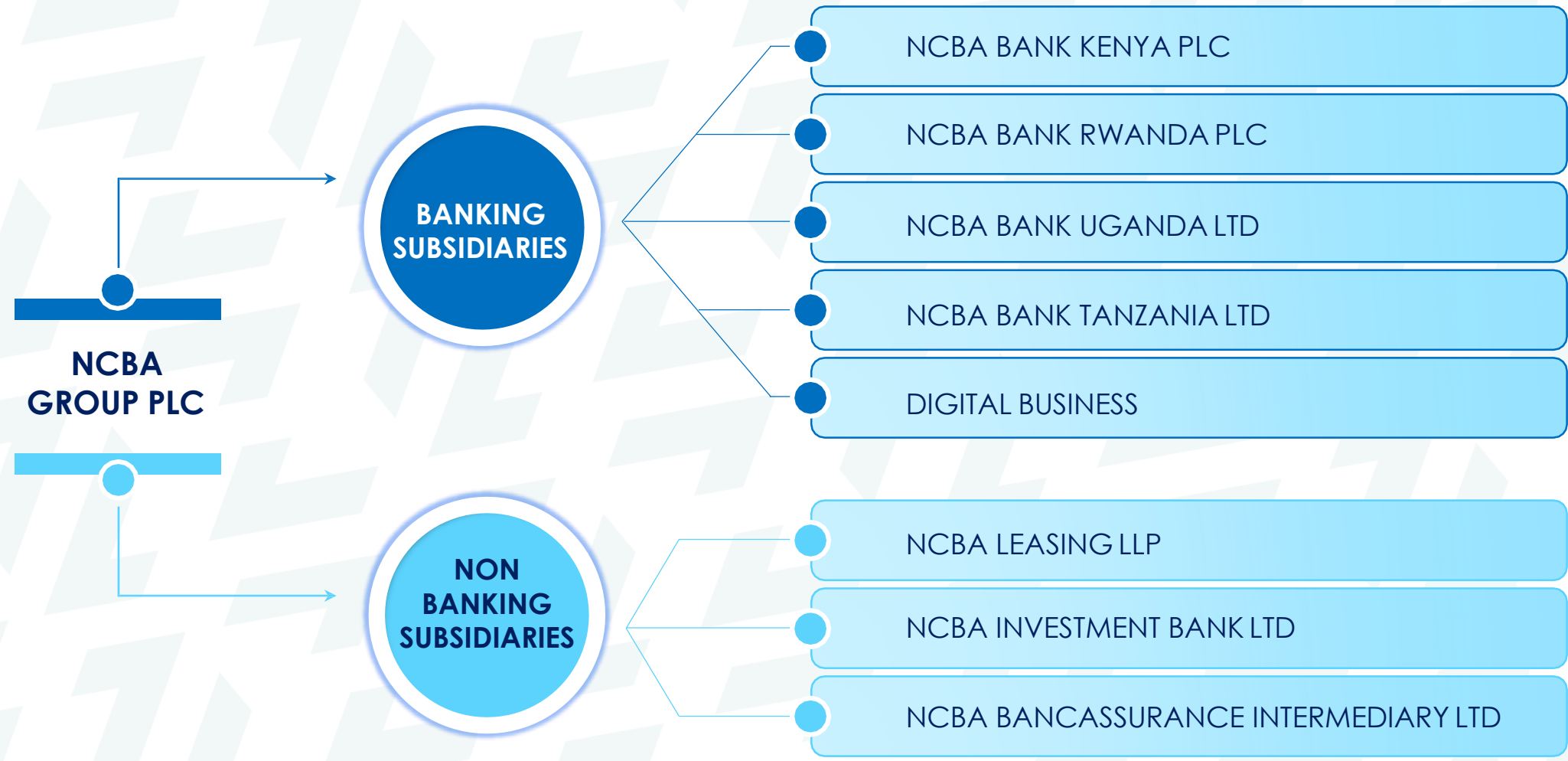
OPERATING ENVIRONMENT <

UPDATE ON STRATEGY <

FINANCIAL PERFORMANCE Q1 2024 <

2024 GUIDANCE <

Our Group Structure



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

We are **Driven**, **Open**, **Responsive** and **Trusted**

Our Customer Promise

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

- At NCBA, our customers are at the **heart** of **everything we do**;
- We are **driven** by our **promise** to offer exceptional innovative products and services that are tailored to our **customers' specific needs**;
- From personal banking products to scalable business banking solutions that grow as your business does

Our Regional Footprint




+**3,000** Staff


112 Branches


>60M Customers

Banking Business

KES
548Bn
Deposits
~**USD 4.2B**

KES
350Bn
Lending
~**USD 2.6B**

KES **233Bn**
Q1-24 Digital Disbursements
~**USD 1.8B**

Non-Banking Business

KES **54Bn**
AUM
~**USD 410M**

KES **0.9Bn**
Insurance Premium
~**USD 7M**

KES **5Bn**
Leased Assets
~**USD 39M**

Awards & Accolades



Brand and Customer Experience

- **Top 25, Most Influential CEOs Impacting Business, John Gachora** – Business Monthly Magazine
- **Winner, Innovation and Excellence Awards 2024** – International Centre for Strategic Alliances (ICSA)
- **Winner, Customer Satisfaction Survey** – Kenya Banker's Association (KBA)



ESG

- **Best Bank Corporate Governance** - Institute of Corporate Governance of Uganda
- **Gold Seal Certification in Gender Equality** - Prime Minister's Gender Monitoring Office (Rwanda)
- **Sustainability Signatories** - UN Global Compact



Business Units Recognition

- **Winner, Private Sector Legal Department of the Year** - Nairobi Legal Awards
- **Best Digital Bank in Tanzania** - Global Banking and Finance Review
- **Winner, Company Secretary of the Year** - The Institute of Certified Public Secretaries of Kenya

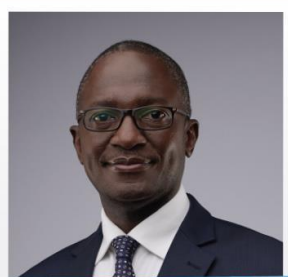
WHO WE ARE

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



John Gachora

Group Managing Director



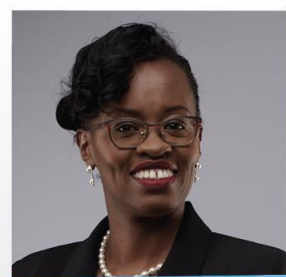
David Abwoga

Group Director, Finance



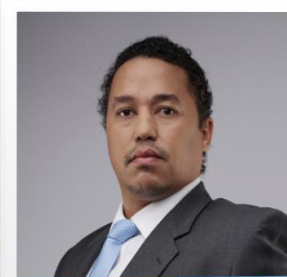
Kathryn Maundu

Group Company Secretary



Monicah Kihia

Group Director,
Human Resources & Culture



Tim Armitage

Group Director,
Risk & Controls



Louisa Wandabwa

Director of Strategy
& Chief of Staff



Lennox Mugambi

Group Director,
Asset Finance & Business
Solutions



Eric Muriuki

Group Director,
Digital Business



Tirus Mwithiga

Group Director,
Retail Banking



Pauline Ndote

Group Director,
Credit Risk Management



Gift Shoko

Group Director,
Regional Business



Nelly Wainaina

Group Director,
Marketing, Communication
& Citizenship

CONTENTS

WHO WE ARE <

OPERATING ENVIRONMENT <

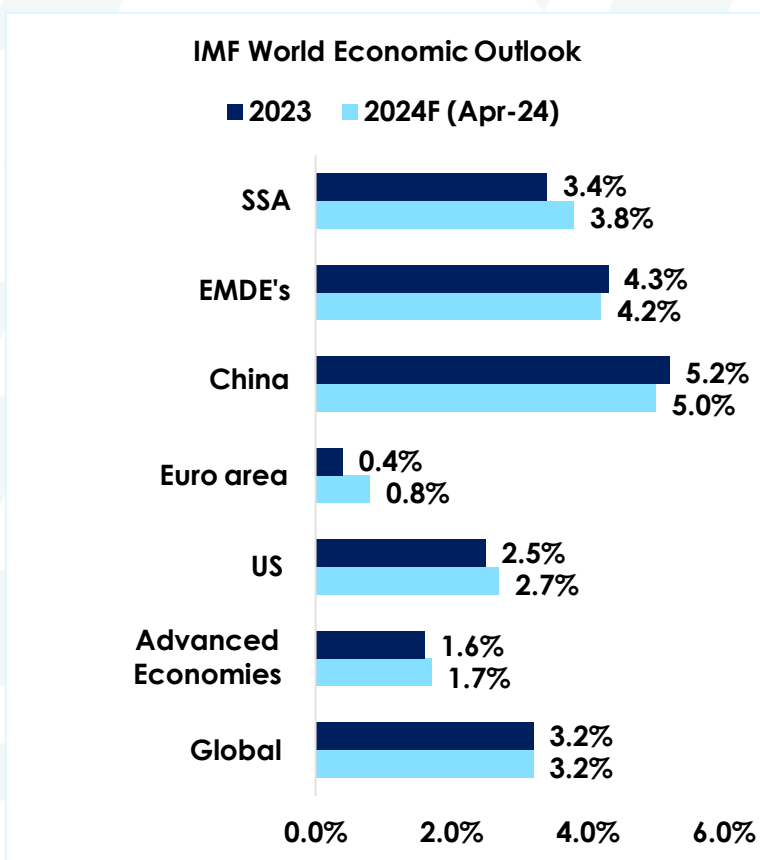
UPDATE ON STRATEGY <

FINANCIAL PERFORMANCE Q1 2024 <

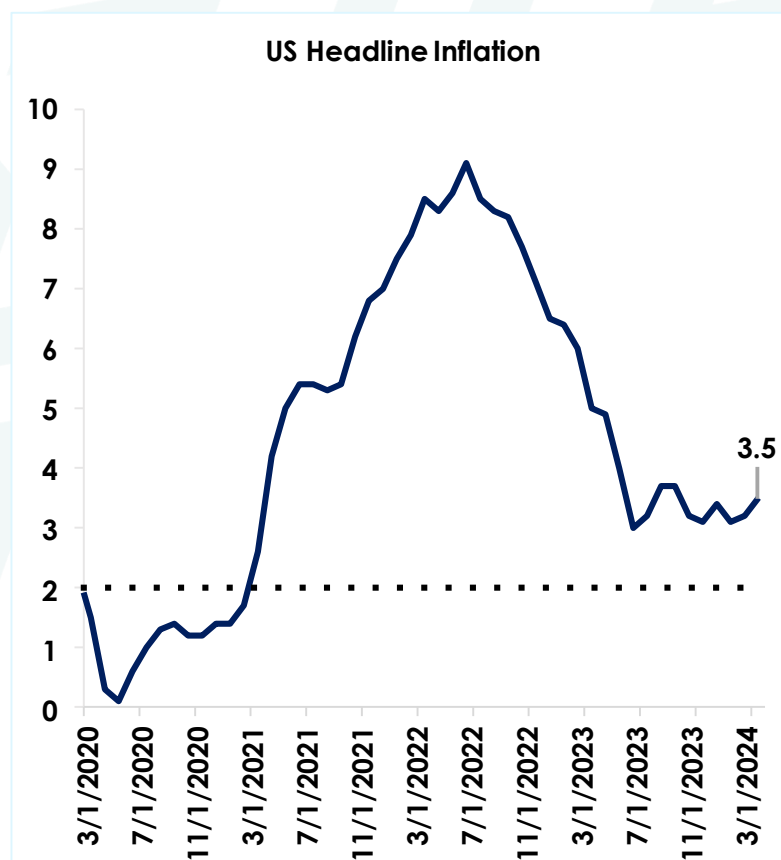
2024 GUIDANCE <

Global economic growth is forecast at 3.2% in 2024- similar to growth rate recorded in 2023. Key risks include geopolitical tensions, sticky inflation and uncertain monetary policy outlook

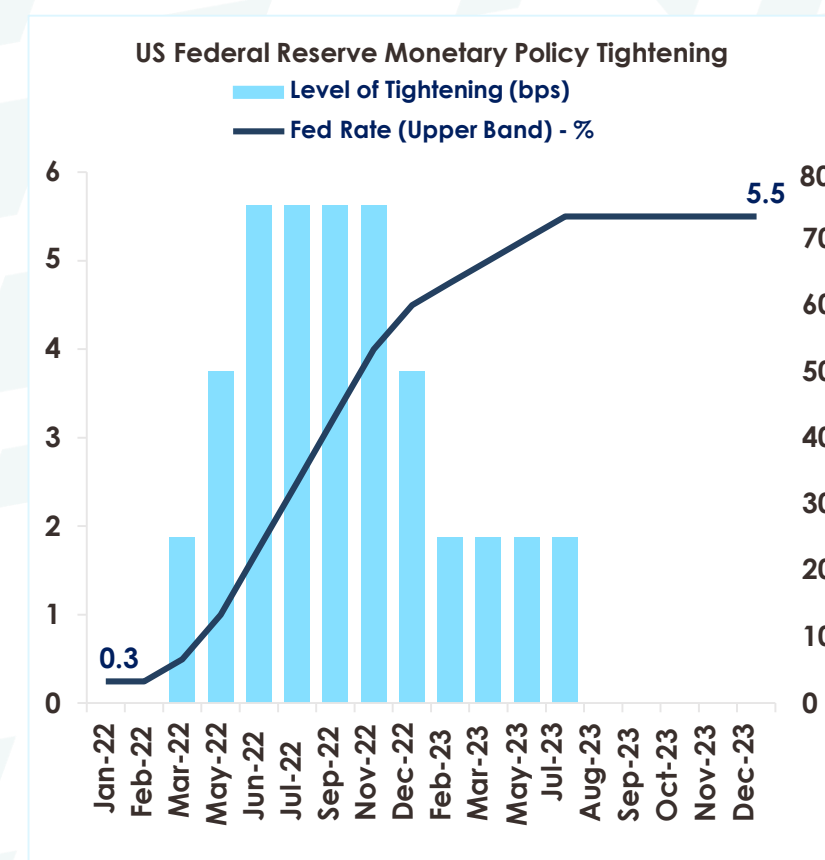
1 Flat growth expected albeit increasing leading macroeconomic indicators



2 Inflation pressures continue to recede

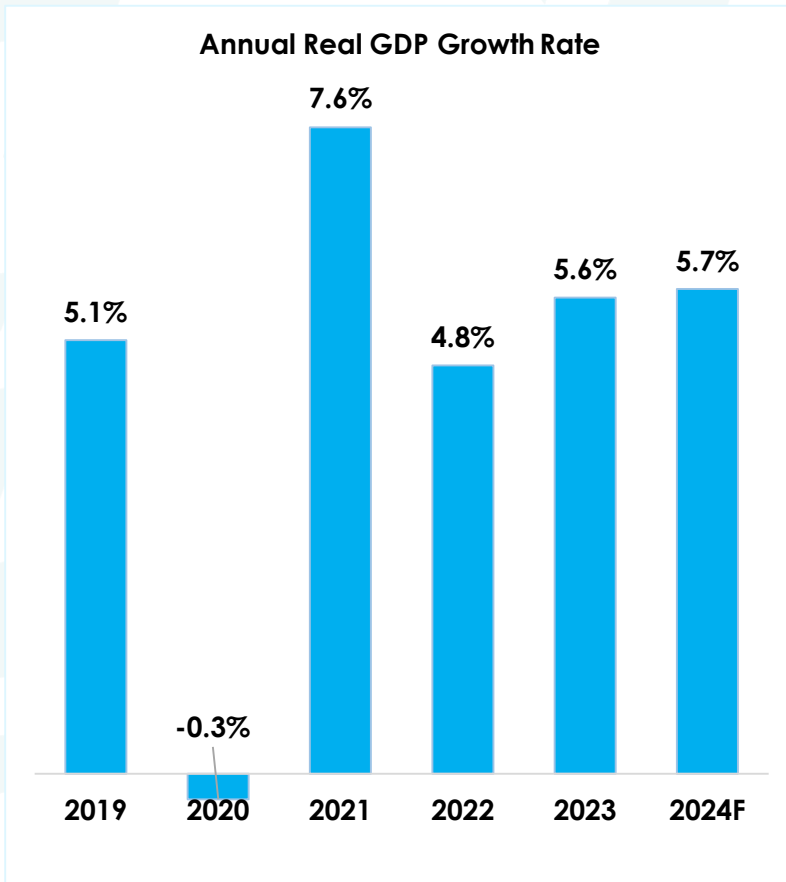


3 Cycle change given pivot on policy rates by major Central banks in 2024

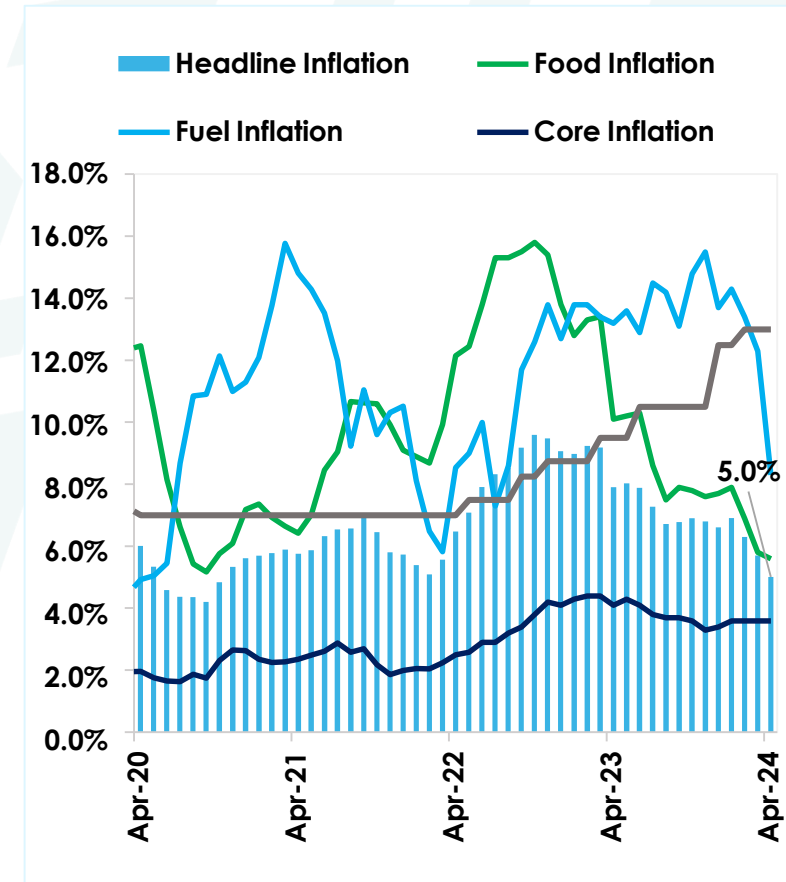


Kenya's economic growth outlook remains moderate, with inflation expected to remain target bound offering fixed income investors decent real returns

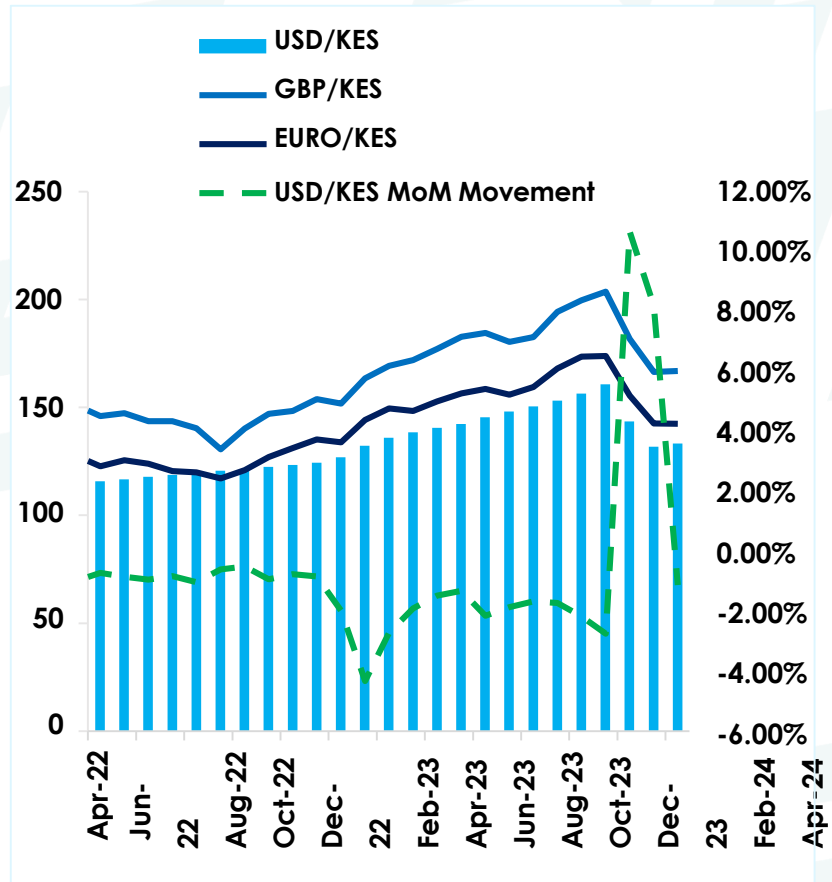
1 Kenya's real GDP expected to expand by about 5.7% in 2024



2 Overall inflation is expected to remain target bound in 2024

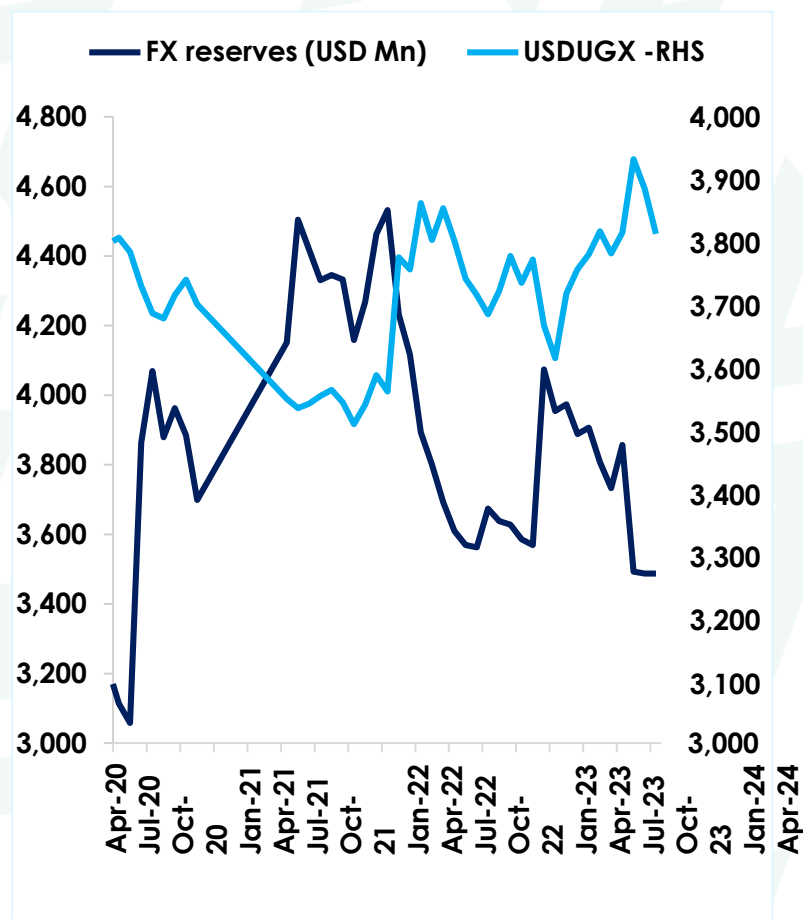


3 Notable appreciation of KES against the USD by 16% between Dec 23 and Mar 24

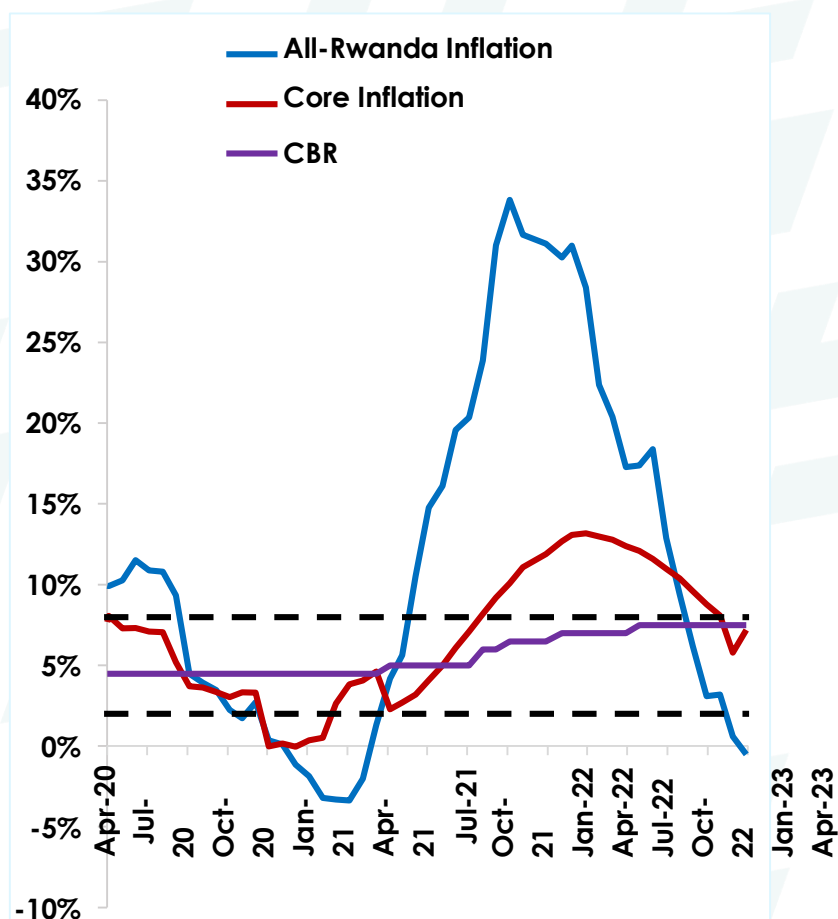


Macroeconomic environment diverges marginally across the region

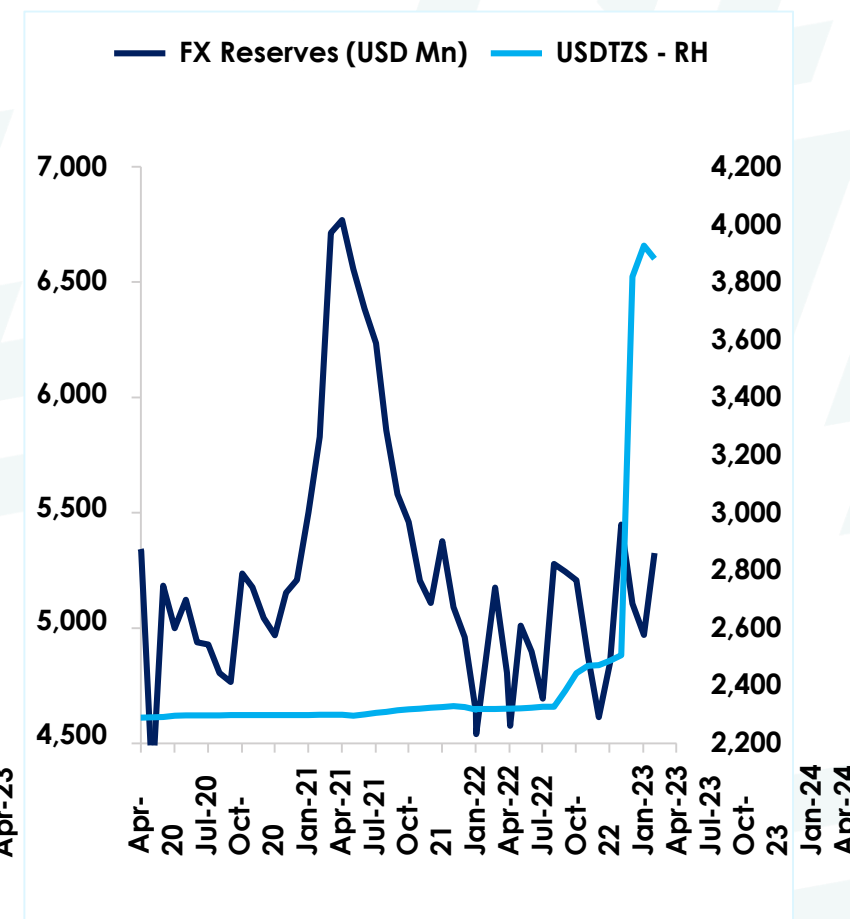
1 Uganda's economy remained robust with its currency boosted by higher export flows



2 Rwanda's declining inflation boosted household consumption



3 Tanzania FX inflows are crucial in the remainder of the year



CONTENTS

WHO WE ARE <

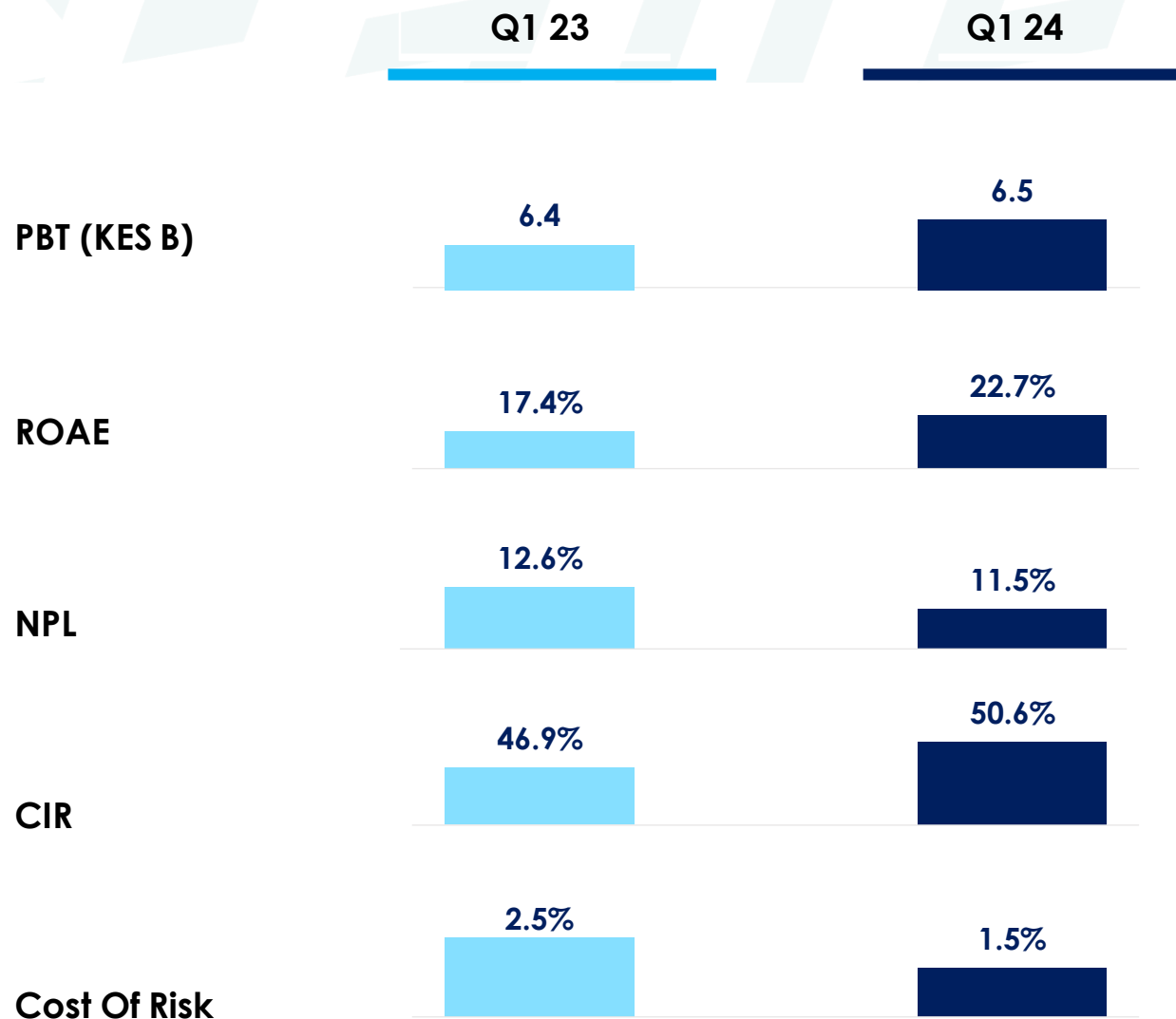
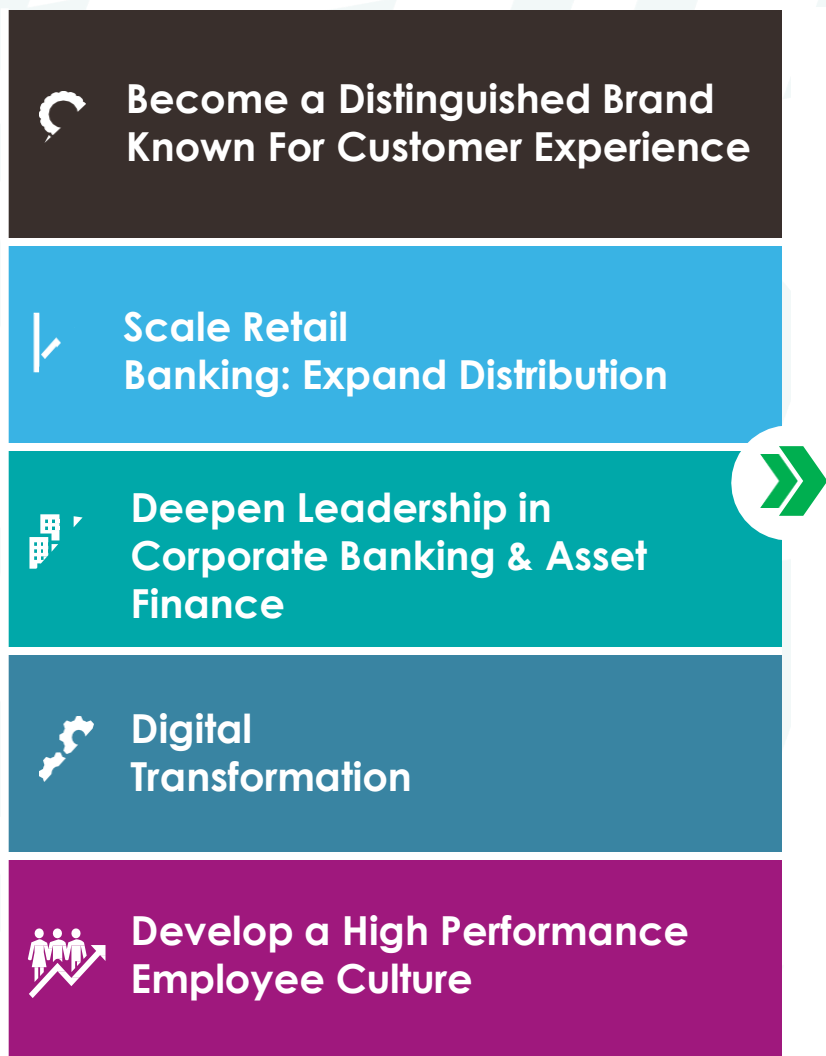
OPERATING ENVIRONMENT <

UPDATE ON STRATEGY <

FINANCIAL PERFORMANCE Q1 2024 <

2024 GUIDANCE <

Our strategy continues to deliver with all our metrics in line with targets, with our Group ROAE registering at 21.9%



CONTENTS

WHO WE ARE <

OPERATING ENVIRONMENT <

UPDATE ON STRATEGY <

FINANCIAL PERFORMANCE Q1 2024 <

2024 GUIDANCE <

Our diversified business model continues to demonstrate growth and resilience, with our digital business leading the charge delivering a 52% bottom line growth in Q1 2024

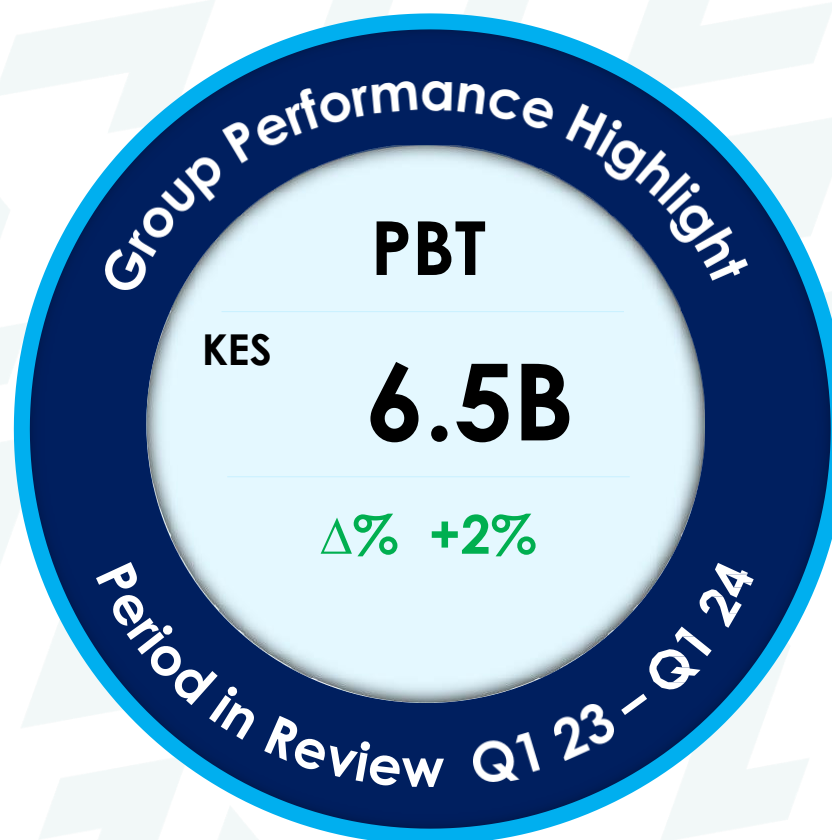
Amount in KES Millions (PBT)

Core Banking Subsidiaries

	Q1 23	%Δ	Q1 24
Kenya	4,976	(8%)	4,571
Uganda	87	43%	124
Tanzania	160	8%	173
Rwanda	138	(64%)	50
Total	5,361	(8%)	4,918

Non Banking Subsidiaries

	Q1 23	%Δ	Q1 24
Investment Bank	62	+32%	82
Insurance Agents	70	+59%	111
Leasing LLP	52	>100%	127
Total	184	+74%	320



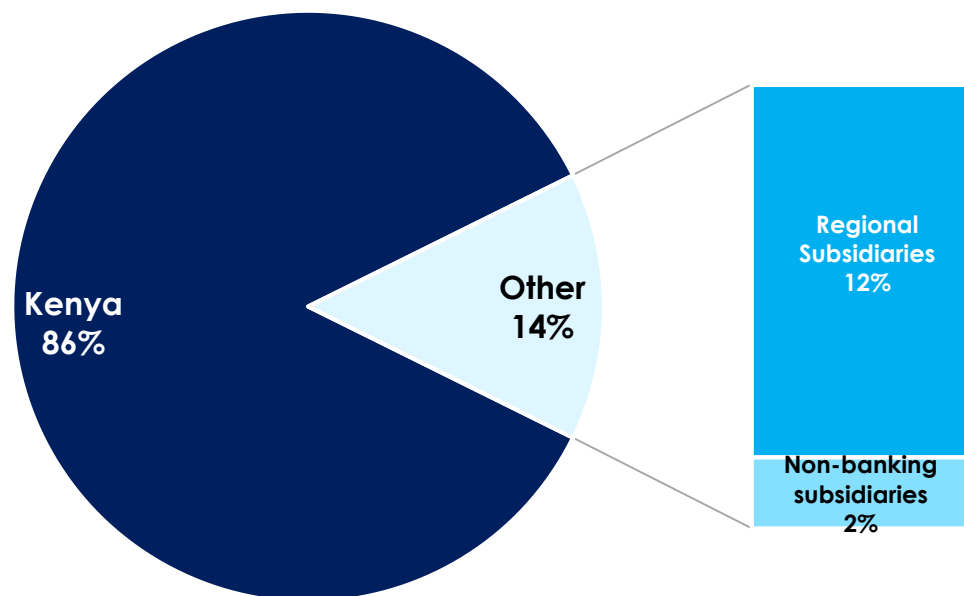
Amount in KES Millions (PBT)

Digital Banking Subsidiaries

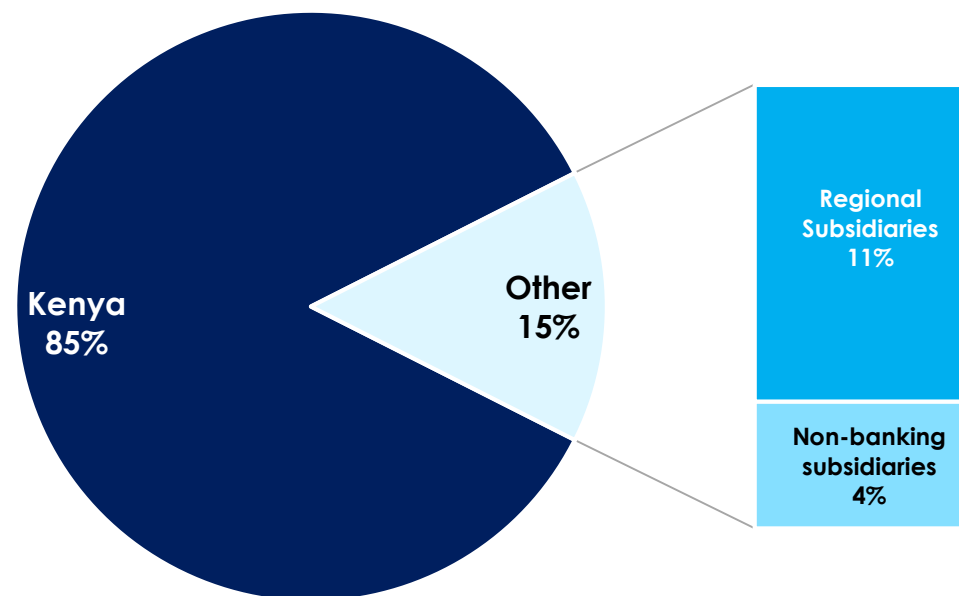
	Q1 23	%Δ	Q1 24
Digital Business (KE)	483	>100%	992
Digital Ghana	11	>100%	(8)
M-Pawa (TZ)	19	32%	25
Mo-Kash (UG)	239	(15%)	204
Mo-Kash (RW)	132	(3%)	128
Total	884	52%	1,341

All our subsidiaries are showing demonstrable success in performance delivery and are now contributing 15% of PBT as at Q1 2024

Contribution to Group PBT in Q1 23



Contribution to Group PBT in Q1 24



All subsidiaries across our operating markets contributed positively to growth and returns

		REVENUE	% CONTRIBUTION	EFFICIENCY	RETURNS
		TOTAL INCOME		COST TO INCOME RATIO	RETURN ON AVERAGE EQUITY
Banking Subsidiaries	NCBAK	KES 13Bn ▼ (-1%)	82%	48.9%	▲ 20.4%
	NCBAU	KES 0.8Bn ▲ +26%	5%	62.7%	▲ 22.0%
	NCBAT	KES 0.8Bn ▲ +28%	5%	72.7%	▲ 20.4%
	NCBAR	KES 0.8Bn ▲ +19%	5%	62.8%	▲ 9.6%
Non-Bank Subsidiaries		KES 0.5Bn ▲ +32%	3%	47.8%	▲ 60.4%
Group		KES 15.9Bn ▲ +3%		50.6%	▲ 21.9%

Our Group continues to demonstrate strong fundamentals with positive growth over the period

Amounts in KES Bn

Balance Sheet

Income Statement

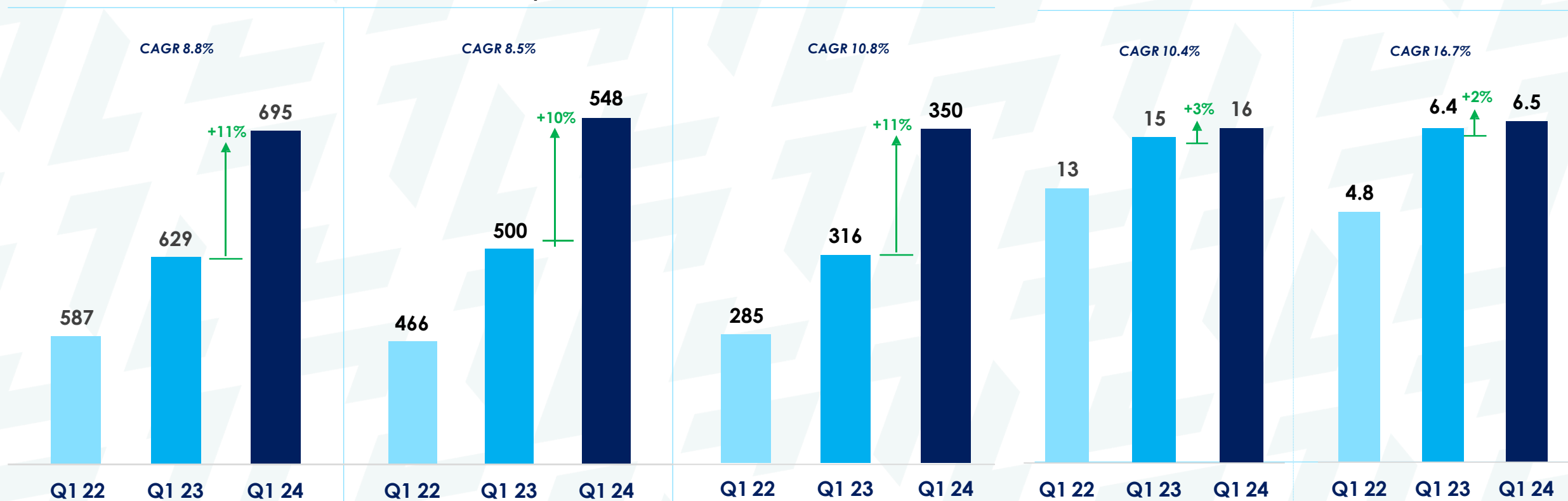
Total Assets

Customer Deposits

Gross Loans

Total Income

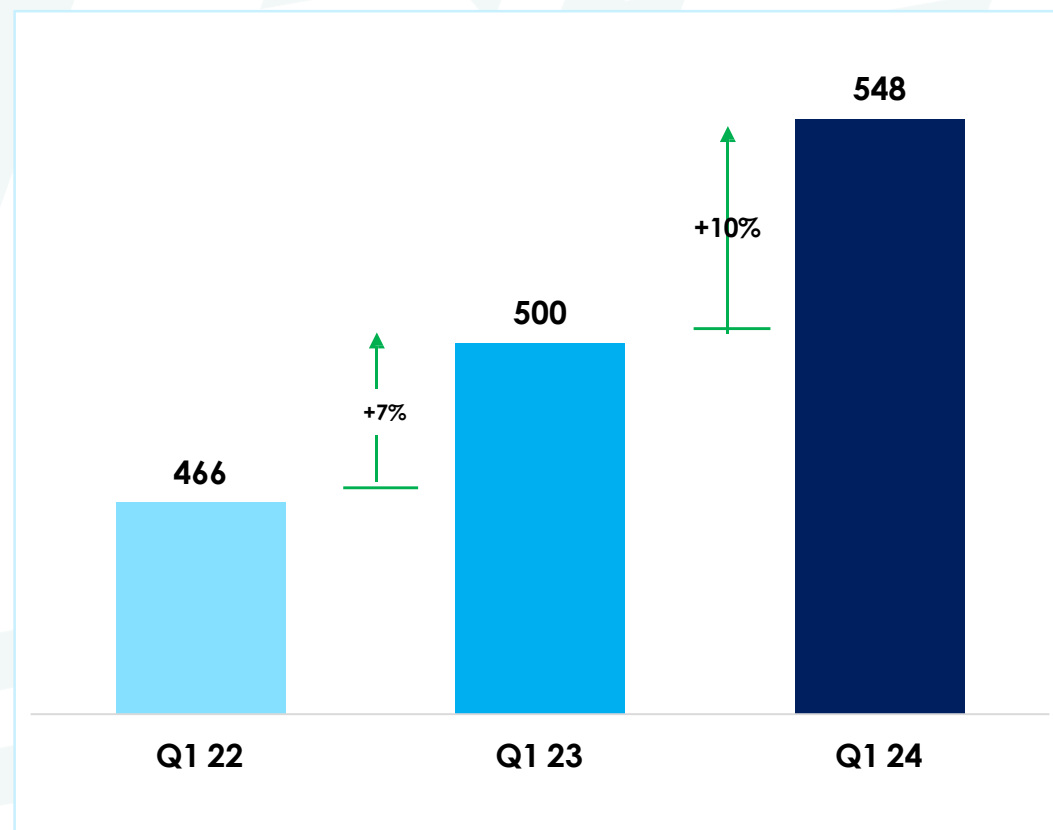
PBT



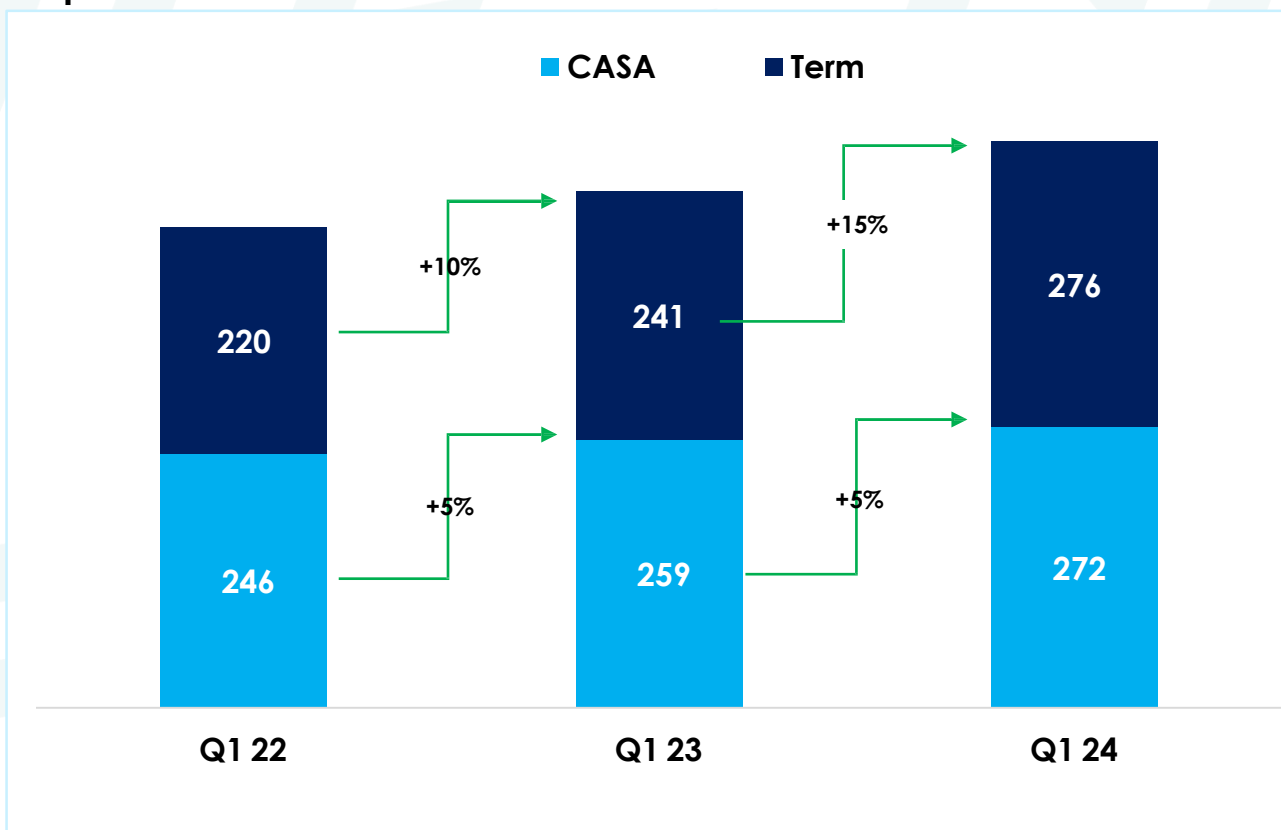
Customer growth and retention efforts are driving deposit mobilization (10% up YoY), while balance sheet optimization efforts are growing our CASA base

Amounts in KES Bn

Despite the macro economic conditions our deposits have grown by 10%..

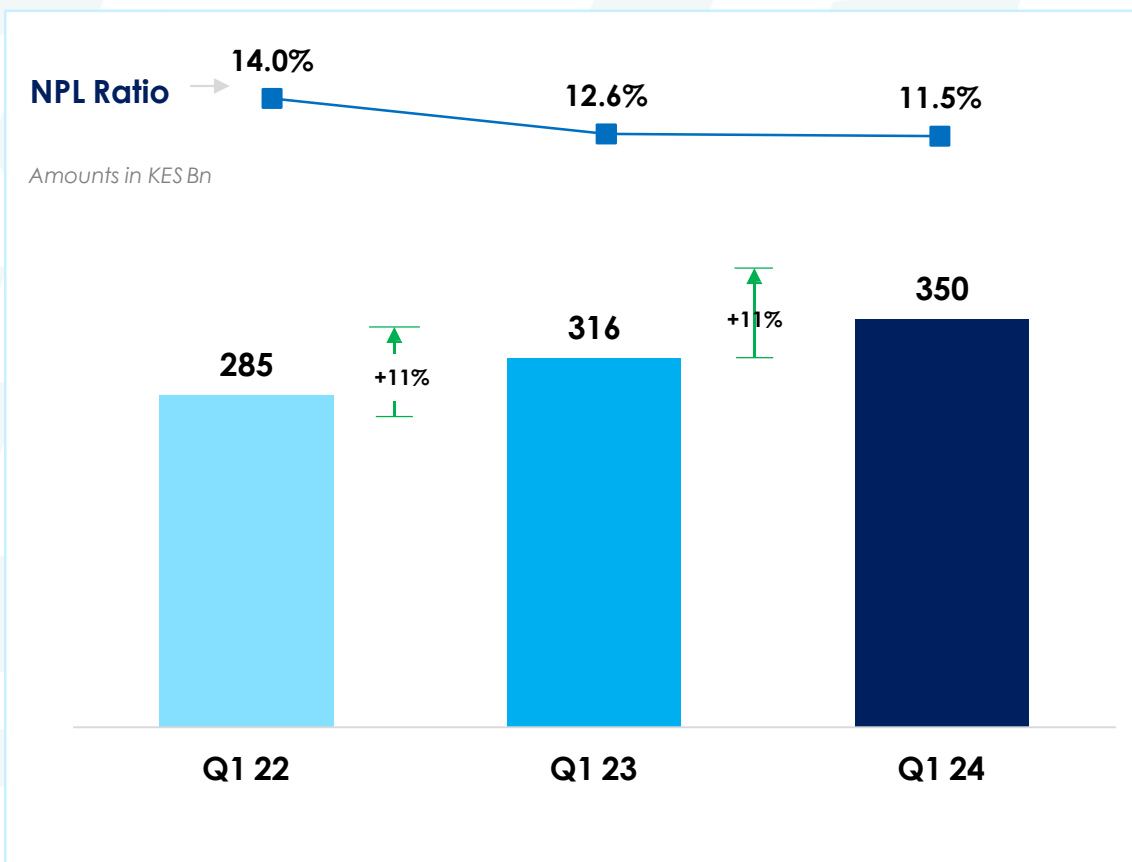


..and we now have KES 272B in CASA, an almost even split with term deposits

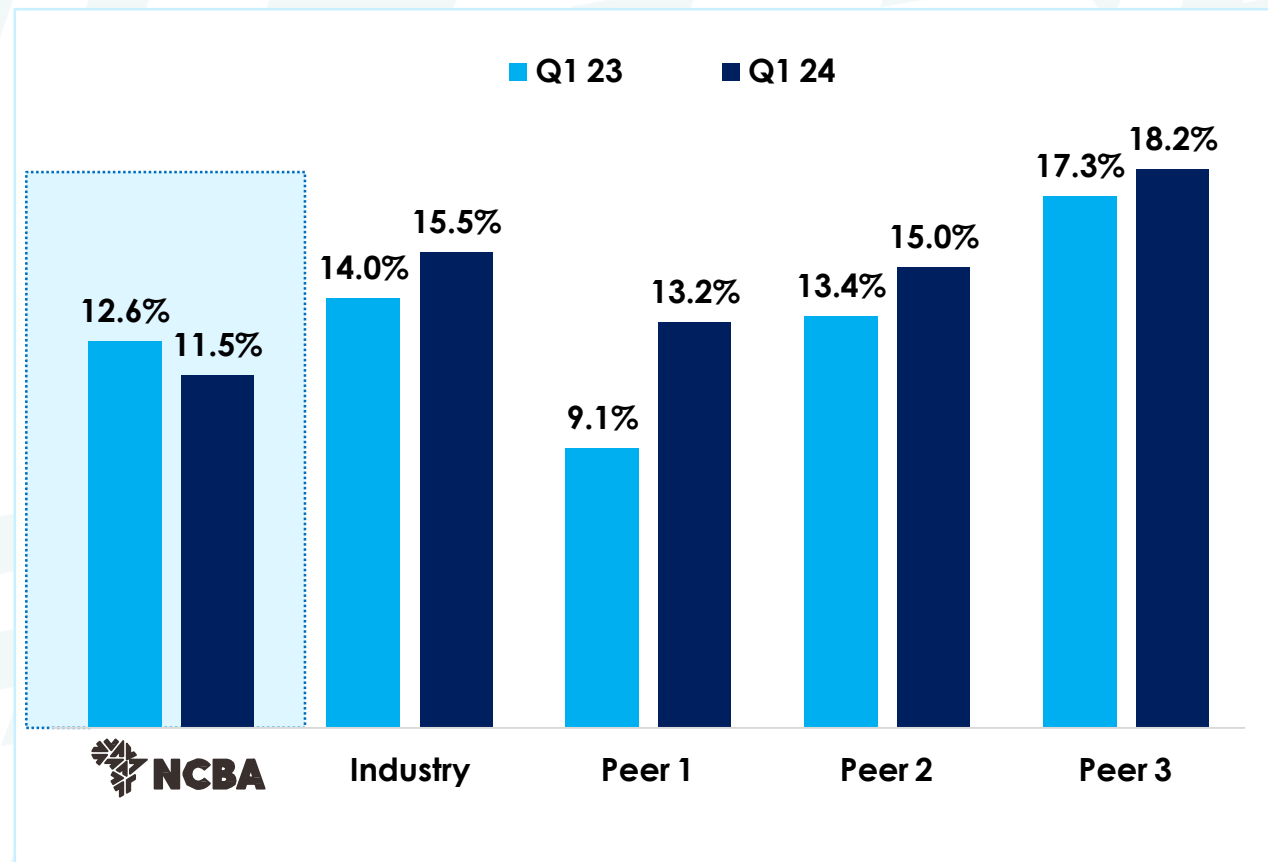


Our customer growth agenda has seen us increase our lending substantially (11% up YoY) with well controlled credit risk outcomes

NCBA Group Gross Loans accelerated through Q1-24 while our NPL ratio edged down.....



...NCBA Group credit risk outcomes continue to buck industry trends...

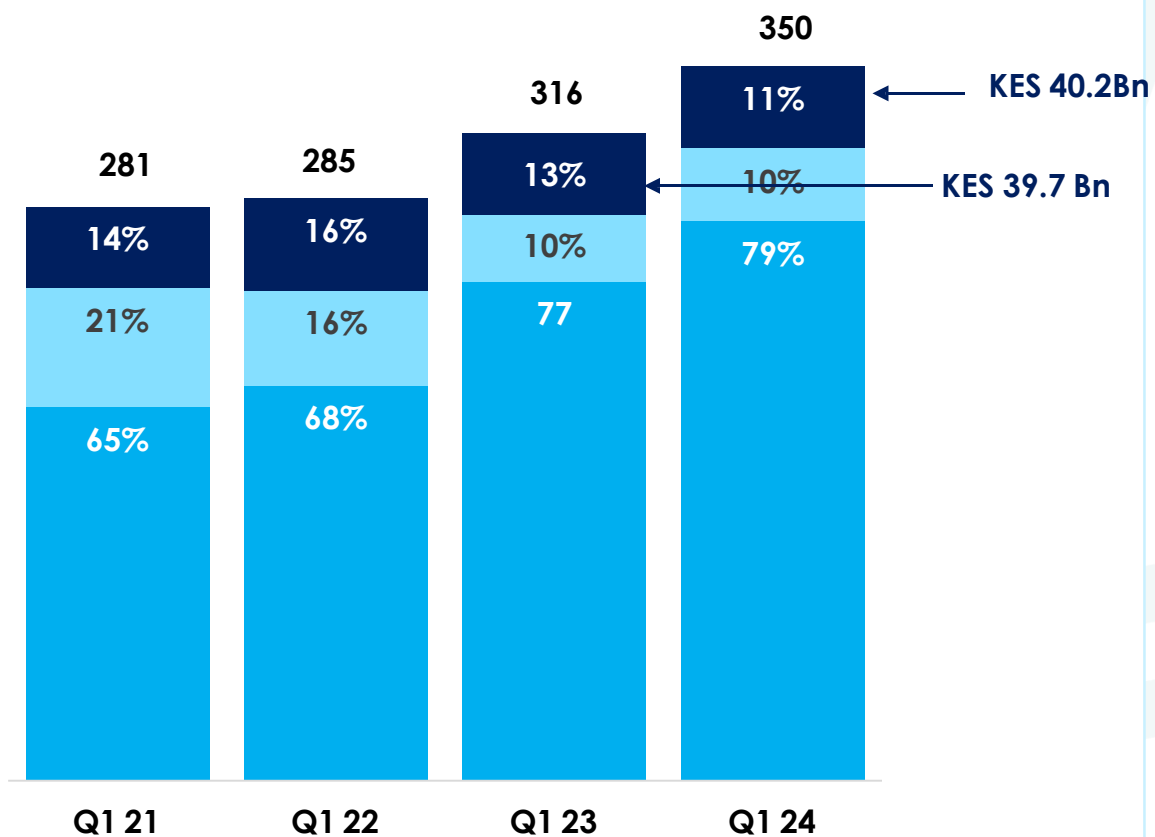


88% of our credit portfolio is performing and with minimal YoY movement in NPL....

Amounts in KES Bn

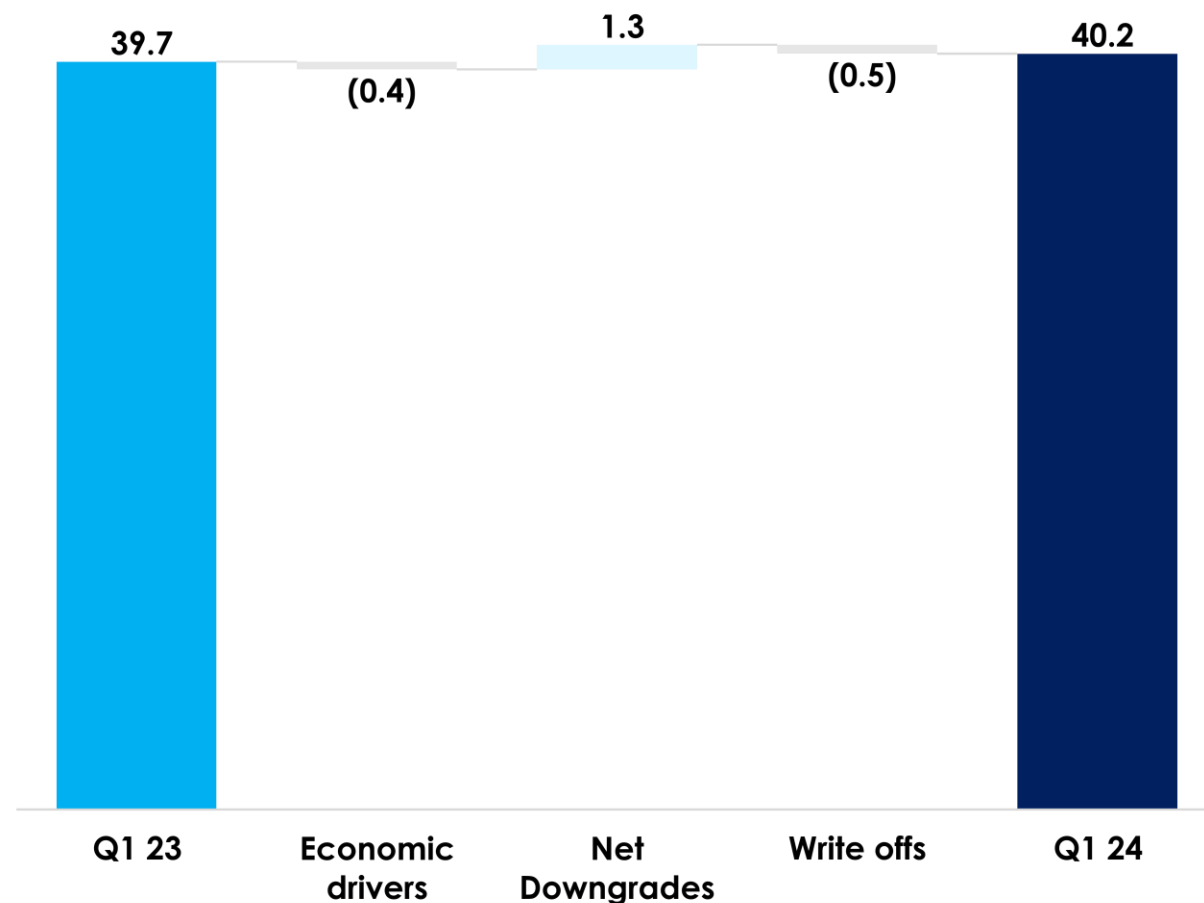
Gross Loans and Advances

■ Stage 1 ■ Stage 2 ■ Stage 3



Amounts in KES Bn

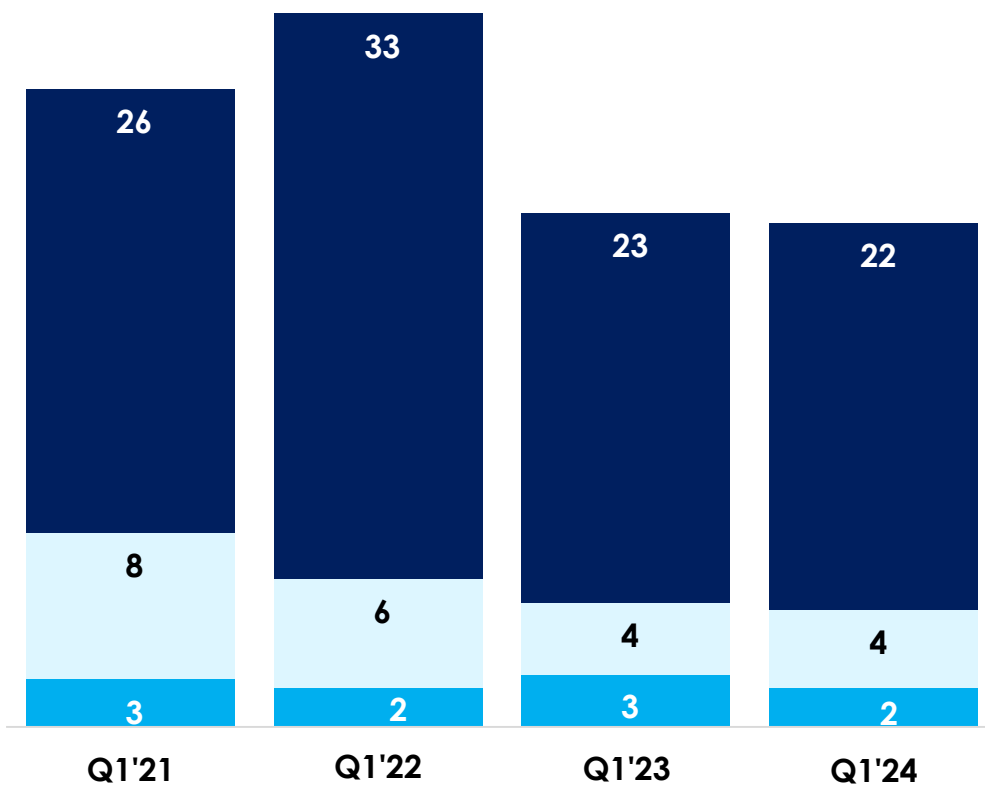
Group NPL Movement



...while being adequately provisioned with sufficient coverage across our loan classification buckets

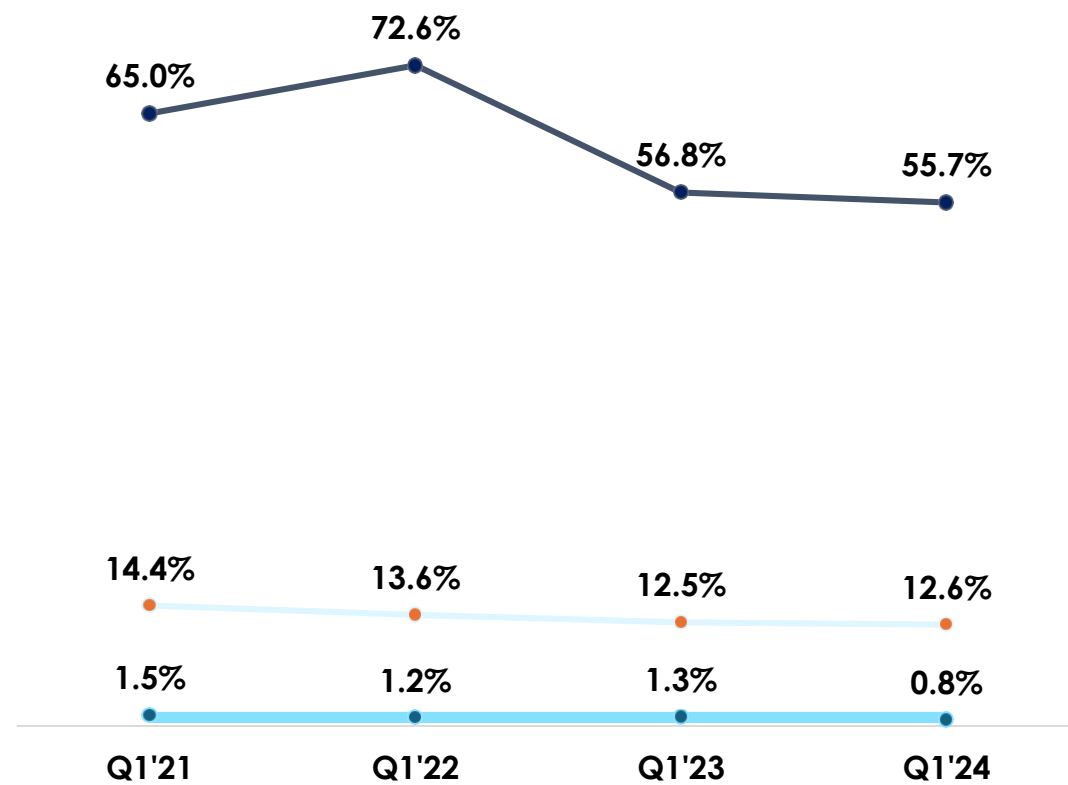
Provisions

■ Stage 1 ■ Stage 2 ■ Stage 3



Coverage

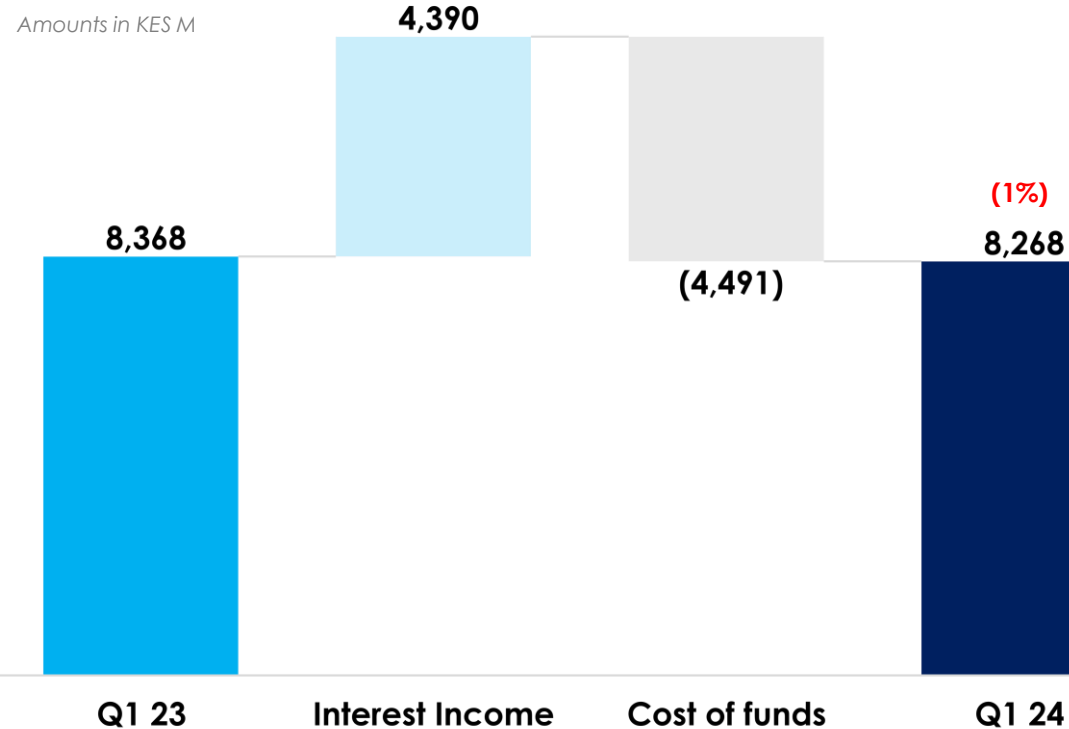
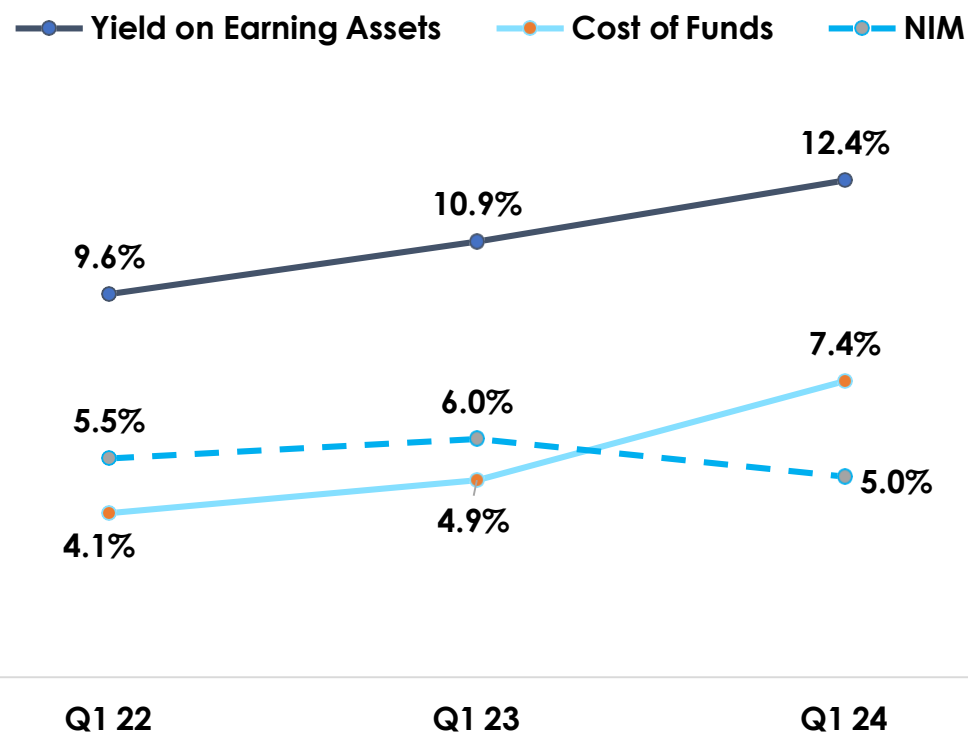
— Stage 1 — Stage 2 — Stage 3



The high interest rate environment has put pressure on our cost of funds (2.5% YoY), however asset pricing measures have muted the NIM deterioration to 1% YoY

We continue to see pressure on our pricing of our funding base, we however continue to protect our margins...

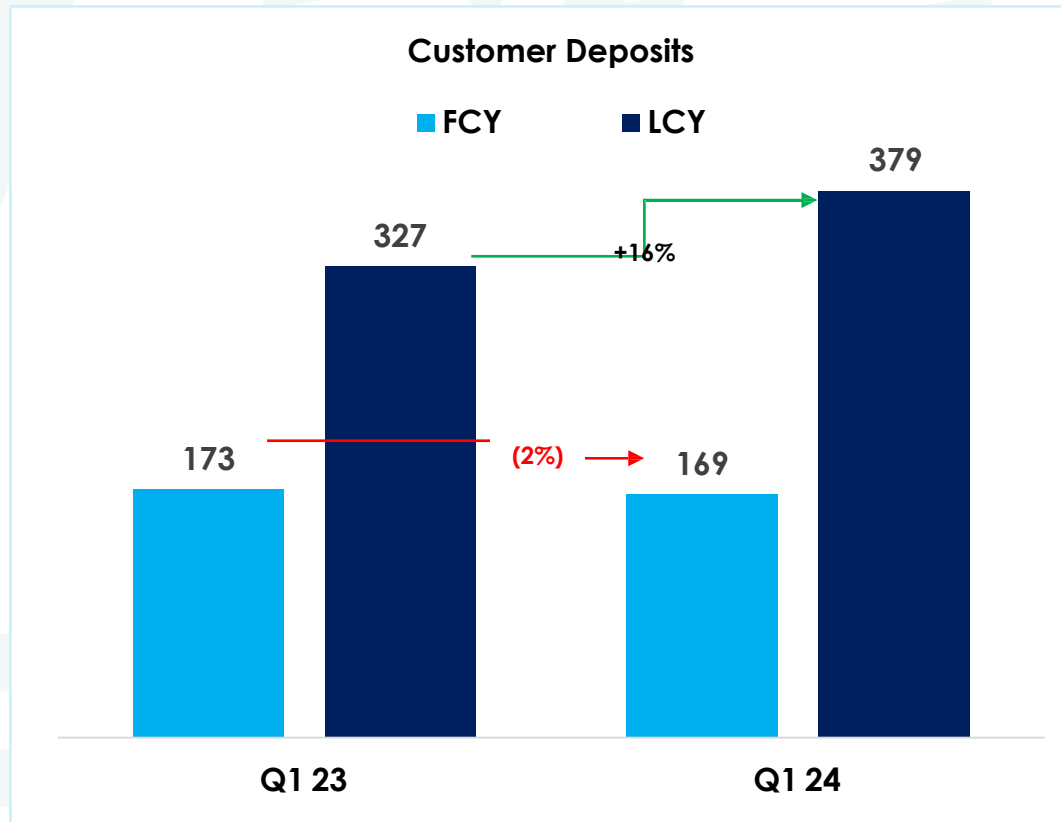
... this subsequently led to a 1% YoY drop in NII



Our franchise strengths delivers currency diversification on our funding and the environment presented an opportunity for enhanced trading in 2024

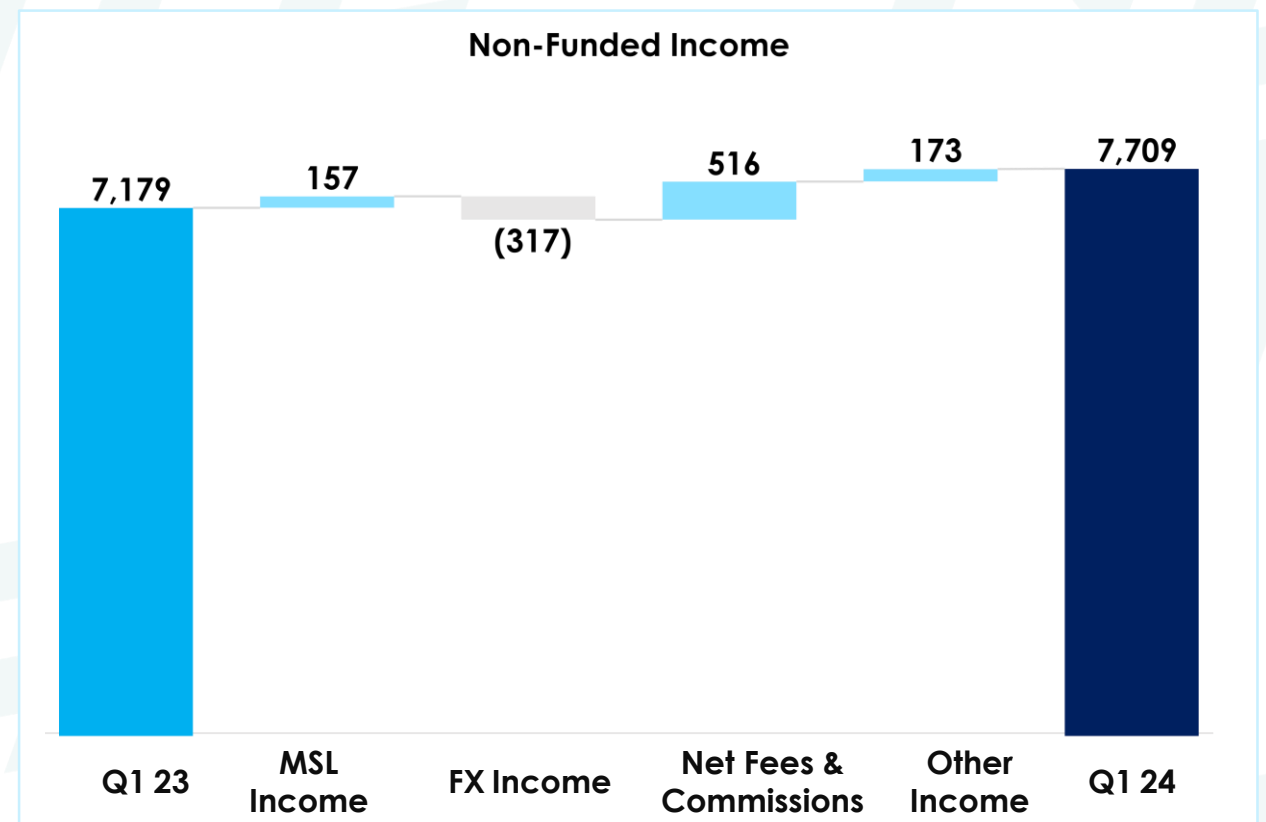
We saw a slight drop on our FCY deposit book due to translation effects given the sizeable appreciation on the KES...

Amounts in KES B



...however the environment presented an opportunity to enhance trading and this boosted Non-Funded Income

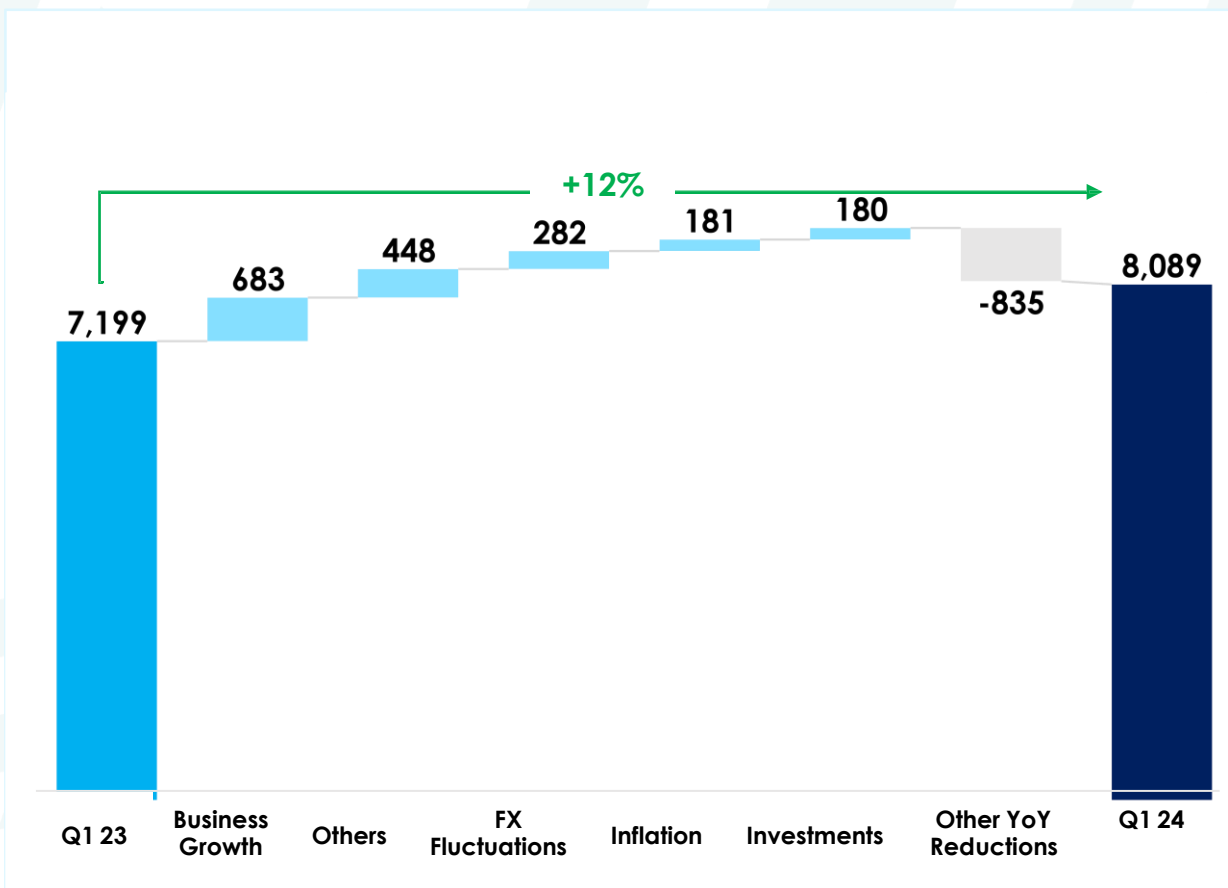
Amounts in KESM



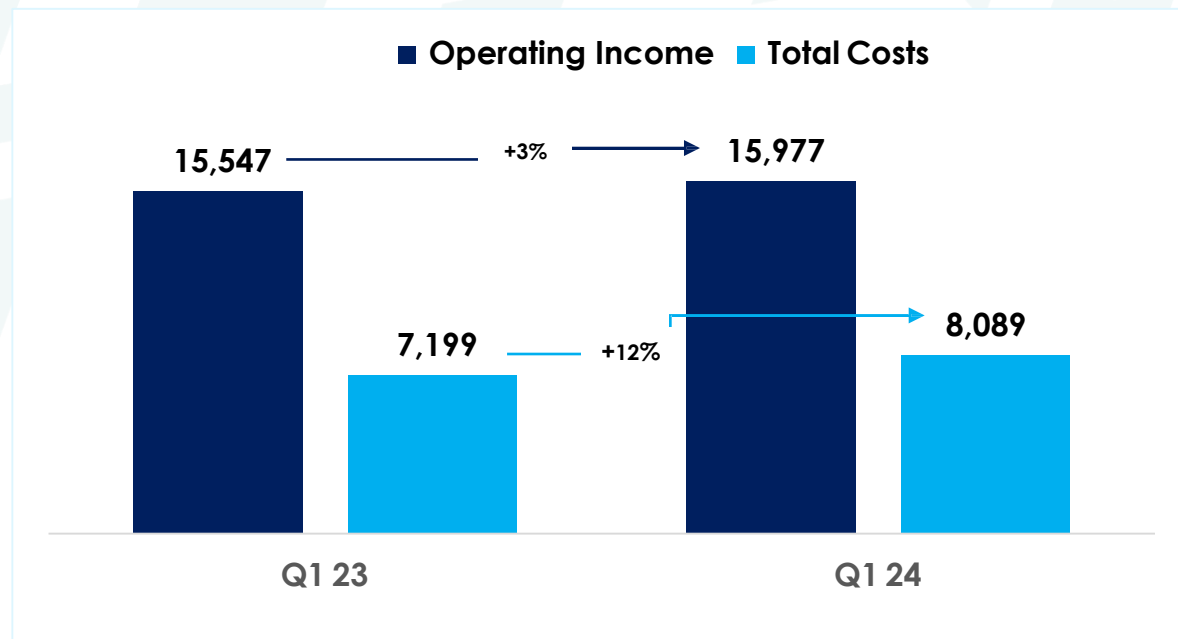
Business growth, strategic investments and inflation are the key contributors to operating expense pressure, expect this to mute as investments generate returns

Amounts in KES M

OPEX Increased by 12% YoY...



...putting pressure on our CIR



	Q1 23
Cost to Income Ratio	46.3%
Cost to Assets	1.1%
Staff cost Intensity ⁽¹⁾	19.4%
IT Cost Intensity ⁽²⁾	6.8%

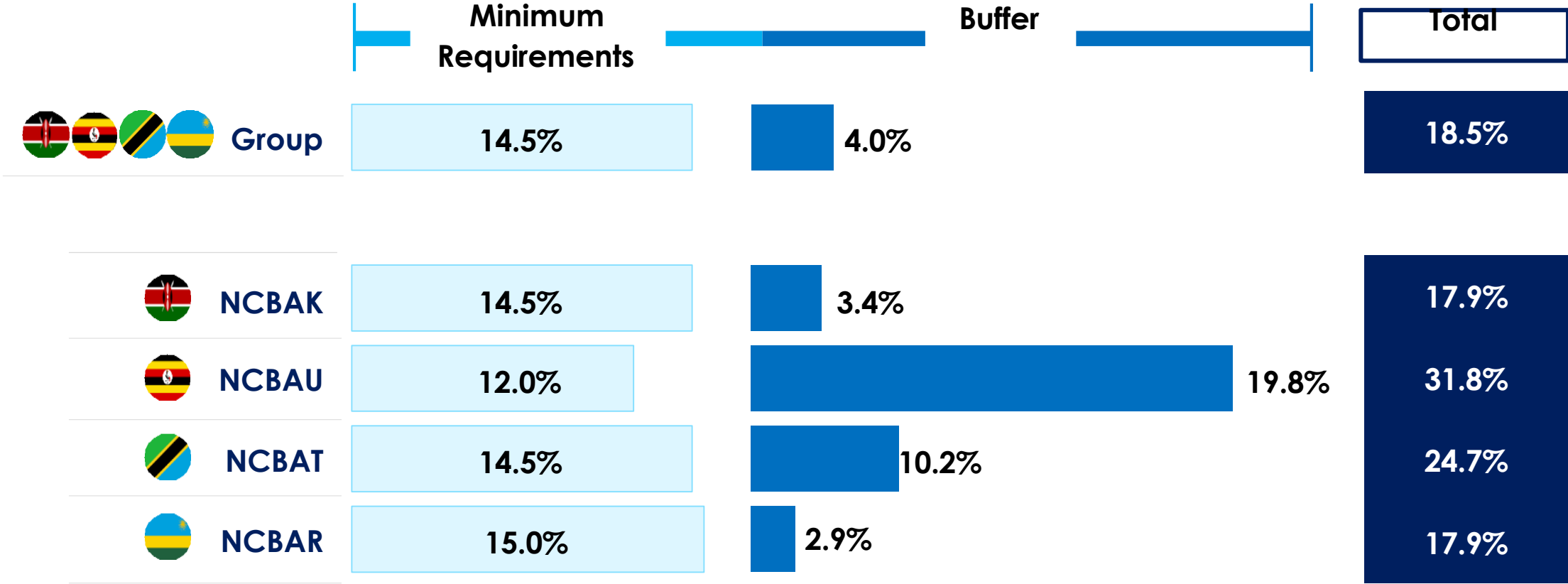
Notes:

1: Staff Cost Intensity calculated as Staff costs vs. Operating Income

2: IT Cost Intensity calculated as IT OPEX vs. Operating Income

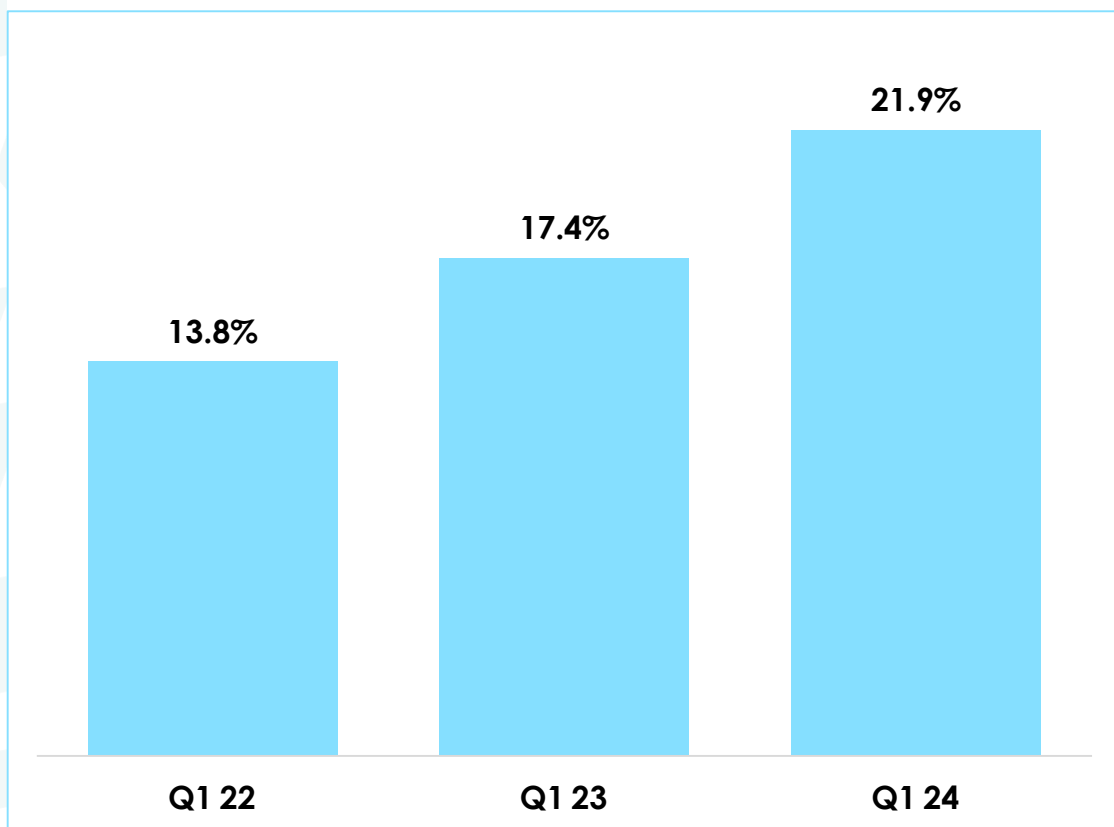
The Group remains effectively capitalized across our core markets providing ample room to invest in growth

TOTAL CAPITAL/RWA ACROSS OUR MARKETS

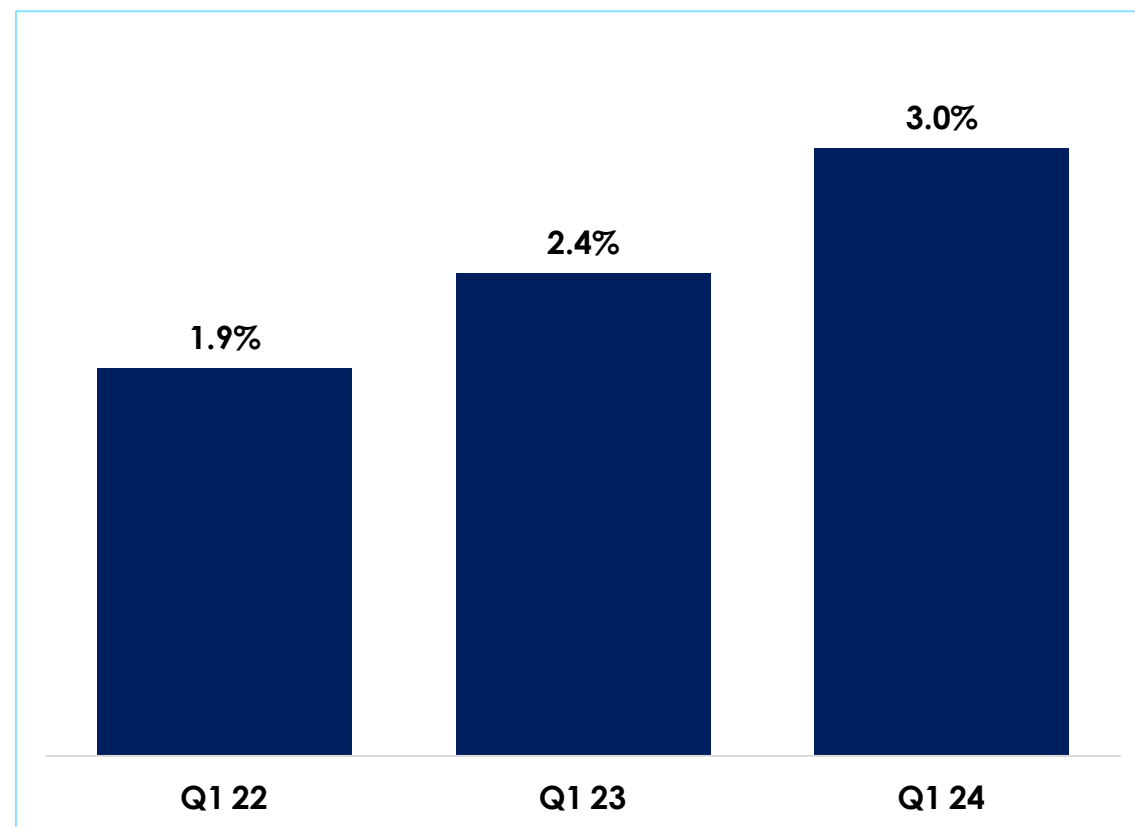


Our strategy is delivering the desired return outcomes for a Tier 1 Bank and we are delivering consistent cash returns to our >27,000 shareholders over the last 3 years

We are delivering on post merger promises on ROE



...while matching similar sized peers on ROA



THANK YOU



APPENDIX I

Statement of Profit & Loss

Amounts in KES Millions

	NCB A Bank Kenya			NCBA Group Consolidated		
	Q1'23	Q1'24	Δ%	Q1'23	Q1'24	Δ%
Interest Income	13,127	17,031	30%	14,714	19,105	30%
Interest Expenses	(5,785)	(9,976)	72%	(6,346)	(10,837)	71%
Net Interest Income	7,342	7,056	(4%)	8,368	8,268	(1%)
FX Income	2,521	2,111	(16%)	2,653	2,337	(12%)
Other Non- Interest Income	3,328	3,949	19%	4,526	5,372	19%
Non – Funded Income	5,849	6,060	4%	7,179	7,709	7%
Operating Income	13,191	13,115	(1%)	15,547	15,977	3%
Operating Expenses	(5,790)	(6,331)	9%	(7,199)	(8,088)	12%
Operating Profit	7,401	6,784	(8%)	8,349	7,888	(6%)
Impairments	(1,942)	(1,221)	37%	(1,954)	(1,351)	31%
Profit Before Tax	5,459	5,563	2%	6,395	6,537	2%
Tax	1,115	999	12%	1,329	1,236	7%
Profit after Tax	4,344	4,564	5%	5,066	5,301	5%

APPENDIX II

Statement of Financial Position

Amounts in KES Millions

Assets

Net Loans and Advances

Investments

Cash and Balances with Banks

Other Assets

Total Assets**NCBA Bank Kenya****Q1'23****Q1'24****Δ%**

254,291

282,693

11%

212,870

188,519

(11%)

47,149

93,908

99%

51,028

69,020

35%

565,339**634,139****12%****NCBA Group Consolidated****Q1'23****Q1'24****Δ%**

287,154

320,505

12%

234,317

212,570

(9%)

61,931

110,322

78%

45,425

51,475

13%

628,826**694,872****11%****Liabilities & Equity**

Customer Deposits

Borrowings

Other Liabilities

Shareholders Equity

Total Liabilities & Equity

447,741

499,968

12%

16,309

17,145

5%

21,919

30,045

37%

79,370

86,981

10%

565,339**634,139****12%**

499,736

548,068

10%

16,804

17,809

6%

24,379

30,218

24%

87,907

98,777

12%

628,826**694,872****11%**