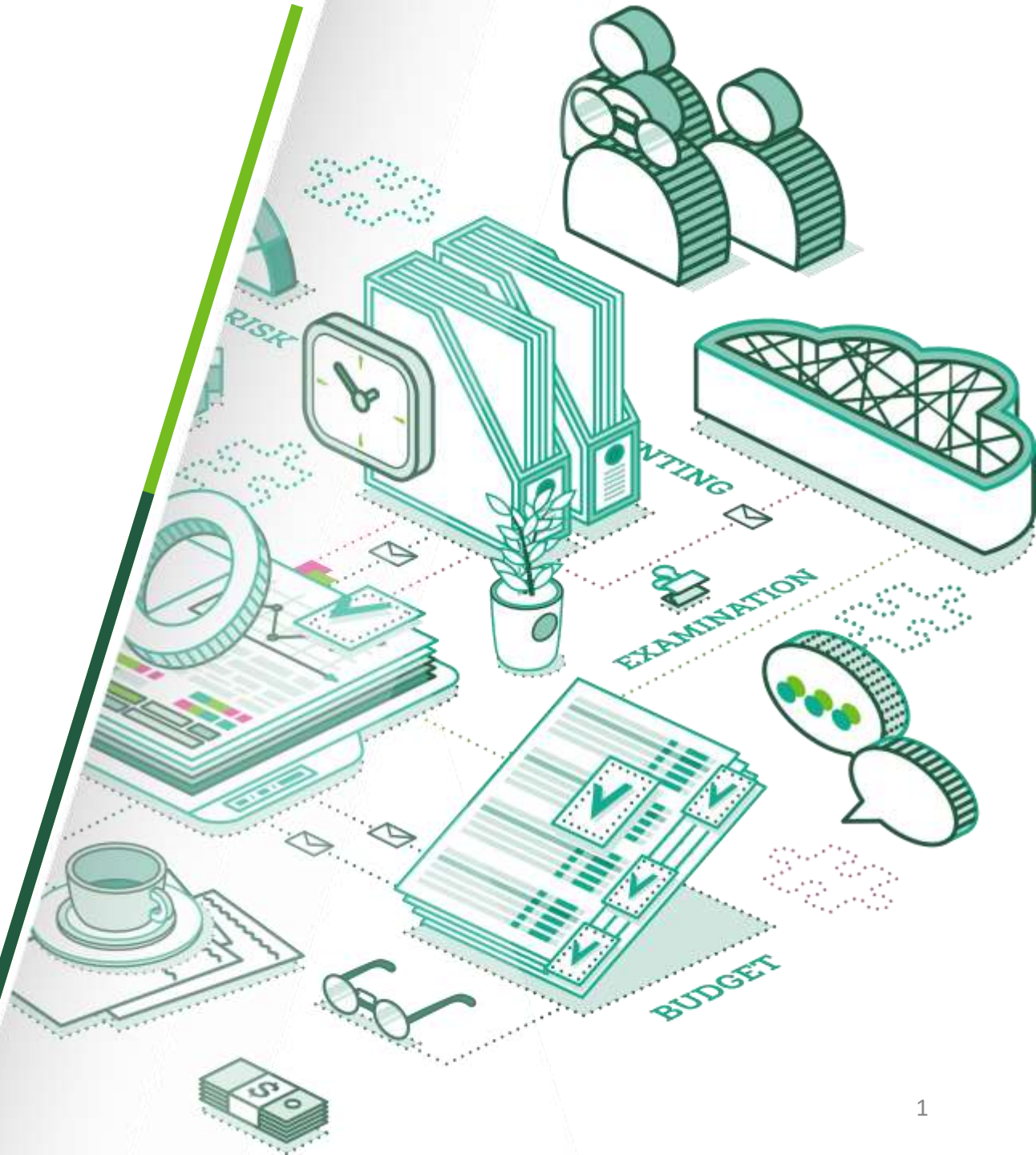


We Are You

Co-operative Bank of Kenya Ltd

Group Financial Results | Q3 2023



Key Highlights

We are Growing

We are Resilient

We are Agile

A Transformational Bank



Largest Co-operative Bank in Africa - 15 Million Members

Successful Universal Banking Model, **Increased Dominance** in Kenya

Growth, Resilience and Agility

Kshs. 661.3 Billion in Total Assets

5249 Skilled, Motivated Staff Members



We are Growing: Creating Value

Continued focus on optimizing opportunities for growth through an innovative array of financial solutions.



Efficient, Profitable Business Model

45.8% ————— 46.4%

22.7

24.7

Q32022

Q32023

■ Profit Before Tax (Kshs B) — Cost to Income Ratio (%)

Growing Asset Base (Kshs. B)

622.1

661.3

Q32022

Q32023

We are Resilient: Protecting Value



Profitable Bank **Kshs. 24.7 Billion**



Strong Capital Buffers Total Capital to RWA 22.1% (Regulatory 14.5%)



Proactive Enterprise Risk Management Framework.



Proactive provisioning for NPL: Kshs. 4.2B in Q32023. NPL Coverage at 69%



Continuous support to our customers, staff and all our other stakeholders.



Up to **50.0% of our loan Book** is in Consumer banking which is low risk and performing well.



Optimal risk spread with a **185.1 Bn** in government securities.



Proactive Regulatory compliance



Dedicated ESG unit, ESG Champions in all Strategic Business Units.

Enhanced ESG Policy Framework

Our portfolio of loans above USD 1 Million comprises Kshs. 37.4 Billion that is Green (33%) and Social (67%)

Continued gains from our institutionalized Transformation seeking efficiency and growth.

Key ongoing transformation initiatives aimed at a quality loan book are;

- Credit Review Implementation Project “Project Kilele”
- Decentralization of loan portfolio management enabling Project 3C (Connect, Collect and Cure).
- Project Connect & Build (CB) – focused on co-creating solutions with our customers to grow the loan book and increase product holding.

New Core Banking System



On June 12th, We went Live on Finacle Core Banking System (**Rated No. 1 Globally** by Gartner Rating Agency)

A **'Good to Great' Transformation Journey**, with the following key benefits:

Improved business agility and flexibility

A modern, robust and scalable Core Banking solution, enhancing the Bank's response to changes in the industry, continuous realignment to new business needs, proactive management of customer needs and faster delivery of products.

Enhanced customer experience and service delivery:

Faster response to customer needs and faster straight-through processing.

Easy to use system:

Higher staff productivity and quicker service to our customers.

Reduced IT Maintenance Costs:

Finacle offers reduced cost of maintenance due to higher system agility.

Foster Innovation:

Rich product features and capability to extend internally and externally through APIs.

Better analytics, performance measurement and reporting:

The system is highly parameterized hence increasing the bank's options to store and use data for business growth and compliance purposes.



Support for Process Automation and digitization:

Capability to develop custom plug-in APIs for consumption during process automation and digitization.

We are Agile: Fast | Adaptable



Operational efficiency with

91%

of our transactions in alternative
Channels

- **New Core Banking System goes Live**

Expected Key benefits include enhanced;

- Business agility & Innovation
- Customer experience
- Cost management
- Analytics
- Process automation & Digitization

- Successful customer migration to **Omnichannel**: Integrates accessibility and User experience

- Enhanced digitization of internal bank processes and engagement platforms.

Staff Productivity

- Supporting new ways of working – Digital Workforce
- Sales Force effectiveness (SFE)

Macroeconomic Highlights



Global Economy

Kenya's Economic Growth

Inflation and Interest Rate

Foreign Exchange Rate

GLOBAL ECONOMIC ACTIVITIES HAVE WEAKENED IN 2023

	REAL GDP GROWTH				
	ACTUAL		Projections		
	2021	2022	Oct. 2023 Projected	Difference from July 2023	2024
World	6.3	3.5	3.0	0.0	2.9
Advanced Economies	5.4	2.6	1.5	0.0	1.4
United States	5.9	2.1	2.1	0.3	1.5
Japan	2.2	1.0	2.0	0.6	1
Euro area	5.3	3.3	0.7	-0.2	1.2
Germany	2.6	1.8	-0.5	-0.2	0.9
Emerging Market and Developing Economies	6.8	4.1	4.0	0.0	4
China	8.4	3.0	5.0	-0.2	4.2
India	9.1	7.2	6.3	0.2	6.3
Russia	5.6	-2.1	2.2	0.7	1.1
Sub-Saharan Africa	4.7	3.9	3.3	-0.2	4
South Africa	4.7	1.9	0.9	0.6	1.8
Nigeria	3.6	3.3	2.9	-0.3	3.1
Uganda	5.7	6.4	4.6		5.7
South Sudan	5.3	0.5	3.5		4.2

- Global economy has weakened in 2023 relative to 2022 with growth seen at 3% from 3.5%.
- This trend is projected to continue into 2024 with global growth expected to remain weak at 2.9% according to the IMF.
- This largely reflects the effects of the aggressive increase in interest rates, geopolitical tensions particularly the war in Ukraine & the Israel-Hamas conflict resulting in trade disruption.
- Advanced economies growth is expected to be the weakest since the 1980s (outside of the global financial crisis and the covid-19) growing at 2.6% in 2023 and slowing further to 1.5% in 2024.
- Emerging and developing Asia is seen much better in 2023 than the advanced economies growing at an average of 5.2% in 2023 and 4.8% in 2024.
- Closer home and within the Sub-Saharan Africa region, growth is projected to decline to 3.3% in 2023 before picking to 4% in 2024.
- Key risks in the global economy remain to be inflation, which though moderated, remains above target in advanced economies, tight financing conditions and the hard to predict geopolitical tension.

RECOVERY IN AGRICULTURAL SECTOR ANCHORS ECONOMIC ACTIVITY IN KENYA

REAL GDP GROWTH BY SECTOR (%)					
SECTOR	2022	2022	2022	2023	2023
	Q2	Q3	Q4	Q1	Q2
Agriculture	-2.4	-1.3	-0.9	6	7.7
Non-Agriculture (o/w)	7.1	5.3	4.6	5.3	4.9
Industry	5	2.6	2.4	2.5	2
Mining & Quarrying	16.6	-4.5	1.6	3.3	5.3
Manufacturing	3.6	1.8	1.8	2	1.5
Electricity & water supply	5.6	6	4.9	2.5	0.8
Construction	4.5	3.5	2.4	3.1	2.6
Services	8	5.9	5.2	6.3	5.9
Wholesale & Retail Trade	4.1	3.6	2.7	5.7	4.2
Accommodation & Food Services	44	16.9	14.9	21.5	12.2
Transport & Storage	7.2	5.1	2.7	6.2	3
Information & Communication	11.2	11.8	8	9	6.4
Financial & Insurance	16.1	9.6	9.4	5.8	13.5
Public administration	3.8	3.4	4.7	6.6	3.8
Professional Services	10.9	9	5.3	7.3	5.5
Real estate	5	4	2.9	5.2	5.8
Education	4.4	3.9	6.1	3.6	4.5
Health	4.4	3.7	4.3	5.4	5
Real GDP Growth	5.2	4.3	3.7	5.5	5.4

- Recent data on the Kenyan economy indicates a strong growth in 2Q 2023 at 5.4% compared to 5.2% in a comparable period in 2022.
- Growth remains largely supported by the continued recovery in agriculture, which recorded a 7.7% growth compared to a contraction of 2.4% in 2022.
- Activities within the services sector remained largely resilient but weaker relative to 2022 at 5.9% compared to 8% in 2022.
- Growth within the services space was anchored on strong outcomes from accommodation (12.2%), Financial services (13.5%) and improved activities within the real estate space.
- The industrial sector continue to register below trend growth in 2023 at 2% (trend level 4.3%-2017-2021) compared to a growth of 5% in Q2 2022 largely reflecting lower outturns within the manufacturing space.
- Into the remainder of the year, the economy is projected to remain resilient largely on improved agricultural activities and within trend activities within the services sector.
- Key risks to the outlook remains to be the hard to predict global geopolitical developments and the tightness in global financial markets.

INFLATION FIRMLY WITHIN TARGET, UPWARD PRESSURE ON INTEREST RATES

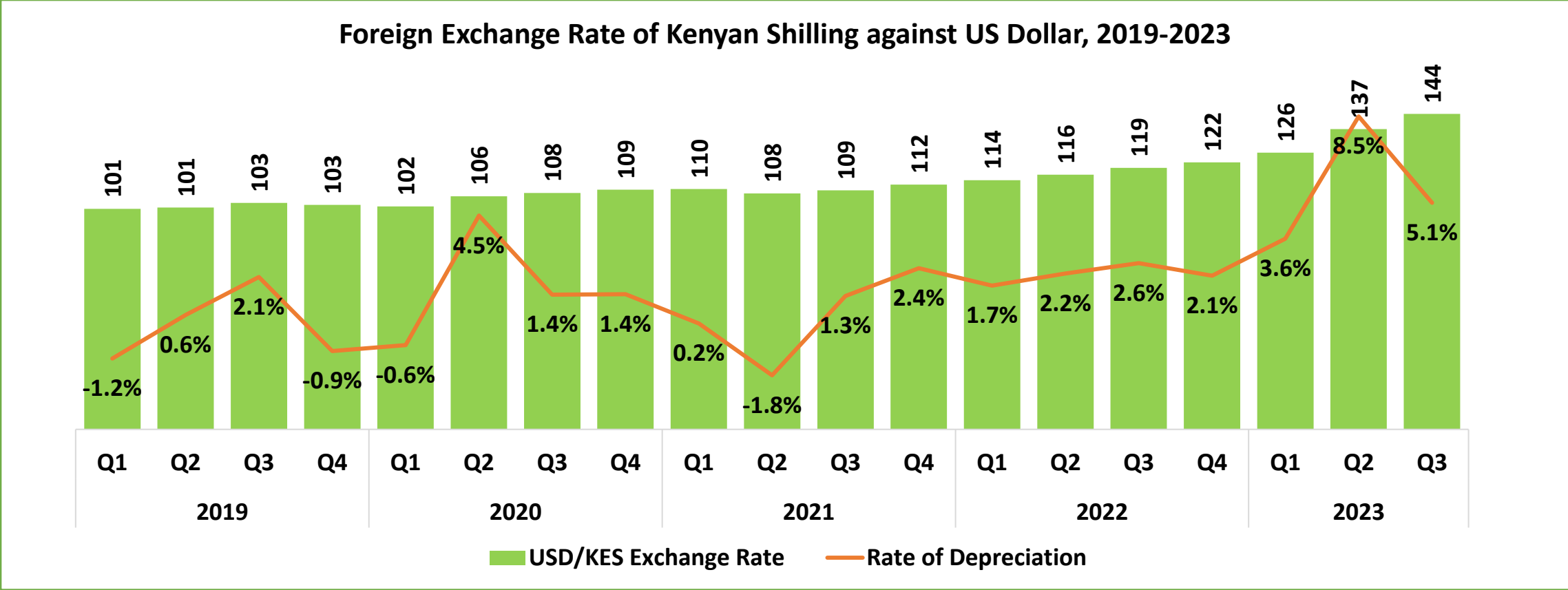
- **Overall inflation is now firmly within the Central bank target range after 13 months above the Central Bank's upper band, largely reflecting base effects and retreating food inflation.**
 - In Q3 2023, Food inflation averaged 8% compared to 15.4% in a comparable period in 2022 reflecting an improved harvest season in 2023 from the drought ravaged period in 2022.
 - Fuel inflation has accelerated to 13.9% in Q32023 from 9.2% in Q32022 largely reflecting higher energy prices and higher electricity tariffs following the review in April 2023.
 - Core Non-Food Non-Fuel (NFNF) inflation remains above the pre-Russia/Ukraine conflict level of 2% at 3.7% in Q3 2023 from 3.2% in Q3 2022 largely reflecting increased and persistent demand pressures in 2023.
 - In recent months, oil prices have been increasing on tight global supply as OPEC+ cuts production. This is expected to feed into the fuel inflation into the close of the year.
 - However, Overall inflation is projected to remain well anchored in the remainder of the year.
- **Upward pressure on interest rates has persisted**
 - The upward pressure on interest rates (both short-end and long-term papers) persisted in the quarter under review, reflecting the sovereign appetite in the domestic market on high maturities, large public deficit and the quantitative tightening over the period.
 - The increased fiscal deficit and high interest costs implies that the supply of government papers will remain high and investors will continue to demand high risk premiums to invest.
 - We thus expect high interest rates to persist in the market for the remainder of the year.



FOREIGN EXCHANGE RATE



- The Kenyan shilling has continued to face pressure in the foreign exchange market in 2023.



2020 – 2024 Corporate Strategic Plan



A financial institution predominantly owned by the Kenyan Co-operative movement,
Transforming lives



To be the dominant bank in Kenya and the region, riding on the unique Co-operative Model providing innovative financial solutions for distinctive customer experience.



To offer a wide range of innovative financial solutions leveraging on our heavy investment in multi-channels, national and regional presence and with a focus on excellent customer experience by a highly motivated and talented team.

1



Aggressive deepening of our dominance in the Kenya Market

2



Dominant provider of financial services to the Co-operative Movement in Kenya and the region.

3



Customer experience that is seamless across all our touch points.

4



Operating efficiency driven by digitization, innovative products & Processes, efficient business models, and staff productivity.

5



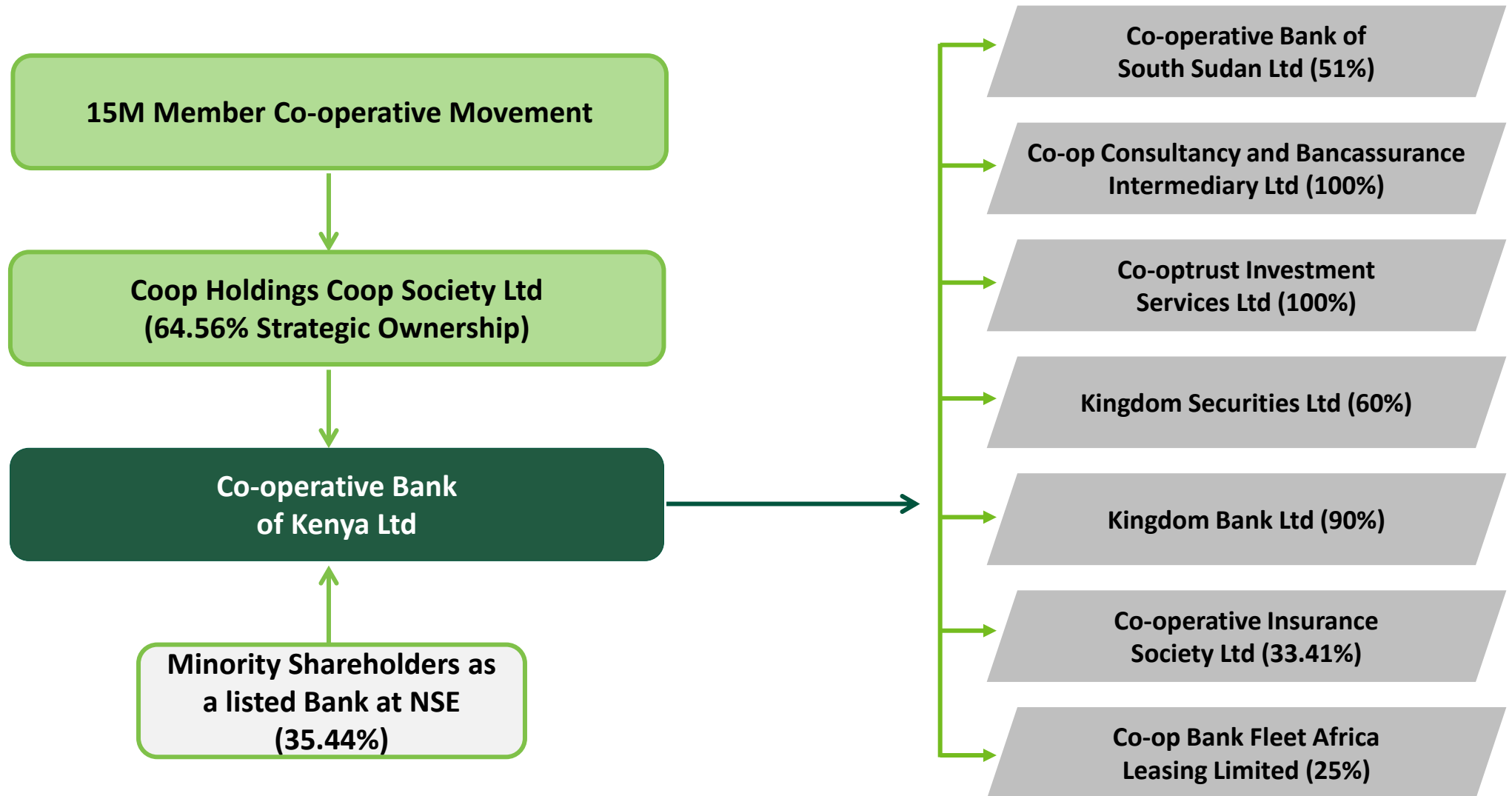
Optimal Enterprise Risk and Compliance in the dynamic environment

6

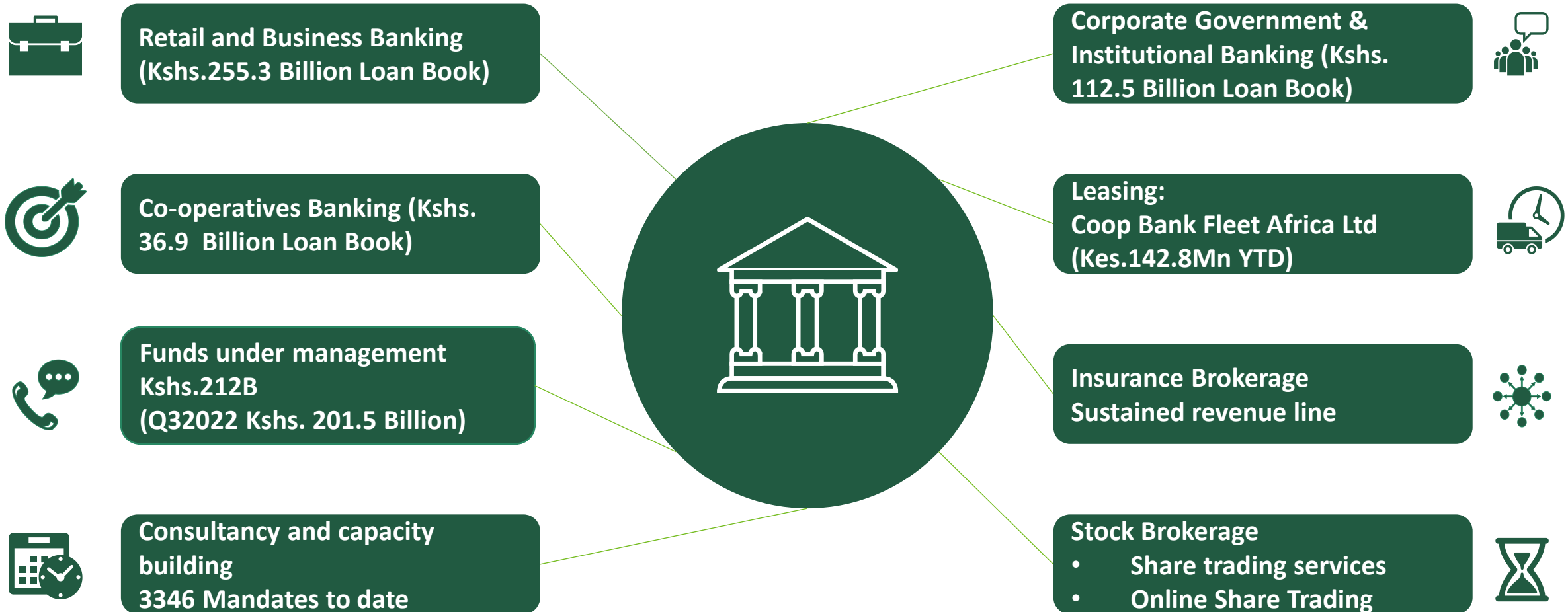


Positive impact on Economy, Society & Environment.

Co-operative Bank Group Structure



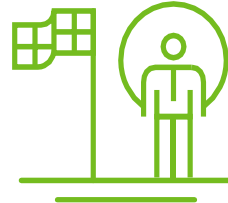
A Successful Universal Banking Model



Our Presence



193 Branches



**18000+
Co-op Kwa Jirani
Agents**



**24hr Contact
Centre**



**5M Omni Channel
Customers**



**21K Diaspora
Banking
Customers**



5249 Staff



**608 ATMs & Cash
Deposit Machines
(CDMs)**



**484 Sacco Front
offices
Branch Network**



**New Core
Banking System**

“Soaring Eagle” Transformation

The Soaring Eagle Transformation Agenda continues to focus on;

1. Branch Transformation
2. MSME Transformation
3. Sales Force Effectiveness
4. Shared Services & Digitization “The Digital Bank”
5. NPL Management & Credit Processes
6. Cost Management
7. Data Analytics
8. Staff Productivity



“Soaring Eagle” Transformation:



Key achievements

E-CREDIT FOCUS: KSHS.336.3B DISBURSED SO FAR

Short-term tenor

Average disbursement of Ksh.6.6B per month.

73% Consumer Based that is on salary checkoff deductions at source.

Low credit risk

91% of total transactions are on Alternative Channels.

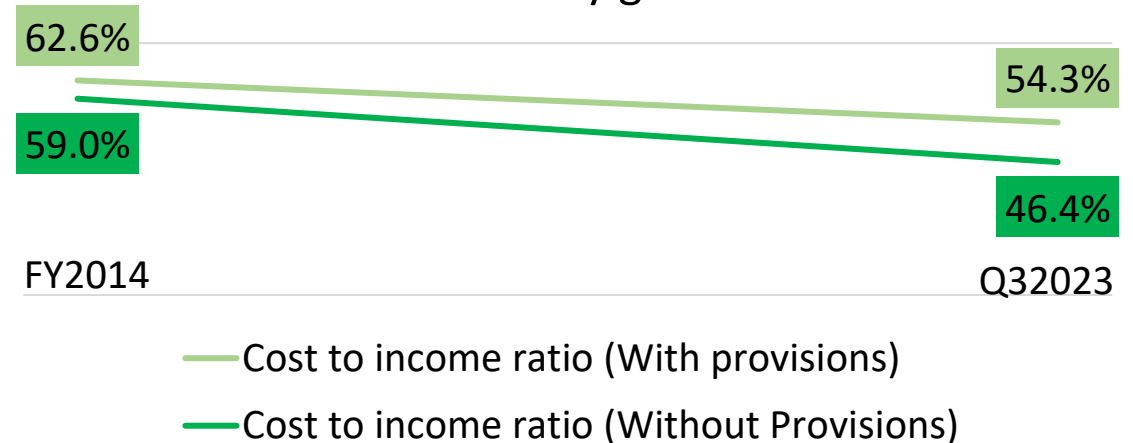
PROACTIVE CREDIT MANAGEMENT THROUGH;

Continuous Process improvement for enhanced End to End Turn Around Time on all loan applications.

Proactive early delinquency & NPL management through Connecting with our customers, collecting and offering customer-centric solutions.

Credit Review Implementation Project “Project Kilele” and Project *Connect & Build*

Efficiency gains



“Soaring Eagle” Transformation: Key achievements

MSME Transformation

Customers Trained
42,413

Customers onboarded
MSME Gold, Silver, Bronze
193,426

Non-Financial Services

107 Webinars
160 Clinics
35 networking forums
5 International Business trips

Government of Kenya
Credit Guarantee Scheme



The graphic features the MSME logo and CO-OPERATIVE BANK logo at the top. A central green speech bubble contains the text 'WEBINAR SERIES' with a play button icon. Below this, the text reads 'Innovative Financing Solution for Kenyan SMEs: Accessing Capital in a Changing Landscape'. At the bottom, it says 'Watch →' followed by the URL <https://msme.co-opbank.co.ke/knowledge-hub/webinars/>.

<https://msme.co-opbank.co.ke/>

“Soaring Eagle” Transformation:

Key achievements

Sales Force Effectiveness for Corporates and Cooperatives

Sector focus; Tailor-made go-to-market strategies for different sectors.

Scale up value chain business

Leasing- Partnership with coop fleet to offer assets on lease

Advanced data analytics

Supporting Data-led sales, reporting and decision making

Digitization

New Core Banking System successfully implemented

Omnichannel platform (5Million+ customers)

Business to Business Integration

Business Process Management System.

Staff productivity

- > Performance Rigor & Rhythms
- > High Performing Teams (HPT) Culture
- > Performance-linked Rewards & Recognition
- > Staff Productivity –get the best out of our people
- > Talent Acquisition –deepening capabilities

Credit Review Implementation Project

Project Kilele

<p>E2E assessment of credit risk management practices</p>	<p>Comprehensive diagnostic review on each area of credit risk, including:</p> <ul style="list-style-type: none"> • Credit risk management framework with a key focus on risk governance, credit risk appetite, origination and underwriting process, credit approval process, credit scoring/rating models, and pricing • Portfolio management, monitoring and reporting procedures • Non-performing loan management, collections, and recovery processes
<p>Strengthen portfolio assessment and risk frameworks</p>	<ul style="list-style-type: none"> • Stress-testing of existing work done on portfolio analysis • Assess client level (and sub-sector) strategies that have been developed and suggest improvements • Quantify impacts of work done - Improvements on work done and potential heuristics that can be applied to enhance PD, LGD, and ECL modelling incorporating sector expertise
<p>Enhance Collections</p>	<ul style="list-style-type: none"> • Diagnostic of collections area (including recoveries and restructuring) • Segment by segment re-design • Future roadmap for collections function

Credit Review Implementation Project



Project Kilele

Underwriting process optimization

Reclassification of sectors and sub-sectors

NPV (Net Present Value) Restructuring Model

Early Warning System

Enhanced Strategic Collections

Client-level action Plans

Key Achievements

Roll out of new Application For Facility forms.

Improving Turn Around Time for facilities.

Auto disbursements.

Business Process Management System optimization

Training for Frontline staff and service teams done to enable onboarding new customers with the new sectors and subsectors.

Early Alert meetings at a segment level with the new guidelines.

NPV (Net Present Value) Restructuring Model deployed

Entire corporate and Co-operative book has been reclassified into the new Sector classification to enhance quarterly stress testing of customers by sector and subsector.

Enhanced Client level action Plans to ensure regular and comprehensive update and actioning.

Escrow buildup by our customers.

Environmental Social and Governance (ESG) Policy Statement

Introduction

Co-operative Bank of Kenya Ltd was formed by Co-operators through their Co-operative Societies in 1968 to ensure delivery of affordable financial services to the Co-operative movement for maximum benefit of the societies' members. Sustainability is thus the backbone of our strategy and operations to date.

Co-operative Bank Group is committed to transforming lives and being a responsible corporate citizen. The Bank believes that sustainable development and sustainable profit growth are complementary to each other and create a positive impact on the economy, society, and the environment.

Co-operative Bank Group is a responsible financial partner and supports the UN Sustainable Developments Goals (SDGs) by developing products and services aimed at addressing challenges identified by the SDGs with the support of the Co-operative movement, customers, funding partners, investors, and all other stakeholders.

Our ESG Policy

We are fully committed to sustainable development and to achieving positive environmental & social outcomes with good governance.

The Co-operative Bank Group objectives under this policy are:

- To incorporate strong environmental, social, and corporate governance principles throughout all operations and business activities.
- To comply with relevant national laws, regulations and agreements on the environment, climate change, health, safety, and social issues to which the Group subscribes to and in the countries it operates in.
- To evaluate and manage environmental and social impacts when developing policies, products, or major change initiatives.
- To communicate this policy to internal and external stakeholders as part of regular reporting.

This policy shall be applied enterprise-wide and covers all material operations, including geographies, corporate functions, and business units of the Co-operative Bank (Co-op Bank) Group.

Signed:



DR. GIDEON MURIUKI – CBS, MBS
GROUP MANAGING DIRECTOR & CEO
NOVEMBER 2022



Our ESG Framework



Our aim is to have positive impact on economy, society, and the environment

Environmental

Bolster environmental health through sustainable financial products & services and programs



Social

Contribute to inclusive economic outcomes through our business activities, philanthropy, supply chain and employer in our communities



Governance

Build enterprise resilience through ESG integration



Environment & Climate Change

Supporting the transition to a low carbon economy and reduce the impact of climate change

Responsible Resource Use

Encouraging responsible and efficient use of resources throughout the Bank's operations

Financial Inclusion

Enabling access to financial solutions, supporting economic development and reducing inequalities

Social Inclusion

Promoting financial intermediation in the economy

Economic Inclusion

Empowering and building resilient communities, especially to the underserved

Groupwide ESG Integration

Incorporating ESG in all investment and operations decisions

ESG Performance: Governance

TCFD

Regulatory Reporting

- The Bank has published its first TCFD (Task Force on Climate-related Financial Disclosures) report with the Central Bank of Kenya.
- Upcoming reporting as per ISSB (International Sustainability Standards Board) inaugural sustainability standards—IFRS S1 and IFRS S2 effective 01 January 2024.
- We publish ESG and Integrated Reports annually

POLICY

ESG Policy Framework

- ESG Policy Framework
- ESG Policy harmonization with other existing Bank policies to ensure integration
- Environmental and Social Management System (ESMS) to ensure responsible banking practices

Governance

Clear ESG Governance in the Group

- Dedicated ESG Unit
- 23 ESG Champions
- ESG Champions Committee
- ESG Implementation Roadmap
- ESG Risk Management, including Climate Risk Management

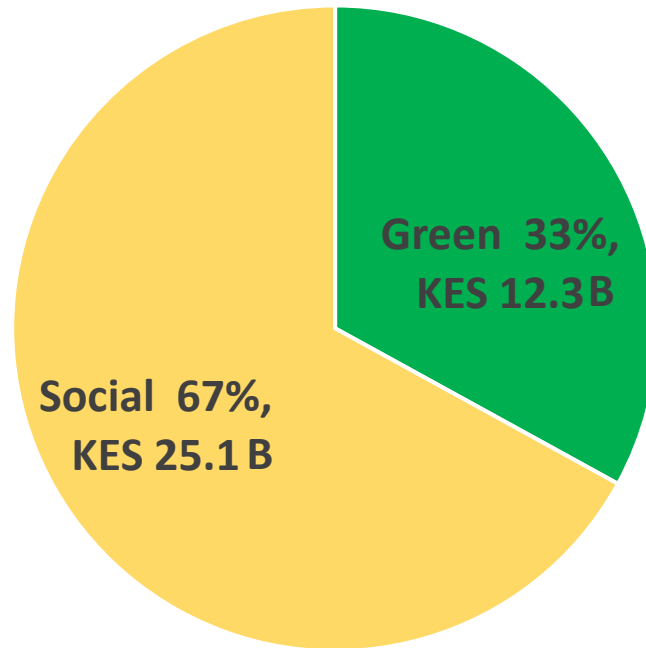
- Governance values founded on the pillars of responsibility, accountability, fairness, and transparency, aligned to CMA's code of Corporate Governance
- Board diversified in skills, experience, education, business knowledge
- Policies and processes in place to ensure the Bank's sustainability
- Director appointments in line with the Company's articles of association
- Regular and scheduled board meetings
- Clear separation of roles between the chairman of the Board, and the Managing Director and CEO
- Board committees in place to enhance the breadth and depth of Board responsibilities.
- Board performance evaluation undertaken in line with prudential guidelines
- Board remuneration in line with industry benchmarks and international best practices
- Internal controls, risk management, data privacy, transparency, are within the Board's purview

ESG Impact

KES 37.4 Billion

Portfolio of loans
above USD 1 million

Affirms our
commitment to
sustainable banking



IMPACT AREAS

- MSME Financing
- Affordable Basic Infrastructure
- Renewable Energy
- Green Buildings
- Energy Efficiency
- Food Security
- Access to Essential Services
- Employment Generation
- Affordable Housing
- Sustainable Water & Wastewater Management
- Sustainable Food and Agriculture
 - Kshs.100M Co-op Bank Capacity-building & Technical Assistance Fund
 - Co-op Bank to provide the Direct Settlement System to the Coffee Exchange. This will benefit all market players notably farmers.
 - Co-opbank Soko - a digital marketplace that connects the agriculture value chain 868,140 Farmers.



CO-OP FOUNDATION

10,264 Students Sponsored on
Scholarship Program

SUPPORTING LOCAL SUPPLIERS

93.5% of our sourcing is local
Kshs.14.8B paid to Suppliers in FY2022

CO-OP CONSULTANCY

3346 Consultancies to the Co-operative
Movement.

MSME FOCUS

193,426 onboarded to MSME Gold,
Silver and Bronze.
40,700 Trained

Sustainability Awards



Most Sustainable Bank in Kenya 2023

Won the overall Award 4 times in 6 years



- Overall Winner of KBA's 2023 Catalyst Award
- Financing Commercial Clients- 1st
- Most Innovative Bank – 1st
- Promoting gender inclusivity- 1st
- Promoting PWD (People With Disability) – 1st
- Best in financing MSME- 2nd
- Best sustainable finance- 3rd

Awards: MSME Transformation



SME Financier of the Year
Africa



Product Innovation
of the Year



- ✓ Affirms our MSME Transformation strategy, developing co-created solutions catering to the needs of MSMEs.
- ✓ We are passionate about transforming their aspirations into concrete milestones

Award-Winning Brand



KBA CUSTOMER SATISFACTION SURVEY

Best Overall in Satisfactory Customer Experience.
33000 respondents from 38 member Banks



18th ENERGY MANAGEMENT AWARDS (EMA) 2022

Electricity Savings Award – Small Consumers - 1st Runners Up
Service Sector Award-1st Runners Up
Best New Entrant Award-Winner



ICPAK FINANCIAL REPORTING AWARDS (FiRe) Overall Winner – Sustainability Reporting 2022



AFRICAN BANKER AWARDS 2022 Winner- Best Regional Bank, East Africa



VISA AWARDS 2021

Best SME acquirer solution rollout
Best contactless champion - issuing
Most financially inclusive bank



DIGIBANK SUMMIT 2022

Excellence in Customer Experience



Best Women and Youth empowerment Programs.

- Education Scholarship Program
- Agribusiness and use of Renewable Energy Technologies for Agriculture by Youth in Kenya



EMEA FINANCE AFRICAN BANKING AWARDS 2021

CEO of the year – Pan Africa
Best Bank – Kenya
Financial inclusion – Pan Africa
Best Asset manager, Co-opTrust
Investments Services - Kenya



ASIAN BANKER GLOBAL MEA 2023 AWARDS

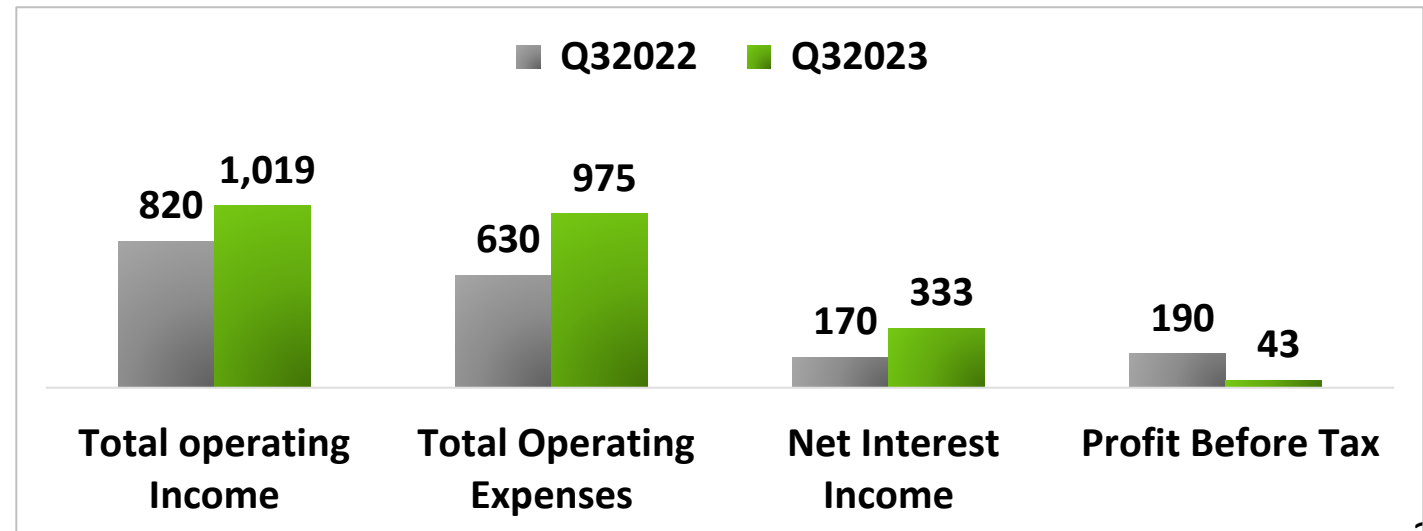
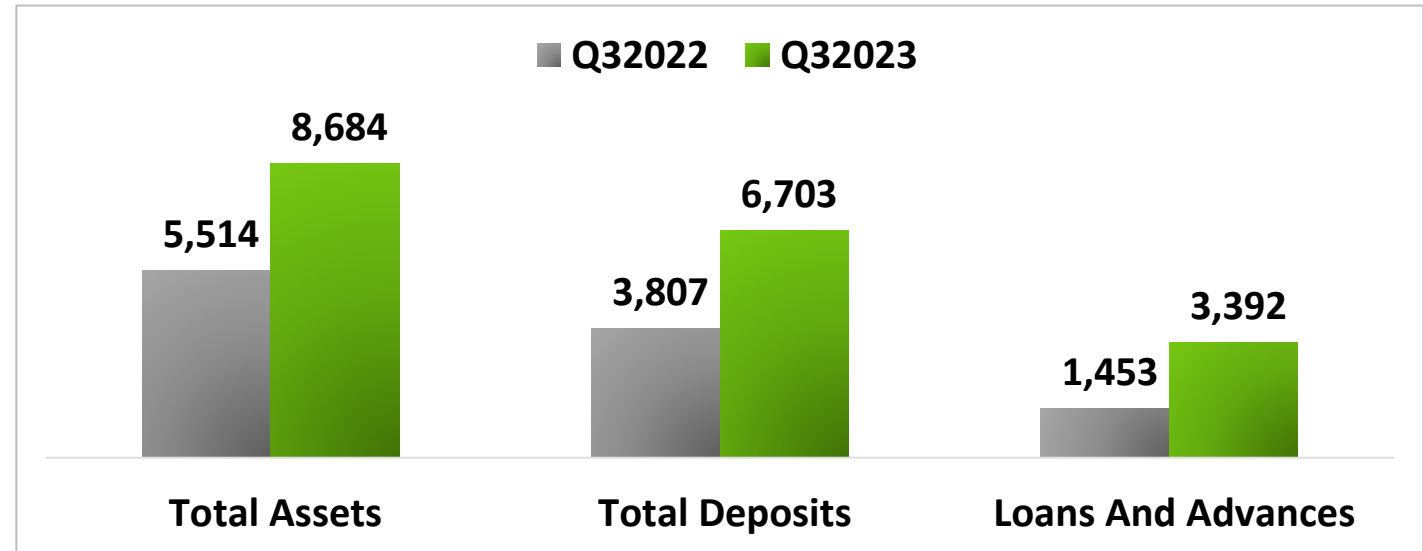
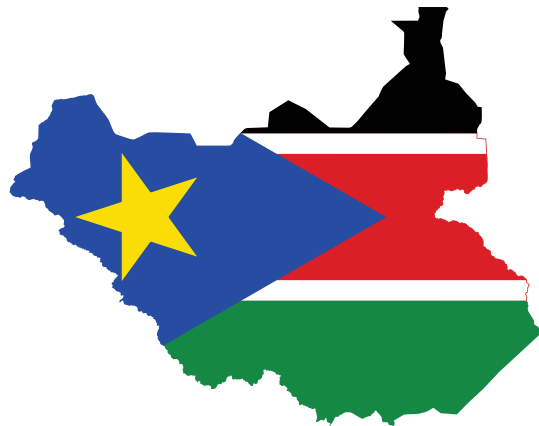
'Best Omnichannel Technology Implementation

Regional Business

(Kshs. Millions)



- 4 Branches in Juba
- 5 Non-oil collection centers
- Owns 31% of CIC Africa Ltd- South Sudan



Channel Performance



Growing Digital Channels

91%

of our Transactions are on alternative Channels providing opportunities for efficiency.



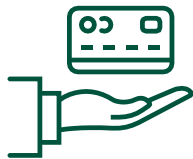
Mobile



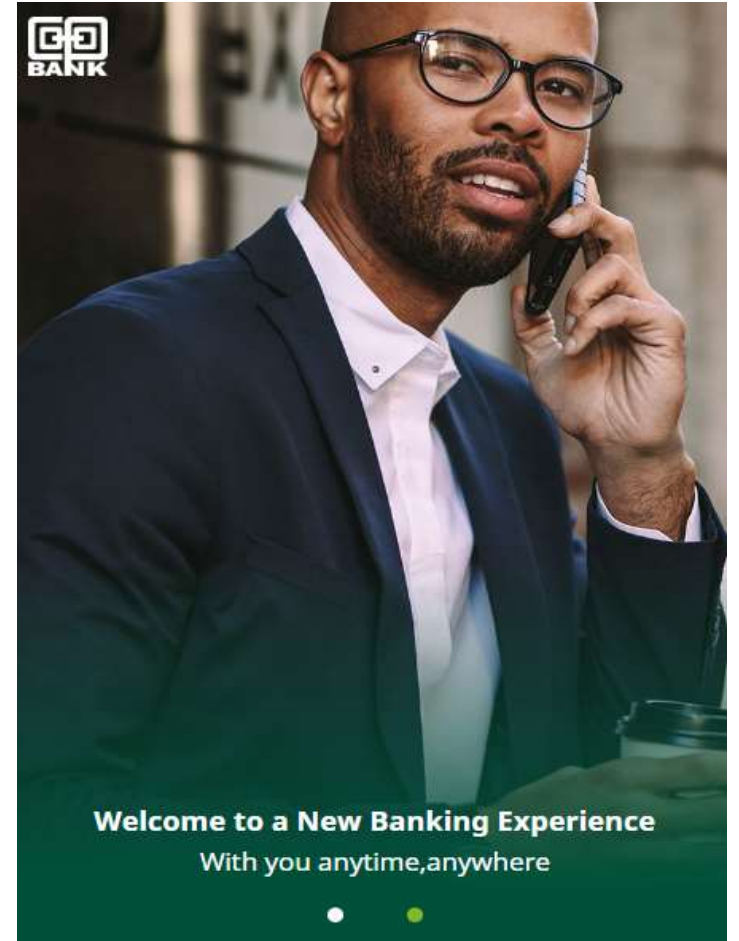
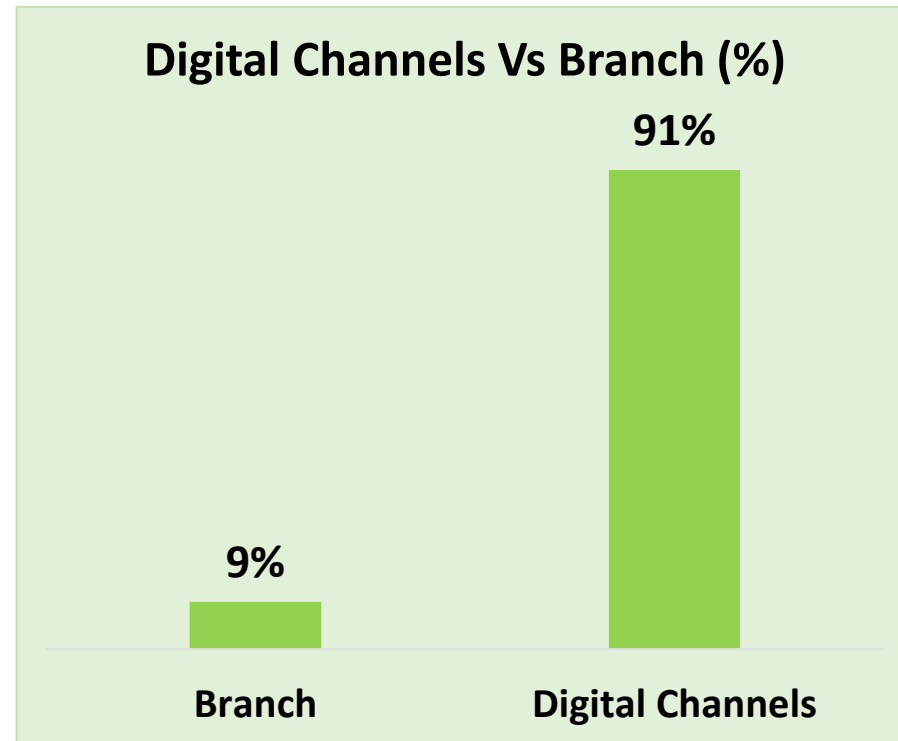
Internet



ATM &
CDM



Agency



MCo-op Cash Mobile Wallet

A unique Offering



MCo-op Cash is an all-telco, all products mobile banking service that enables customers to enjoy access to a variety of banking services, money transfer and payment services. It's a virtual account with a simple menu where the customers mobile number acts as the account number and can be opened and operated end-to-end from the phone without having to visit the branch. MCo-op cash has continued to reach many customers who would have remained unbanked and underbanked.

Mco-opcash main features includes;

- Full access to other wallets in the market
- Affordable pricing compared to Brick & Mortar
- Payment of goods and services directly to Telco Paybill/Till number
- Cardless withdrawal at the bank's agent and ATM network
- External and Internal funds transfer
- E-Credit - Access to the mobile-based loans offered by the bank.



Omnichannel Banking



We have successfully migrated our customers to the **Omni-channel** integrating accessibility and user experience.

Our omnichannel interfaces online banking through personal computers, mobile phones and USSD availing our services to all customers through their preferred channel yet retain the same experience from wherever they are.



Digital lending focus E-credit



A superior product for our customers that continues to scale and is a key revenue source

- A key focus area, Kshs.336.3B disbursed to Date.
- Kshs. 6.6 Billion disbursed per month on average.
- Consumer based salary checkoff hence lower credit risk.
- Short term tenure



E-credit

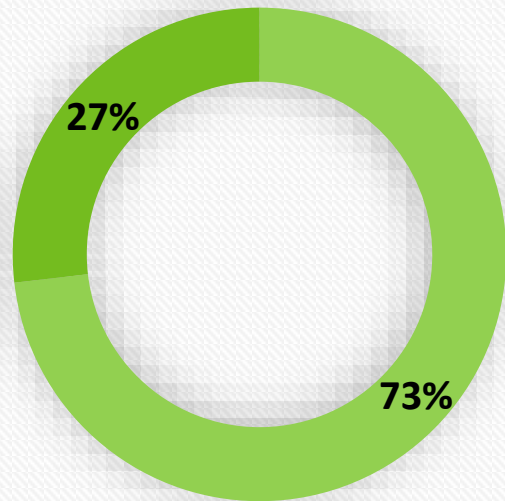


A superior product for our customers that continues to scale and is a key revenue source

Kshs. 59.4B Disbursed YTD

E-Credit – Key Growth Focus

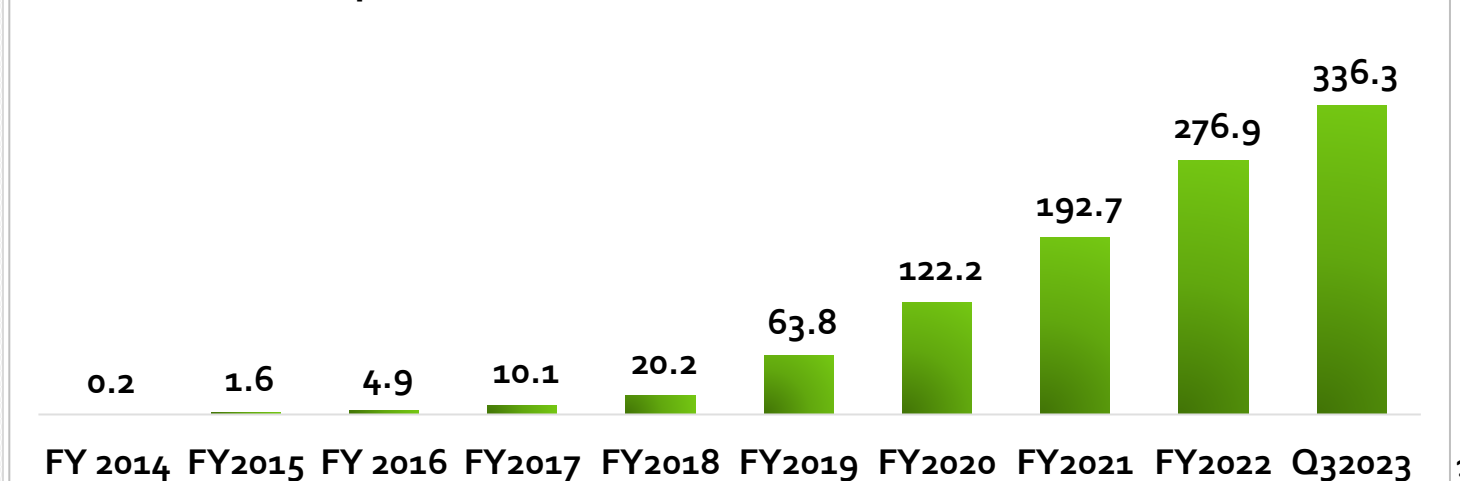
■ E- Flexi ■ Unsecured Business Plus



Cumulative Mcoop Cash Loan Customer Numbers (In 'ooo')



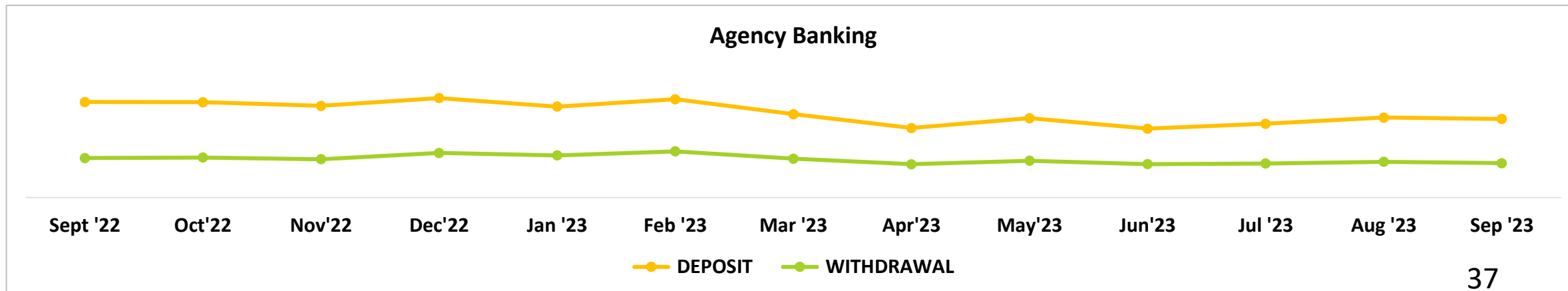
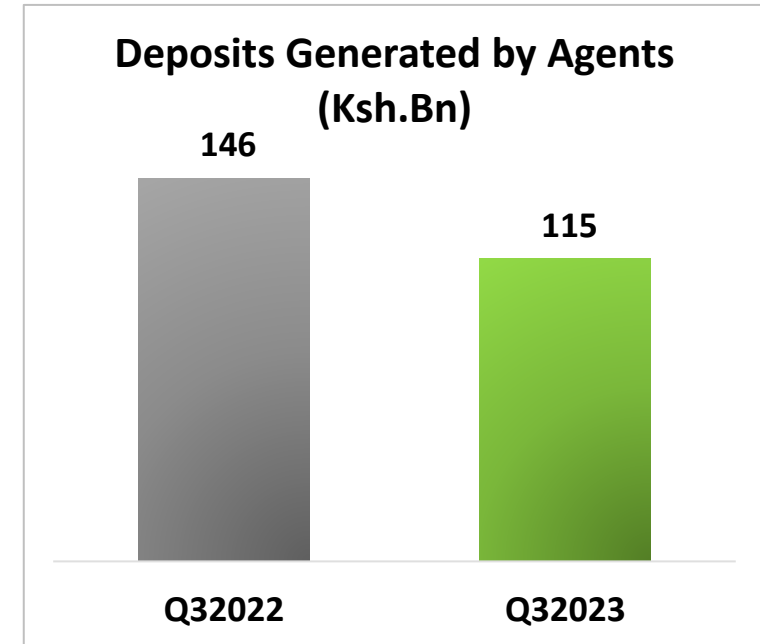
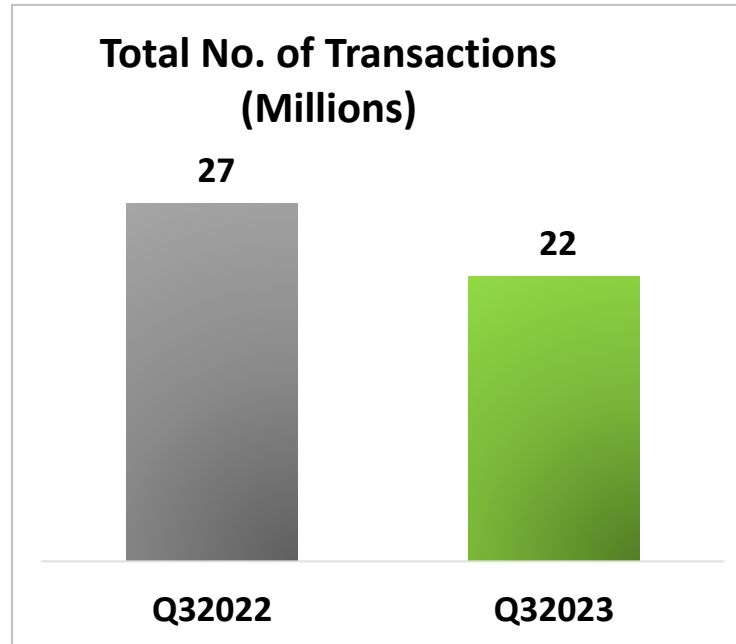
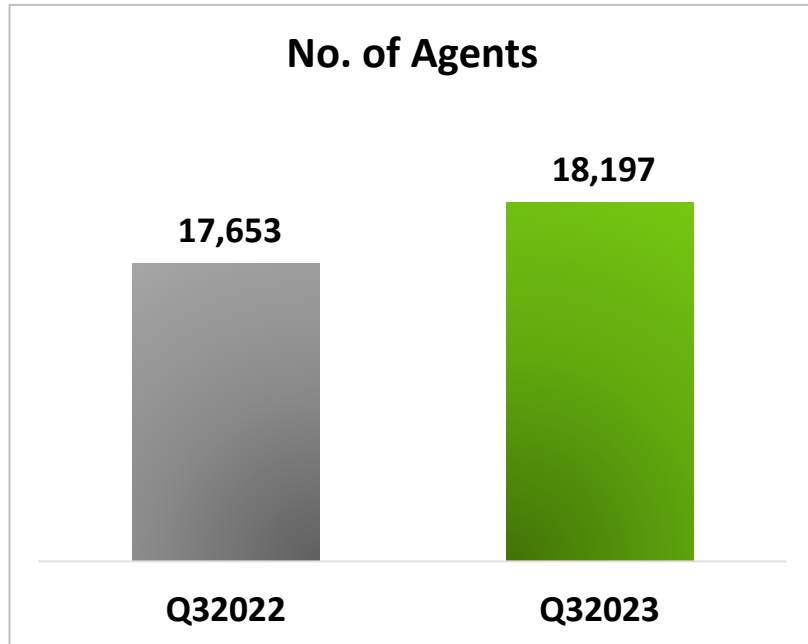
Cumulative Mcoopcash Loan Book - In Billions



Agency Banking



Growing Co-op Kwa Jirani Agency Banking

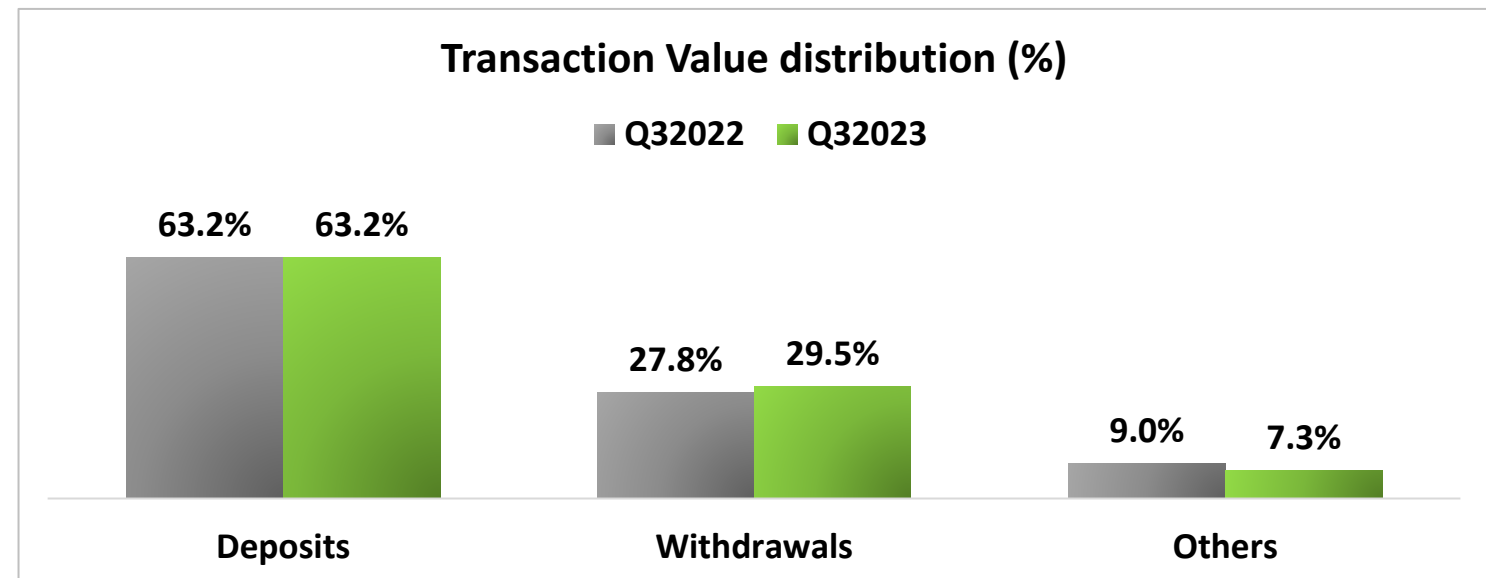
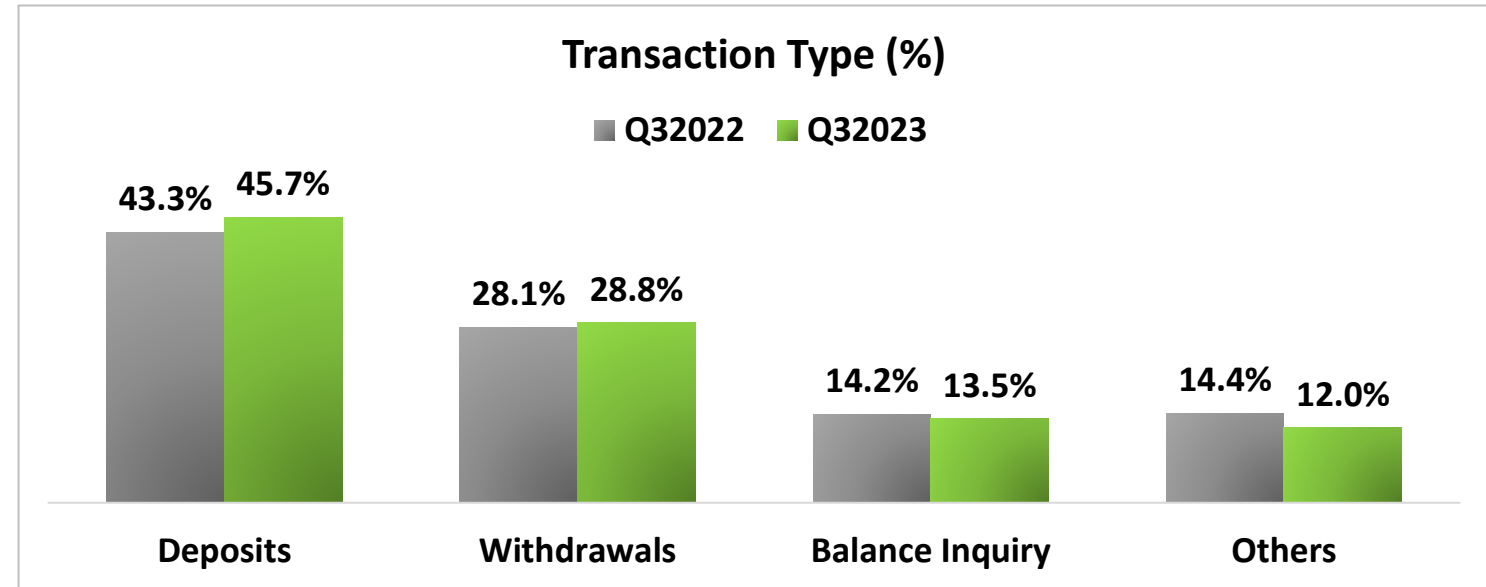


Agency Banking

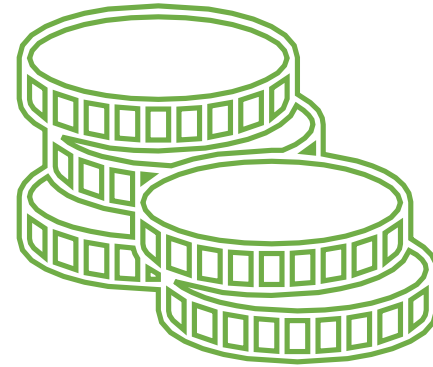


Growing Co-op Kwa Jirani Agency Banking

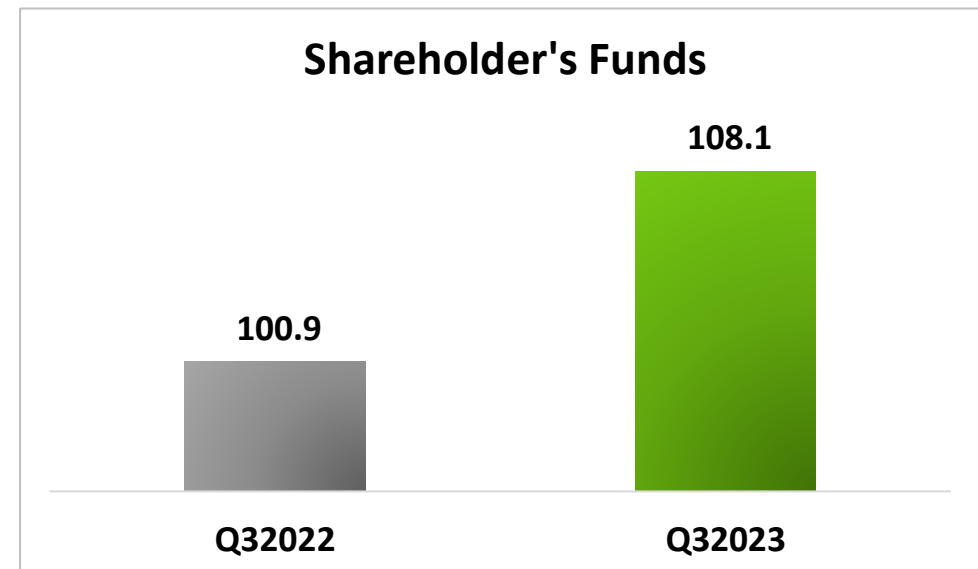
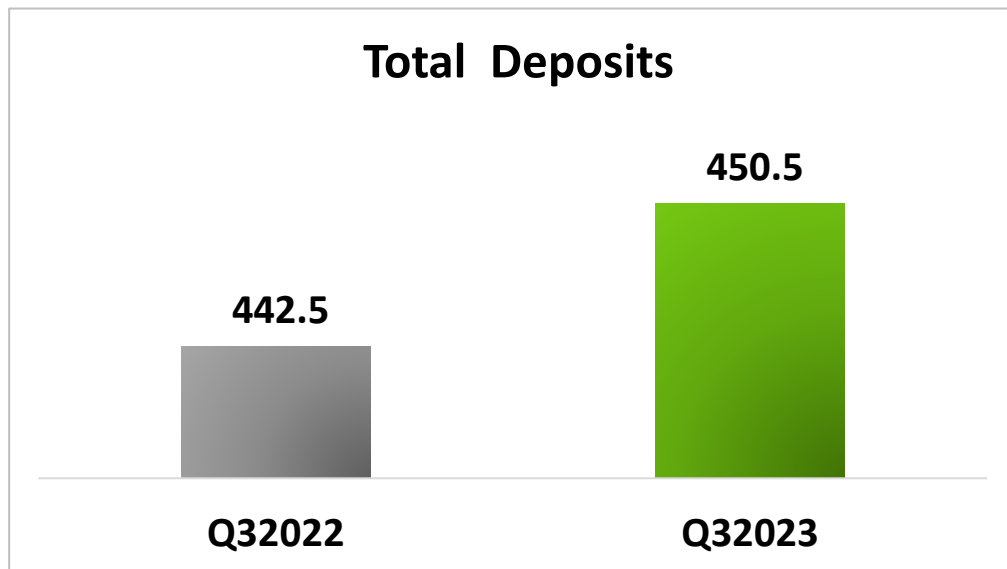
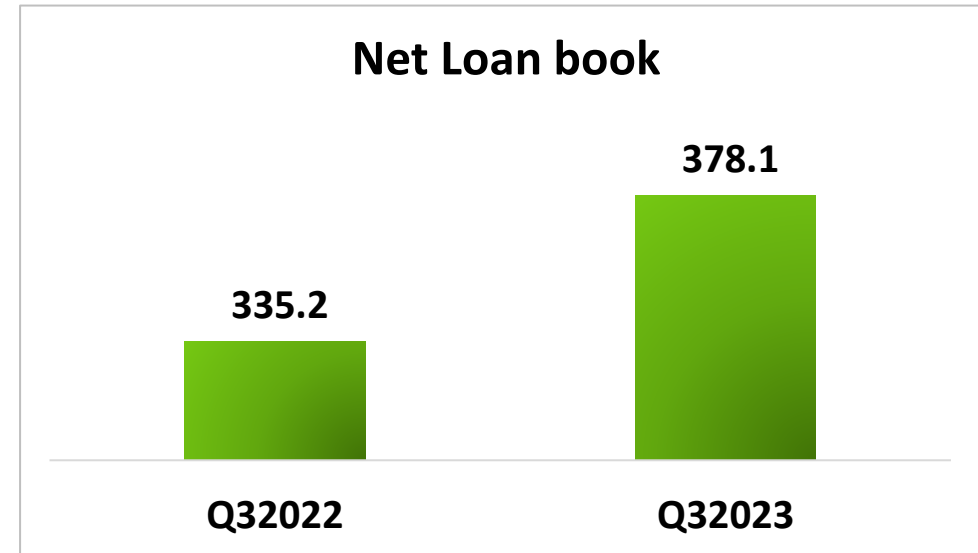
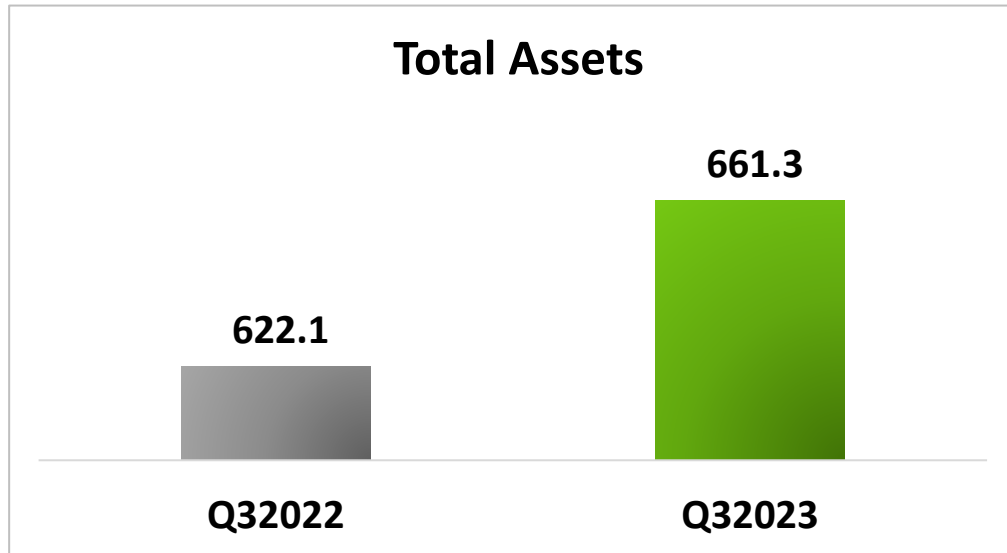
- ✓ Key deposit mobilization channel
- ✓ Higher deposit than withdrawal



Financial Highlights



Strong Financial Position (Kshs. Billion)



Strong Financial Position (Kshs. Billion)

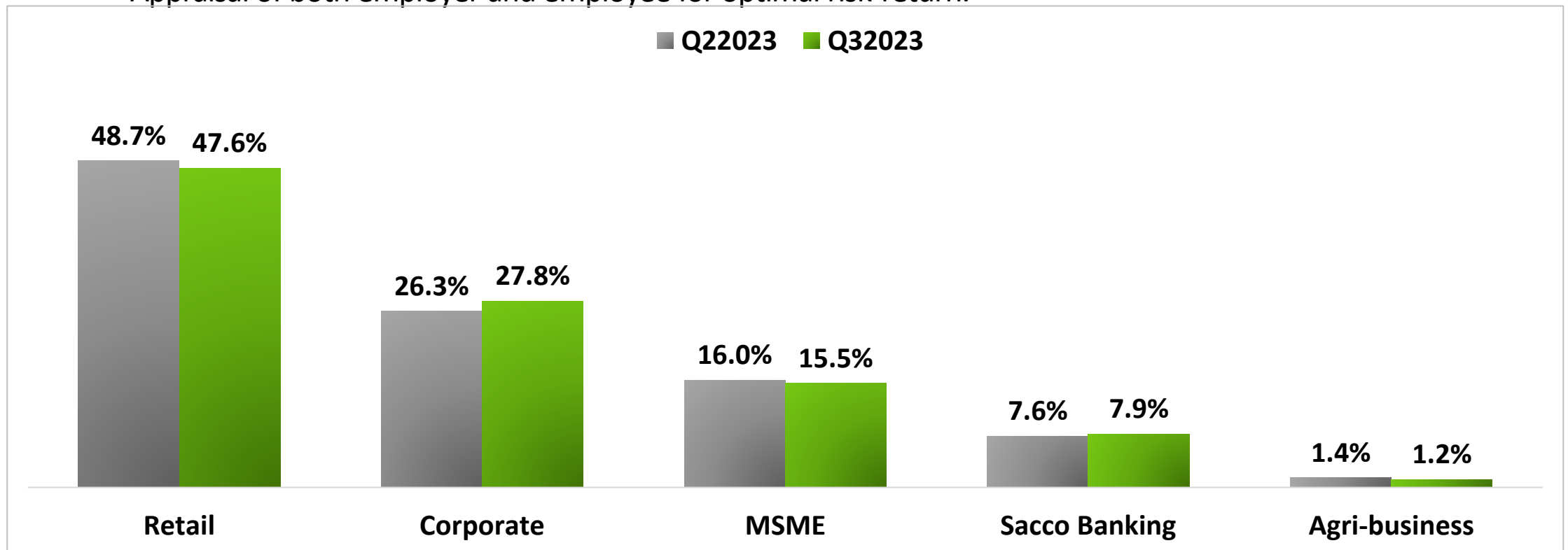


Balance Sheet Ksh. Billions	Q32023	Q32022	% Growth	
Total Assets	661.3	622.1	6.3%	↑
Net Loan book	378.1	335.2	12.8%	↑
Government Securities	185.1	182.4	1.5%	↑
Total Deposits	450.5	442.5	1.8%	↑
Borrowed Funds	65.6	41.9	56.5%	↑
Shareholder's Funds	108.1	100.9	7.1%	↑

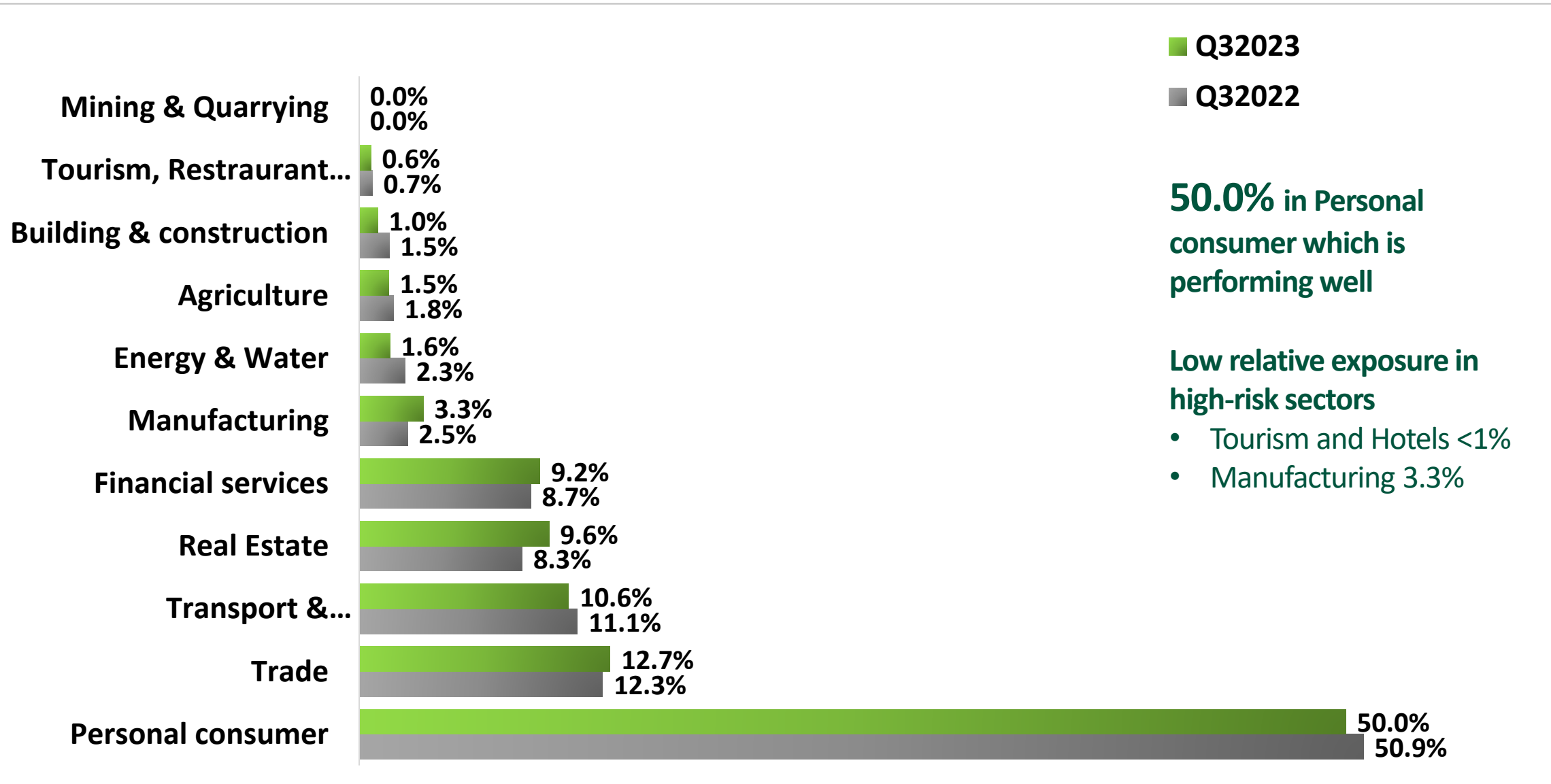
Diversified loan book



- Diversified across segments.
- Highest book is in Personal Banking;
 - Check off; deductions are done at source.
 - Diversified across various Government/quasi-government employees.
 - Appraisal of both employer and employee for optimal risk-return.



Diversified loan book across sectors



■ Q32023

■ Q32022

50.0% in Personal consumer which is performing well

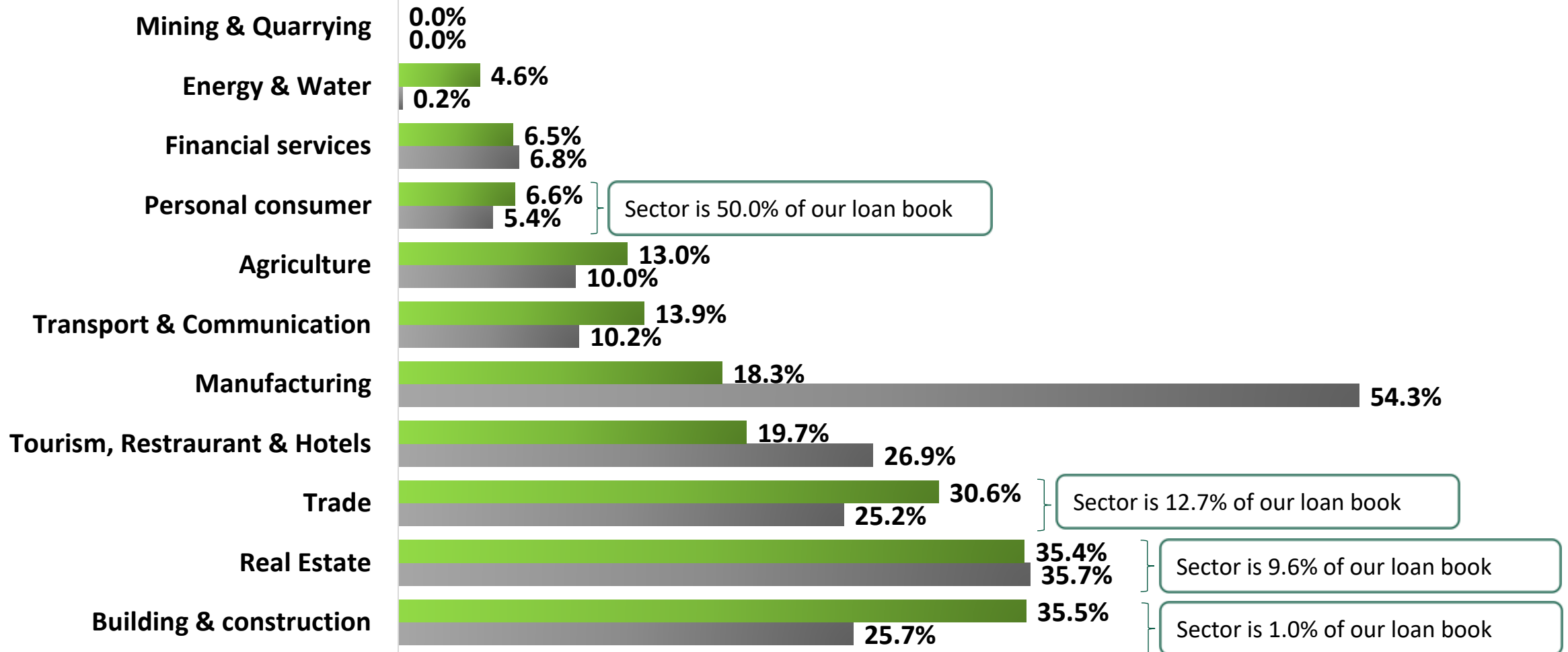
Low relative exposure in high-risk sectors

- Tourism and Hotels <1%
- Manufacturing 3.3%

Portfolio Trends – Sector NPL



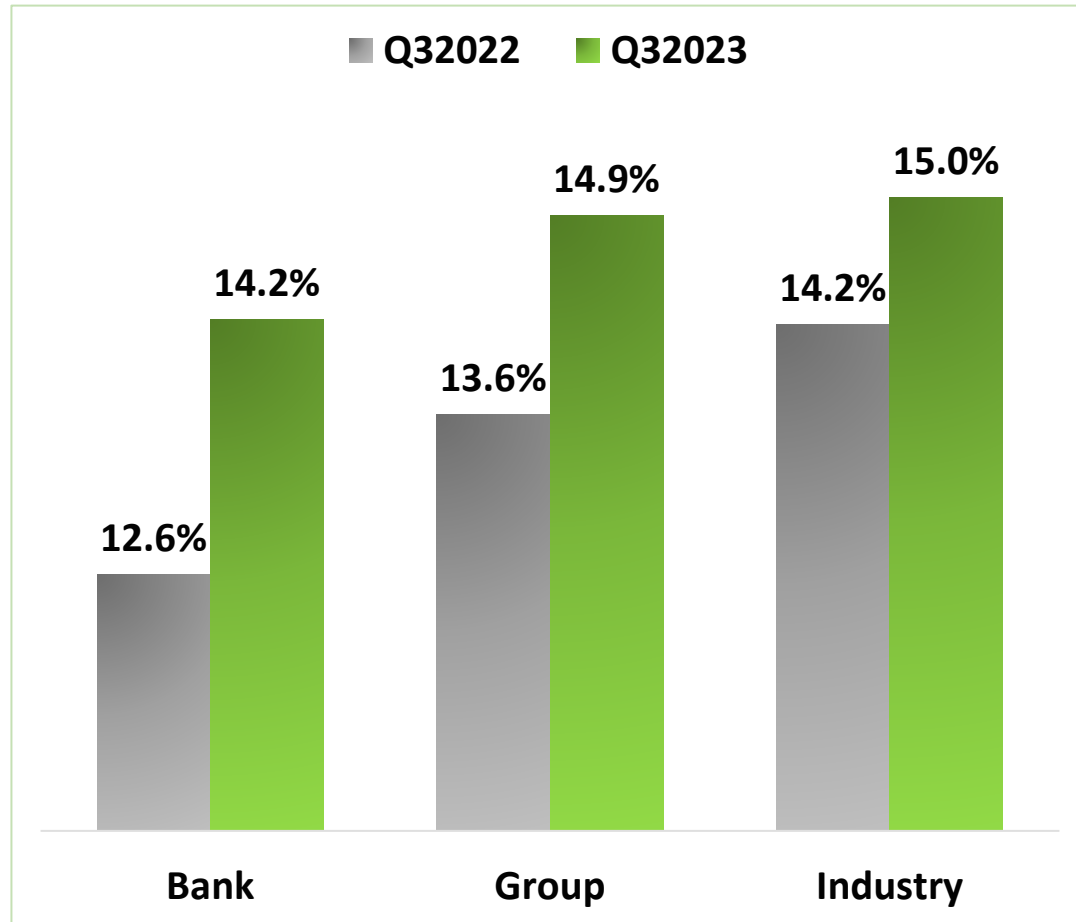
■ Q32023 ■ Q32022



Improving Non-Performing loan book



The bank's NPL has trended below industry levels of 15%



Bank's NPL below Industry level

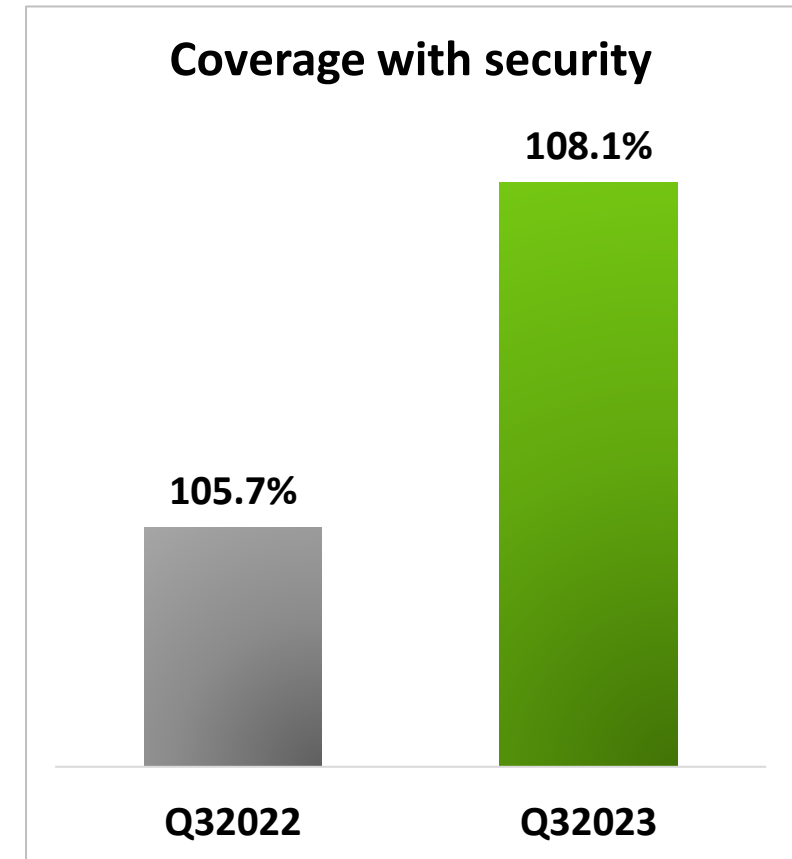
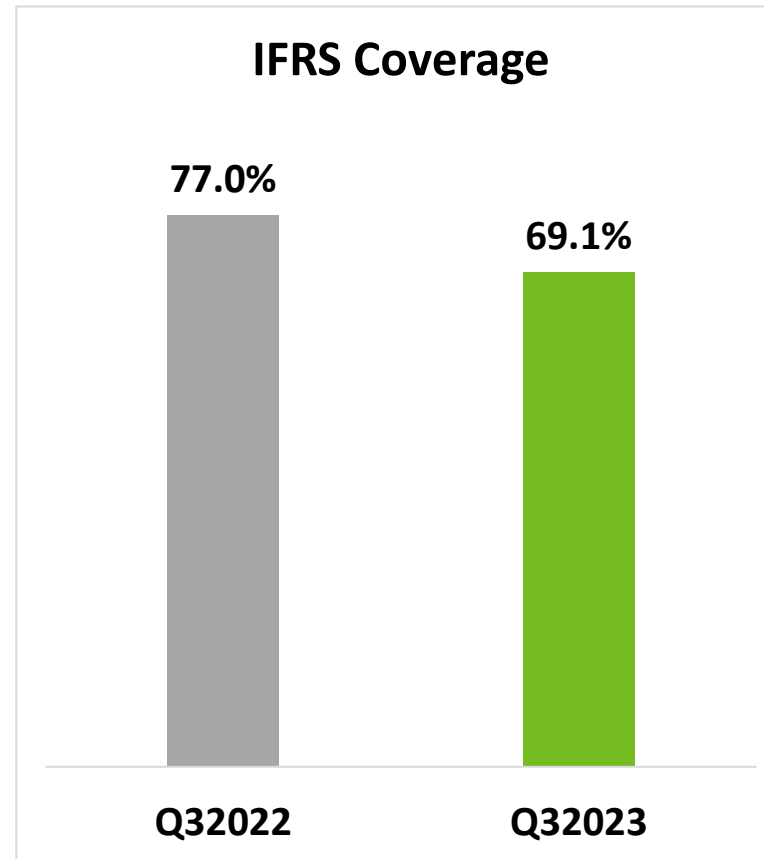
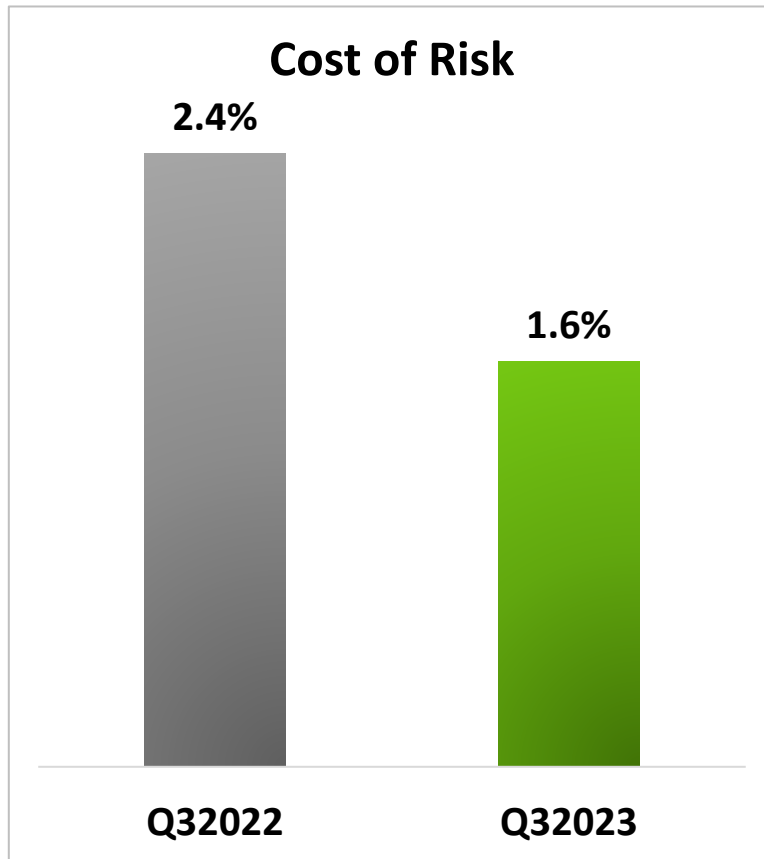
Supported by;

- Proactive Credit Management Strategies.
- Business Growth.
- Consumers and Businesses resilience amid tight economic environment.

Adequate Coverage

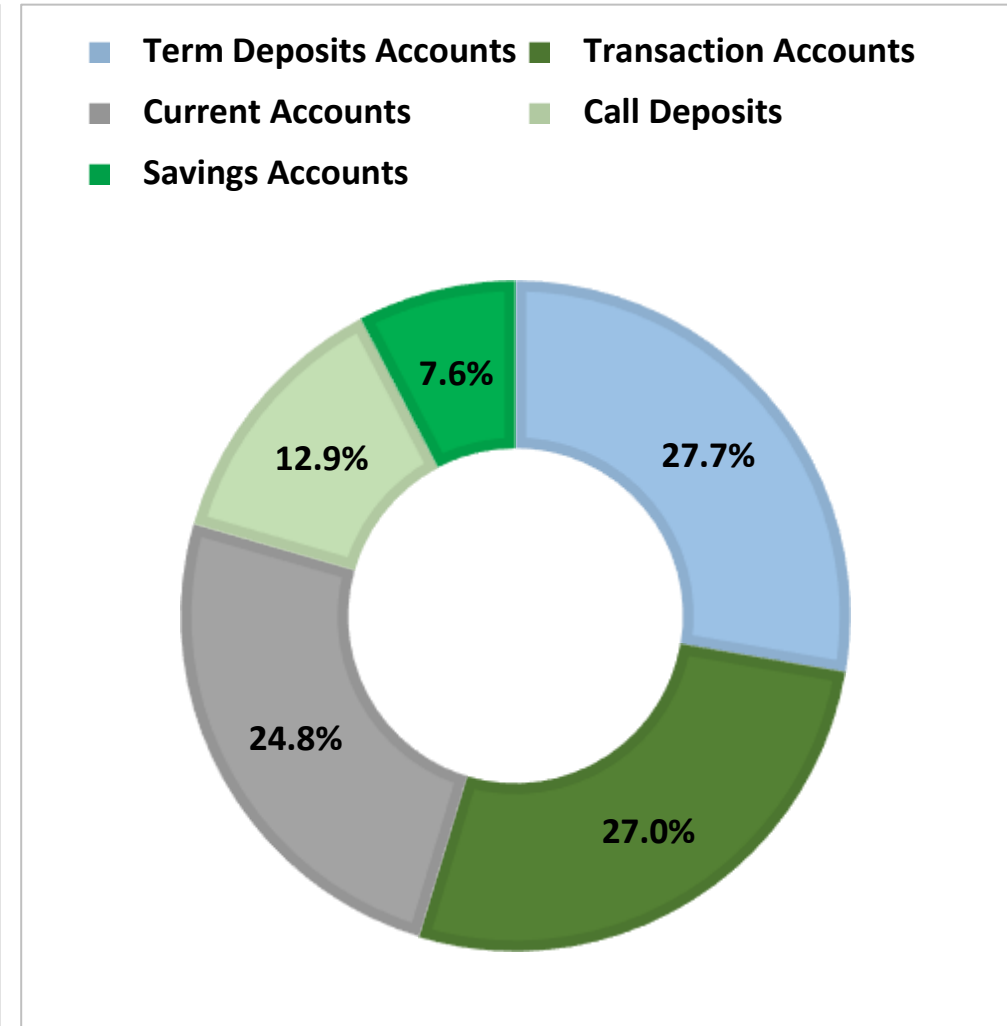
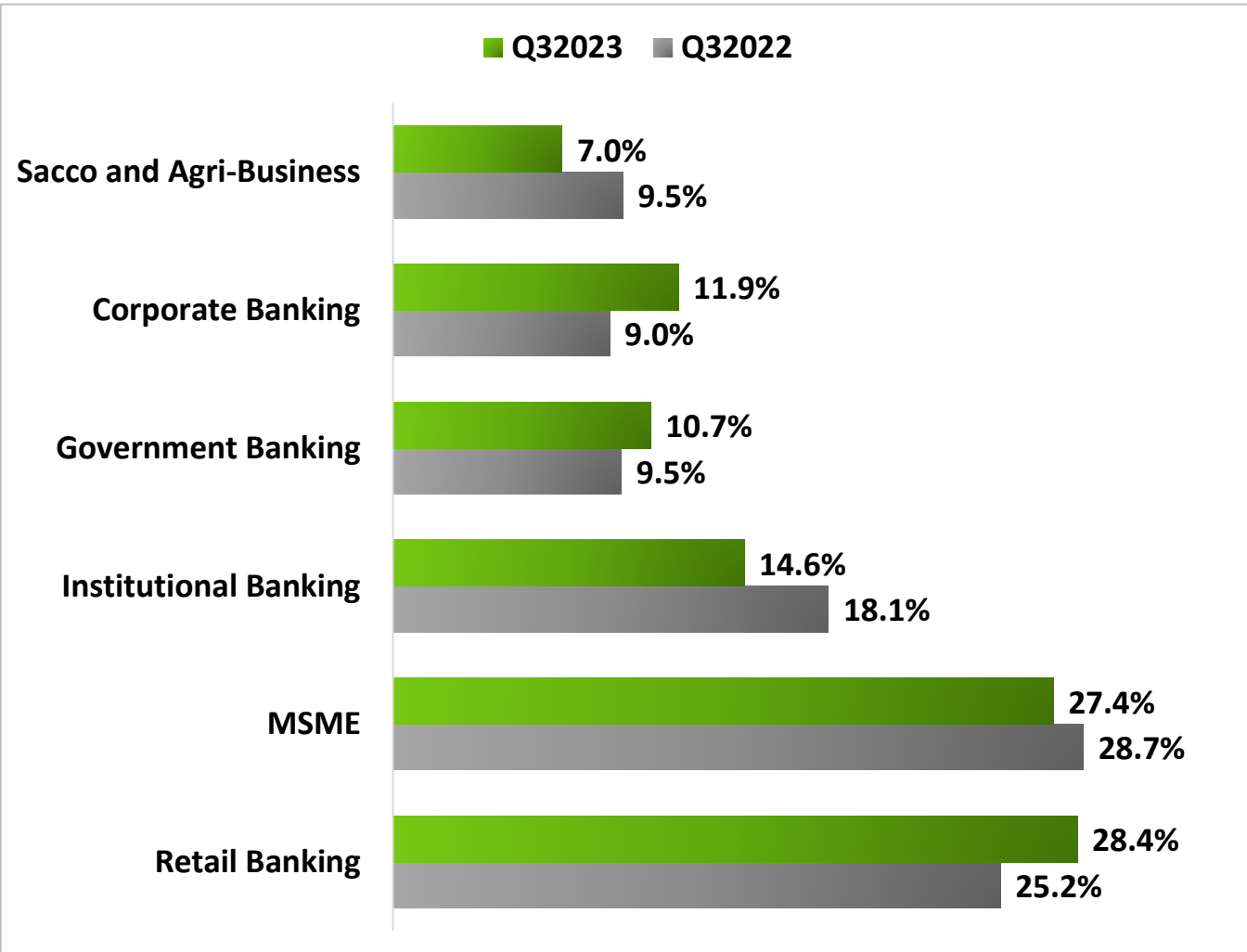


Cost of risk has improved to 1.6% in Q32023 compared to 2.4% in Q32022.



Inclusive of the Discounted Value of Securities, our coverage is at **108.1%**

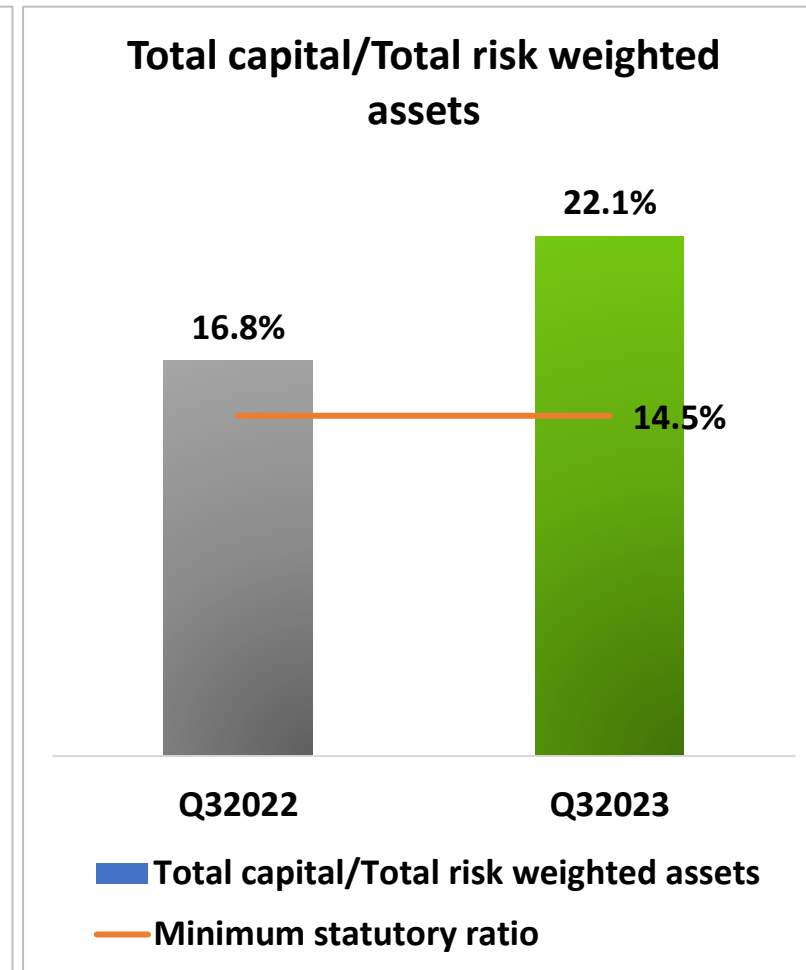
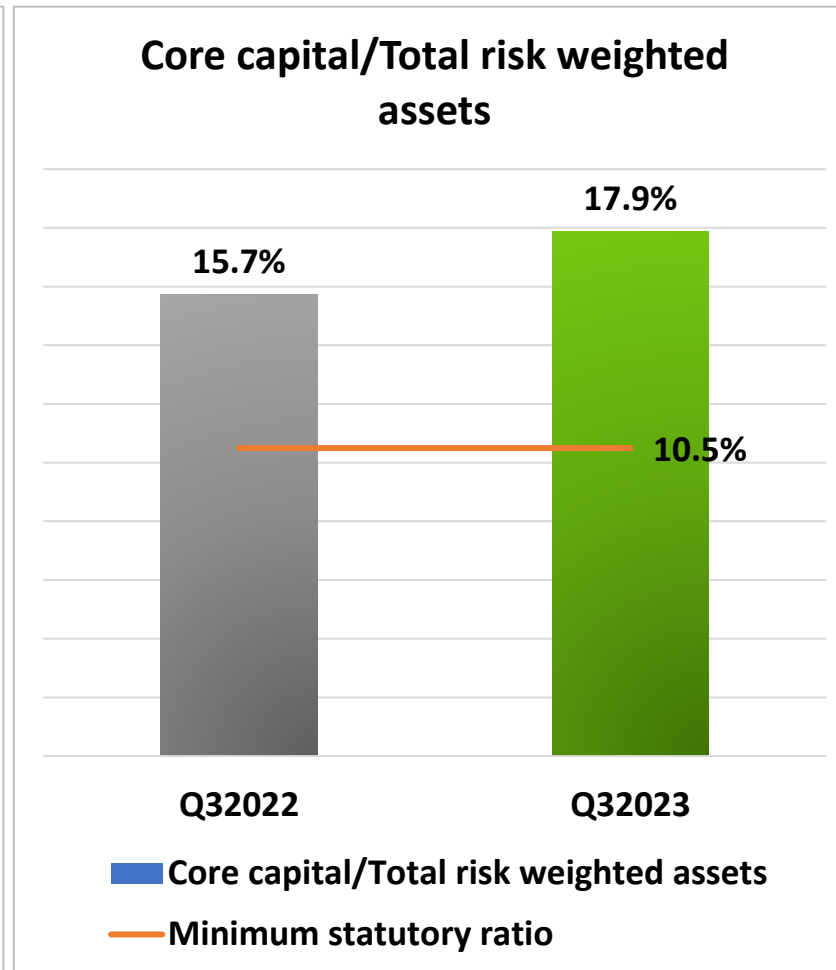
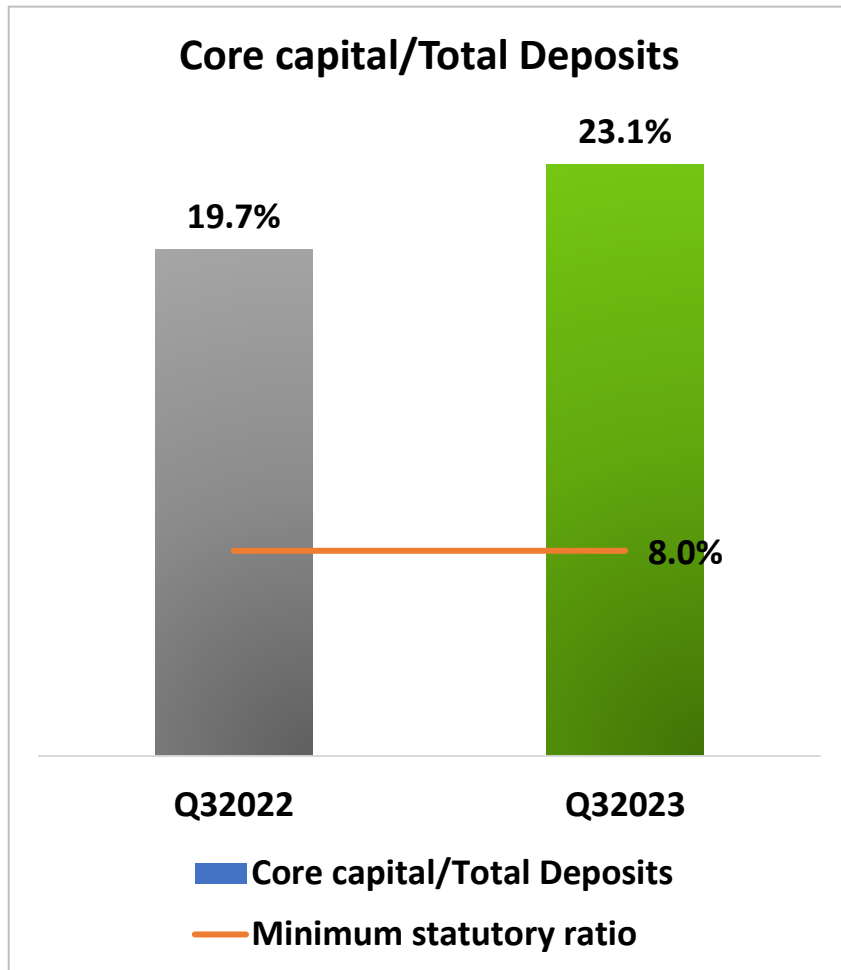
Well-diversified Liability Portfolio



Strong capital to support future growth



Capital buffers for sustainable growth

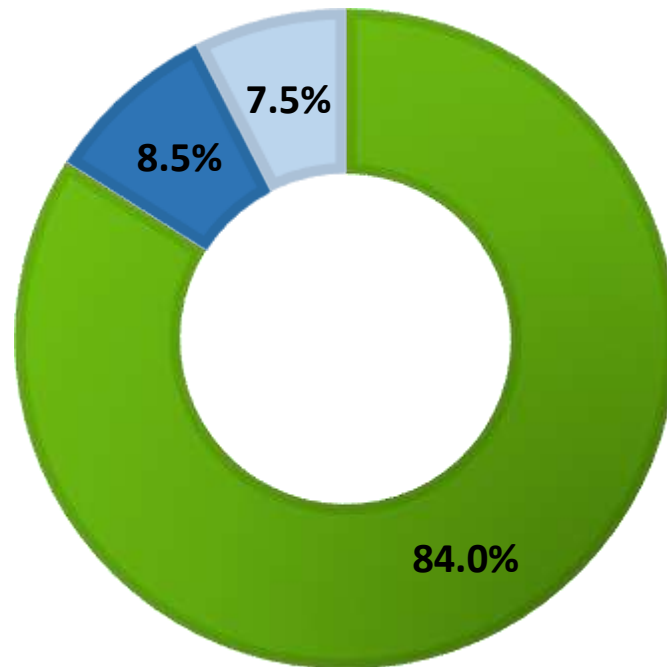


An Optimally balanced Kenya Shilling asset & funding book



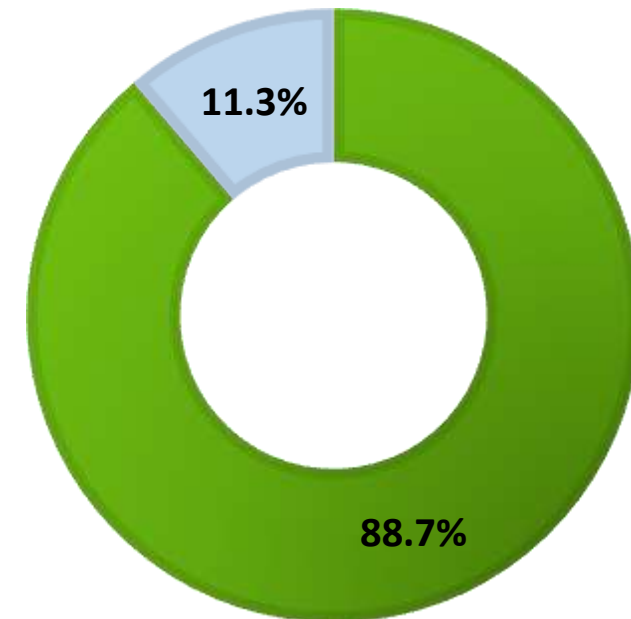
LOCAL VS. FOREIGN CURRENCY FUNDING

■ LCY Funding ■ FCY Funding ■ FCY Borrowings



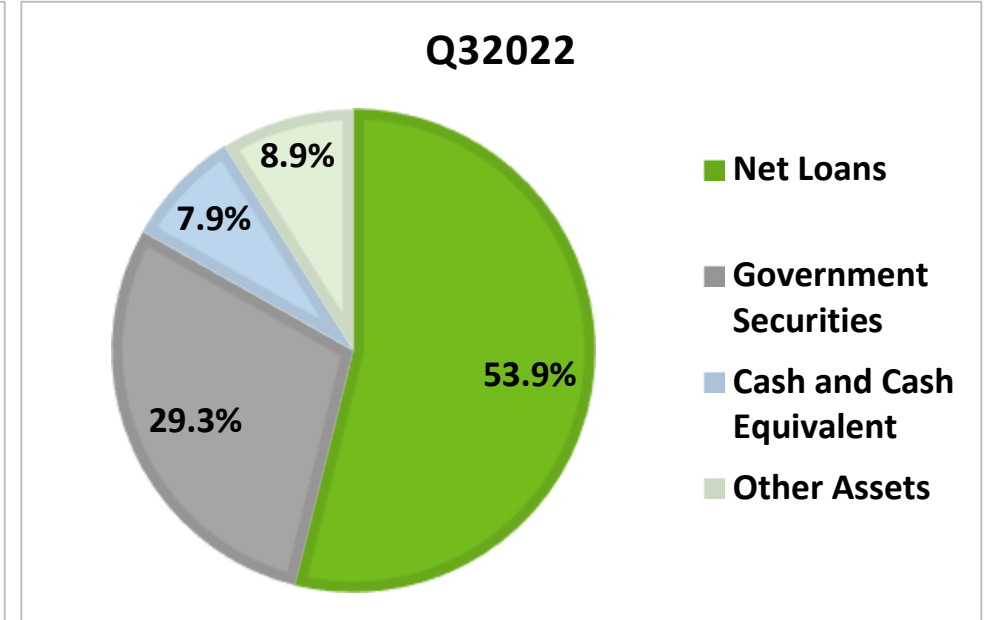
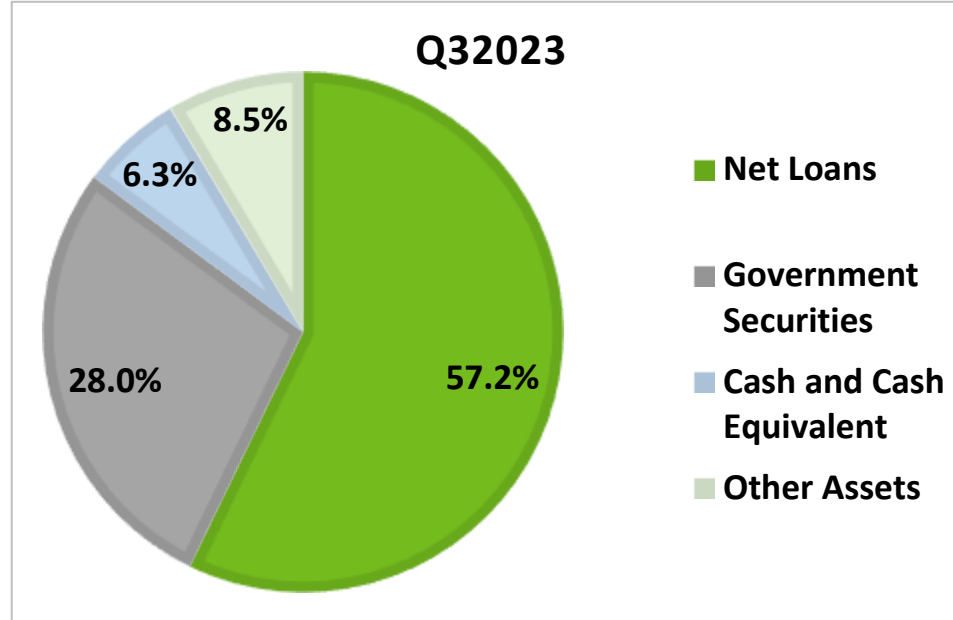
LOAN BOOK: LOCAL VS. FOREIGN CURRENCY

■ Local Currency ■ Foreign Currency

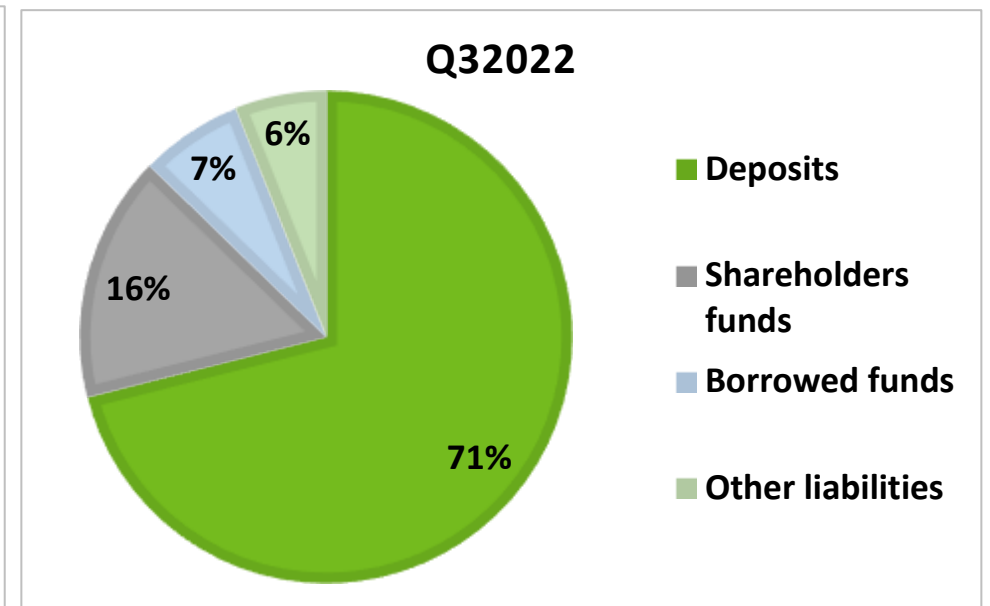
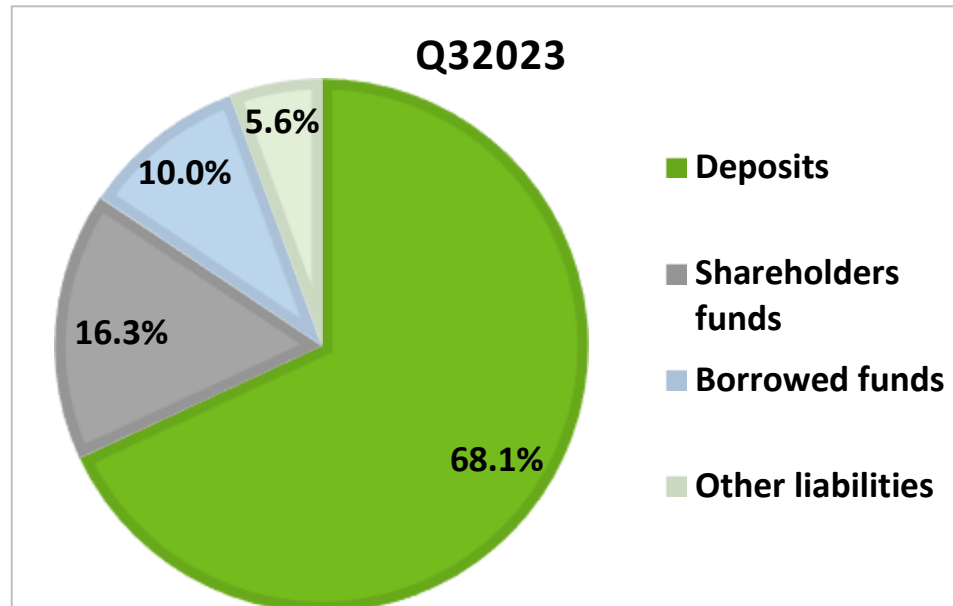


Optimal Asset and Funding Mix

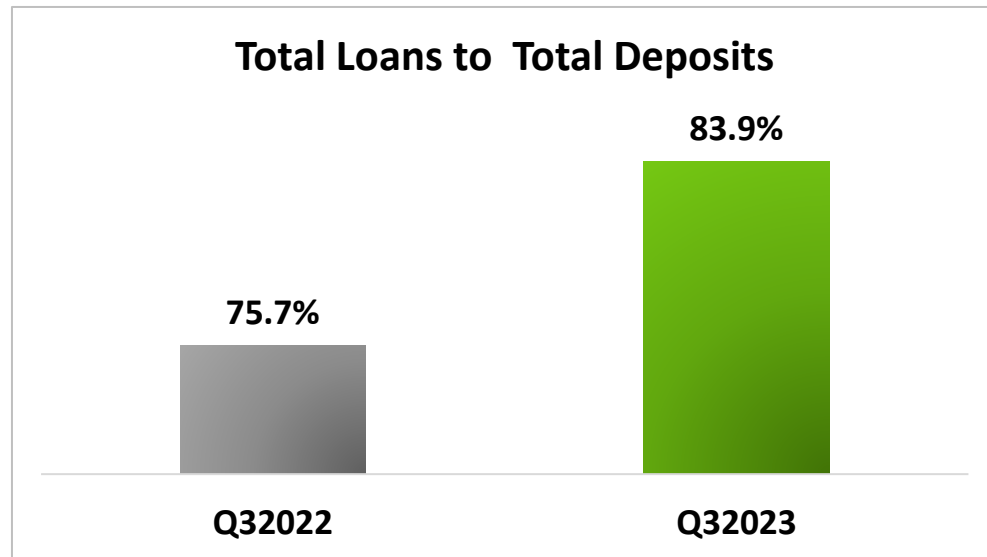
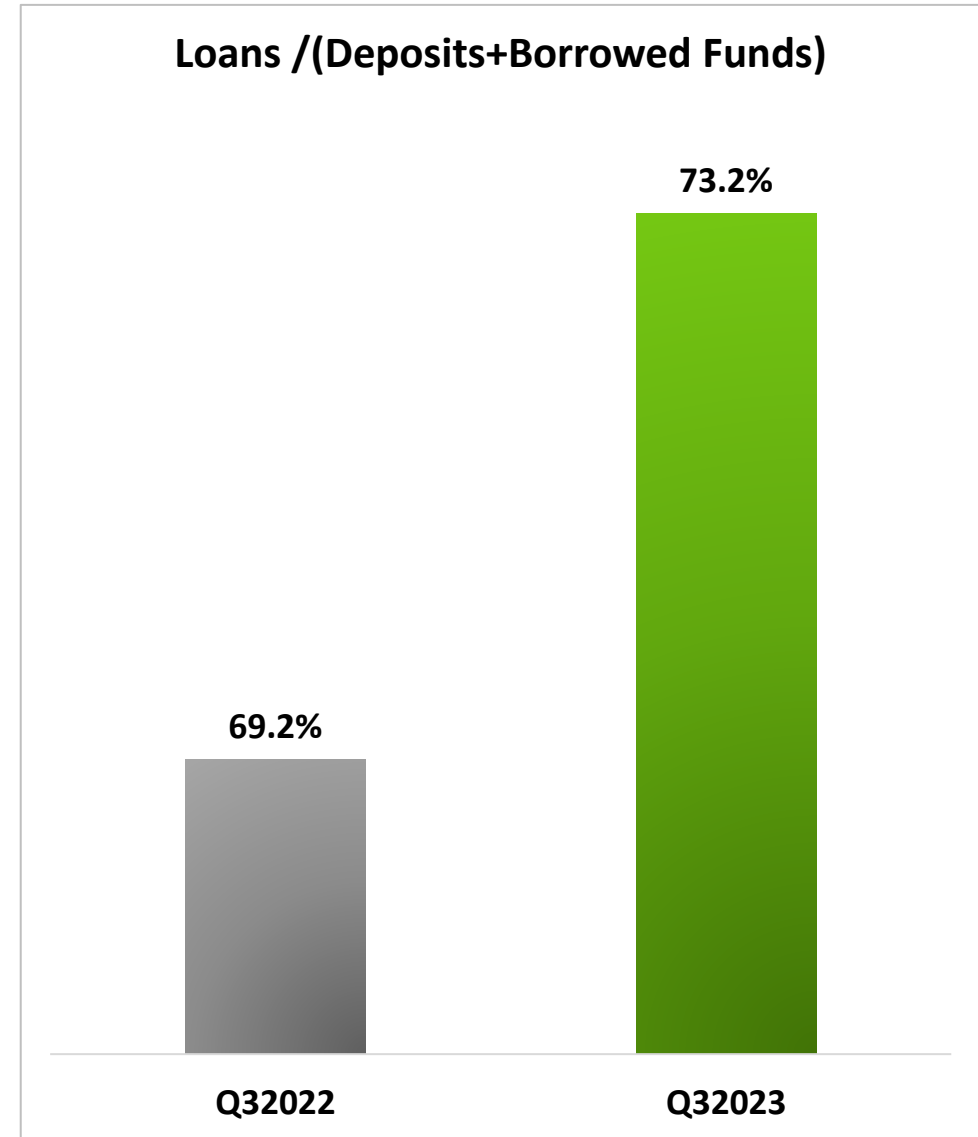
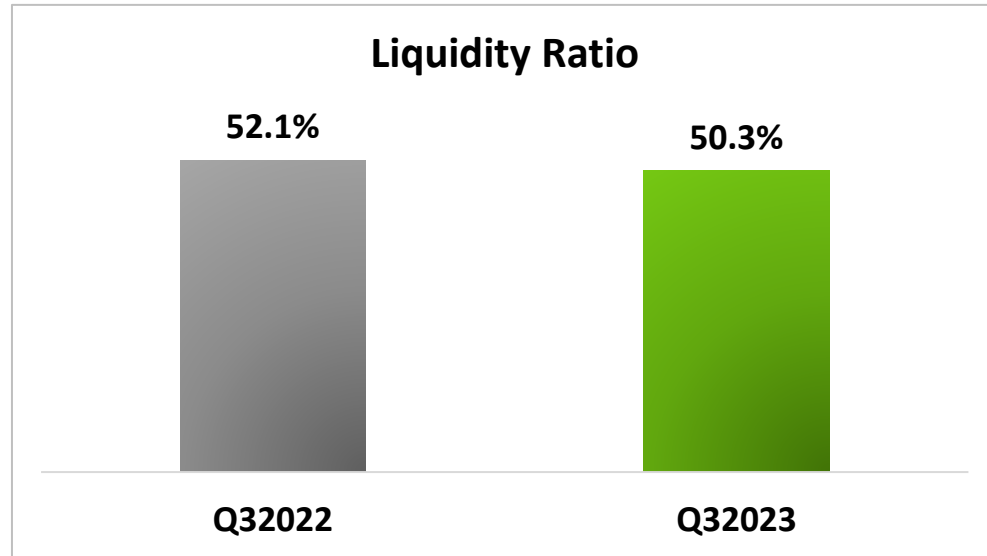
Asset Categories



Funding Categories



Strong Liquidity to Support Investments



Sustainable Profitability Growth

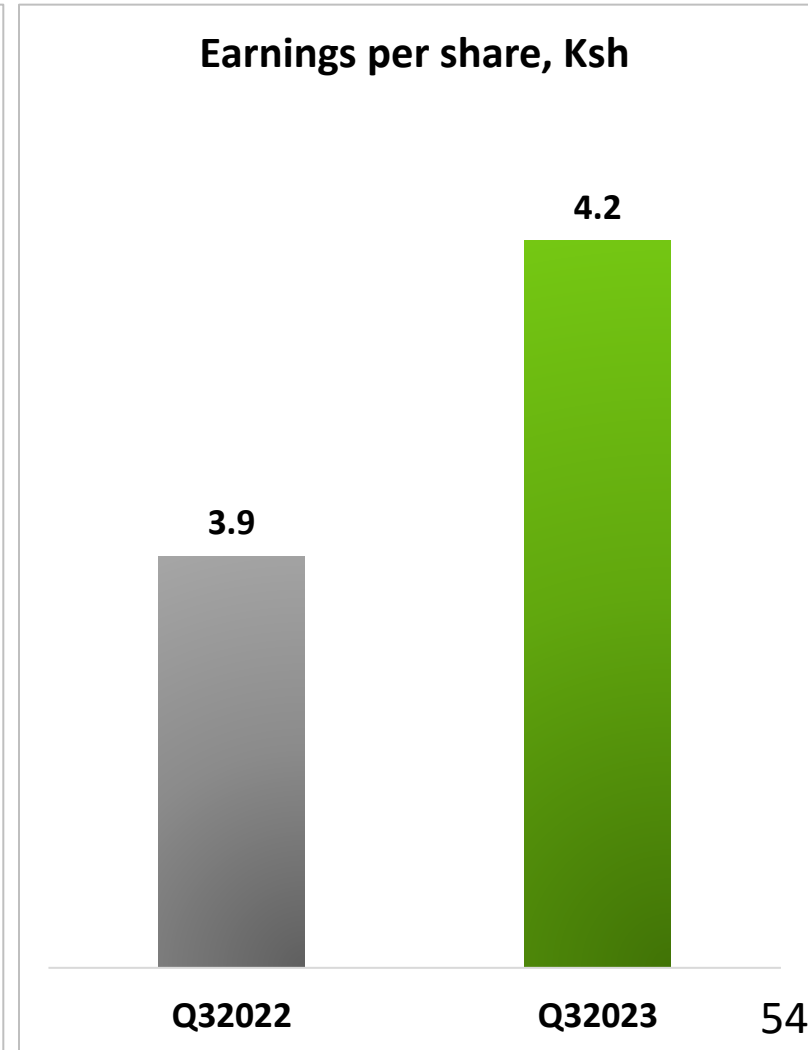
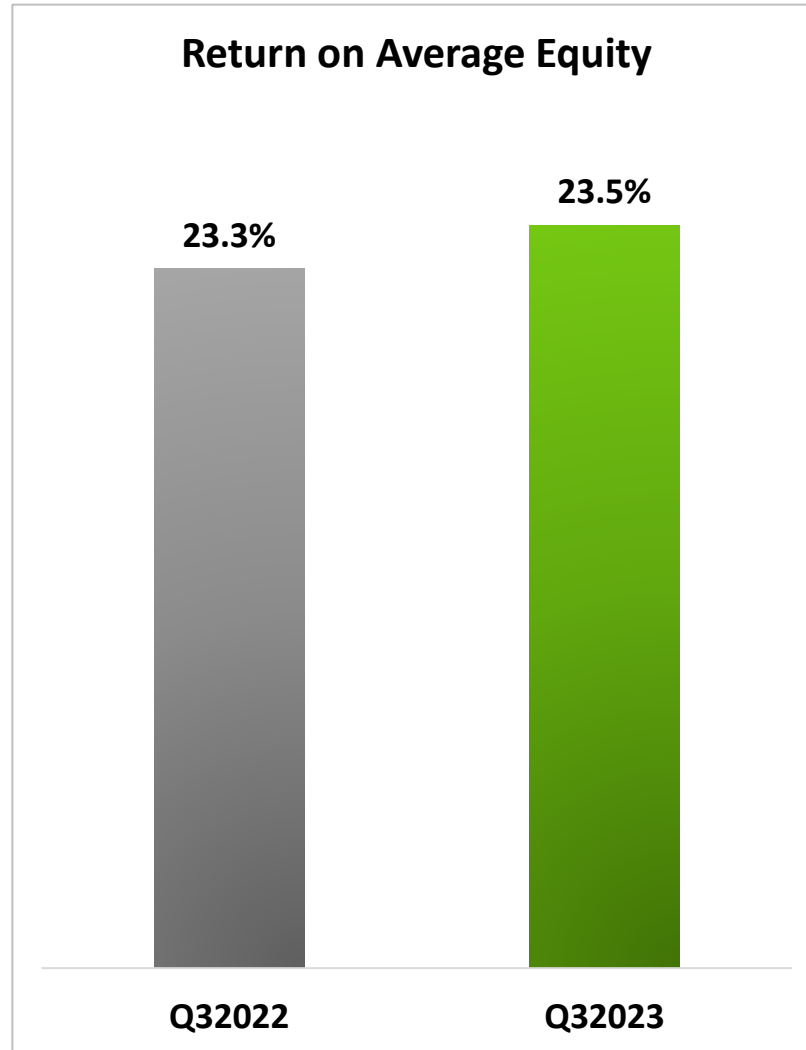
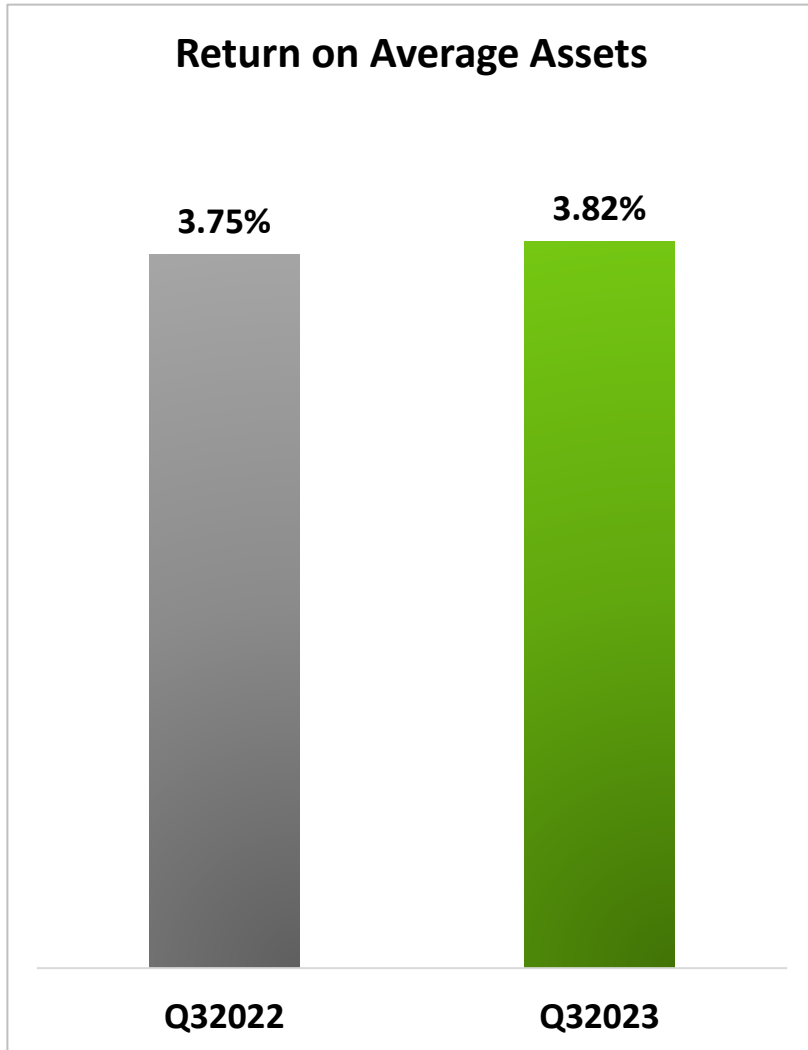
	Q32023	Q32022	YoY Change	
Total Interest Income	49.4	43.7	12.9%	↑
Total Interest Expenses	16.5	11.7	41.3%	↑
Net Interest Income	32.8	32.0	2.5%	↑
Fees and commissions on loans and advances	9.1	8.4	8.2%	↑
Other Fees and commissions	8.5	7.9	7.4%	↑
Foreign exchange trading income	2.5	3.3	-25.0%	↓
Other income	0.50	0.55	-8.4%	↓
Total Operating Income	53.4	52.2	2.3%	↑
Loan loss provision	4.2	5.7	-26.5%	↓
Staff costs	12.2	10.8	12.4%	↑
Other operating expenses	12.6	13.1	-3.5%	↓
Total Operating expenses	29.0	29.6	-2.1%	↓
Profit before tax and exceptional items	24.4	22.6	8.1%	↑
Exceptional items-Share of profit of associate	0.3	0.2	83.3%	↑
Profit Before Tax	24.7	22.7	8.6%	↑
Income tax	6.3	5.6	11.7%	↑
Profit After Tax	18.4	17.1	7.6%	↑

Subsidiary Contribution



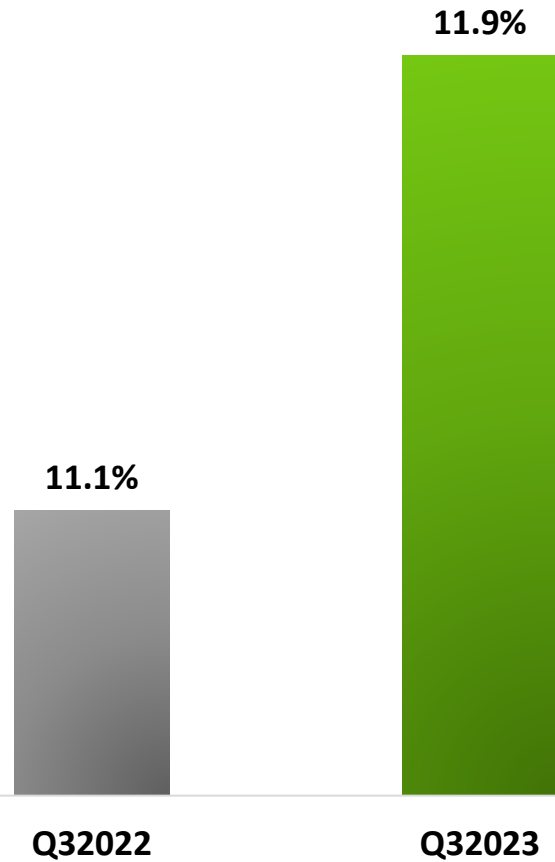
	Q32023	Q32022	Growth	Growth
	KShs '000'	KShs '000'	KShs '000'	%
Co-operative Bank of Kenya Ltd	22,735,316	20,834,066	1,901,250	9.1%
Co-operative Bank of South Sudan	43,448	190,393	(146,945)	-77.2%
Co-opTrust Investment Services Ltd	154,509	141,030	13,479	9.6%
Co-op Consultancy & Bancassurance Intermediary Ltd	762,862	772,136	(9,274)	-1.2%
Kingdom Securities Ltd	12,203	10,359	1,843	17.8%
Kingdom Bank Ltd	786,606	630,157	156,449	24.8%
Co-op Bank and Subsidiaries Total	24,494,944	22,578,142	1,916,803	8.5%
Associates share of profit	194,058	152,582	41,476	27.2%
Group Profit before Tax	24,689,003	22,730,724	1,958,278	8.6%
Income Tax Expense	6,294,423	5,633,850	660,573	11.7%
Group Profit after Tax	18,394,578	17,096,874	1,297,704	7.6%

Key Ratios



Key Ratios

Average Return of Interest Earning Assets



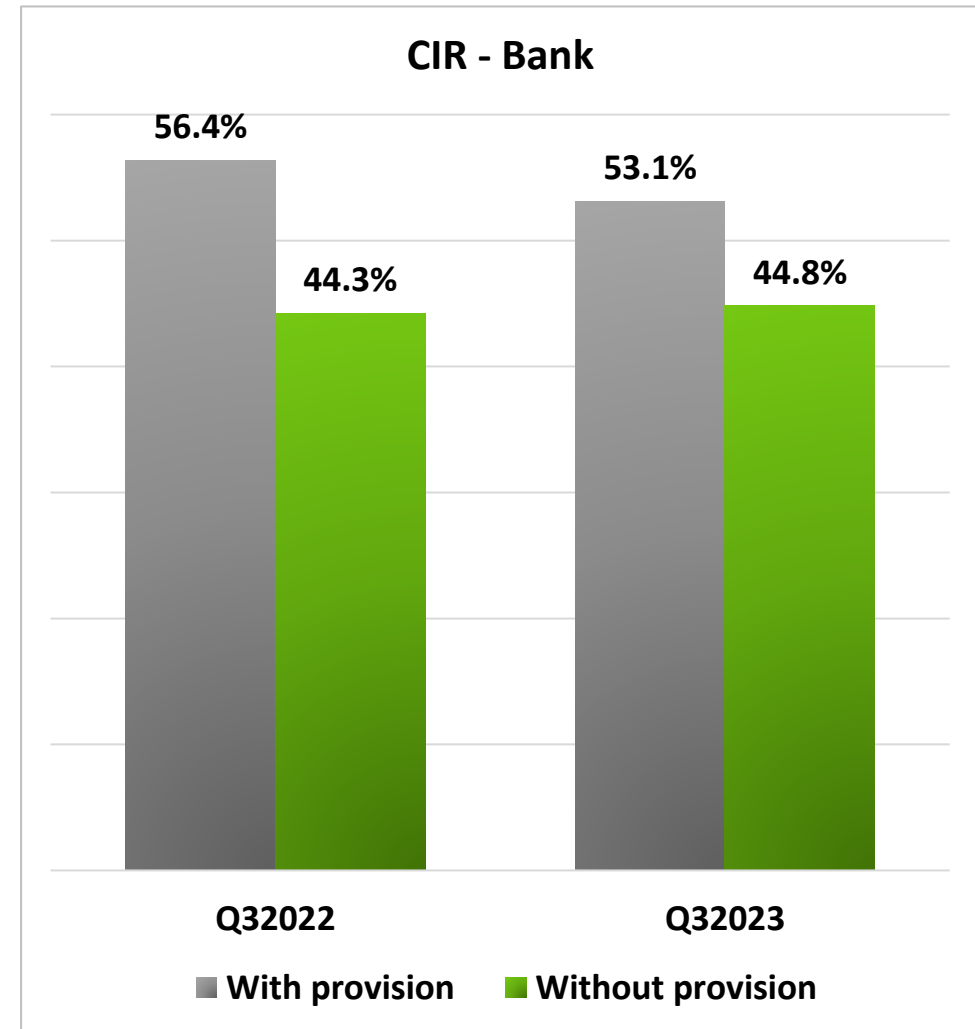
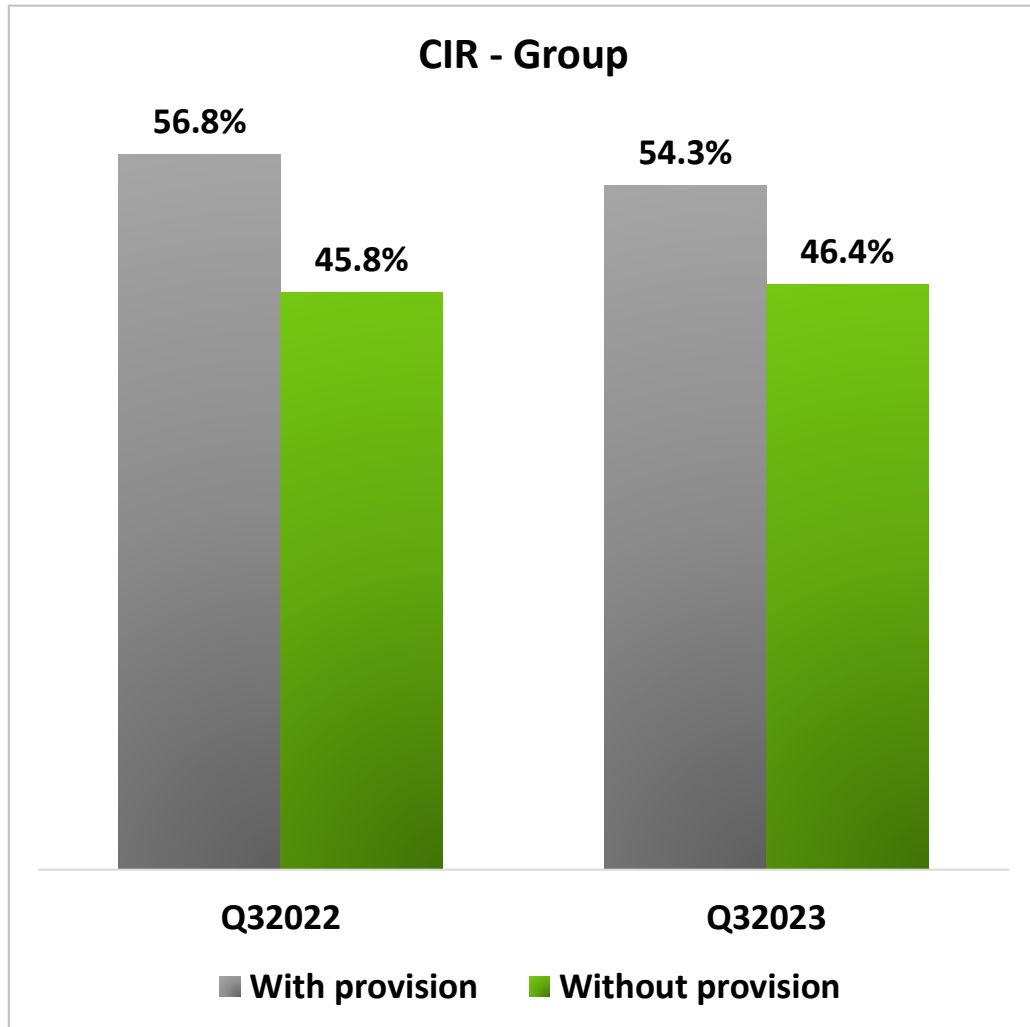
NIM on Loans



NIM on earning Assets

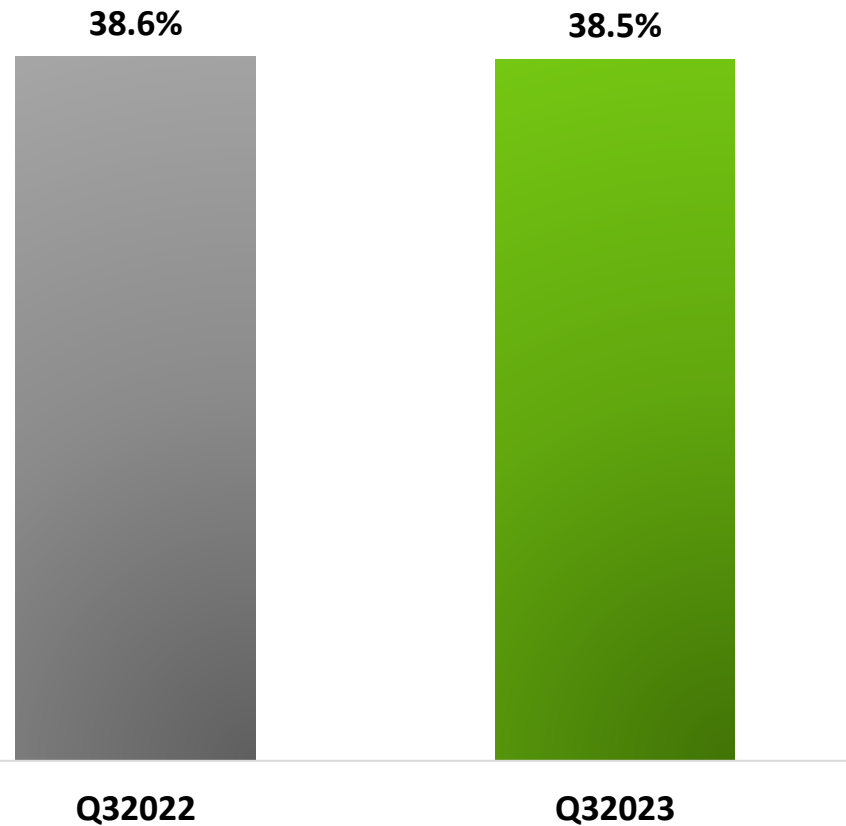


Key Ratios

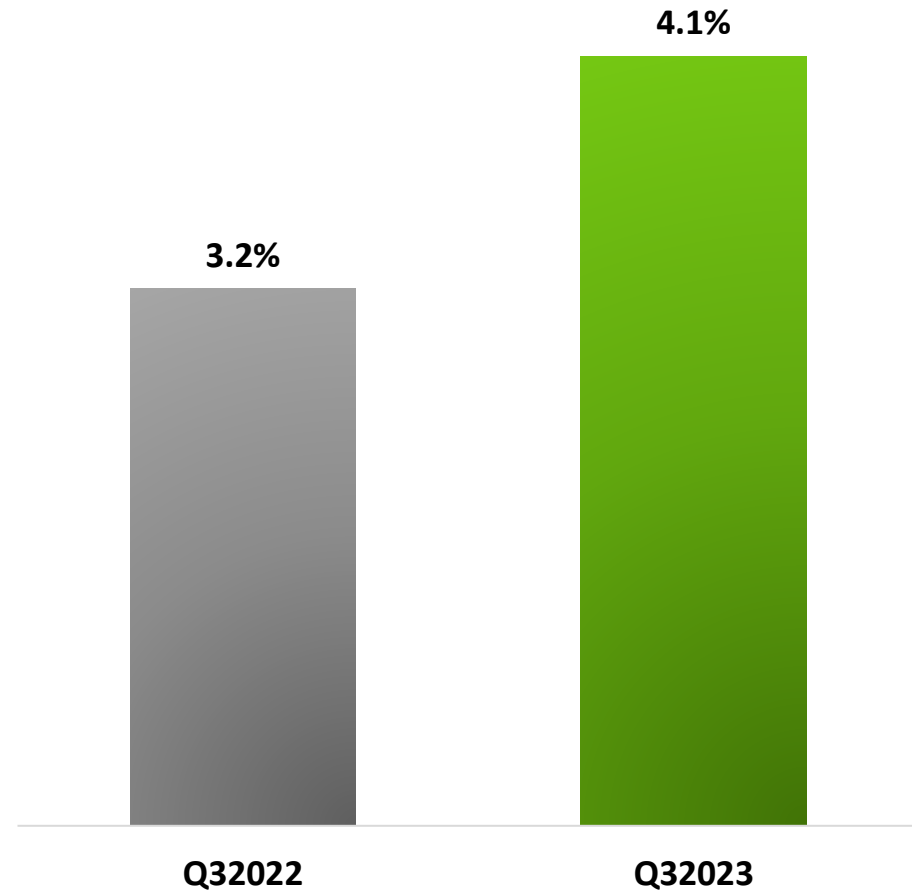


Key Ratios

Non-Funded to Total Operating Income



Cost of Customer deposits





CO-OPERATIVE BANK

We are you

Thank You.