Macroeconomic Environment
Favorable Macro-economic Environment in 2015

- **Gross Domestic Product (GDP)**

  - Kenya’s economy remains relatively resilient; 2Q2015 GDP numbers released in September 2015 indicate the economy grew by 5.5%.
  
  - Positive upswing of the tourism sector particularly conference tourism.
  
  - Heavy investments in infrastructure will stimulate economic growth.
KES Exchange Rate

- Timely interventions by the MPC has stabilized the USD exchange rate currently at Kshs101/102

Inflation Rate

- Overall monthly inflation rate eased to average 6.14% in 3Q2015 compared to 7.5% in a similar period in 2014 supported by a fall in food inflation.
- Non-food-non-fuel inflation rose to 4.6% in 3Q2015 from 4.3% in 3Q2014 indicating the effect of imported inflation due to KES depreciation.
- The falling maize prices and low oil prices will help mute volatility in overall inflation rate.
Interest rates & Market Liquidity

• Money market liquidity was tight in 3Q2015 but this has now eased with interbank rates at around 11% / 12%.

• Treasury Bills / Bonds have witnessed a high of around 21/22% but the rates are now on a downward trend. We expect rates of around 17/18% this week.

• 4th quarter will still see a slightly elevated Bank interest rates.
Key Strategic Pillars
Successful Universal Banking Model

Co-operatives Banking
- Large Saccos
- Housing Saccos
- Agri Business
- PSV/Transport Saccos
- Investment Saccos

Retail Banking
- Micro Credit
- Small Medium Enterprises (SME)
- Personal Banking (mass & affluent)
- Diaspora Banking
- Banking the youth (Yea & Jumbo Junior)
- Asset Finance

Corporate & Institutional Banking
- Corporate banking
- Government Banking
- Trade Finance
- NGO's

Subsidiaries:
- Co-op-Trust (Investment services)
- Kingdom Securities
- Co-op Consultancy (Advisory services) & Insurance Agency
- Co-op Bank Foundation
- Banc Assurance

Regional Expansion
- Co-op Bank of South Sudan

Associates:
- CIC Insurance (26% owned)
Successful & Diverse Delivery Channels

Innovative customer delivery platforms

- ATMs, over 567
- 12 M Member Coop Movement, 5.7 M & growing direct account holders
- 143 branches, Over 8,700 Agency Banking live sites, leading debit cards
- Unique M-Coop Cash, All Telco, all products mobile platform with over 2.5 Million customers

Subsidiaries businesses

- Sacco Link 866,639 Customers & over 555 FOSAs

72% of transactions are now going through alternative channels
During the year the bank focused on implementation of an ambitious transformation agenda “the soaring eagle transformation Agenda” in order to sustain and put the group on a new trajectory for growth and market competitiveness. The implementation was specifically focused on the following pillars;

- A lean and functional structure.
- Branch transformation and alternative banking channels migration.
- Enhancement of innovative customer delivery platforms.
- A competitive cost to income operating model.
- A cutting edge performance based reward culture (KPI’s).
- Sales force effectiveness riding on our strong customer base of over 5.7 million account holders.
- Digitization and automation of the key processes.
- Enhanced and robust customer relationship management, data analytics and management reporting.
- Strengthened risk management framework.
The Soaring Eagle Transformation Agenda

- **Branch Transformation and channel migration**
  - Completed re-organization of top 40 branches (contributing over 72% profitability) for better customer service and project continuing to the rest of the branches.
  - Introduced new tools and technology meant to aid customer and staff in service delivery; Queue management systems and customer relationship management platform.
  - Introduced seating arrangements for our customers to enhance in branch customer experience.
  - Introduction of new, exciting and innovative self serve channels such as cheque / cash drop boxes, in-branch toll free lines to bank contact centre, repositioned ATM in and around our branches to aid self directing and self serve for all our customers.
  - Drastic branch customer wait-time reduction with customer spending less than 15 min for all services end to end
  - Introduction of customer service champions to promote ,educate and get feedback from customers on our self serve platforms.
  - Increased sales force effectiveness in all metrics of volume, productivity and cross selling in our branches.
  - Visible mindset shift from product focus to customer centric focus.
  - Staff productivity has increased by 40% in transformed branches.

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The Soaring Eagle Transformation Agenda

• **Optimal structure**
  o Implemented a functional / customer centric structure in December 2014.
  o Released over 160 staff mainly in management cadre.
  o We have a freeze on new recruitment with staff numbers now at 3,661 compared to 4,128 last year.
  o Growth opportunities for the young and energetic team with 91% being under 40 years
  o Cross training and up skilling of staff to better perform their duties.
  o Restructuring of our IT system into planning, delivery and run function

• **Creation of a Shared Service Centre**
  o All support services grouped and centralized under COO
  o Appointment of a Chief Operating Officer
  o Appointment of Chief information officer
  o Development of an enterprise IT architectural strategy
  o Resourcing the new structure with the requisite capability including external recruitment of selected positions.
  o Investment in data and analytics enabling software's
The Soaring Eagle Transformation Agenda

- **Creation of Transformation Office**
  - Appointment of a Director Transformation
  - Follow up and seamless implementation of all the transformation initiatives.
  - Co-ordination and alignment of transformation initiatives.
  - Launch and institutionalization of corporate and co-operative sales force effectiveness.
  - Launch and institutionalization of sourcing strategy
  - Launch and institutionalization of data and analytics piece of transformation.
  - Continued Acceleration of digitization of our processes and service leading to increased role out of multiple customer touch points most of which are in web based- self serve platform.
The Soaring Eagle Transformation Agenda

• **Sales force effectiveness and enhanced front line productivity**
  - Incredible opportunity to cross sell to our 5.7M strong account holders across all sectors
  - Implemented a customer centric model from the initial product centric
  - Relationship managers now sell full basket of products to one customer.
  - Clear 360 degree view of the customer.
  - Use of account plans thus increasing product penetration to as many as 13 products per customer.
  - Visible contribution of Sales force tools and principle in banks performance particularly in growth of liabilities and cushioning the bank from the high interest expenses in volatility environment.

• **Cost rationalization**
  - Optimal staffing
  - Renegotiated contracts with vendors.
  - Reviewed procurement processes and procedures, including frequent retenders with significant savings.
  - Focused more on electronic delivery channels thus reducing brick and mortar costs
  - Cost to income ratio now at 49%. (Dec. 2014 - 59%)
The Soaring Eagle Transformation Agenda

• Data Analytics and reporting
  o Acceleration of data analytics piece of transformation agenda through identification and prioritization of 25 use cases that will drive high value for our business
  o Establishment and roll out of enterprise wide data governance model
  o Establishment and roll out of strategic IT architectural model geared towards supporting data and analytics
  o Concluding the first use case on Balance Sheet and P&L reports for divisions, departments, regions and branches with huge visible benefits in quality of reports, performance focus and aiding management decision.
  o Implementation of the Customer relationship management systems (CRM) leading to proactive selling to our customer.
  o Development of strategic roadmap to aid the bank as it proceed towards predictive analytics
  o Development of dash boards to measure performance at all levels.
The Soaring Eagle Transformation Agenda

• Digitization and automation of the key processes
  o Digitized several customer delivery processes i.e. paperless deposits
  o Automating the loan origination process
  o A robust credit management framework
  o Enhanced collection of loans and advances

  o Performance Management
    o KPI based performance management and reward system.
    o Focused training across teams.
    o Launch and adoption of web based e-learning platform enabling staff to continually learn, re-learn new ways, principles, and practices of doing thing hence increase their productivity and capability.
    o Roll out and institutionalization of daily performance huddles across the entire bank which are closely aligned with customer key objectives delivery excellence and customer experience.
    o Proactive training of staff on problem solving methodology, team work, responsibility acceptance and result ownership all geared toward fostering continuous improvement, innovation and corporate entrepreneurship.
The Soaring Eagle Transformation Agenda

• Key Milestones
  o As at 30th September 2015, cost to income ratio has dropped to 49% from a high of 59% in December 2014.
  o With a huge 23% growth in the Asset base of the bank to over Ksh.332.8 Billion, the operating expenses have increased by only 1.1% Y/Y.
  o Return on Equity has improved to 25.2%
  o Return on Assets up to 3.8%
  o Customer Queue time has reduced drastically by up to 50% in the transformed branches
  o Over 72% of transaction are being processed through alternative channels
  o Increased product sales performance by at least 40%
  o Through cross selling number of customers with one account has reduced from 75% to 71%.
  o Customer service has greatly improved. Most customers just drop their cash and or cheques and are informed of the deposit within one hour.
  o Overall Significant growth in profitability.
Robust technology with Strong Investment in Human Capital

- Modern and robust core banking system (BFUB) with a capacity to support over 15M customers & over 10M transactions per day
- Tier 3 data center with the latest IBM servers (7 series) that enables faster processing of transactions
- Specialized systems: Bancasurance systems, Opics (Treasury System) and Trade Innovation (Trade finance System), custodial and fund management services, among others
- High level security certification to secure all our data.

- Strong value-based culture
- Young, dynamic, resourceful, talented, engaged, aggressive and innovative team that is the future of the bank. 92% of staff are below 40 years; great source of innovation and continuity.
- Run a strategic owned Leadership & Management Development Centre easing staff skills development; has trained over 1,888 Co-operatives leaders in the first nine months of the year 2015.
- Partnered with leading training institutions:
  - Omega for credit certification
  - High performance people skills - London Business School
Strong and Sustainable Partnerships with Development Partners

Leveraged on strong balance sheet to secure single digit long-term debt of over US$ 337.39 M from developmental partners as hereunder:

- IFC US$ 60 million (Kshs.5.1 billion) in USD fully drawn.
- IFC US$105 (Kes10.7 Billion) > Negotiated a 7 year to finance SME’s, construction and mortgage segments. This is yet to be drawn.
- EIB Euro 70 million (Kshs.8 billion) in Kshs (locked in Kshs at the exchange rate on disbursement)
- AFD US$ 36 million (Kshs.3.14 billion) in USD
- DEG US$ 52.6 million (Kshs.4.68 billion) in USD

✓ Senior debt has enhanced asset-liability match
✓ Mitigated our shilling exposure
✓ Diversified our asset portfolio
✓ Expanded our client base to export-led FX rich sectors
✓ Boosted our competitive position on account of affordable lending rates
Co-op Consultancy & Ins. Agency Ltd

- Incorporated the Company in the year 2002. Currently with 20 consultants to support Cooperative Societies and related community benefit institutions:
  - Capacity building for Cooperative Societies.
  - Over 1828 consultancy and advisory mandates carried out from inception to date.
  - 550 FOSA's to serve Sacco customers.
  - FOSAs have further entrenched our financial deepening model.

- Supported the establishment of Kenya Co-operative Coffee Exporters Ltd (KCCE) to help coffee farmers maximize returns on their business and take greater control of the coffee value chain.

Co-operative Bank Foundation

- Our social investment program vehicle

- Flagship program is Education Scholarships for bright but needy students from all regions of Kenya. The sponsorship includes:
  - Full fees Schools fees for both secondary and University education
  - Internships and career openings for beneficiaries

- The foundation is fully funded by the bank.

- Since inception of program in 2007 to date 3,604 students sponsored for Secondary (3,455), university (140) and colleges (9) levels of education.
- The bank awards scholarships per county and the rest are determined by the bank’s regional Sacco delegates.

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2014 International Banker Awards

- Bank CEO of the Year - Africa - 2014
- Best Innovation in Retail Banking - 2014

Other achievements

- Co-op Bank is now the first Bank in East Africa to achieve this security certification.

2015 Financial Times - World Top 1,000 Banks

- With good Tier 1 Capital strength
- Ranked highly in Africa in terms of;
  - Return on Assets
  - Return on Capital
Unique Strategy for Regional Expansion

- Unique partnership with Government of S. Sudan (Co-op Bank 51% and GOSS 49%); the unique model offers ‘inclusive growth’

- Currently operating 3 branches in Juba and 4 collection centers. The subsidiary has made a profit before tax of Kes. 246.8 Million for the first 9 months of the year.

- The unique joint venture offers great opportunity for long-term sustainability of the business.

- Exceptional model to be applied in our new frontiers i.e. Uganda, Rwanda, Tanzania & Ethiopia to be implemented over the next 5 years.
Key Financial Highlights
<table>
<thead>
<tr>
<th></th>
<th>Q3-2015</th>
<th>Q3-2014</th>
<th>% Change (YoY)</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>332.8</td>
<td>270.7</td>
<td>23%</td>
<td>285.4</td>
</tr>
<tr>
<td>Loan book (NET)</td>
<td>212.4</td>
<td>176.0</td>
<td>20.7%</td>
<td>179.5</td>
</tr>
<tr>
<td>Government Securities</td>
<td>42.2</td>
<td>36.5</td>
<td>15.5%</td>
<td>40.7</td>
</tr>
<tr>
<td>Total Deposits</td>
<td>257.5</td>
<td>206.6</td>
<td>24.6%</td>
<td>220.9</td>
</tr>
<tr>
<td>No. of account holders (Millions)</td>
<td>5.7</td>
<td>4.9</td>
<td>16.3%</td>
<td>5.1</td>
</tr>
<tr>
<td>Shareholders Funds</td>
<td>49.5</td>
<td>41.8</td>
<td>18.4%</td>
<td>43.3</td>
</tr>
</tbody>
</table>
A Well-diversified Liability Portfolio

Customer Deposits by account Types (In Billions) Q3-2015

- Savings Accounts: 18.7
- Call Deposits: 20.3
- Transactions Accounts: 51.5
- Current Accounts: 76.4
- Fixed Deposits: 86.7

Deposits by source: Q3-2015
- Sacco: 29%
- Retail: 18%
- MCU: 12%
- SME: 14%
- Government Banking: 4%
- Institutional Banking: 23%

Deposits by source: Q3-2014
- Sacco: 31%
- Retail: 25%
- MCU: 20%
- SME: 7%
- Government Banking: 4%
- Institutional Banking: 13%

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<table>
<thead>
<tr>
<th></th>
<th>Q3-2015</th>
<th>%</th>
<th>Q3-2014</th>
<th>%</th>
<th>FY - 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal</td>
<td>196,314</td>
<td>90.3%</td>
<td>163,781</td>
<td>90.8%</td>
<td>166,821</td>
</tr>
<tr>
<td>Watch</td>
<td>12,248</td>
<td>5.6%</td>
<td>8,630</td>
<td>4.8%</td>
<td>11,818</td>
</tr>
<tr>
<td>Substandard</td>
<td>3,567</td>
<td>1.6%</td>
<td>2,921</td>
<td>1.6%</td>
<td>3,382</td>
</tr>
<tr>
<td>Doubtful</td>
<td>4,436</td>
<td>2.0%</td>
<td>3,894</td>
<td>2.2%</td>
<td>3,837</td>
</tr>
<tr>
<td>Loss</td>
<td>740</td>
<td>0.3%</td>
<td>1,060</td>
<td>0.6%</td>
<td>763</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>217,306</td>
<td>100.0%</td>
<td>180,287</td>
<td>100.0%</td>
<td>186,622</td>
</tr>
</tbody>
</table>
## CAPITAL ADEQUACY

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Core Capital / Total Deposits (10.5%)</td>
<td>16.4%</td>
<td>17.5%</td>
<td>17.0%</td>
<td>16.4%</td>
<td></td>
</tr>
<tr>
<td>Core Capital / Total Risk weighted Assets (10.5%)</td>
<td>14.2%</td>
<td>14.5%</td>
<td>14.6%</td>
<td>14.2%</td>
<td></td>
</tr>
<tr>
<td>Total Capital / Total Risk Weighted Asset (14.5%)</td>
<td>21.2%</td>
<td>22.4%</td>
<td>22.0%</td>
<td>21.2%</td>
<td></td>
</tr>
<tr>
<td>Coverage (Loan loss prov+int in sus /Gross NPL) -IFRS</td>
<td>48.7%</td>
<td>34.1%</td>
<td>30.0%</td>
<td>48.7%</td>
<td></td>
</tr>
<tr>
<td>Coverage(Loss loan+int in sus+gen prov)/Gross NPL - CBK</td>
<td>76.6%</td>
<td>58.2%</td>
<td>55.0%</td>
<td>76.6%</td>
<td></td>
</tr>
<tr>
<td>Liquidity (20%)</td>
<td>32.9%</td>
<td>30.7%</td>
<td>33.8%</td>
<td>32.9%</td>
<td></td>
</tr>
<tr>
<td>NPL / Total Loans</td>
<td>3.4%</td>
<td>4.1%</td>
<td>4.1%</td>
<td>3.4%</td>
<td></td>
</tr>
<tr>
<td>Loans to Deposits</td>
<td>85.4%</td>
<td>88.8%</td>
<td>84.7%</td>
<td>85.4%</td>
<td></td>
</tr>
</tbody>
</table>

**Key:** Minimum Statutory requirement

---

### Core capital/total risk weighted assets

<table>
<thead>
<tr>
<th>Percentage, %</th>
<th>FY - 2011</th>
<th>FY - 2012</th>
<th>FY - 2013</th>
<th>FY - 2014</th>
<th>Q3 - 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core capital/total risk weighted assets</td>
<td>16.0%</td>
<td>20.3%</td>
<td>15.7%</td>
<td>14.0%</td>
<td>14.2%</td>
</tr>
</tbody>
</table>

### Total capital/Total risk weighted assets

<table>
<thead>
<tr>
<th>Percentage, %</th>
<th>FY - 2011</th>
<th>FY - 2012</th>
<th>FY - 2013</th>
<th>FY - 2014</th>
<th>FY - 2015</th>
</tr>
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<tbody>
<tr>
<td>Total capital/Total risk weighted assets</td>
<td>23.8%</td>
<td>16.4%</td>
<td>21.1%</td>
<td>21.3%</td>
<td>21.2%</td>
</tr>
</tbody>
</table>

---
Deepening Financial Inclusion with alternative channels

**CHANNEL TRANSACTIONS IN '000'**

- **Agents**: 7,426 (2014), 9,463 (2015)
- **Internet Banking**: 46 (2014), 101 (2015)
- **MCo-op Cash**: 7,870 (2014), 8,513 (2015)

- **Channels**
  - ATM
  - Teller
  - MCo-op Cash
  - Internet Banking
  - Agents

**Branch Vs Alternative Channels**

Q3 2015

- Alternative Channels: 28%
- Teller Transactions: 72%

Q3 2014

- Alternative Channels: 32%
- Teller Transactions: 68%

**MCo-op Cash loan Book Numbers (In '000')**

- Dec. 2014: 225
- Jan: 307
- Feb: 395
- Mar: 519
- Apr: 633
- May: 770
- Jun: 907
- Jul: 1,044
- Aug: 1,182
- Sep: 1,331

- Dec. 2014: 122,4
- Jan: 28.4
- Feb: 37.6
- Mar: 46.4
- Apr: 58.5
- May: 69.5
- Jun: 83.0
- Jul: 95.9
- Aug: 108.4
- Sep: 122.4

**MCo-op Cash loan Book - In Millions**

- Dec. 2014: 0
- Jan: 225
- Feb: 307
- Mar: 395
- Apr: 519
- May: 633
- Jun: 770
- Jul: 907
- Aug: 1,044
- Sep: 1,182
- Oct: 1,331

**Percentage**

- Q3 2015: 72%
- Q3 2014: 68%

**Contact Information**

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- Phone: 0756690101/0705027000
- SMS: 16111
- E-mail: customerservice@co-opbank.co.ke
<table>
<thead>
<tr>
<th>Ksh. Billions (except for EPS)</th>
<th>Q3 - 2015</th>
<th>Q3 - 2014</th>
<th>% Change (Y/Y)</th>
<th>FY 2014 (audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income</td>
<td>26.0</td>
<td>20.9</td>
<td>24.4%</td>
<td>29.4</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>8.6</td>
<td>5.8</td>
<td>47.4%</td>
<td>8.1</td>
</tr>
<tr>
<td>Net Interest Income</td>
<td>17.4</td>
<td>15.0</td>
<td>15.6%</td>
<td>21.3</td>
</tr>
<tr>
<td>Fees &amp; Commissions</td>
<td>7.1</td>
<td>6.8</td>
<td>4.3%</td>
<td>8.7</td>
</tr>
<tr>
<td>Forex Income</td>
<td>1.7</td>
<td>1.1</td>
<td>59.6%</td>
<td>1.4</td>
</tr>
<tr>
<td>Total Income</td>
<td>26.6</td>
<td>23.5</td>
<td>13.4%</td>
<td>32.1</td>
</tr>
<tr>
<td>Loan Loss Provision</td>
<td>1.5</td>
<td>0.75</td>
<td>103.1%</td>
<td>1.2</td>
</tr>
<tr>
<td>Staff Costs</td>
<td>5.9</td>
<td>6.3</td>
<td>-7.2%</td>
<td>8.5</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>14.6</td>
<td>14.4</td>
<td>1.1%</td>
<td>20.1</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>12.2</td>
<td>9.1</td>
<td>33.2%</td>
<td>10.9</td>
</tr>
<tr>
<td>Profit After Tax</td>
<td>8.6</td>
<td>6.3</td>
<td>36.6%</td>
<td>8.0</td>
</tr>
<tr>
<td>Basic EPS</td>
<td>1.76</td>
<td>1.3</td>
<td>36.6%</td>
<td>1.6</td>
</tr>
</tbody>
</table>
### Key Profit & Loss Ratios

<table>
<thead>
<tr>
<th></th>
<th>Q3 - 2015</th>
<th>Q3 - 2014</th>
<th>FY - 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost to Income (Excluding Provisions)</td>
<td>49.0%</td>
<td>58.2%</td>
<td>59.0%</td>
</tr>
<tr>
<td>Cost to Income (Including Provisions)</td>
<td>54.8%</td>
<td>61.4%</td>
<td>62.6%</td>
</tr>
<tr>
<td>Cost of funds</td>
<td>4.13%</td>
<td>3.45%</td>
<td>3.38%</td>
</tr>
<tr>
<td>Staff Cost to Total Income</td>
<td>21.6%</td>
<td>26.4%</td>
<td>26.3%</td>
</tr>
<tr>
<td>Debt to Equity</td>
<td>39.6%</td>
<td>44.0%</td>
<td>42.2%</td>
</tr>
<tr>
<td>Average Return on Equity</td>
<td>25.2%</td>
<td>22.0%</td>
<td>20%</td>
</tr>
<tr>
<td>Average Return on assets</td>
<td>3.8%</td>
<td>3.4%</td>
<td>3.1%</td>
</tr>
<tr>
<td>FX to Non-funded income</td>
<td>18.8%</td>
<td>12.9%</td>
<td>13.1%</td>
</tr>
<tr>
<td>Non-funded to Total Income</td>
<td>34.7%</td>
<td>36.0%</td>
<td>33.7%</td>
</tr>
<tr>
<td>Net Interest Margin</td>
<td>9.0%</td>
<td>9.5%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Effective Corporate Tax Rate</td>
<td>30%</td>
<td>30%</td>
<td>30%</td>
</tr>
</tbody>
</table>

- Cost to Income: The ratio is improving in line with the ongoing transformation strategy
- Average Return on Equity: Improved as a result of the improved operations efficiency
- NIM: Stable and in line with the bank’s projections
<table>
<thead>
<tr>
<th></th>
<th>Actual Q3-2015</th>
<th>Projections FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit Before Tax Growth</td>
<td>33.2%</td>
<td>28% - 35%</td>
</tr>
<tr>
<td>Loans &amp; Advances Growth</td>
<td>20.7%</td>
<td>20%</td>
</tr>
<tr>
<td>Deposits Growth</td>
<td>24.6%</td>
<td>25%</td>
</tr>
<tr>
<td>Cost to Income Ratio</td>
<td>49.0%</td>
<td>53%</td>
</tr>
<tr>
<td>Non Funded to Total Income</td>
<td>34.7%</td>
<td>35%</td>
</tr>
<tr>
<td>ROAE</td>
<td>25.2%</td>
<td>25-30%</td>
</tr>
<tr>
<td>ROAA</td>
<td>3.8%</td>
<td>4 - 4.5%</td>
</tr>
<tr>
<td>NPL</td>
<td>3.4%</td>
<td>4.15%</td>
</tr>
<tr>
<td>Cost of funds</td>
<td>4.1%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Net interest margin (NIM)</td>
<td>9.0%</td>
<td>9%</td>
</tr>
<tr>
<td>Cost of risk</td>
<td>1.04%</td>
<td>1%</td>
</tr>
</tbody>
</table>
Conclusion

We are pleased with the strong balance sheet and P&L growth of 23% and 33.2% respectively, with Q3 - 2015 Profit Before Tax of Kshs 12.16B compared to Kshs 9.13B in 2014.

With the increased momentum in the “Soaring Eagle Transformation Agenda”, revamped ICT infrastructure, profitable operations in South Sudan, and other new frontiers, the group will continue scaling new heights.

We look to the future with great excitement and optimism! Thank you for your continued partnership and we invite you to invest more in the great future.
THANK YOU

CO-OPEATIVE BANK

We are you