



Investor Briefing

Q3 2024

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. 750.8 Billion in Total Assets

5,617 Skilled, Motivated Staff Members

1 ■

**We are Growing
Creating Value**





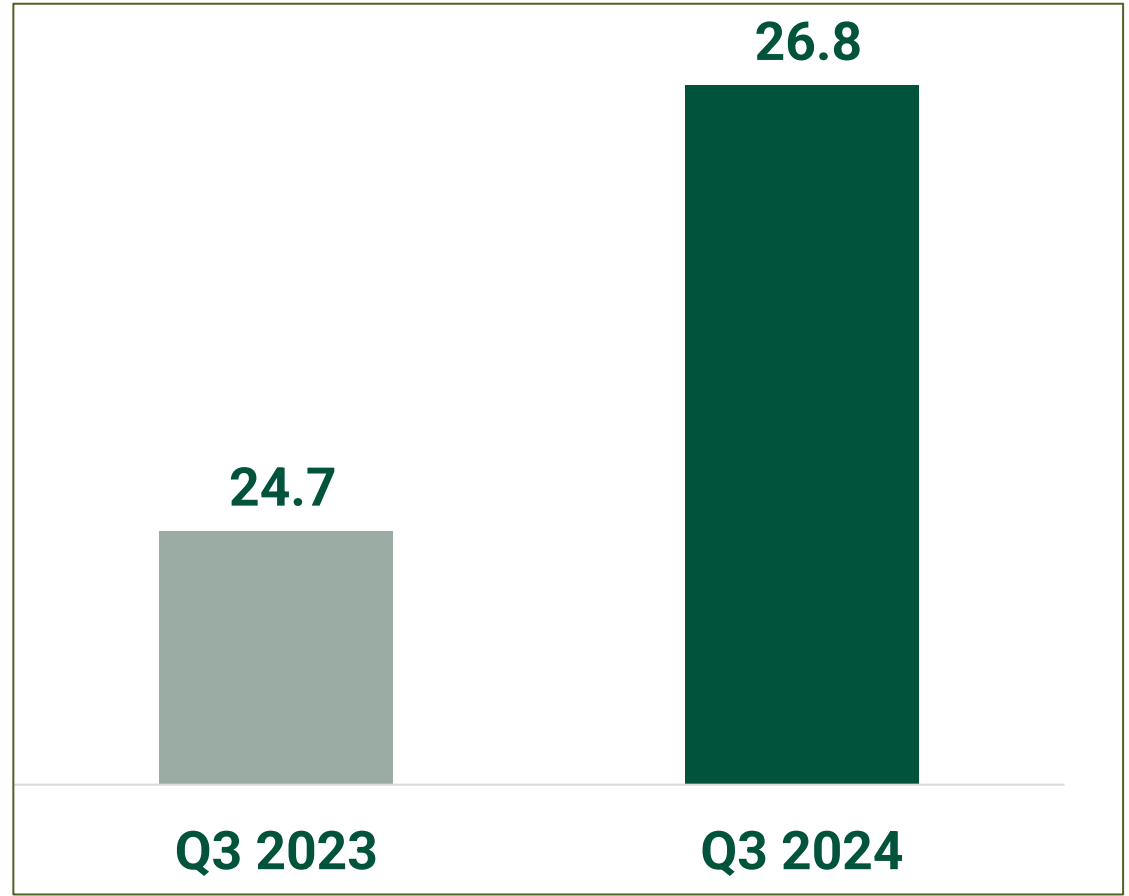
Get a solar water pump,
with the new
CO-OP-A-MAJI loan



Co-operative Bank is regulated by the Central Bank of Kenya

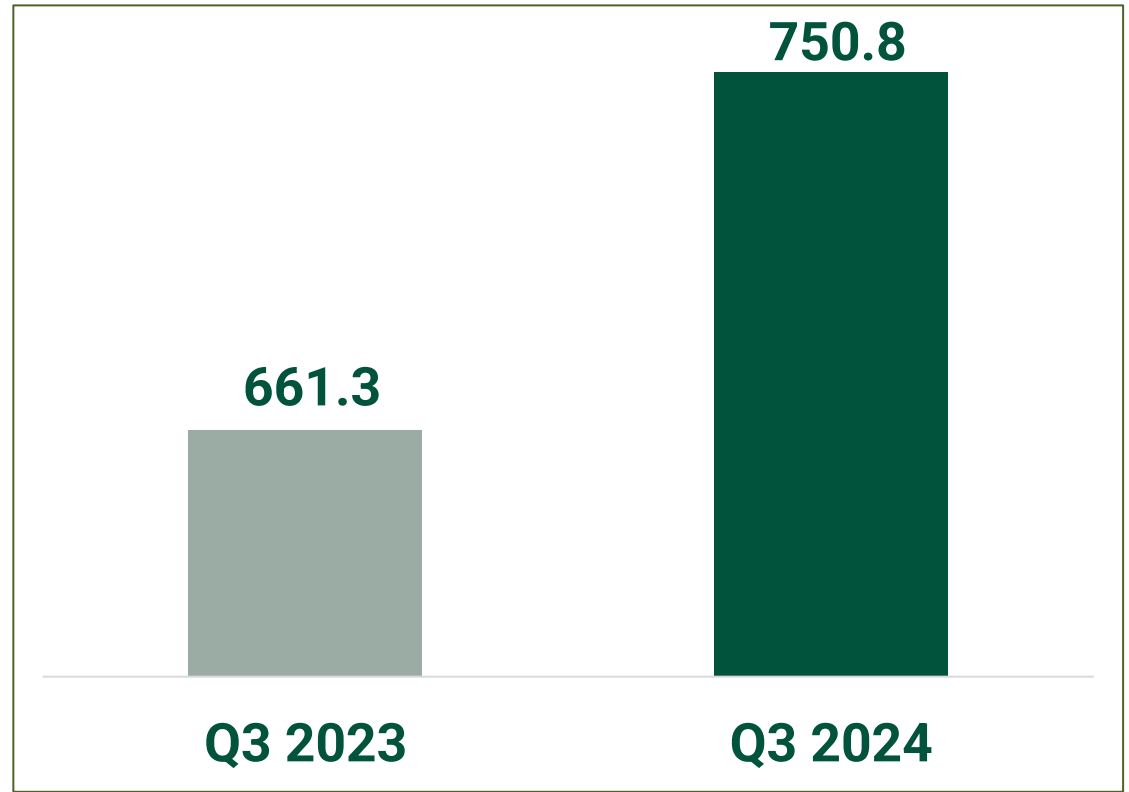
Co-operative Bank's CO-OP-A-MAJI Loan provides financing for solar water pumps, solar water heating systems, and installation, all designed to bring you reliable access to water using clean, renewable energy.

Efficient, Profitable Business Model



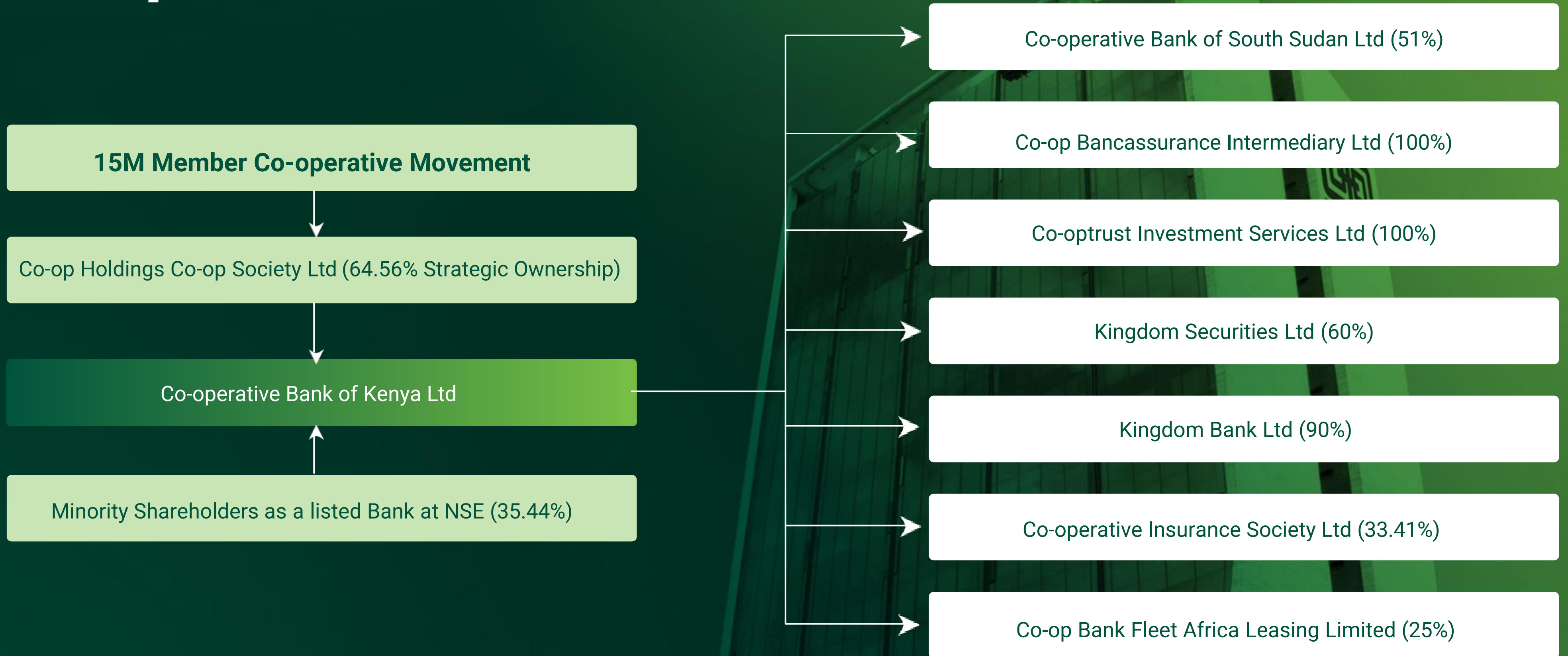
Profit Before Tax (Kshs. B)

Growing Asset Base



Total Assets (Kshs. B)

Group Structure



A Successful Universal Banking Model



Our Presence



205 Branches



16000+
Co-op Kwa Jirani
Agents



24hr Contact Centre



603 ATMs & Cash
Deposit
Machines
(CDMs)



16K Diaspora Banking
Customers



690 Sacco Front
offices Branch
Network

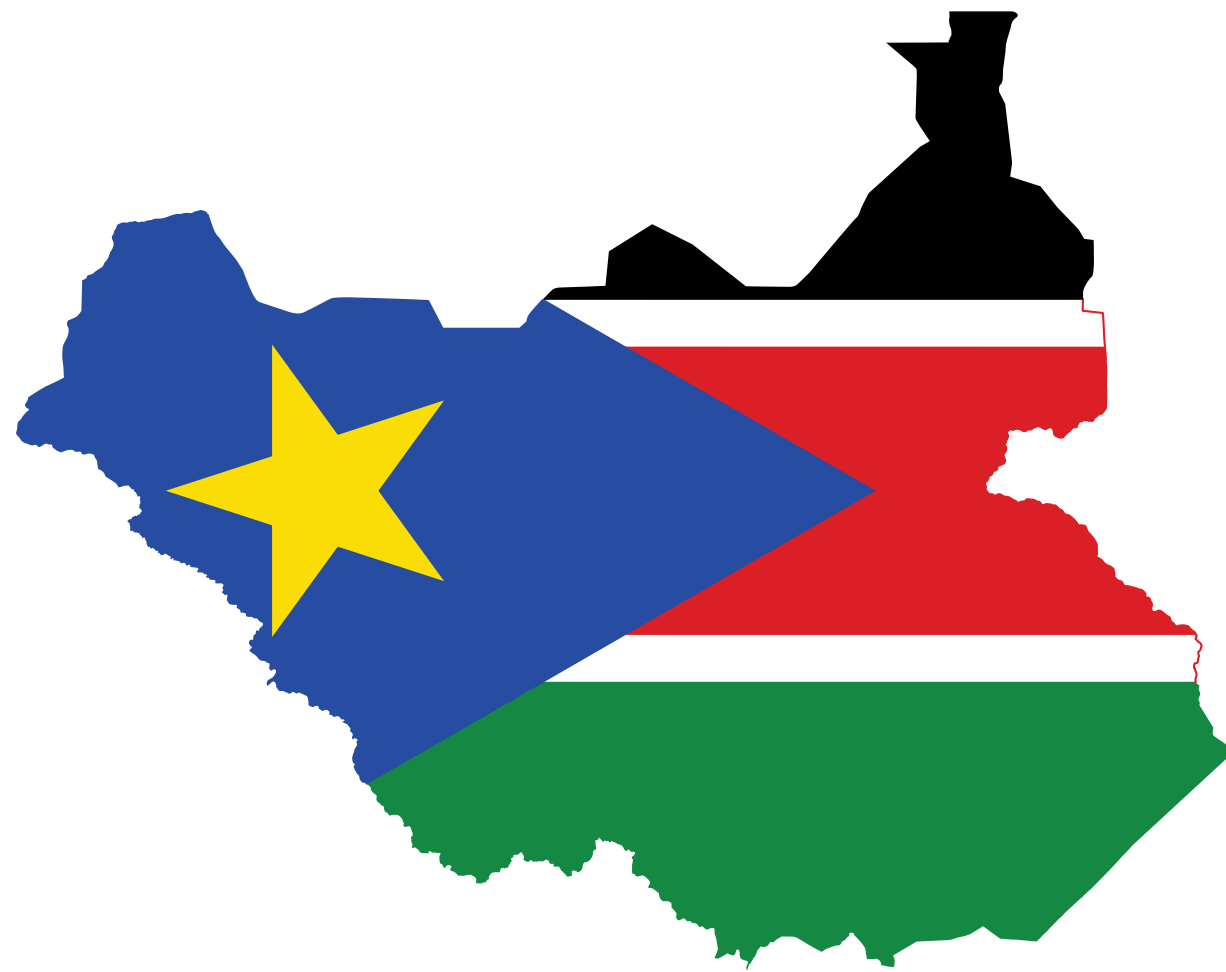


5,617 Staff



**New Core Banking
System**

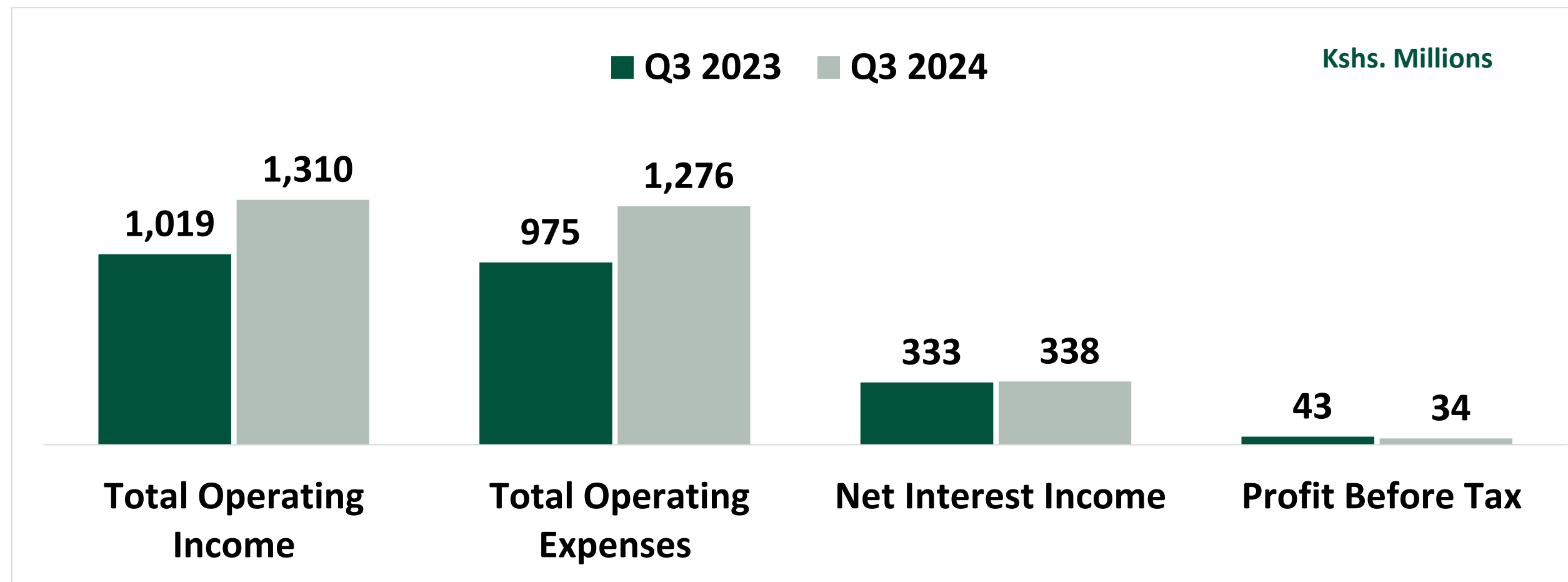
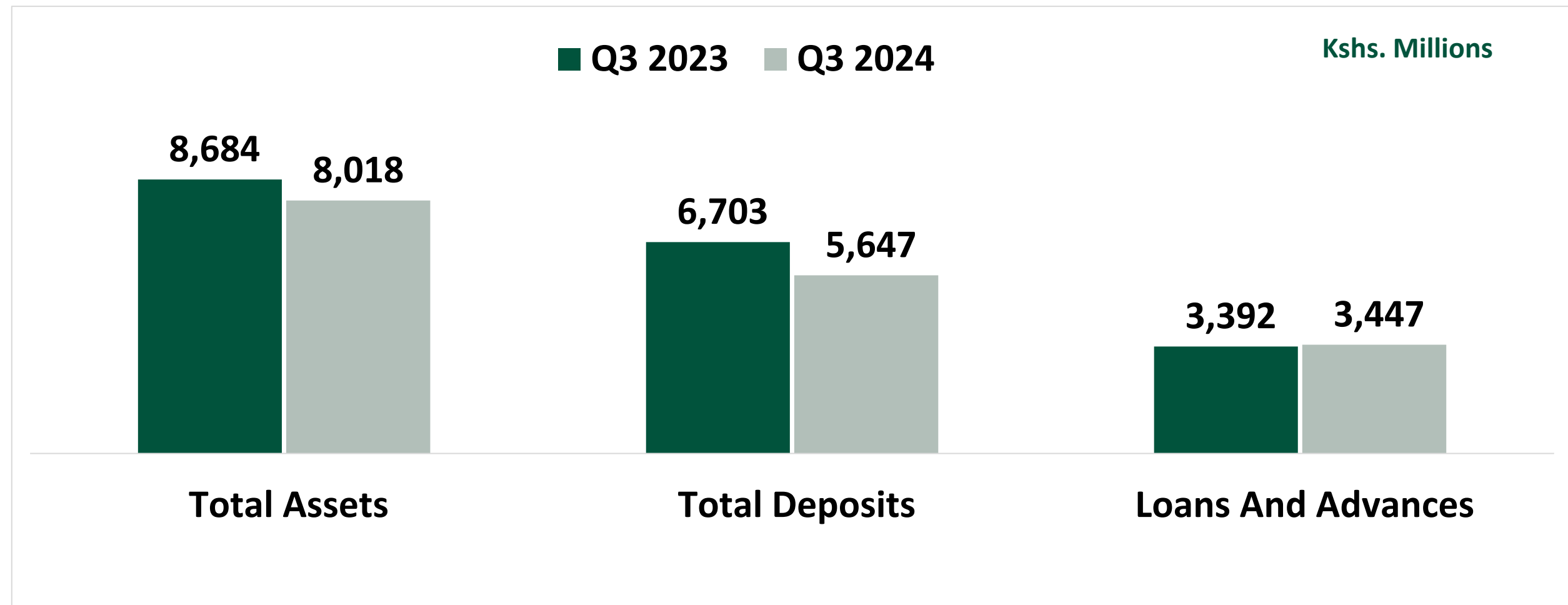
Resilience in our Regional Business : Co-operative Bank of South Sudan



5 Branches

5 Non-oil collection centers

Owns 31% of CIC Africa Ltd- South Sudan



2

We are Resilient
Protecting Value



Robust Financial and Operational Foundations Driving Stability



Proactive Enterprise Risk Management Framework.



Strong Capital Buffers: Total Capital to Risk Weighted Assets (RWA) 21.6% (Regulatory 14.5%)



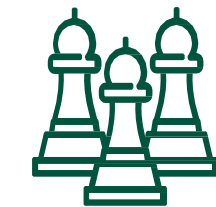
Up to **51% of our loan Book** is in Consumer banking which is low risk and performing well.



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



Proactive Regulatory compliance



Optimal risk spread with KShs.**211.6 Bn** in government securities.



NPL Provisioning : Cumulatively Kshs. 36.3 from 2020.
NPL Coverage at 67%



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

Enhanced ESG Policy Framework

3.

We are agile
Fast | Adaptable



Leveraging Digital Transformation and Agile Methodologies



Mobile Internet



ATM & Agency
CDM

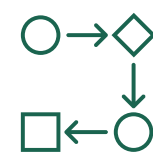
93% of transactions on alternative channels enhancing operational efficiency.



New core banking system operational in Kenya (June 2023) & South Sudan (March 2024)
enhancing innovation, customer experience & analytics



Optimization of Omnichannel integrating accessibility and User experience

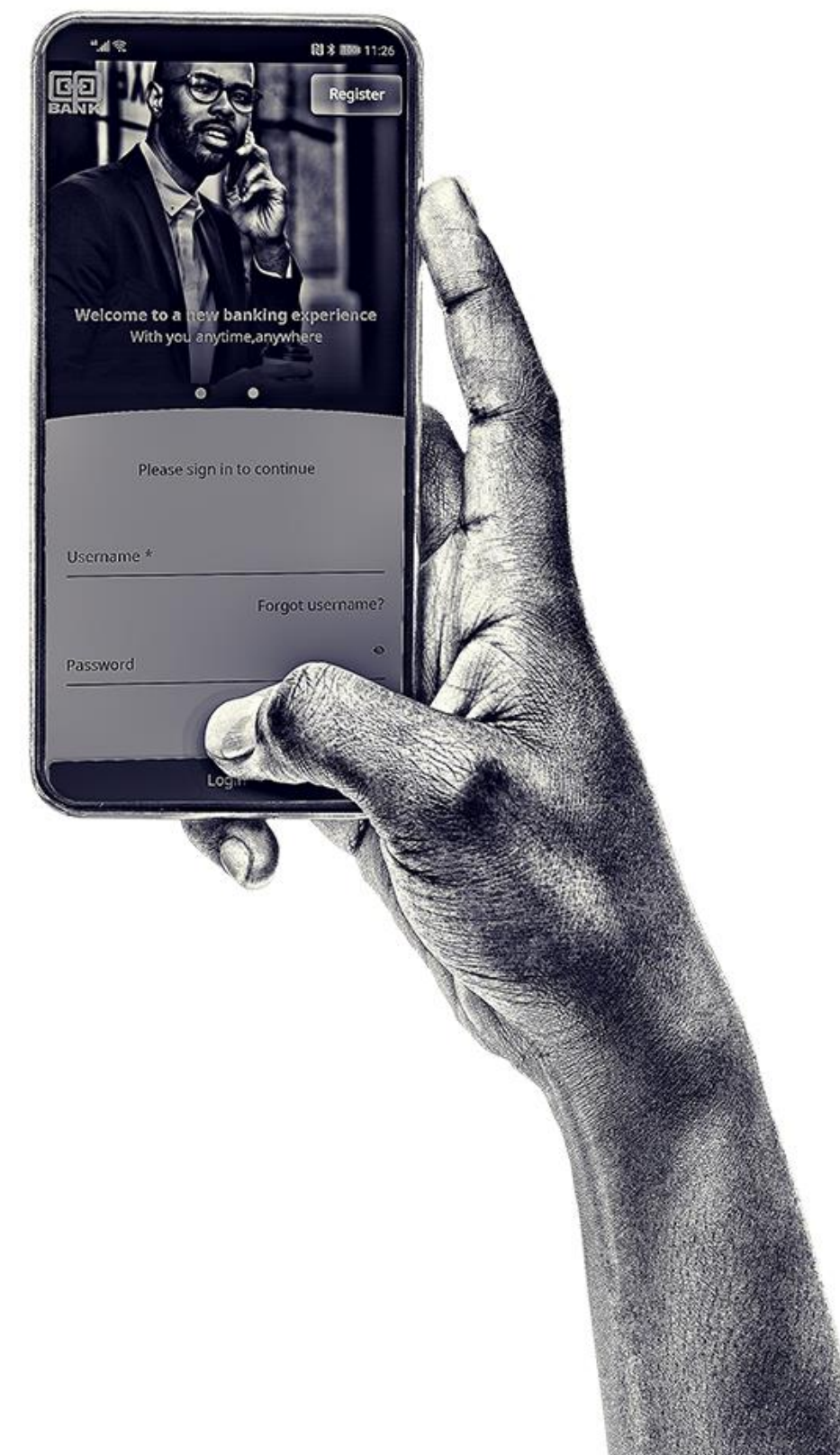


Enhanced digitization of internal bank processes and engagement platforms as part of our
Digital Transformation Strategy .



Staff Productivity

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

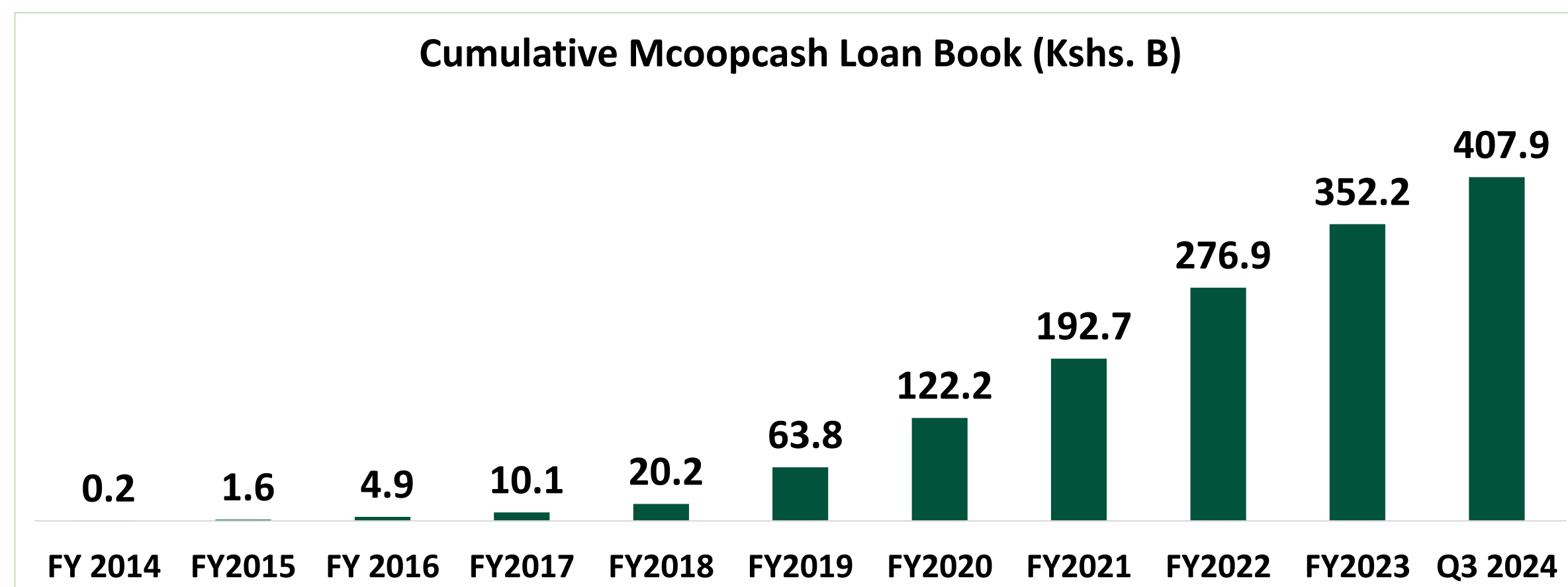
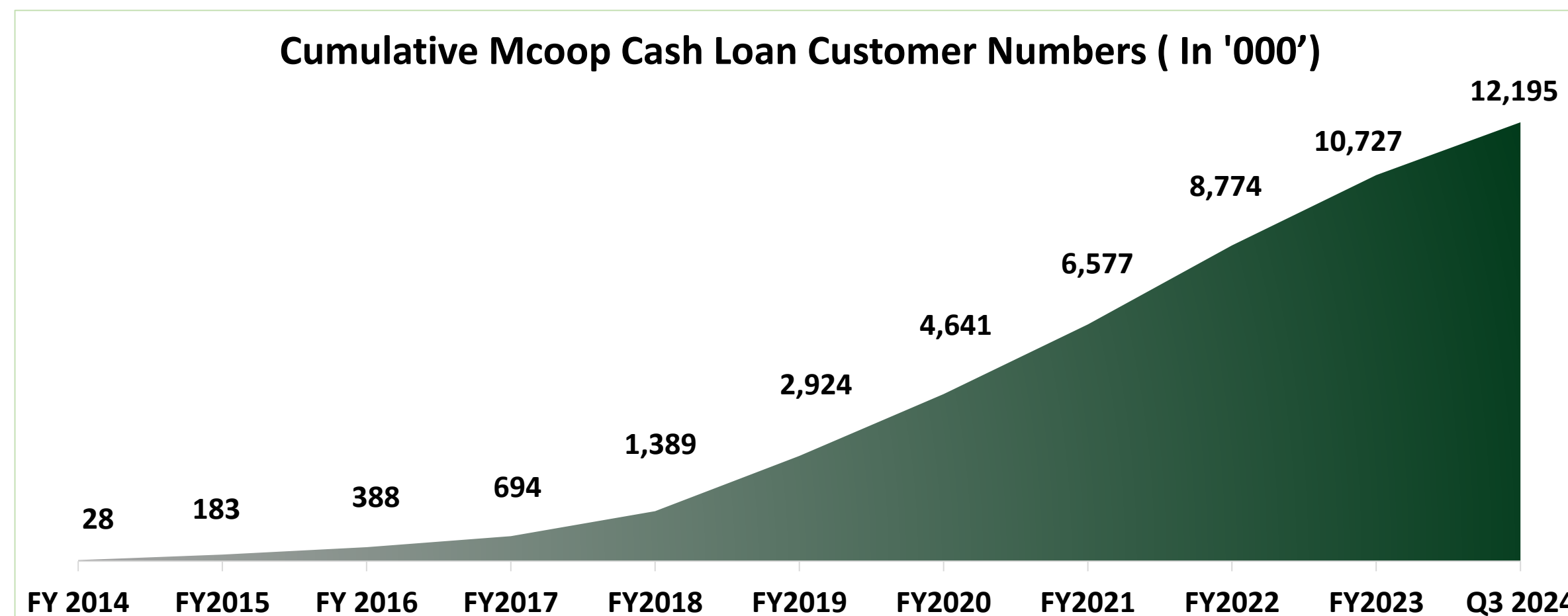
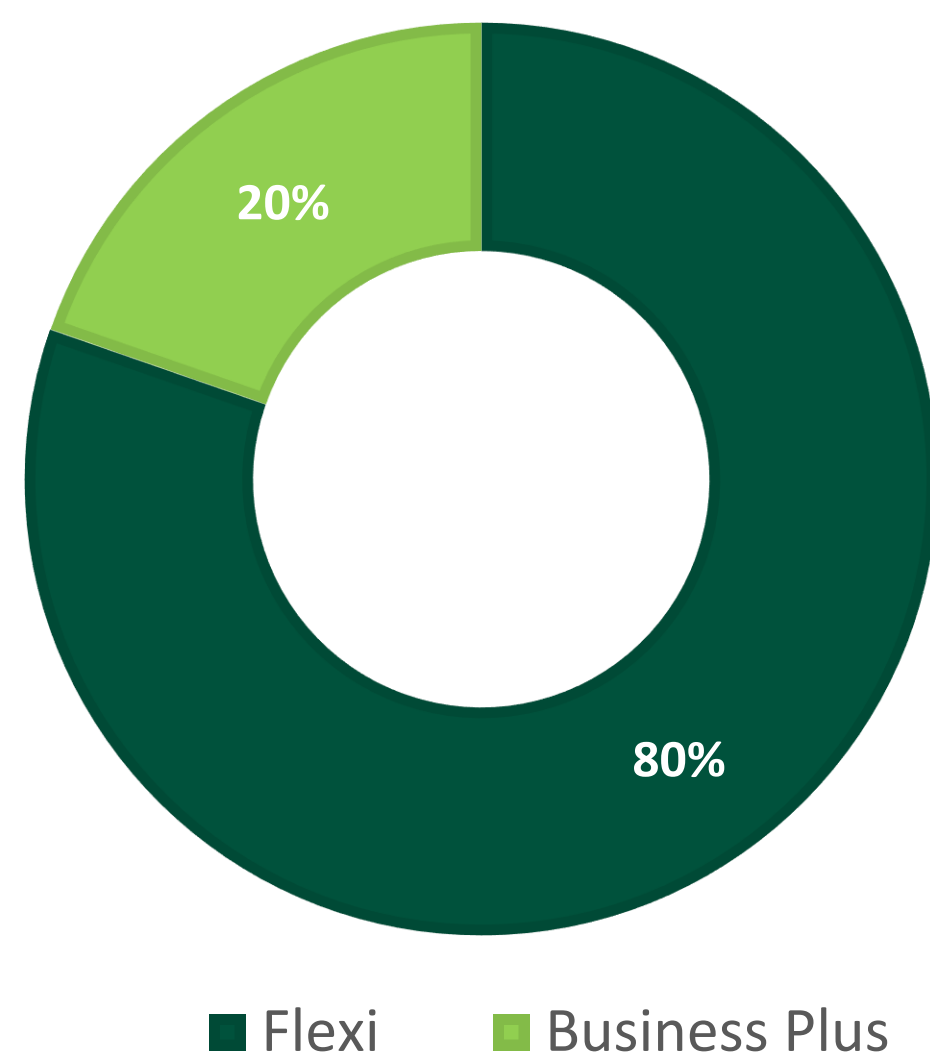


Increased Access to Finance with E-Credit

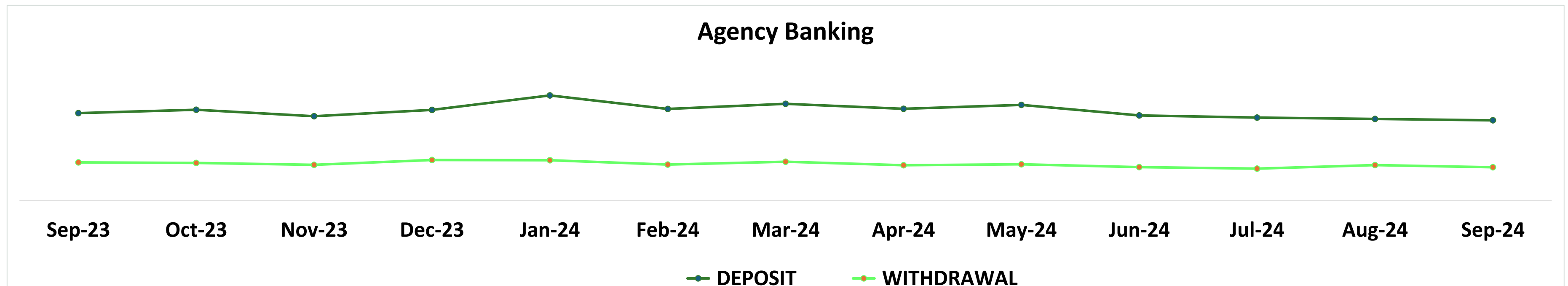
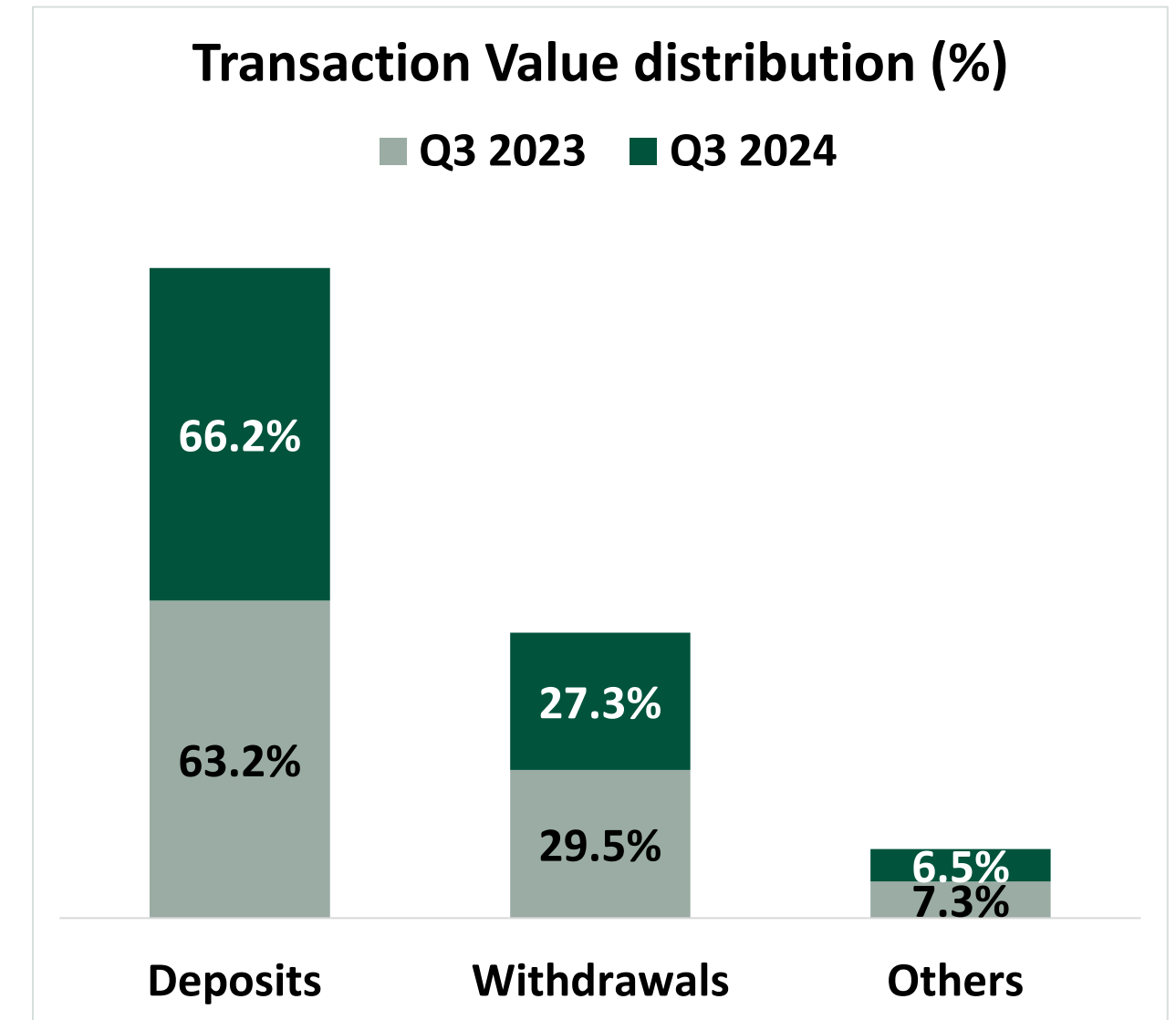
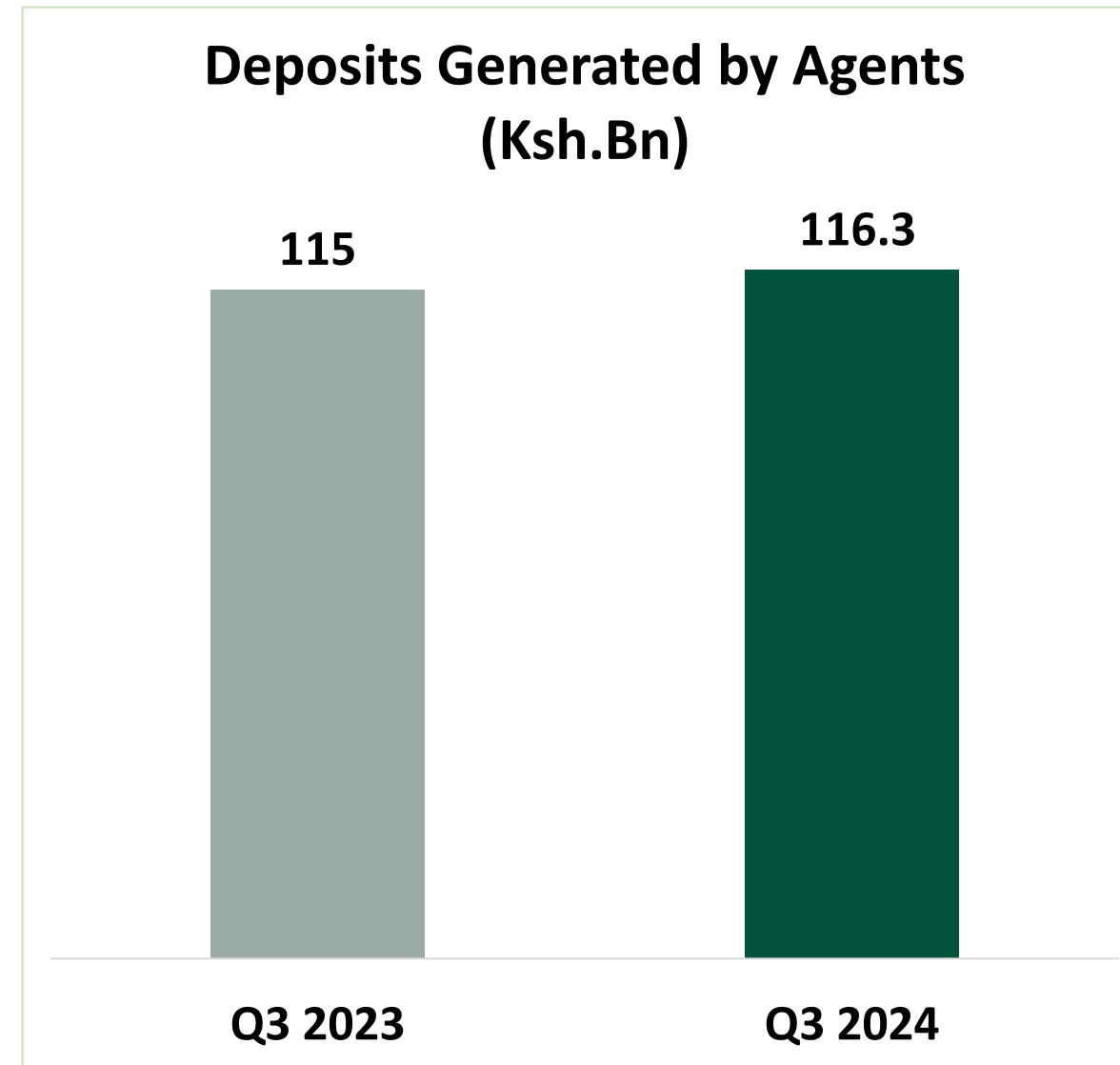
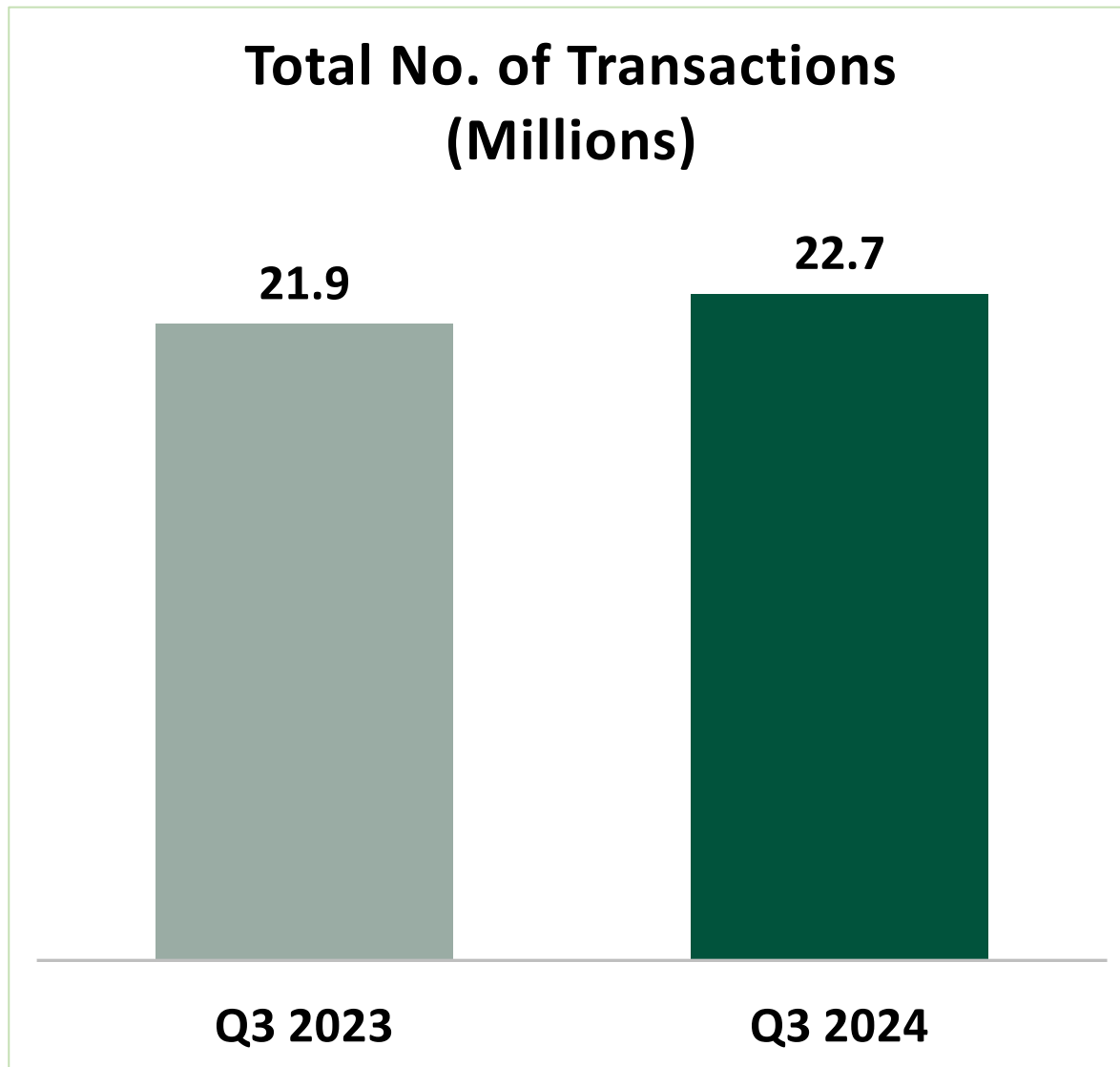
Kshs. 55.7 Bn Disbursed YTD

Kshs. 407.9 Disbursed since inception.

% CONTRIBUTION TO YTD DISBURSEMENTS



Growing Co-op Kwa Jirani Agency Banking

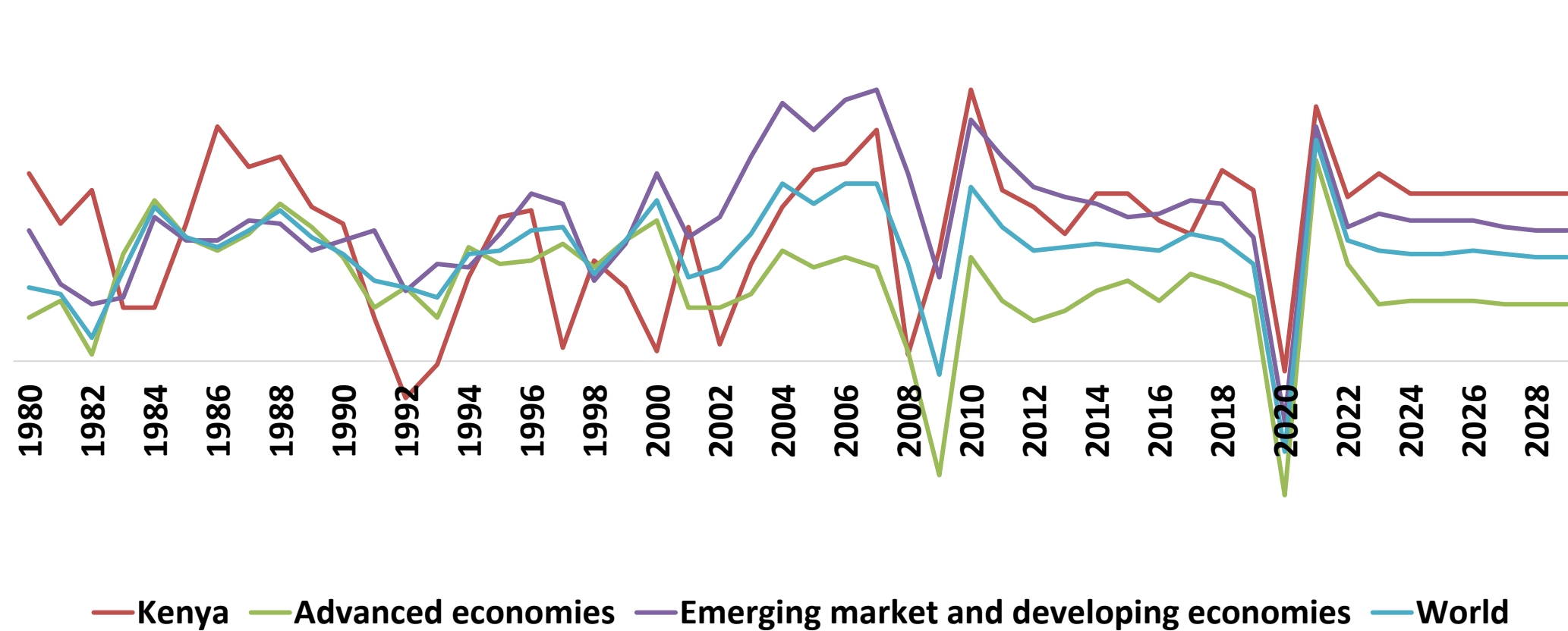


Operating Environment

Economic Highlights

Global growth is stable with divergence at the regional level

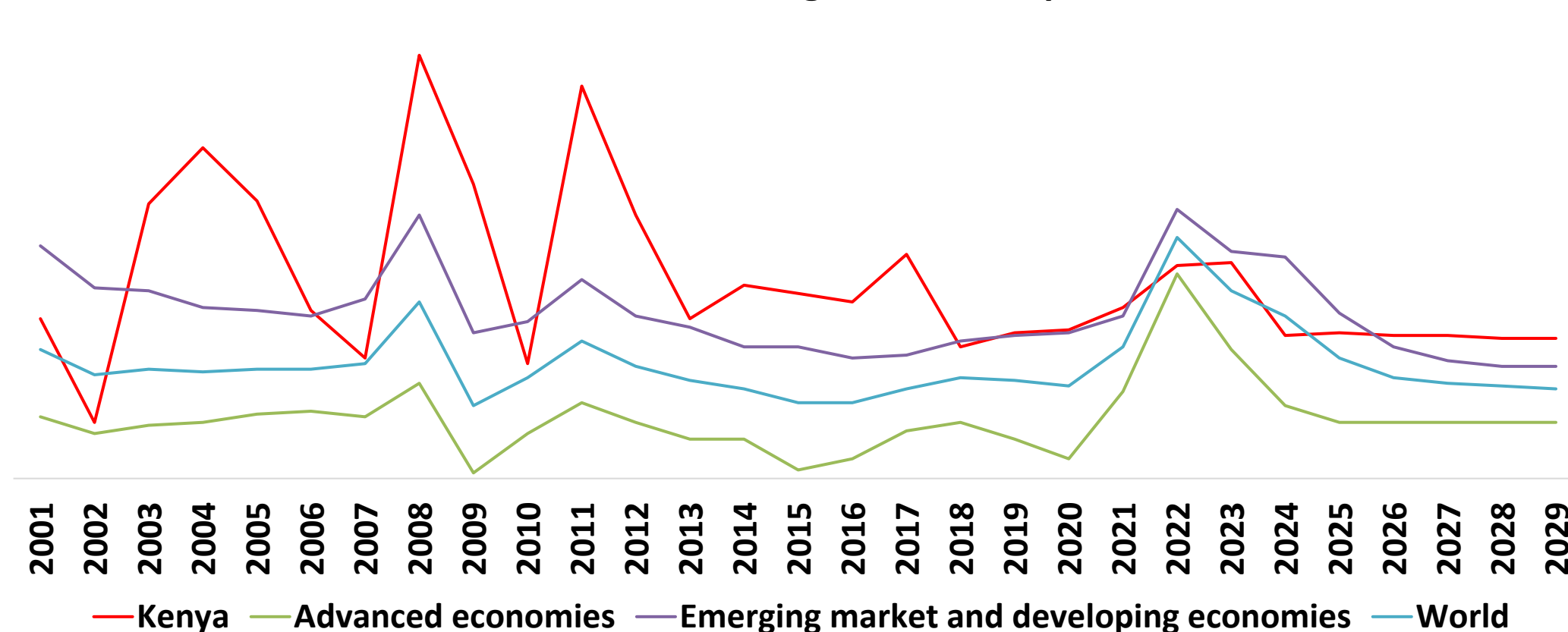
Real GDP growth (Annual percent change)



Tailwinds

- Stability in global economic activities supported by strong growth in the United States & Asia (China & India),
- Global trade is expected to continue to grow in line with GDP, reaching an average of 3.25% growth in 2024 and 2025, after near stagnation in 2023.
- Stable global commodity prices; gradual decline of inflation to target.
- Interest rate cuts to support demand and investment globally: Monetary policy is expected to return to a neutral stance by 2025.

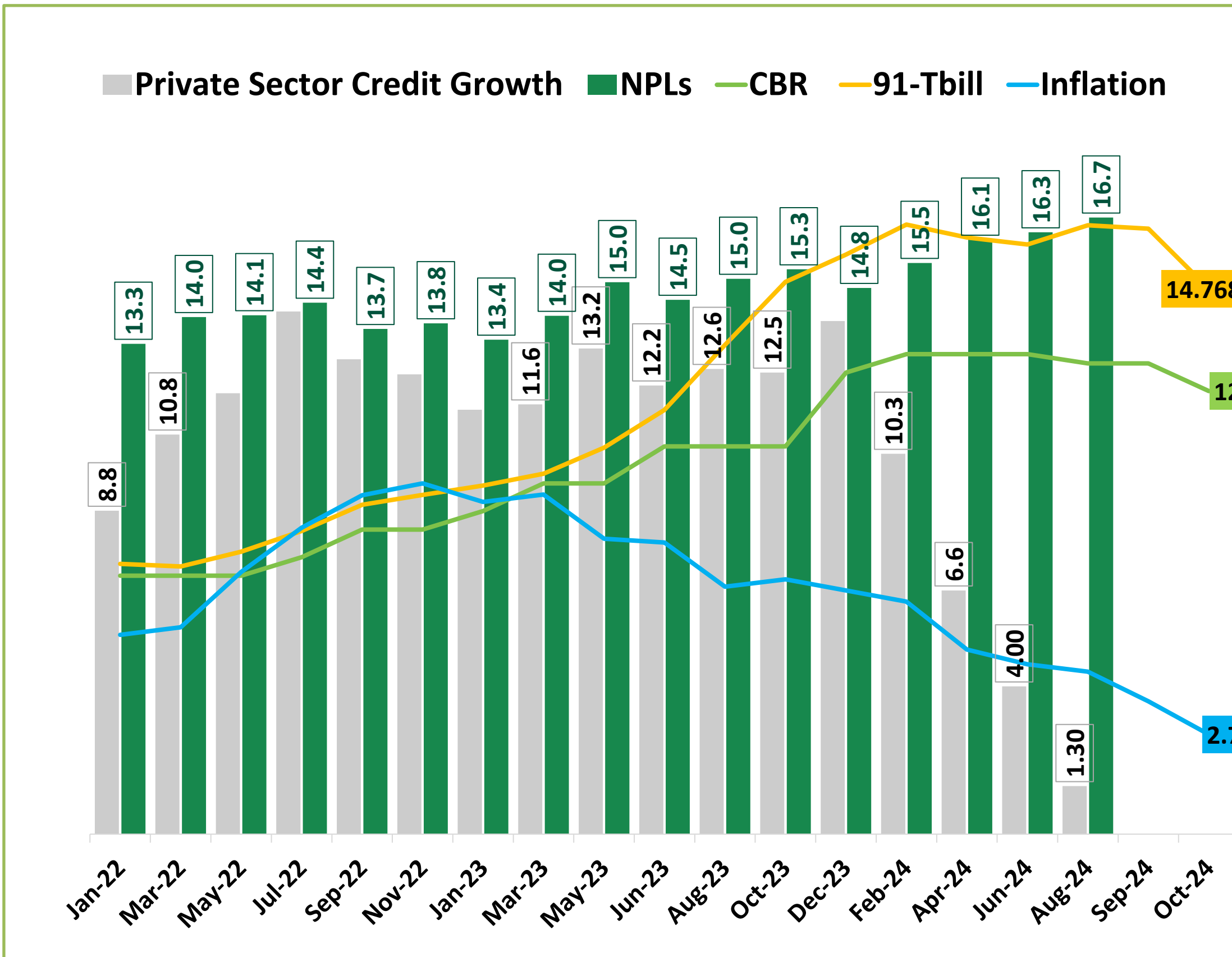
Inflation rate, average consumer prices



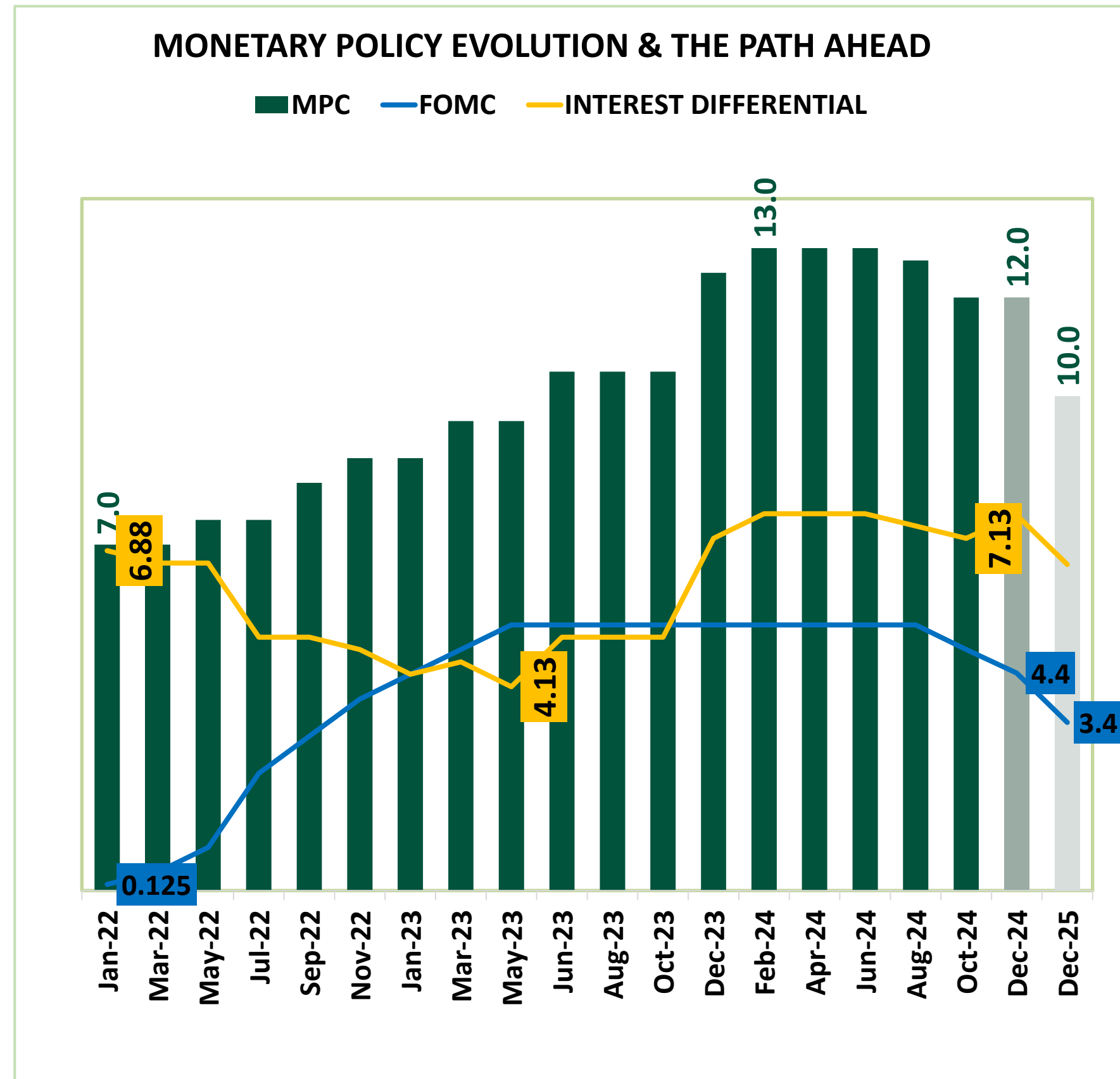
Headwinds

- Prolonged Geopolitical tensions and possible disruption in production and supply chains,
- Possible resurgence of financial market volatility
- High debt levels
- Weather related shocks

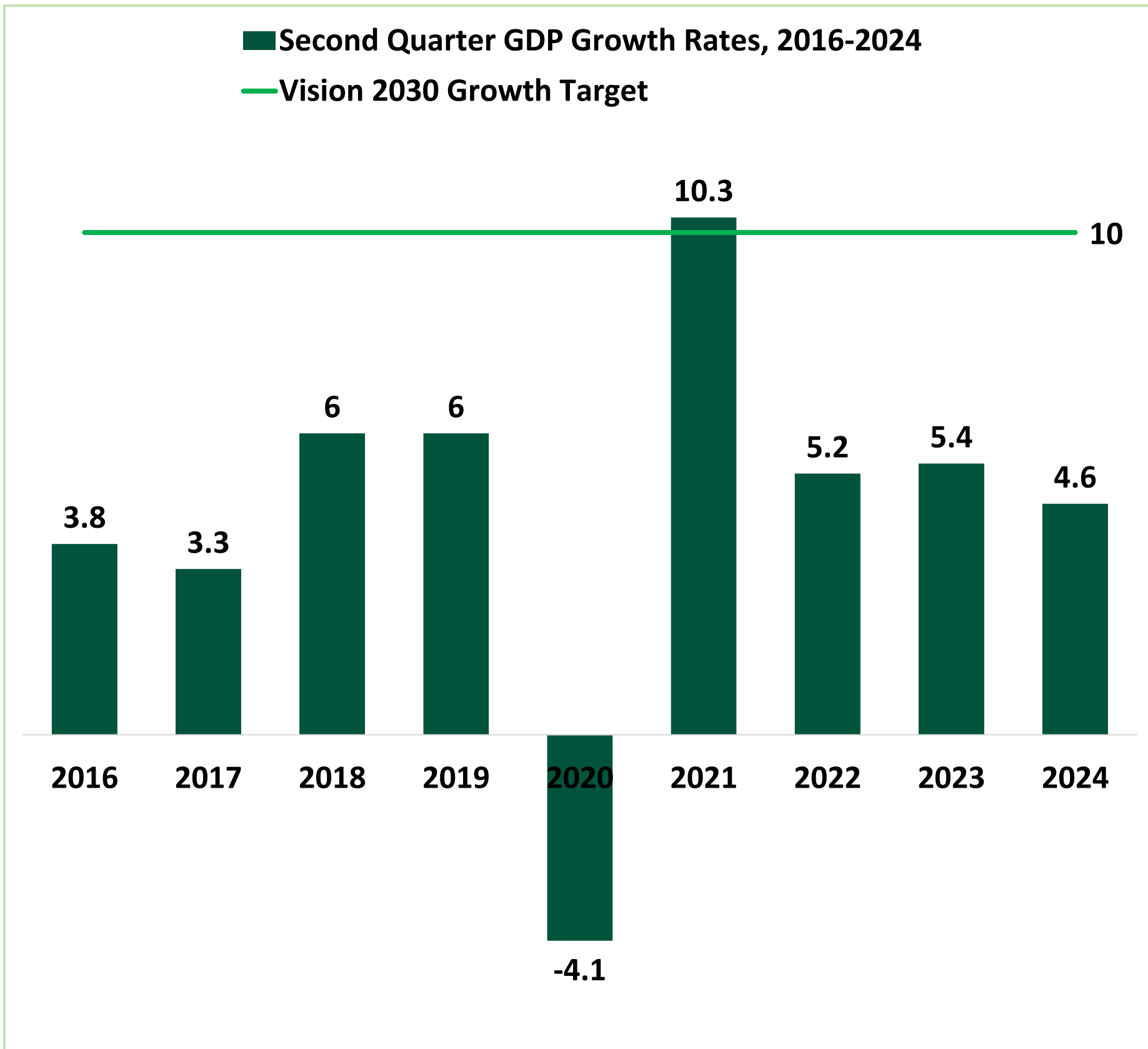
Domestic borrowing costs have started to improve following policy pivot from the CBK.



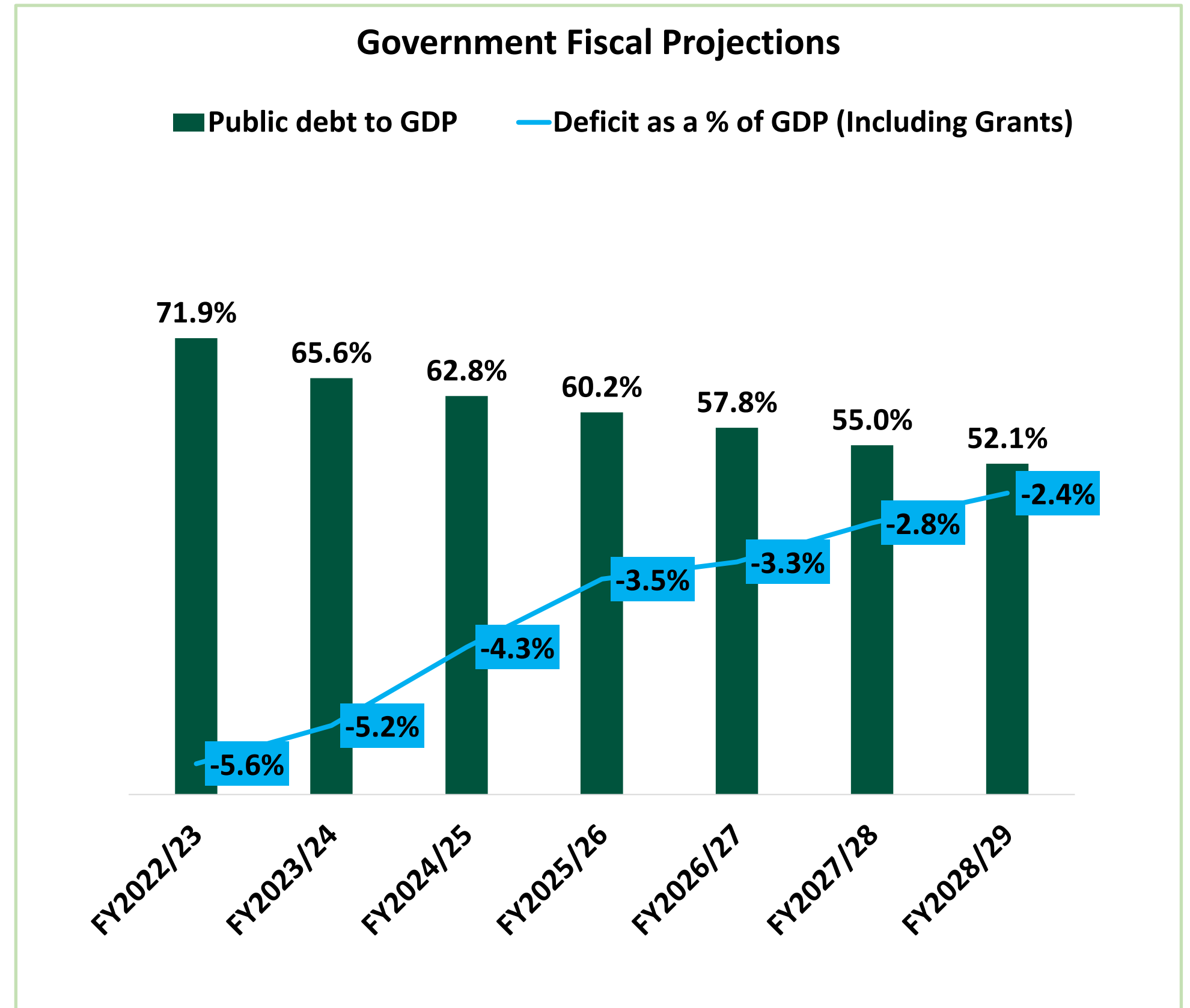
Policy shift to support asset quality efforts, reduce funding pressure, portfolio flows & increase demand for credit in 2025



Demand for goods & services, investment & production to improve as interest & inflation rates fall



GOK fiscal constraints are easing over the medium-term



2020 – 2024 Corporate Strategic Plan

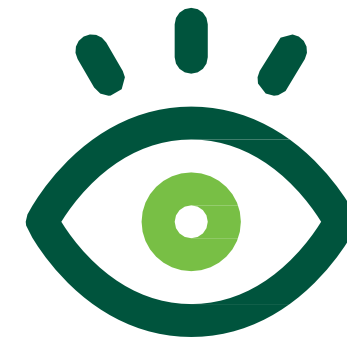




PURPOSE

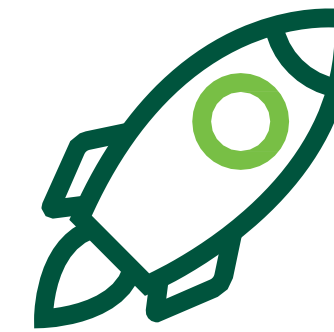
A financial institution predominantly owned by the Kenyan Co-operative movement,

Transforming lives



VISION

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.



MISSION

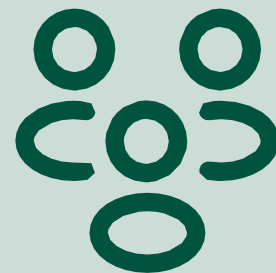
To offer a wide range of innovative financial solutions leveraging on our heavy investment in multi-channels, national and regional presence and with a focus on excellent customer experience by a highly motivated and talented team.

1



Aggressive deepening of our dominance in the Kenya Market

2



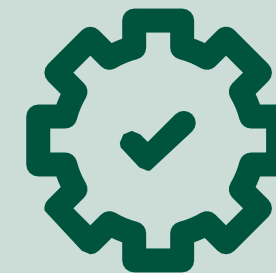
Dominant provider of financial services to the Co-operative Movement in Kenya and the region.

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.

“Soaring Eagle” Transformation

Progressive gains for our efficiency and growth.

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





Branch Transformation

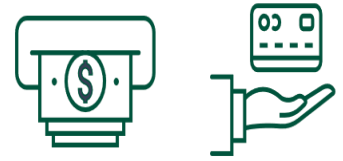
93% of total transactions are on Alternative Channels.

E-Credit

- A key focus area, **Kshs. 407.9B** disbursed to Date.
- Kshs. **6.2 Billion** disbursed per month on average.
- 80% Consumer-based salary checkoff hence lower credit risk.
- Short term tenure



Mobile Internet



ATM & Agency



MSME Transformation

64,100 Customers trained

231,200 customers onboarded MSME Gold, Silver & Bronze

NFS

- 120 Webinars
- 184 Clinics
- 43 networking forums
- 6 International Business trips



Sales Force Effectiveness

- Sector focus; Tailor-made go-to-market strategies for different sectors.
- Scale up of value chain business
- Leasing- Partnership with Coop fleet to offer assets on lease



Shared Services & Digitization "The Digital Bank"

- New Core Banking System live in Kenya (June 2023) & South Sudan (March 2024)
- Omnichannel platform
- Mco-op Cash Mobile Wallet
- Business Process Management System.



NPL Management & Credit Processes

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

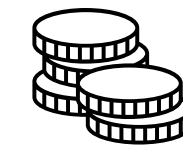
Proactive early delinquency & NPL management through Connecting with our customers, collecting and offering customer-centric solutions.

Focused credit management projects through:

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

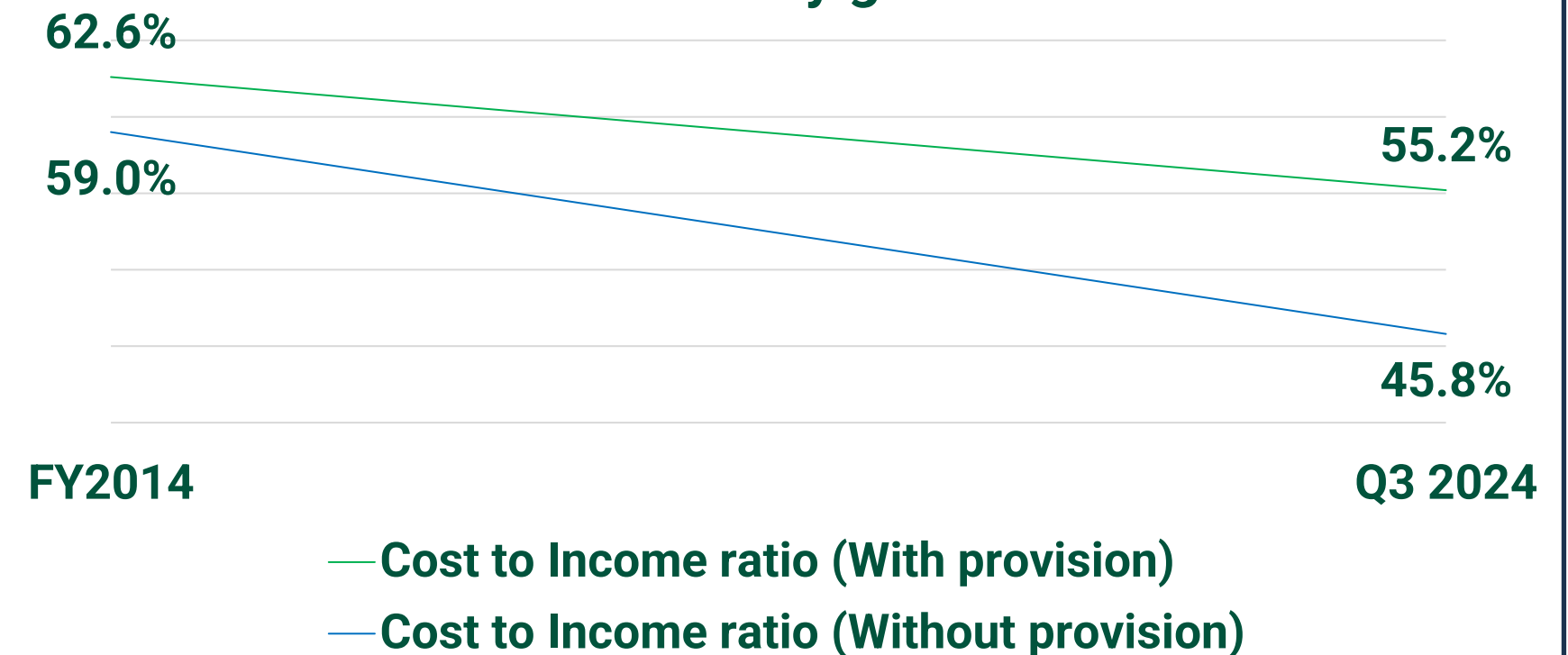
Data Analytics

Advanced data analytics supporting data-led sales, reporting and decision making



Cost Management

Efficiency gains



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

CORPORATE STRATEGIC PLAN 2025-2029

The Board of Directors has approved a new Corporate Strategic Plan that will guide the Group's activities for the next 5 years. This Plan ushers in a period of growth that will see the Bank's asset size grow to over Kshs.1 Trillion. The key objectives are:

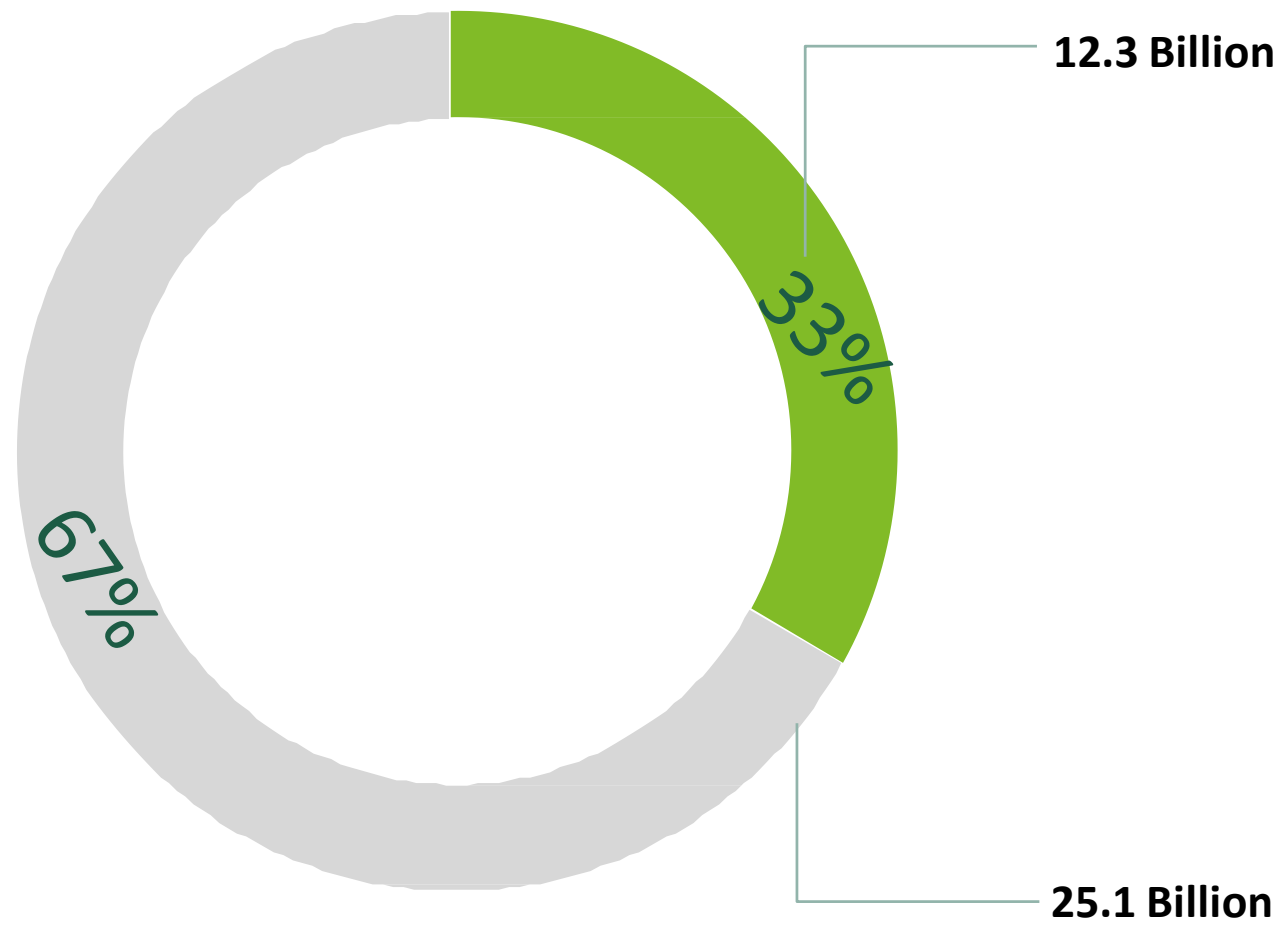
1. Enhanced dominance in our primary market, Kenya, through optimising the opportunities present in various sectors and subsectors.
2. Continued synergy with the Co-operative Movement.
3. Seamless & delightful customer experience across our touch points.
4. Leveraging digital transformation/innovation for operational efficiency supported by an engaged and highly productive workforce.
5. Optimal Enterprise Risk and Compliance in the dynamic environment.
6. Positive impact on the economy, society, and environment.



Environmental Social and Governance (ESG)



Impact driven by our dedicated ESG Focus with an enhanced ESG Policy Framework



MSME Financing	Affordable Basic Infrastructure	Renewable Energy
Green Buildings	Food Security	Access to Essential Services
Employment Generation	Youth Banking	Women Banking
Sustainable Water & Waste Management	Sustainable Food & Agriculture	Affordable Housing

KES 37.4 Billion

Portfolio of loans above USD 1 million affirms our commitment to sustainable banking

- Kshs.100M Co-op Bank Capacity-building & Technical Fund
- Co-op Bank provides the Direct Settlement System for Coffee benefiting all market players, especially farmers.
- **Co-opbank Soko** - a digital marketplace that connects the agriculture value chain +1,000,000 farmers onboarded.



Co-op Foundation
11,703
Students Sponsored
on Scholarship Program

Co-op Consultancy
3,517
Consultancies to the Co-operative Movement.

Local Suppliers
87.6%
of our sourcing is local
15.96B
paid to Suppliers in FY2023

MSME Focus
231,200
onboarded to MSME Gold, Silver and Bronze.
64,100
Trained



Sustainability Awards

Most Sustainable Bank in Kenya



**OVERALL
WINNER**

Sustainable Finance Catalyst Awards

**Asanteni
Saana!**


Sfi
CATALYST
AWARDS 2021
Best Overall Award
1st Place
Co-operative Bank of Kenya



Most Innovative Bank



Best in financing Commercial Clients



Best in Promoting Gender Inclusivity



Best In promoting People with Disability (PWD)



1ST Runners up – Best in Financing MSMEs



2ND Runners Up – Best in Sustainable Finance

Award-Winning Brand



KBA CUSTOMER SATISFACTION SURVEY 2022 & 2023

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



Global Finance - World's Best Bank Awards 2024

Best Bank in Kenya



OVERALL WINNER – SUSTAINABILITY REPORTING 2022 & 2023



AFRICAN BANKER AWARDS 2023

African Banker of the year Award

AFRICAN BANKER AWARDS 2022

Best Regional Bank – East Africa



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



Best Women and Youth empowerment Programs.

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



EMEA FINANCE AFRICAN BANKING AWARDS 2022 & 2023

Best Bank – Kenya

Best Asset manager, Co-opTrust Investments Services – Kenya



ASIAN BANKER GLOBAL MEA 2024 & 2023 AWARDS

Best SME Bank in Kenya - 2024

Best Omnichannel Technology Implementation - 2023



CIO 100 Awards 2023

CIO of the year Award

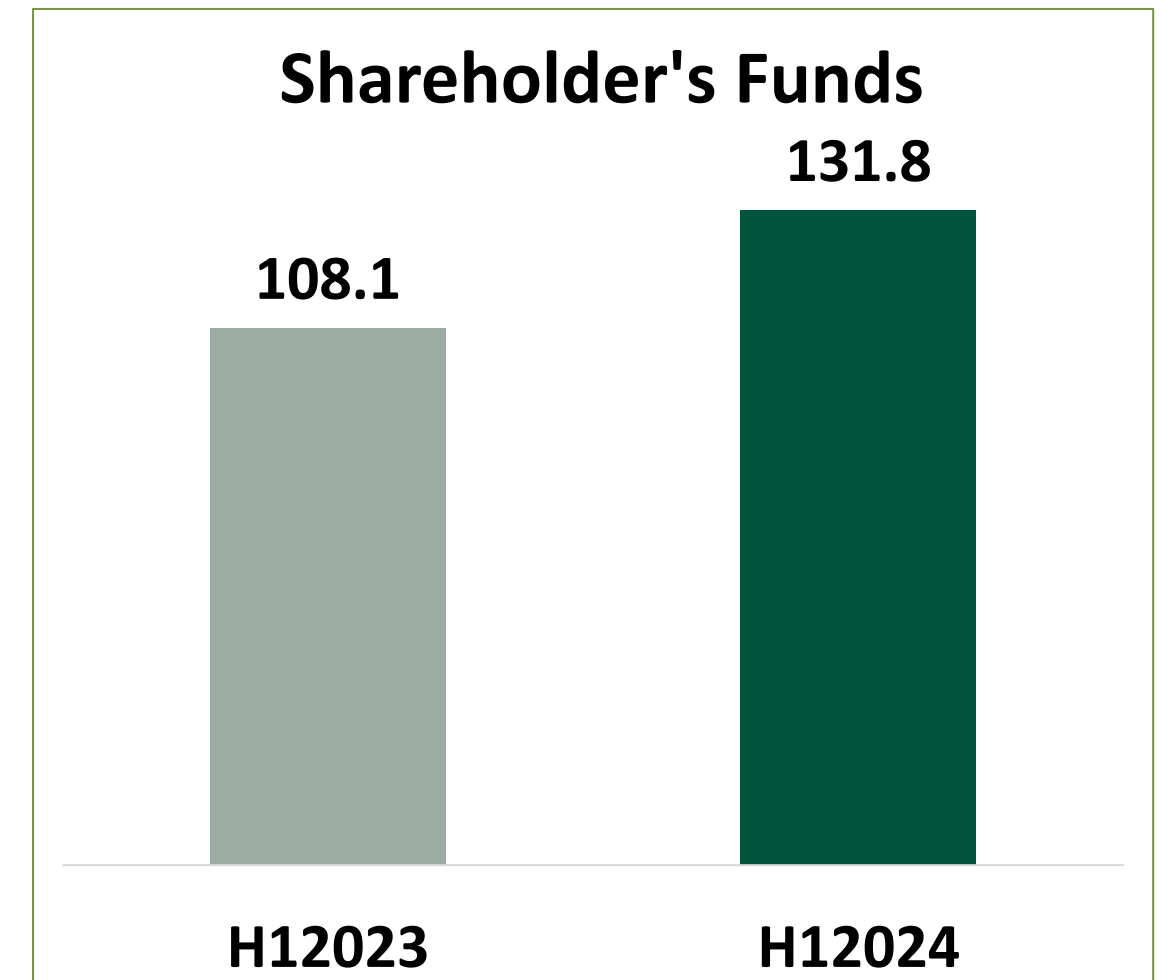
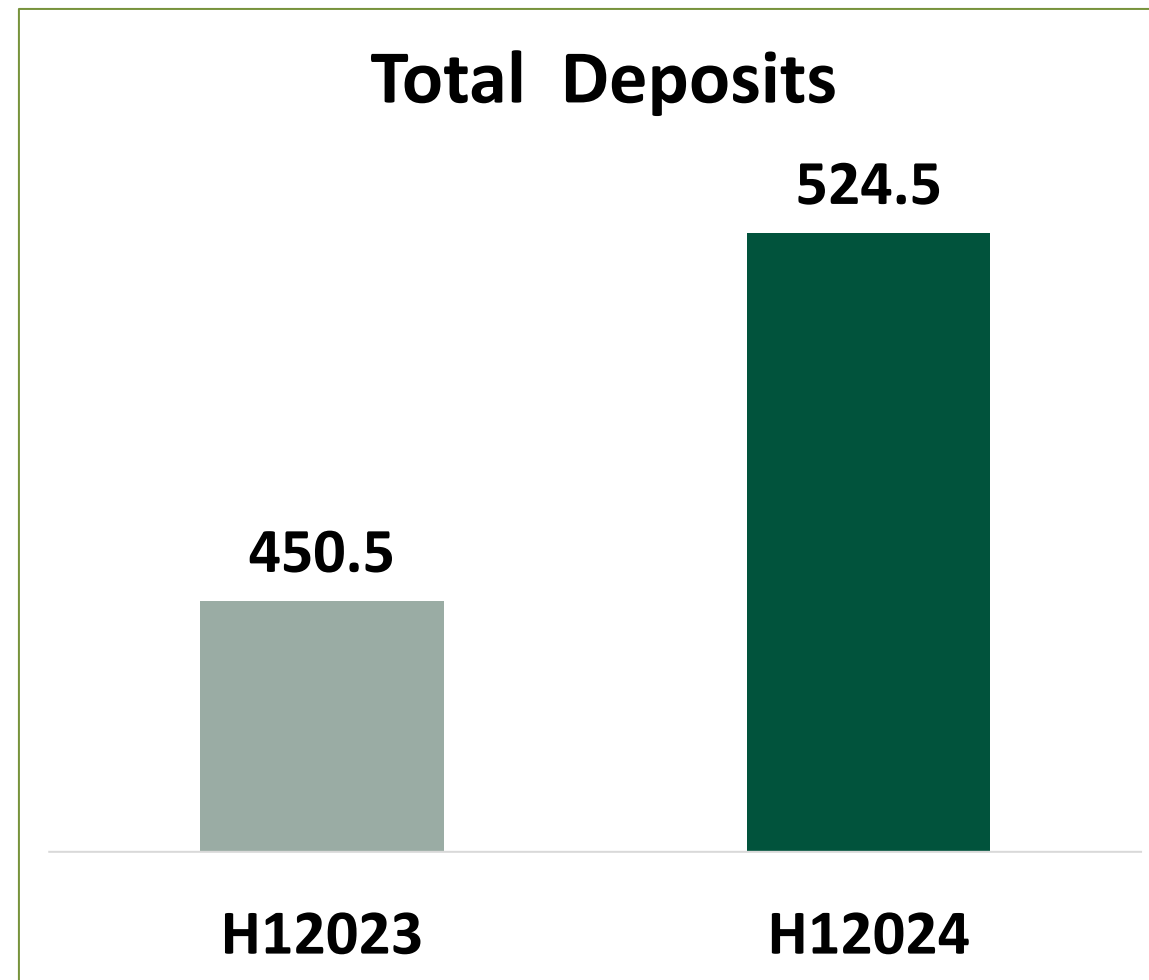
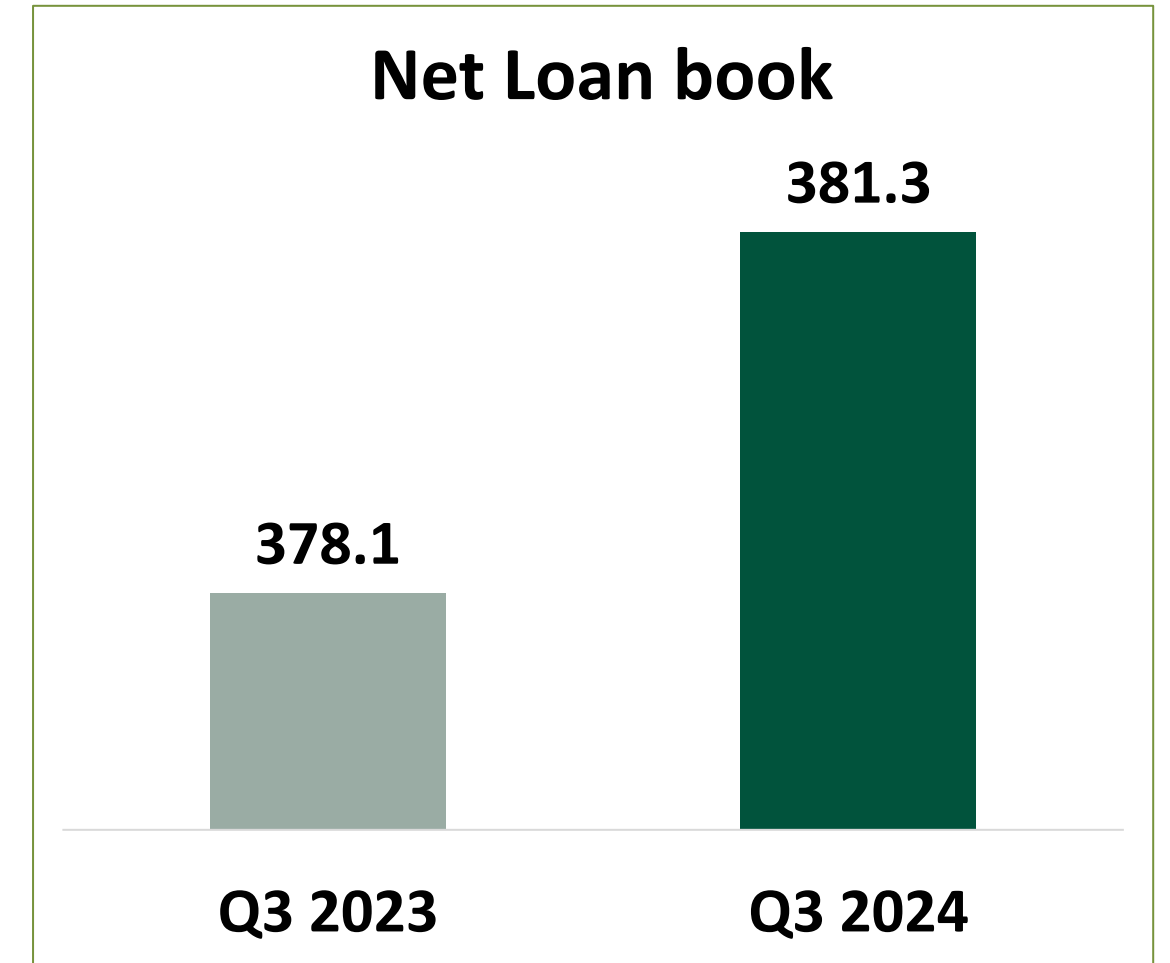
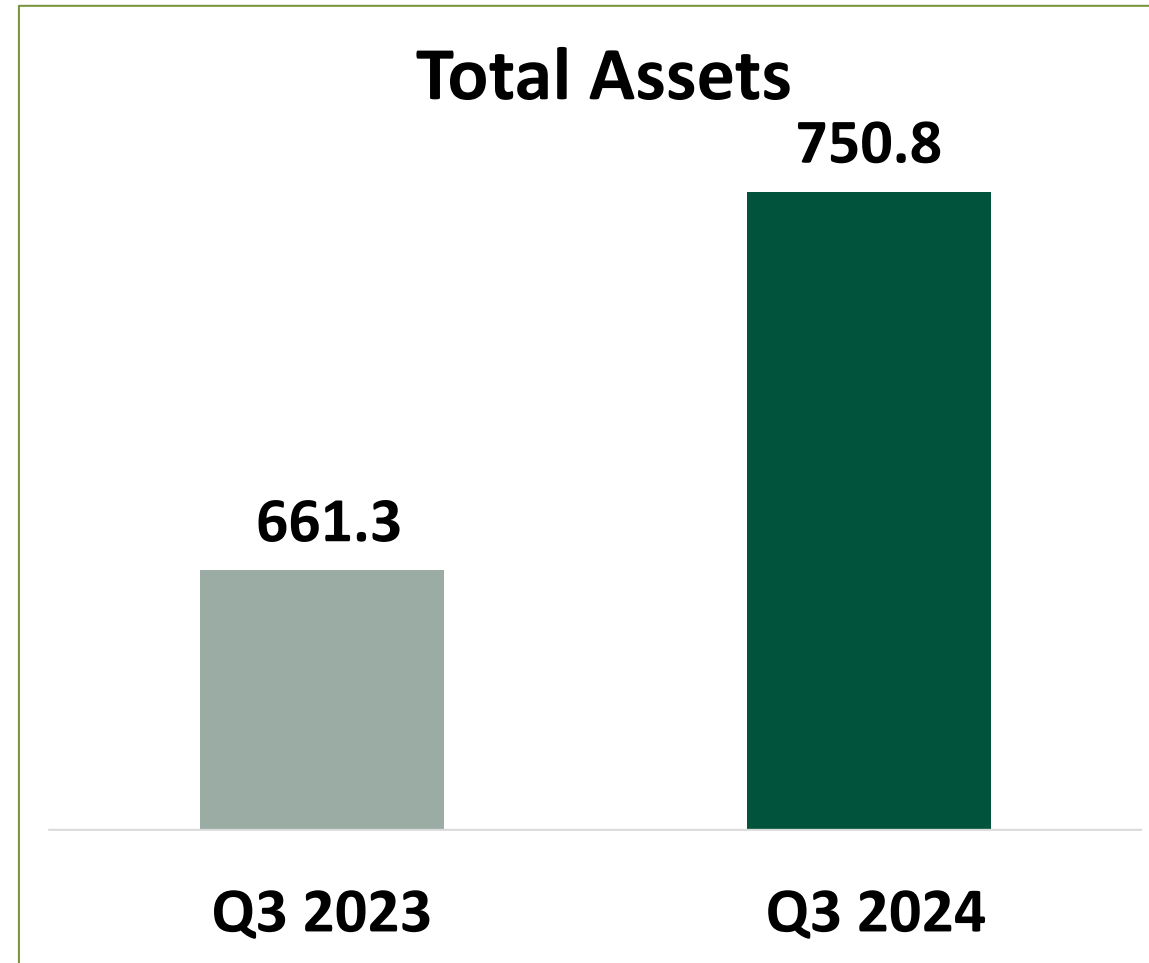


DIGIBANK SUMMIT 2022







Excellence in Customer Experience

Group Financial Performance

Strong Financial Position (Kshs. Billions)



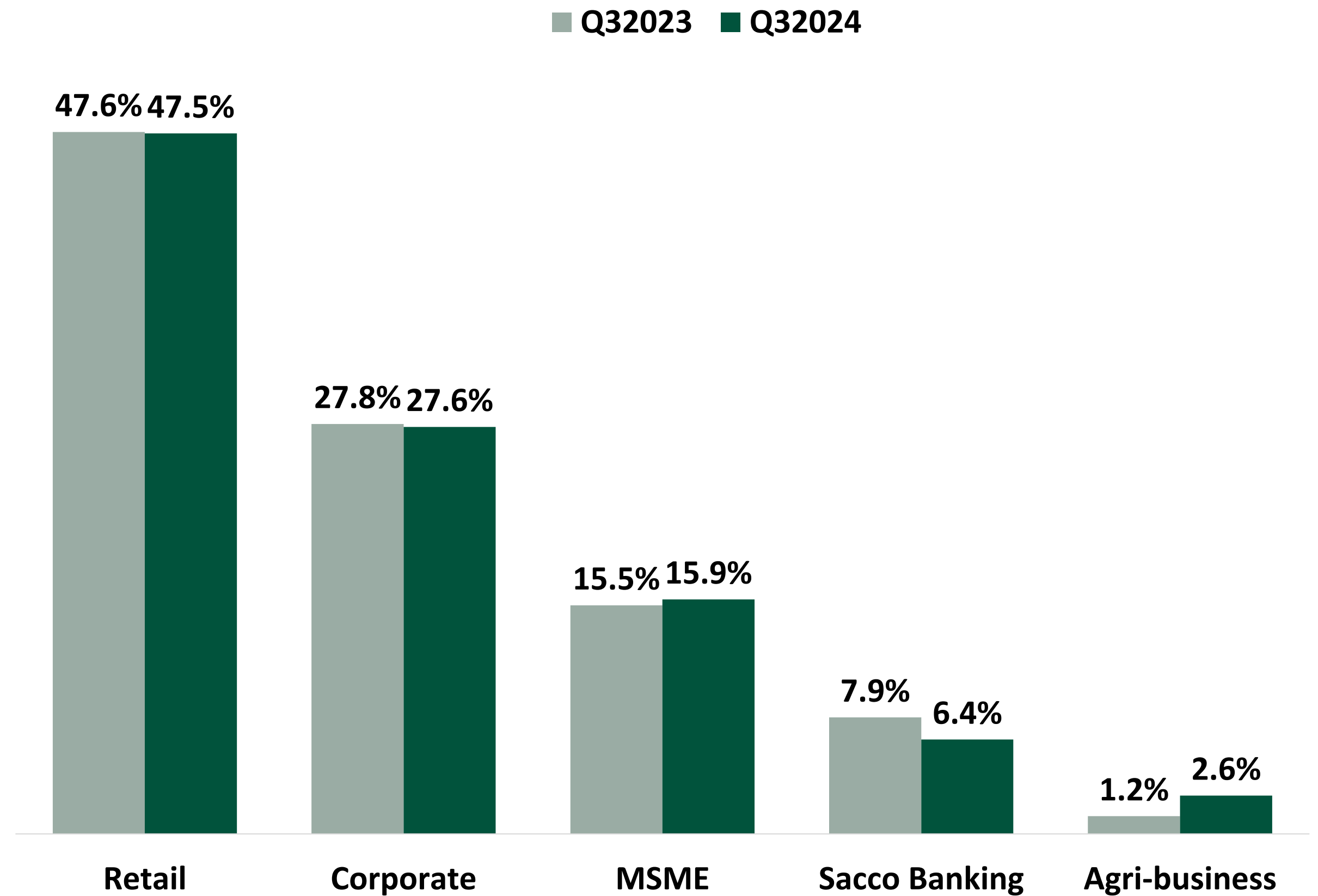
Strong Financial Position (Kshs. Billions)

Kshs. Billions	Q32024	Q32023	% Growth	
Total Assets	750.8	661.3	13.5%	
Net Loan book	381.3	378.1	0.9%	
Government Securities	211.6	185.1	14.3%	
Total Deposits	524.5	450.5	16.4%	
Borrowed Funds	58.0	65.6	-11.6%	
Shareholder's Funds	131.8	108.1	22.0%	

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.

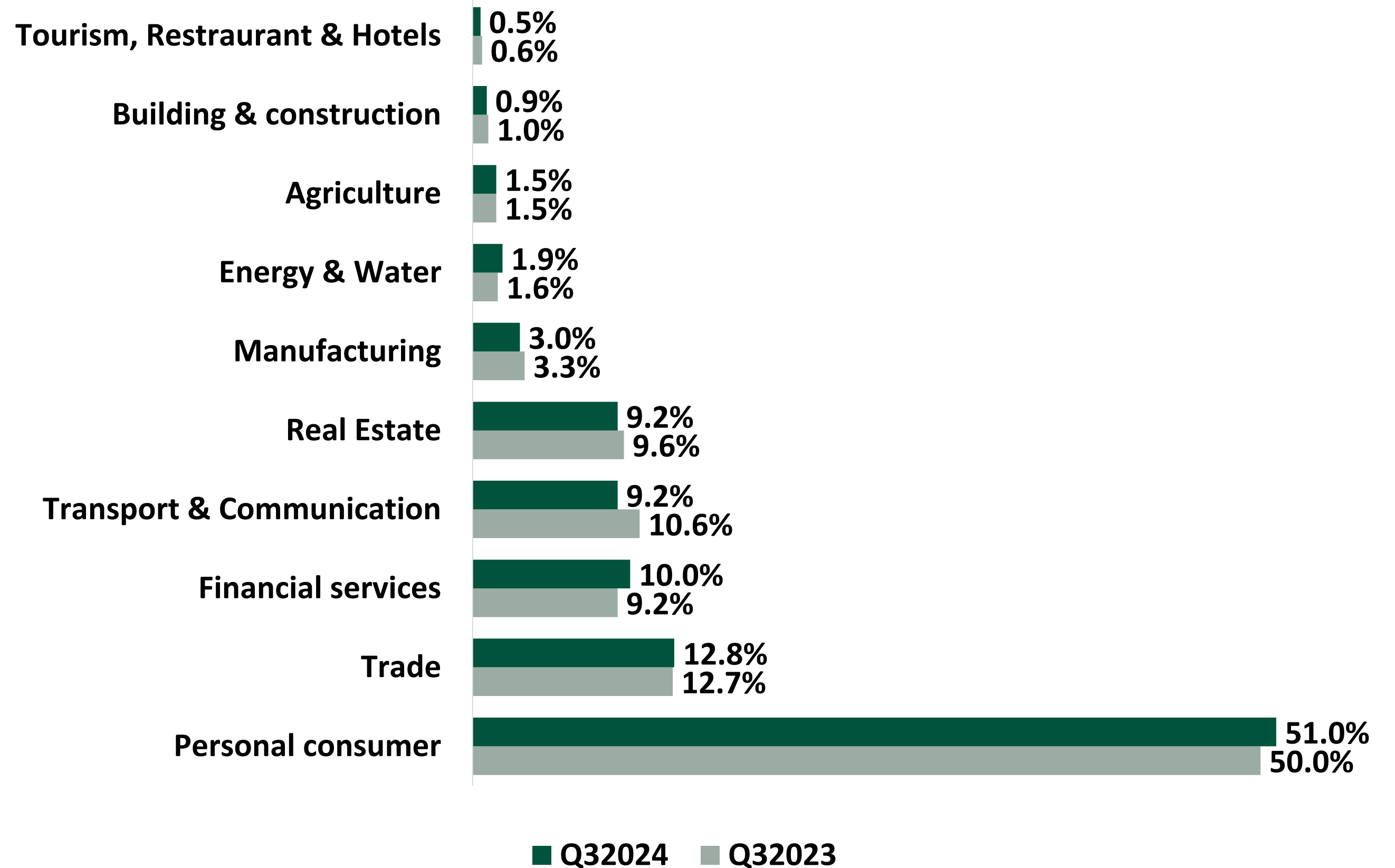
Loan Book By Segment



Diversified loan book

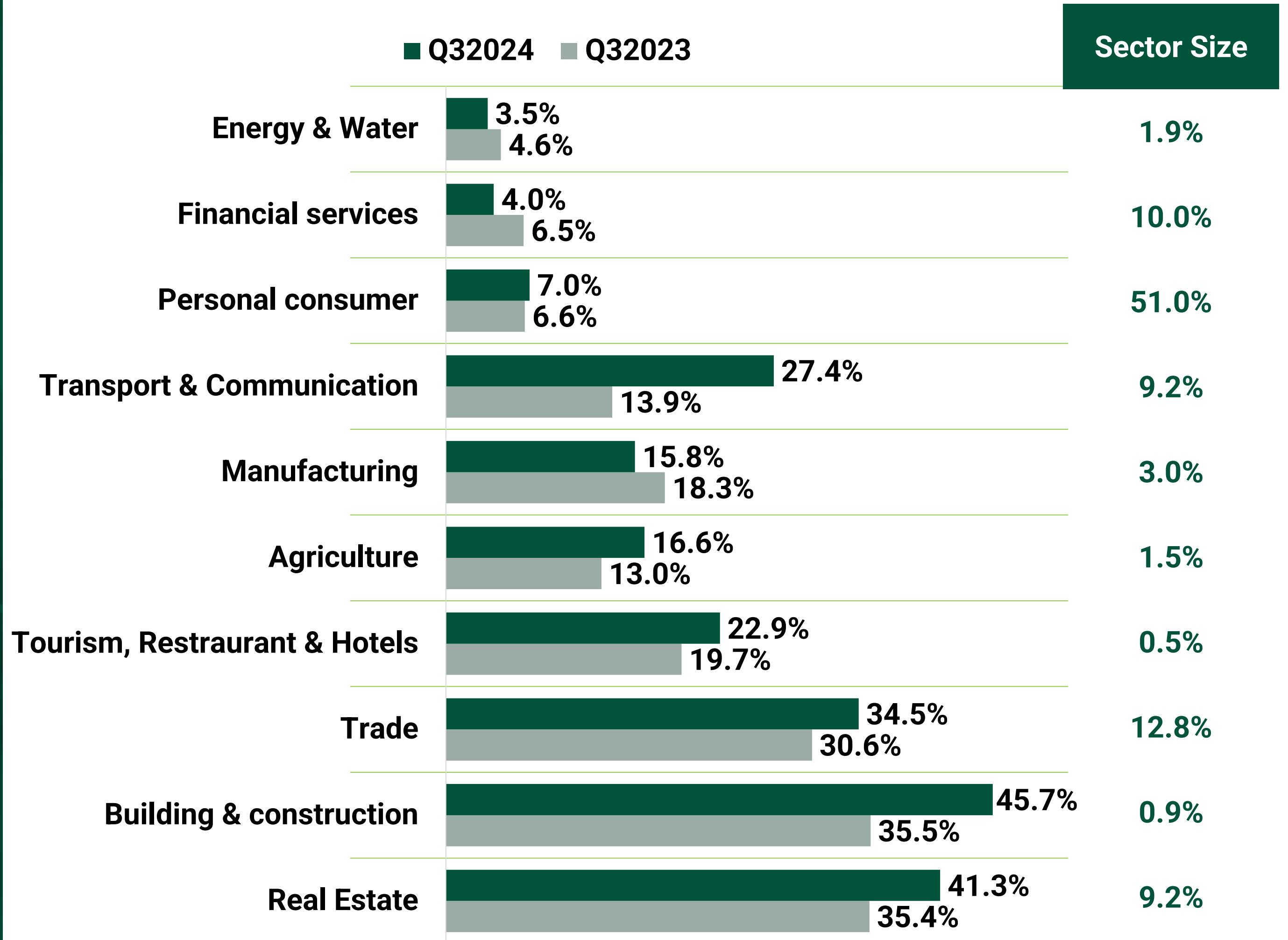
- Diversified across sectors
- 51% in Personal consumer which is performing well

Loan Book by Sector



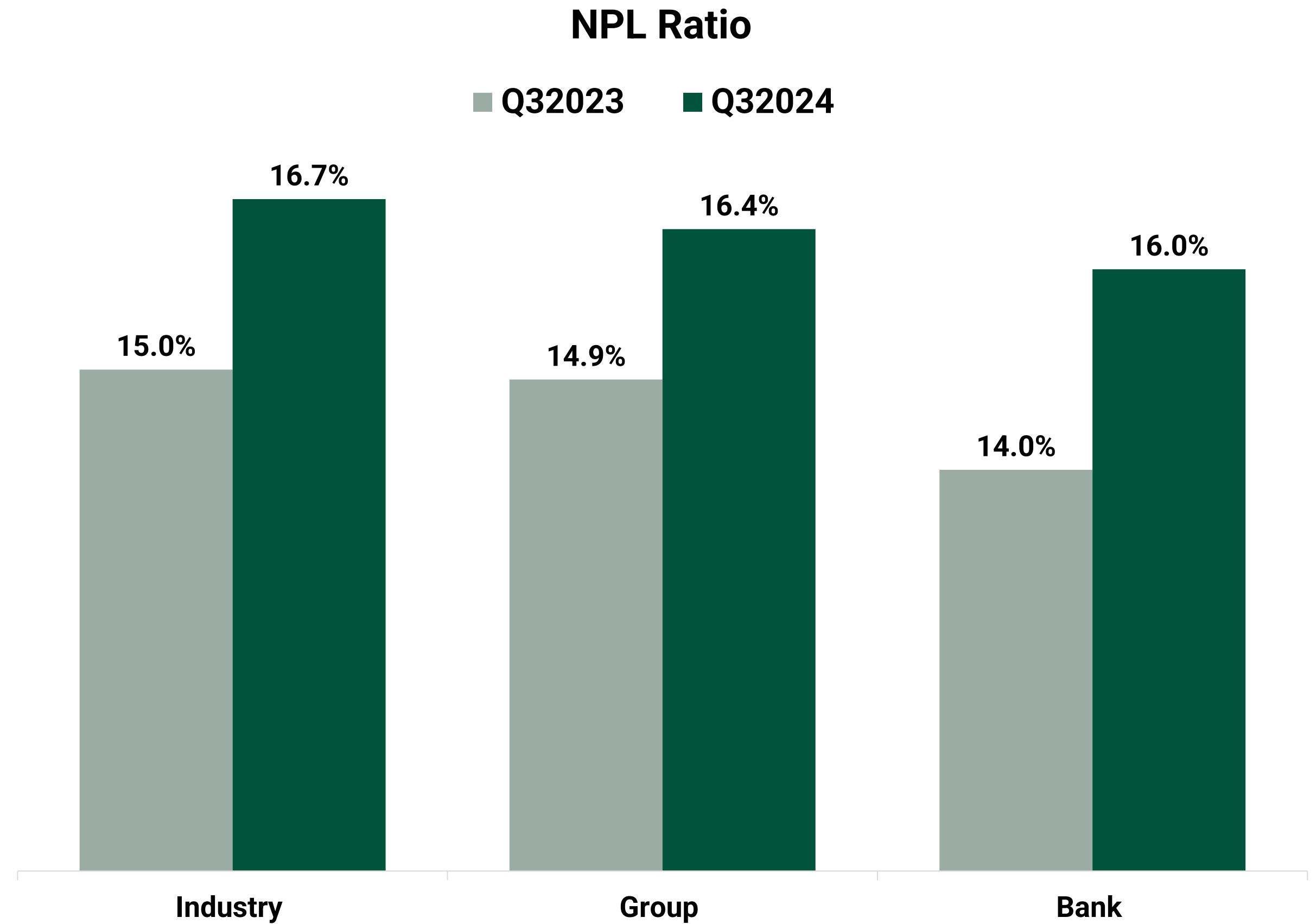
Portfolio Trends: Sector NPL

Low relative exposure in high-risk sectors

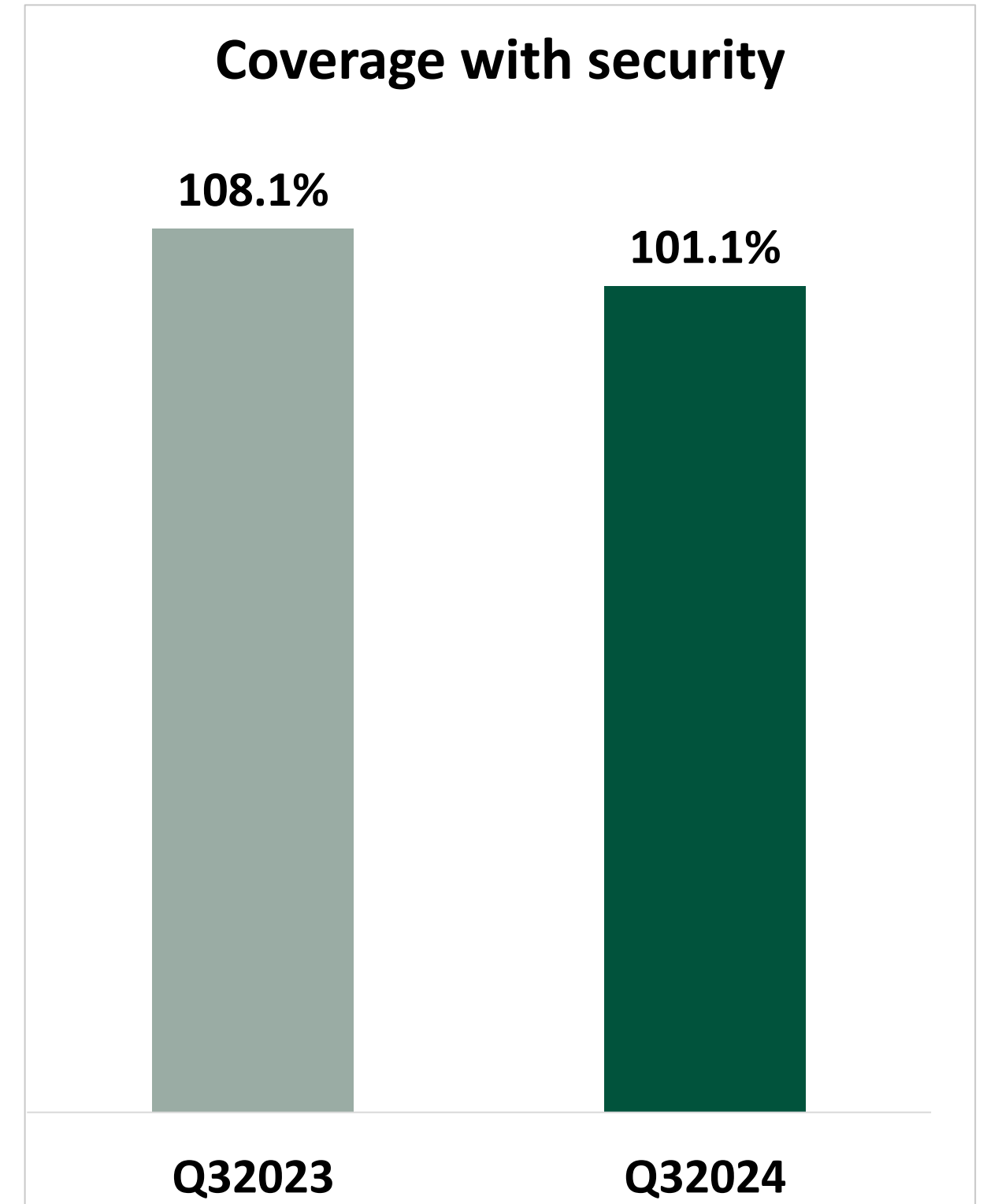
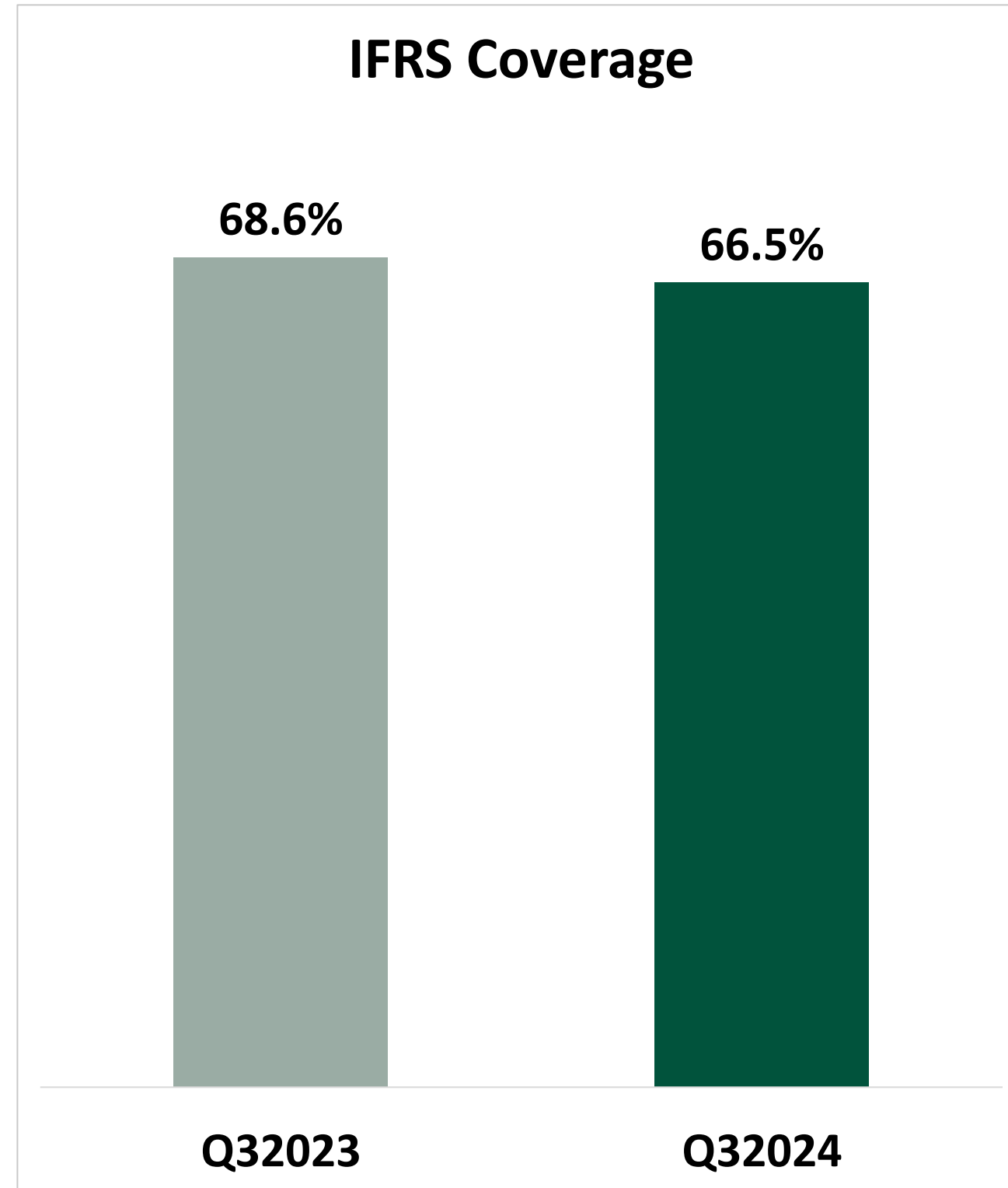
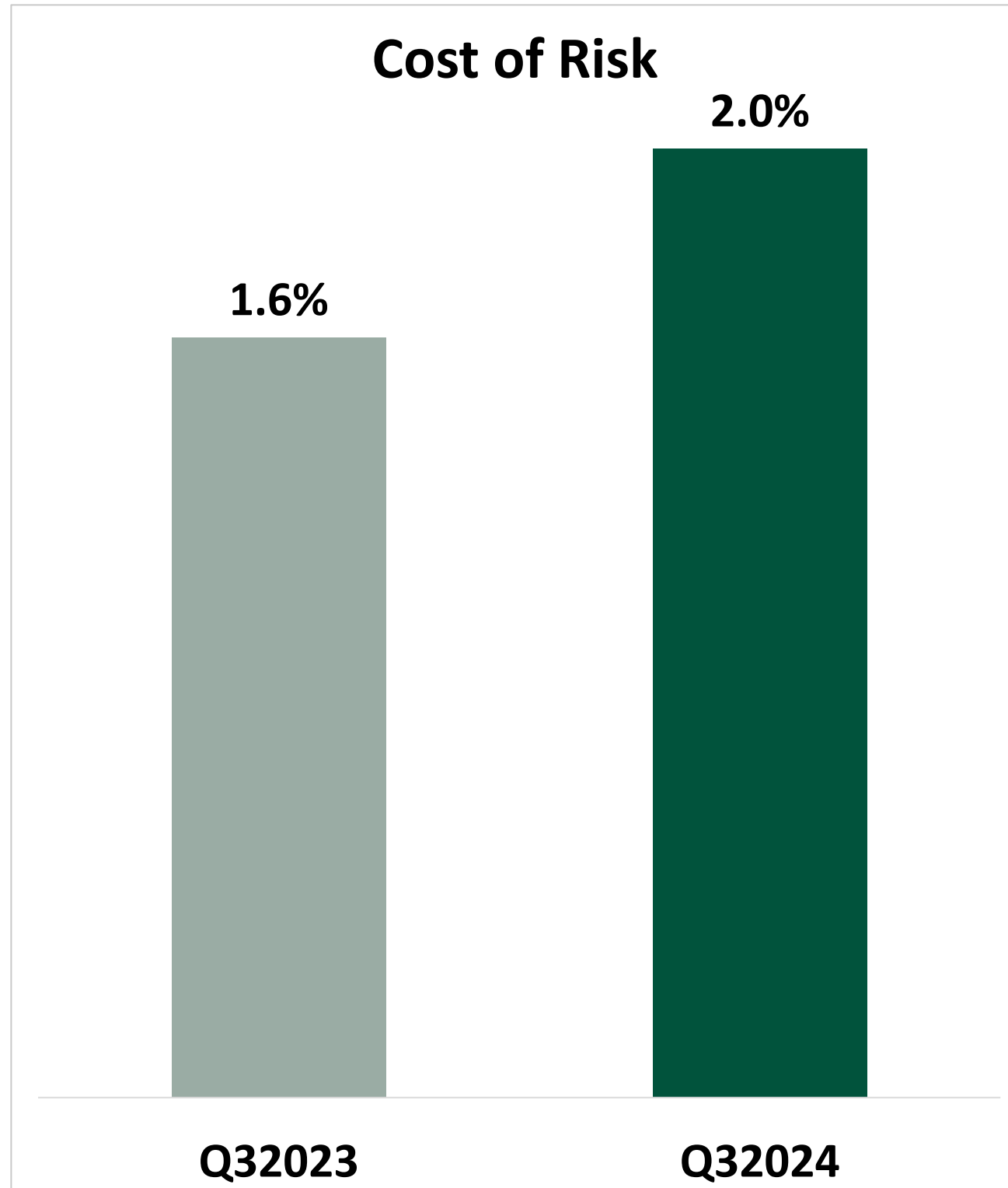


Supporting NPL Management;

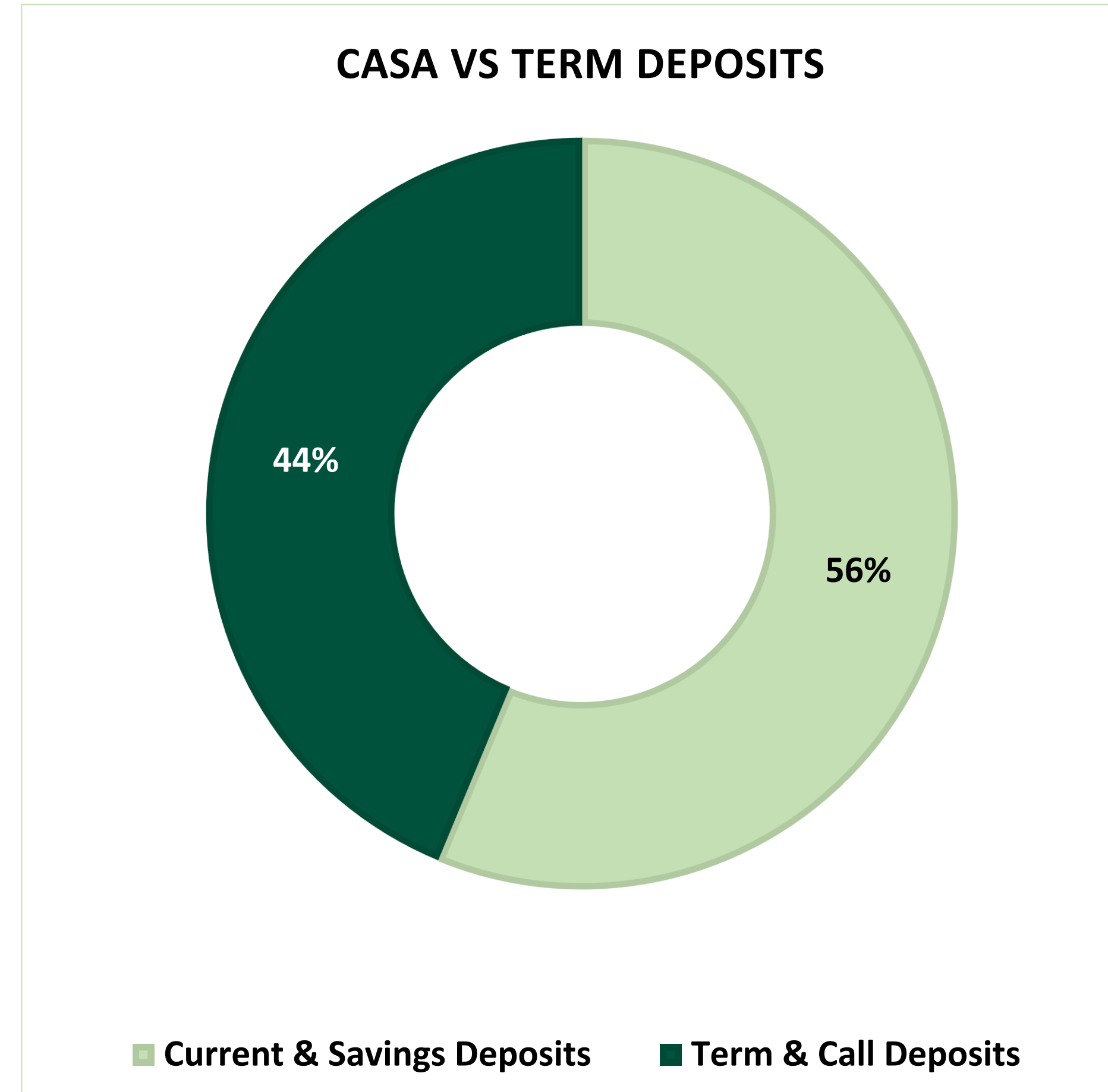
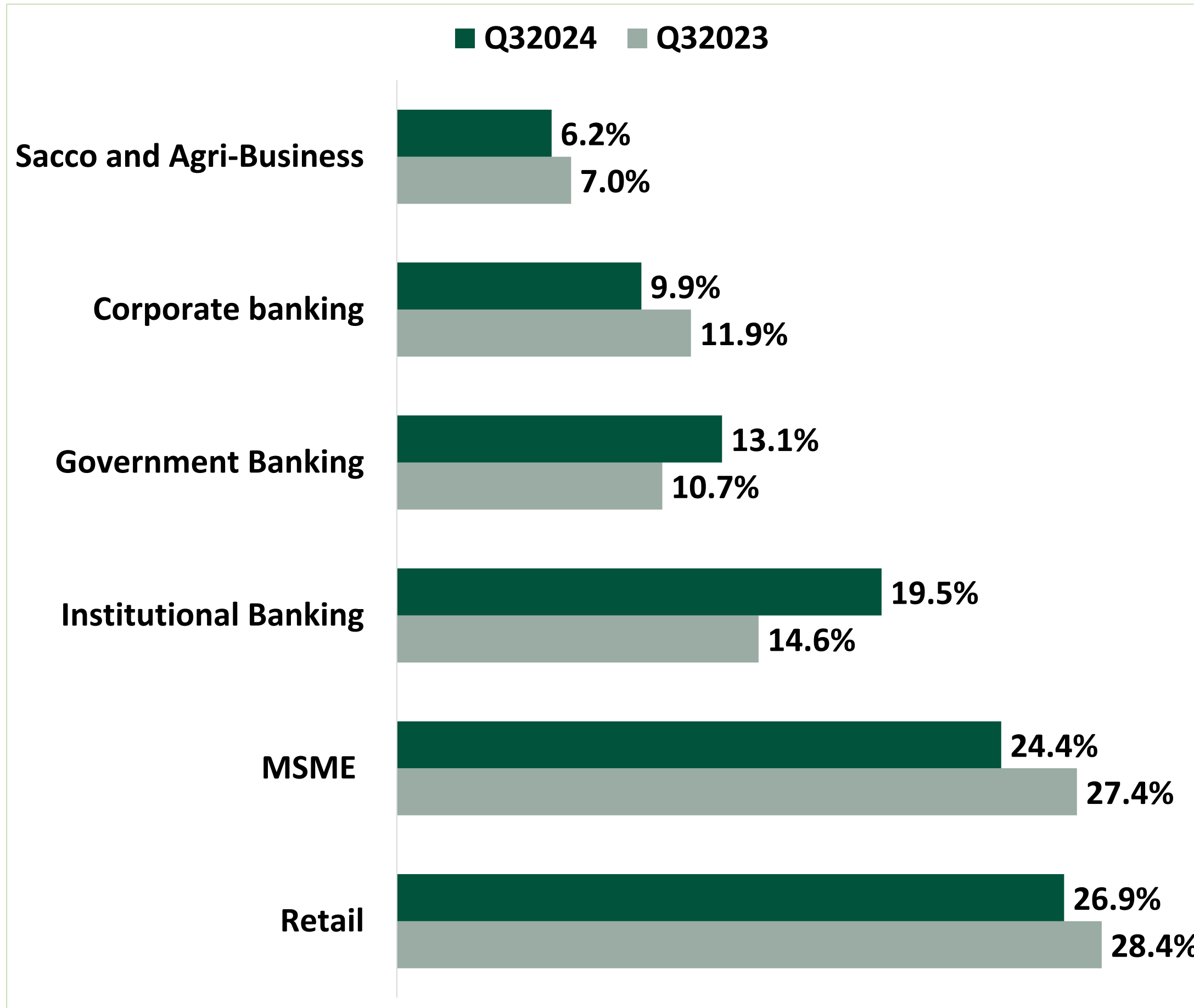
- Proactive Credit Management Strategies.
- Business Growth.
- Consumers and Businesses resilience amid tight economic environment.



Cost of risk of 2% in Q3 2024.



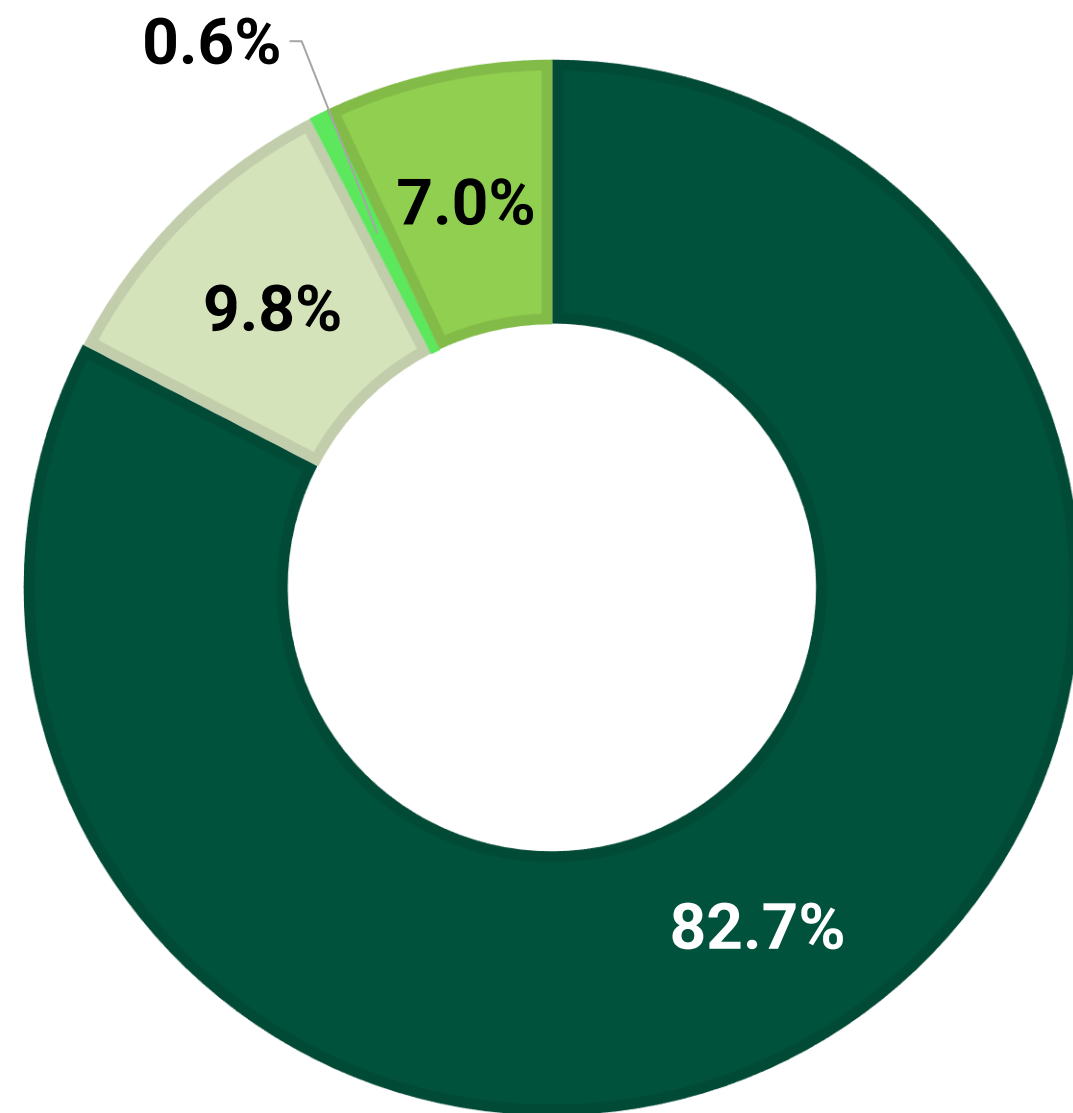
Well-diversified Liability Portfolio



Optimally balanced Kenya Shilling Asset & Funding book

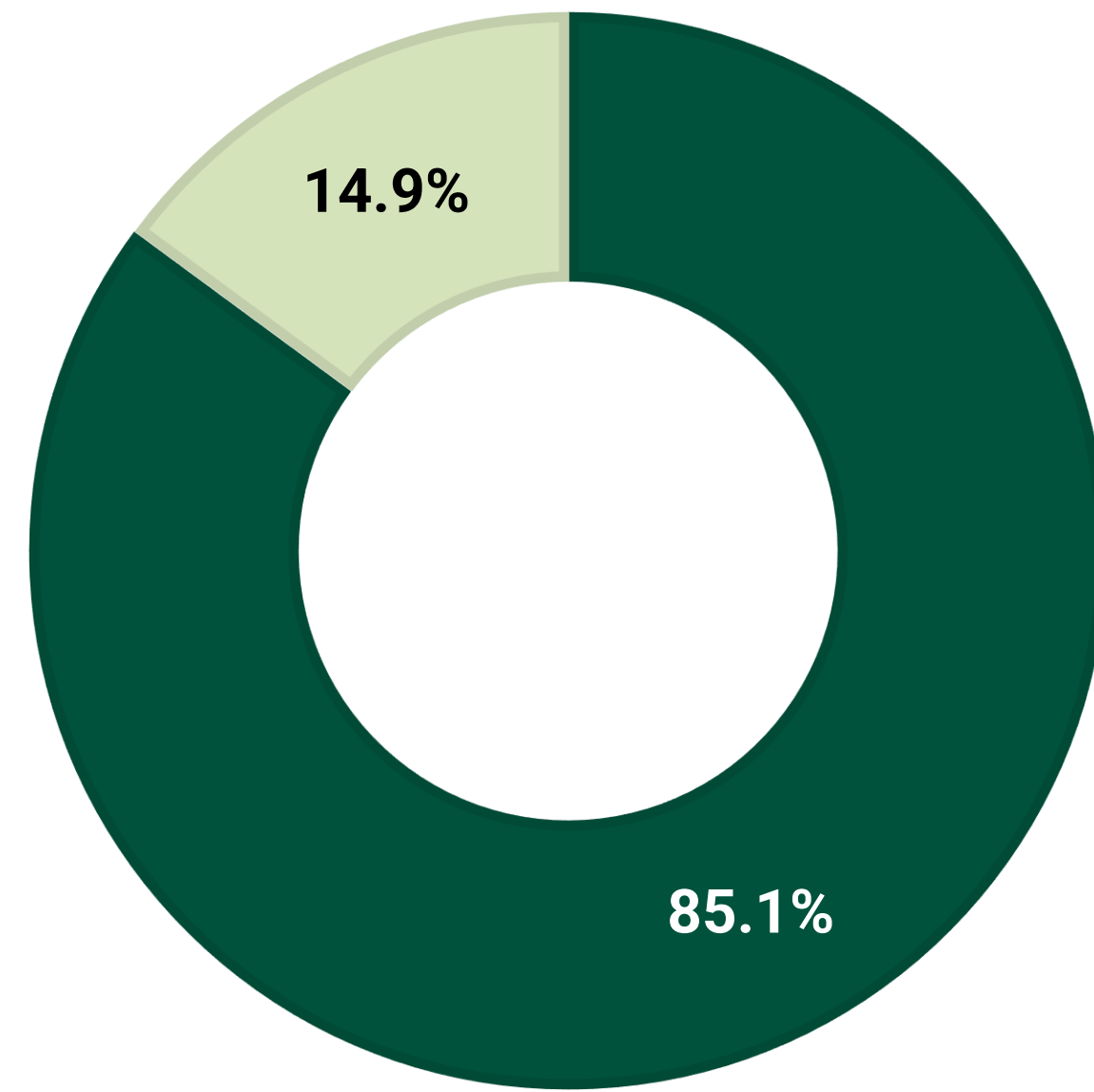
FUNDING: LOCAL VS. FOREIGN CURRENCY

- LCY Deposits
- FCY Deposits
- LCY Borrowing
- FCY Borrowing



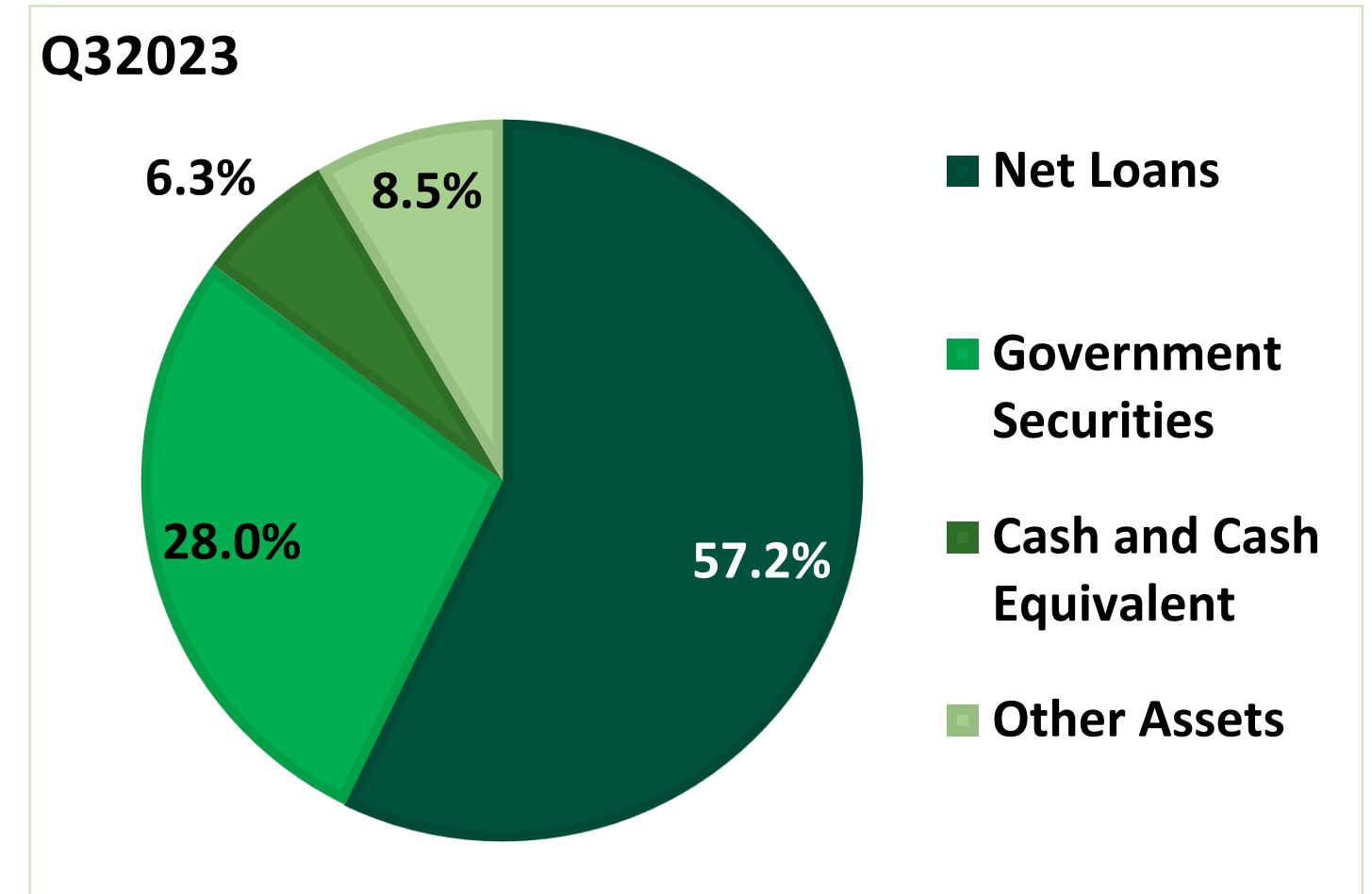
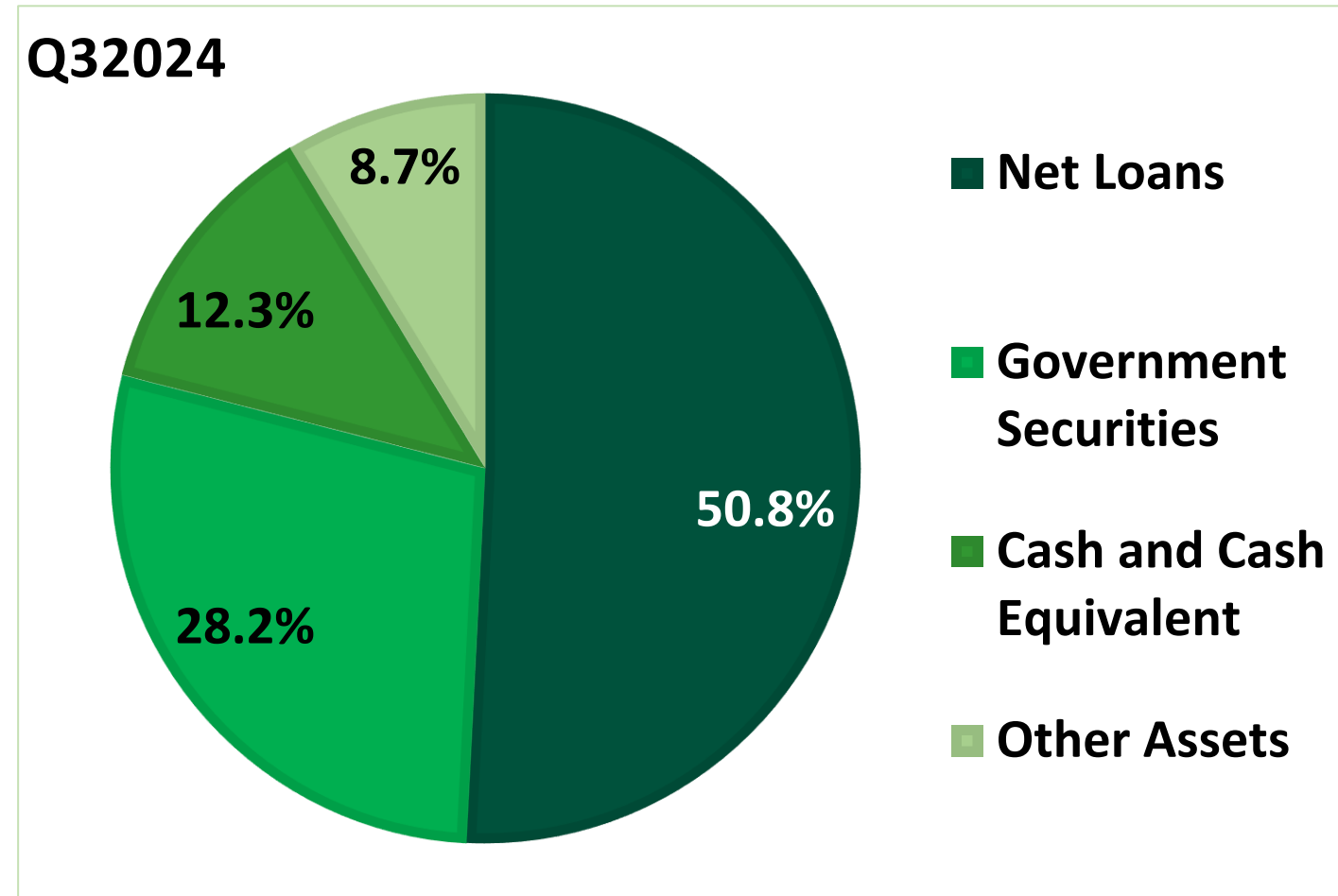
ASSETS: LOCAL VS. FOREIGN CURRENCY

- Local Currency
- Foreign Currency

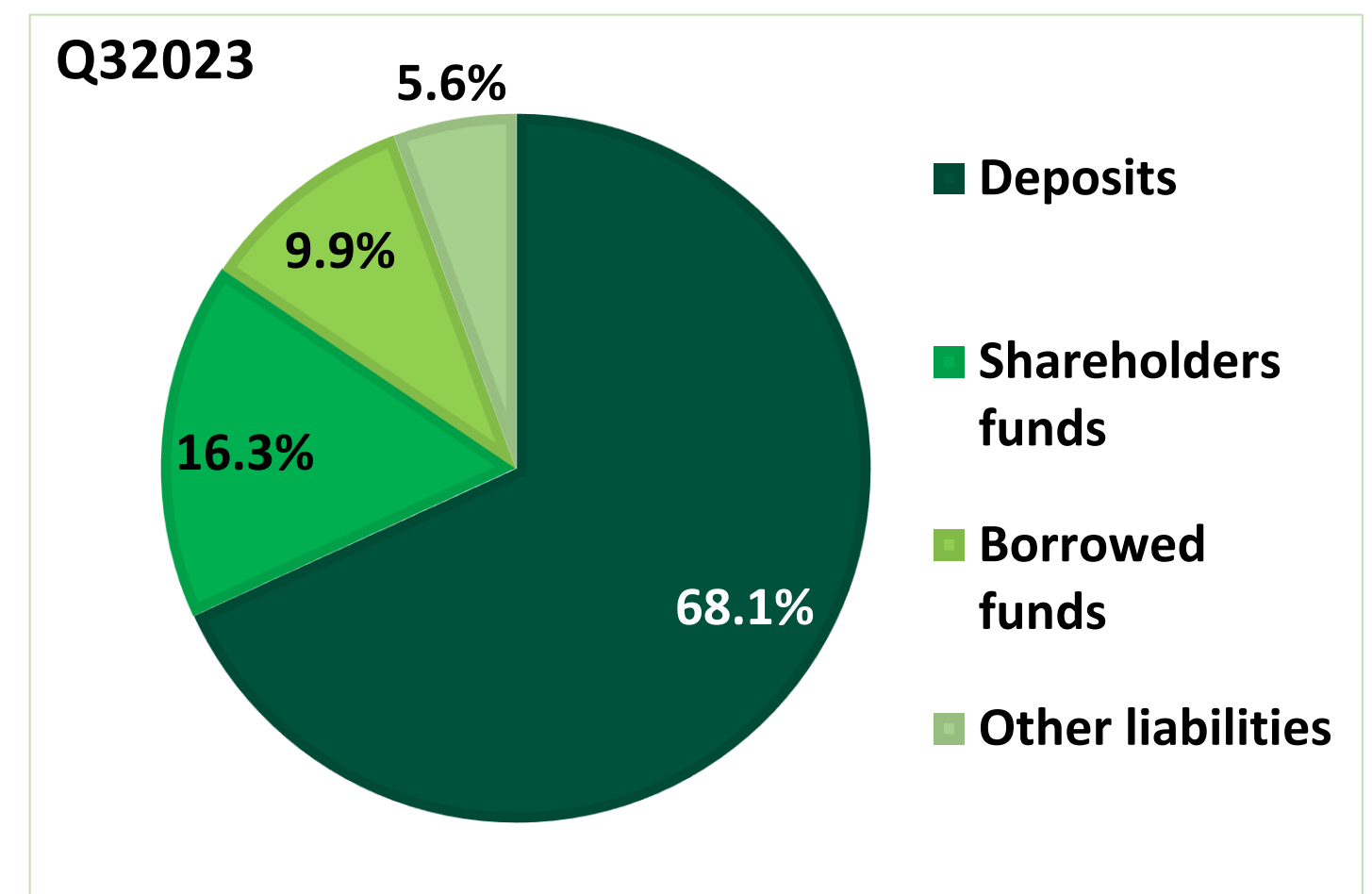
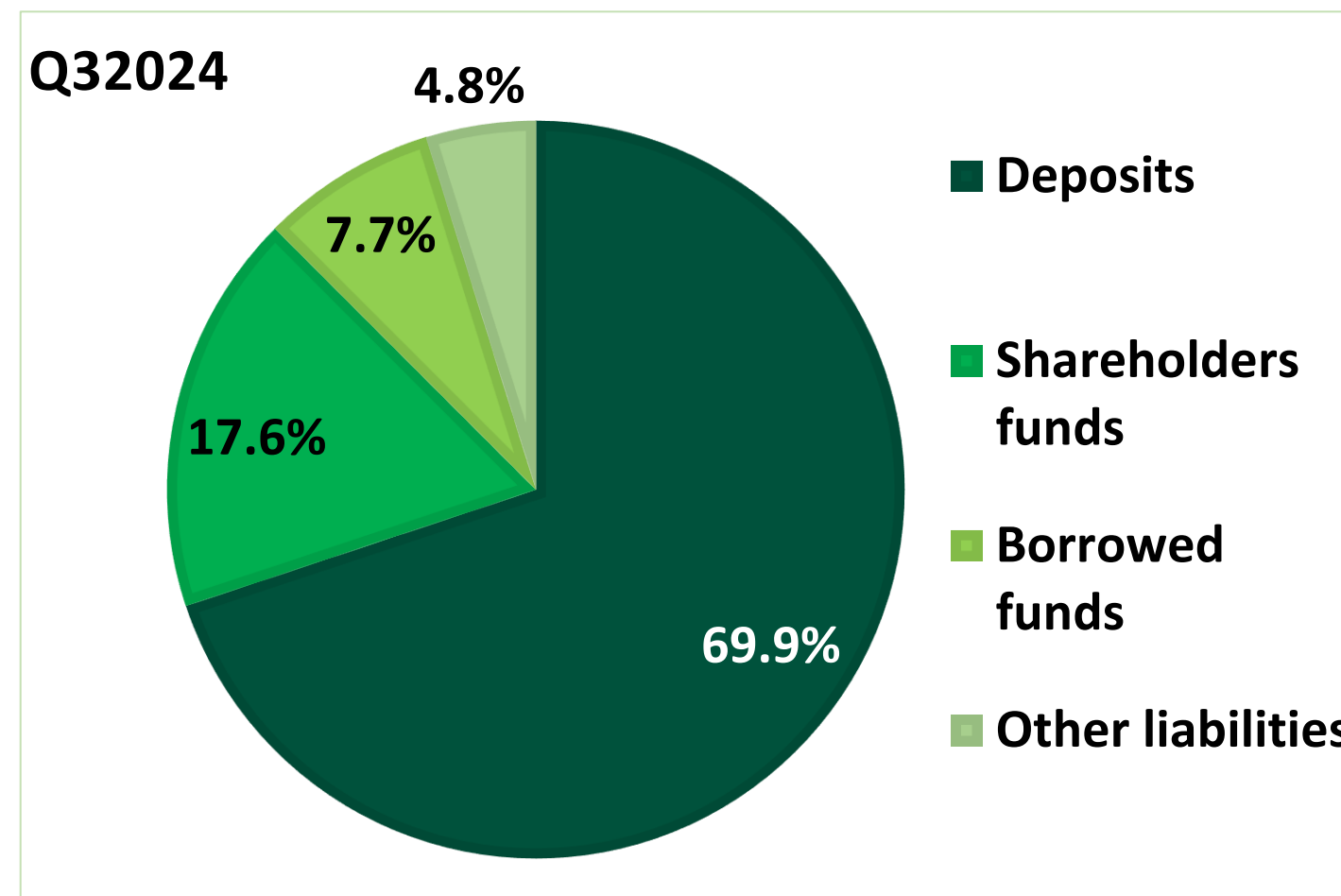


Asset and Funding Mix

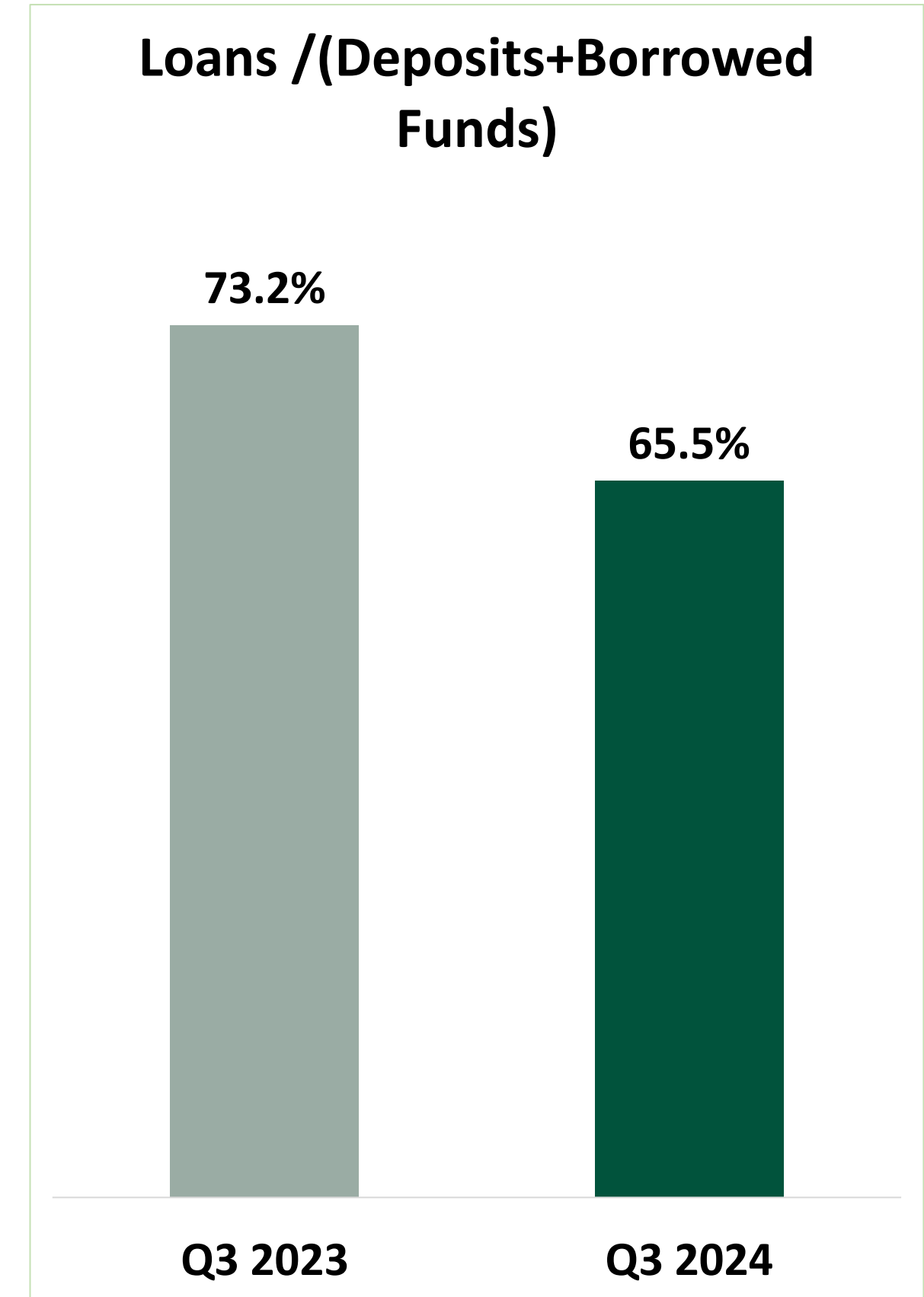
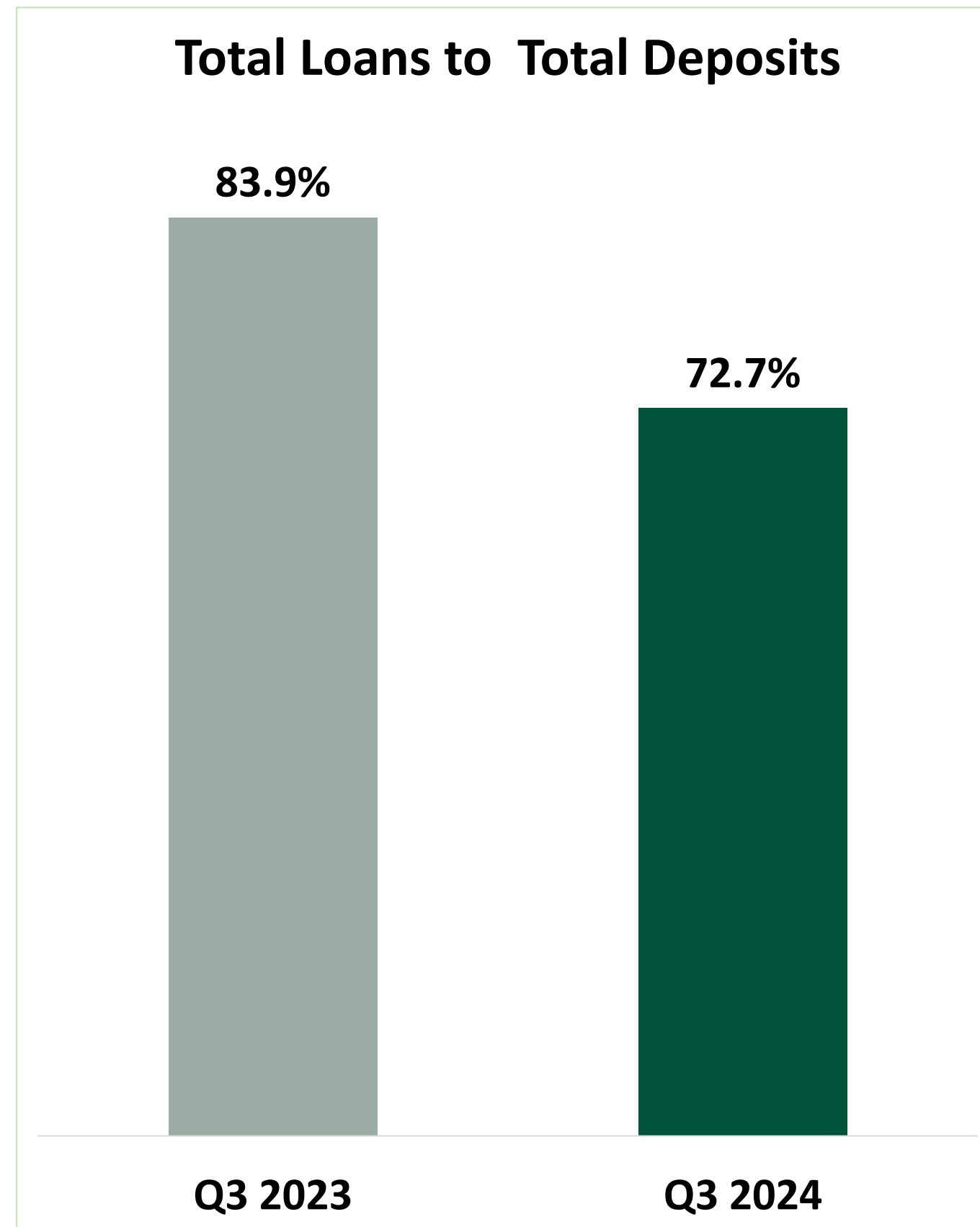
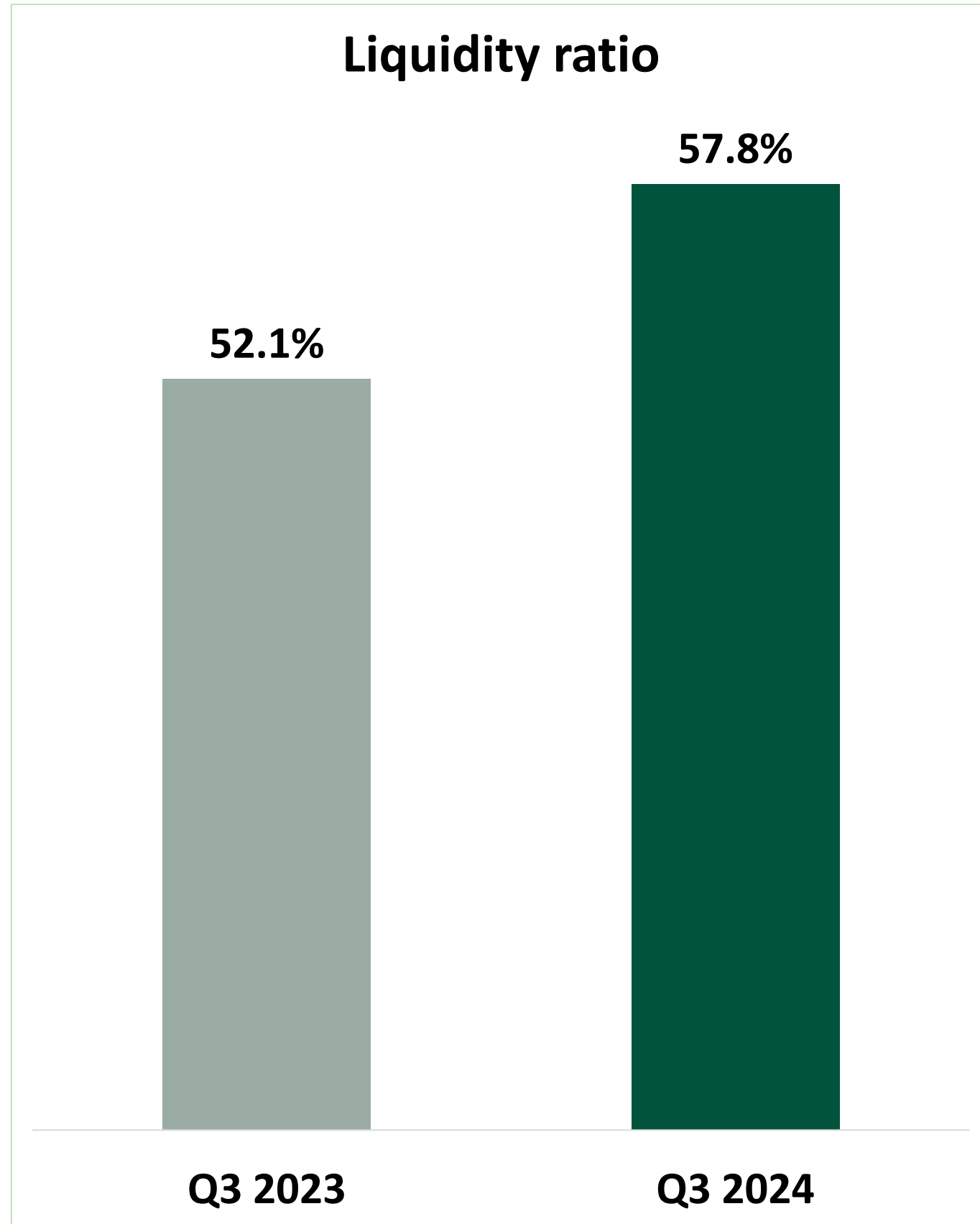
Asset Categories



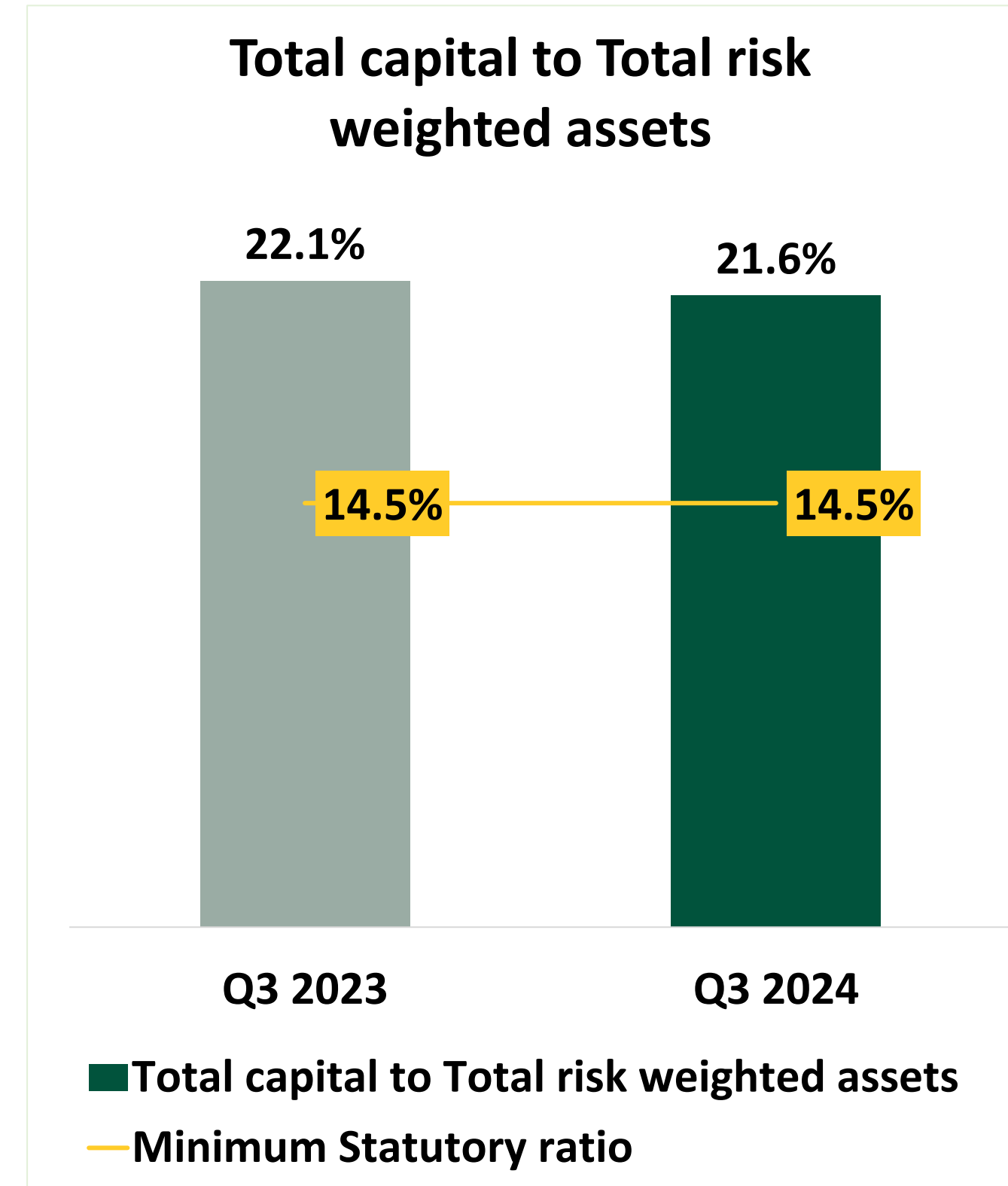
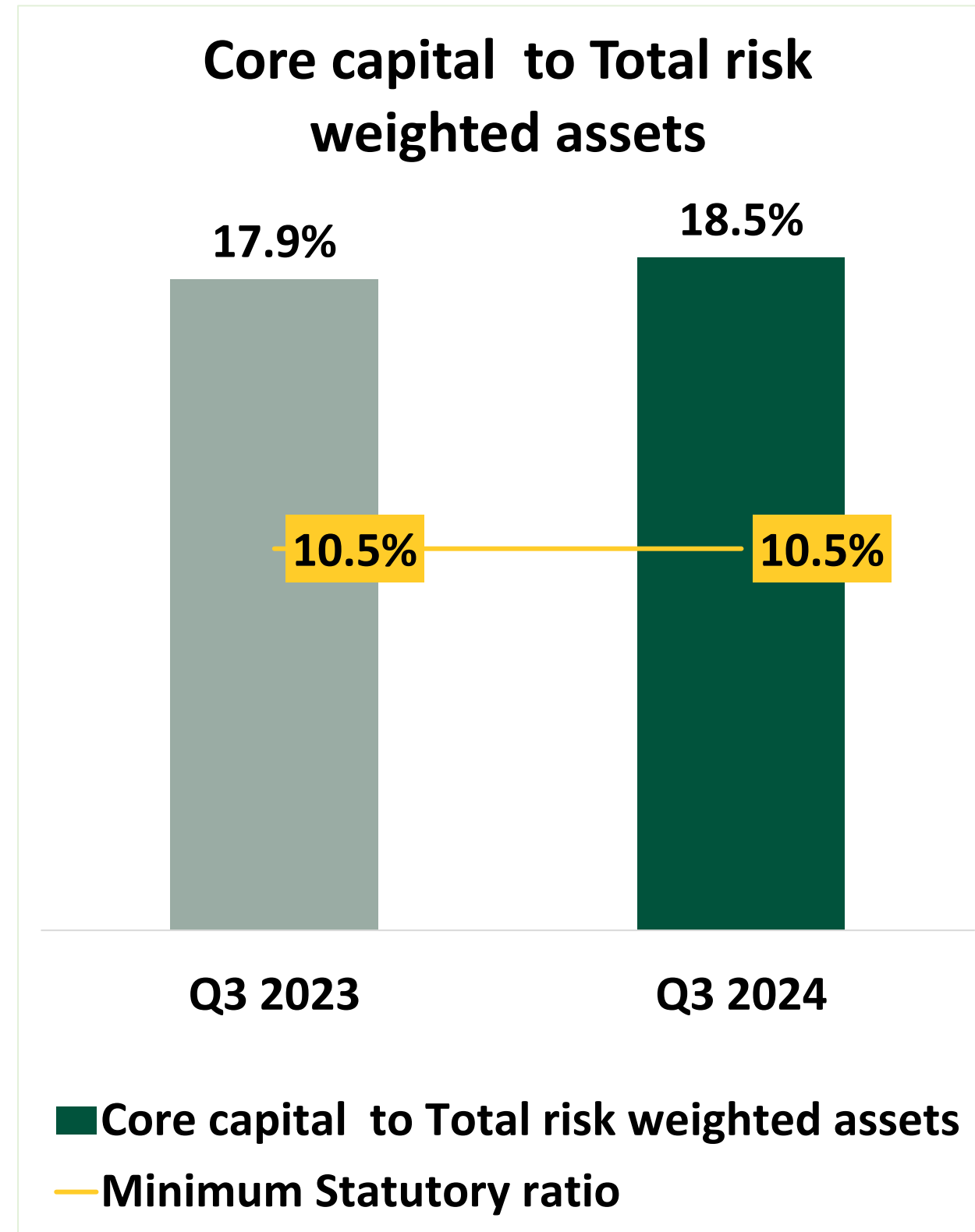
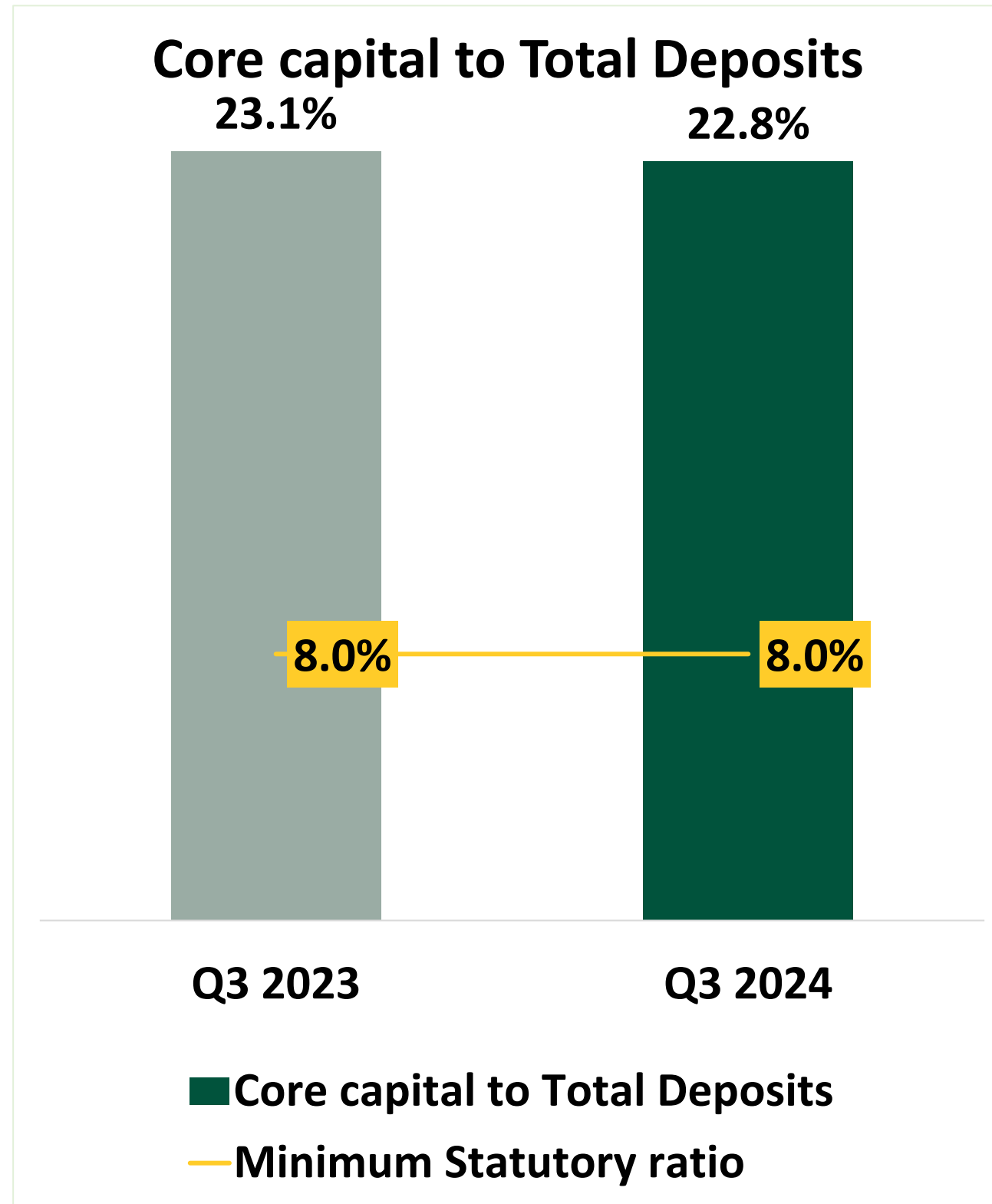
Funding Categories



Strong Liquidity to Support Investments



Capital buffers for sustainable growth



Sustainable Profitability

Kshs. Billions	Q32024	Q32023	YoY Change	
Total Interest Income	61.77	49.35	25.2%	↑
Total Interest Expenses	24.89	16.53	50.6%	↑
Net Interest Income	36.87	32.82	12.3%	↑
Fees and commissions on loans and advances	9.08	9.09	(0.1%)	↓
Other Fees and commissions	8.83	8.54	3.5%	↑
Foreign exchange trading income	3.73	2.46	51.3%	↑
Other income	0.64	0.50	27.5%	↑
Total Operating Income	59.16	53.41	10.8%	↑
Loan loss provision	5.58	4.21	32.5%	↑
Staff costs	13.50	12.18	10.8%	↑
Other operating expenses	13.60	12.62	7.8%	↑
Total Operating expenses	32.68	29.00	12.7%	↑
Profit before tax and exceptional items	26.48	24.41	8.5%	↑
Exceptional items-Share of profit of associate	0.31	0.28	10.0%	↑
Profit Before Tax	26.78	24.69	8.5%	↑
Income tax	7.58	6.29	20.4%	↑
Profit After Tax	19.21	18.39	4.4%	↑

	Q3 2024 KShs '000'	Q3 2023 KShs '000'	Growth KShs '000'	Growth %
Co-operative Bank of Kenya Ltd	24,475,227	22,735,316	1,739,911	7.7%
Co-operative Bank of South Sudan	33,796	43,448	-9,652	(22.2%)
Co-opTrust Investment Services Ltd	254,898	154,509	100,389	65.0%
Co-op Bancassurance Intermediary Ltd	824,297	762,862	61,435	8.1%
Kingdom Securities Ltd	45,120	12,203	32,917	269.7%
Kingdom Bank Ltd	929,175	786,606	142,569	18.1%
Co-op Bank and Subsidiaries Total	26,562,513	24,494,944	2,067,569	8.4%
Associates share of profit	221,996	194,058	27,938	14.4%
Group Profit Before Tax	26,784,509	24,689,002	2,095,507	8.5%
Income Tax Expense	7,576,944	6,294,424	1,282,520	20.4%
Group Profit After Tax	19,207,565	18,394,578	812,987	4.4%



Key Ratios

Ratio	Q3 2024	Q3 2023	
RoAA	3.6%	3.8%	∨
RoAE	21.3%	23.5%	∨
EPS	4.36	4.18	∧
Ave Return of Interest Earning Assets	13.4%	11.9%	∧
NIM on Loans	8.2%	7.5%	∧
NIM on Interest Earning Assets	7.7%	7.5%	∧
CIR Group <i>(with provisions)</i>	55.2%	54.3%	∧
CIR Group <i>(without provisions)</i>	45.8%	46.4%	∨
CIR Bank <i>(with provisions)</i>	54.5%	53.1%	∧
CIR Bank <i>(without provisions)</i>	44.4%	44.8%	∨
Non-Funded to Total Operating Income	37.7%	38.5%	∨
Cost of customer Deposits	6.0%	4.1%	∧
Cost of Funds	5.7%	4.4%	∧



THANK YOU

 **CO-OPERATIVE BANK**
We are you