

THE CO-OPERATIVE BANK OF KENYA LIMITED AND SUBSIDIARIES
SUMMARY CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS AND SUMMARY DIRECTORS’ REMUNERATION REPORT TO THE SHAREHOLDERS OF THE CO-OPERATIVE BANK OF KENYA LIMITED

Report on the audit of the Summary Consolidated Financial Statements

Opinion

The summary consolidated financial statements of The Co-operative Bank of Kenya Limited and its subsidiaries (together, the “Group”), which comprise the summary consolidated statement of financial position as at 31 December 2024, and the summary consolidated statement of profit or loss, the summary consolidated statement of other comprehensive income, the summary consolidated statement of changes in equity and the summary consolidated statement of cash flows for the year then ended, are derived from the audited consolidated financial statements of the Group for the year ended 31 December 2024.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements as at and for the year ended 31 December 2024, in accordance with the basis described in the notes accompanying the summary consolidated financial statements.

Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by IFRS Accounting Standards as issued by the International Accounting Standards Board and the Kenyan Companies Act, 2015. Reading the summary consolidated financial statements, and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditors’ report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements of the Group in our report dated 21 March 2025. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group financial statements of the current period.

Directors’ responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the basis described in the notes accompanying the summary consolidated financial statements and in the manner required by the Kenyan Companies Act, 2015.

Auditor’s responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Report on other legal requirements

The summary directors’ remuneration report is derived from the directors’ remuneration report for the year ended 31 December 2024. The summary directors’ remuneration report does not contain all disclosures required by Kenyan Companies Act, 2015, (General) (Amendment) (No.2) Regulations 2017. Reading the summary directors’ remuneration report and the auditors’ report thereon, therefore, is not a substitute for reading the directors’ remuneration report.

We expressed an unmodified audit opinion on the auditable part of the directors’ remuneration report which was prepared in accordance with the Kenya Companies Act, 2015.

In our opinion, the summary directors’ remuneration report is consistent, in all material respects, with the directors’ remuneration report for the year ended 31 December 2024, in accordance with the Kenyan Companies Act, 2015.

The engagement partner responsible for the audit resulting in the independent auditor’s report is CPA Nancy Muhoya, Practising Certificate No. 2158.

 For and on behalf of Ernst & Young LLP
Certified Public Accountants
Nairobi, Kenya
22 April 2025

SUMMARY OF DIRECTORS’ REMUNERATION REPORT

During the year, the Group paid KShs 351.36 million (2023: KShs 264.50 million) as directors’ emolument.

SUMMARY OF KEY AUDIT MATTERS

The summary key audit matters raised by the Auditors were on: -

- i. Expected Credit Losses (ECLs) on loans and advances to customers
- ii. Reporting in hyperinflationary economies by Co-operative Bank of South Sudan Limited
- iii. Impairment of goodwill

THE CO-OPERATIVE BANK OF KENYA LIMITED AND SUBSIDIARIES SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	2024 KShs'000	2023 KShs'000
ASSETS		
Cash and balances with Central Bank of Kenya and other banks ¹	86,946,599	59,767,801
Financial investments ²	218,877,819	190,823,049
Loans and advances to customers	373,732,927	374,227,421
Other assets	35,068,438	20,880,479
Income tax recoverable	-	654,776
Investment in associates	3,656,036	2,711,086
Intangible assets	2,218,489	2,670,704
Property and equipment	8,540,562	7,048,168
Right-of-use assets ³	4,024,272	4,111,158
Deferred tax asset	6,830,998	6,338,746
Goodwill	3,294,000	3,294,000
TOTAL ASSETS	743,190,140	672,527,388
EQUITY AND LIABILITIES		
LIABILITIES		
Deposits from banks and customers ⁴	508,913,224	456,099,326
Borrowings	55,406,100	67,334,316
Income tax payable	230,128	-
Other liabilities and provisions ⁵	32,670,678	34,018,540
Government grants	351,037	369,513
Derivative financial instruments	367,277	1,396,103
TOTAL LIABILITIES	597,938,444	559,217,798
EQUITY		
Ordinary share capital	5,867,180	5,867,180
Ordinary share premium	1,911,926	1,911,926
Retained earnings and other reserves ⁶	128,449,164	96,609,211
Proposed dividends	8,800,770	8,800,770
Total shareholders’ equity	145,029,040	113,189,087
Non-controlling interest	222,656	120,503
TOTAL EQUITY	145,251,696	113,309,590
TOTAL EQUITY & LIABILITIES	743,190,140	672,527,388

EXPLANATORY FOOTNOTES

The amounts have been extracted from the full set of audited Group Consolidated Financial Statements for the year ended 31st December 2024 and condensed to arrive at the line items in the summary consolidated financial statements as follows:

- Includes cash and balances with central Banks and Deposits and balances due from banks
- Includes debt instruments at fair value through other comprehensive income, equity instruments at fair value through other comprehensive income and debt instruments at amortised cost
- Includes Right-of Use assets and Prepaid lease rentals
- Includes deposits and balances due to banks and customer deposits
- Includes provisions and other liabilities
- Includes revaluation reserve, retained earnings, fair value reserve, statutory reserve, and foreign currency translation reserve

THE CO-OPERATIVE BANK OF KENYA LIMITED AND SUBSIDIARIES SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Share premium	Retained earnings and other reserves	Proposed dividends	Total	Non-controlling interest	Total equity
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
At 1 January 2023	5,867,180	1,911,926	90,710,389	8,800,770	107,290,265	268,930	107,559,195
Total comprehensive income	-	-	14,763,503	-	14,763,503	63,271	14,826,774
Dividend paid in the year	-	-	-	(8,800,770)	(8,800,770)	-	(8,800,770)
Proposed dividend	-	-	(8,800,770)	8,800,770	-	-	-
Other equity components	-	-	(63,911)	-	(63,911)	(211,698)	(275,609)
At 31 December 2023	5,867,180	1,911,926	96,609,211	8,800,770	113,189,087	120,503	113,309,590
At 1 January 2024	5,867,180	1,911,926	96,609,211	8,800,770	113,189,087	120,503	113,309,590
Total comprehensive income	-	-	42,098,940	-	42,098,940	149,454	42,248,394
Dividend paid in the year	-	-	-	(8,800,770)	(8,800,770)	-	(8,800,770)
Proposed dividend	-	-	(8,800,770)	8,800,770	-	-	-
Other equity components	-	-	(1,458,217)	-	(1,458,217)	(47,301)	(1,505,518)
At 31 December 2024	5,867,180	1,911,926	128,449,164	8,800,770	145,029,040	222,656	145,251,696

NOTE TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

This summary consolidated financial statements and summary directors’ remuneration report are extracted from the audited consolidated financial statements and directors’ remuneration report for the year ended 31 December 2024 and have been prepared in accordance with the criteria applied by the Bank’s Directors which is based on the practice in the banking industry. The criteria entails presenting account balances or subtotals as extracted from the audited consolidated financial statements or condensing some of the line items in the audited consolidated financial statements as indicated in the captions used in the summary financial statements and the explanatory footnotes.

A full copy of the Group Financial Statements including explanatory notes is available at our registered office at Co-operative House and online at www.co-opbank.co.ke.

THE CO-OPERATIVE BANK OF KENYA LIMITED AND SUBSIDIARIES SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 KShs'000	2023 KShs'000
Net interest income	51,520,733	45,221,162
Non-interest income ⁷	29,254,861	26,461,748
Share of profit /(loss) of associates	822,372	345,725
Total income	81,597,966	72,028,635
Credit loss expense ⁸	(8,784,125)	(6,008,158)
Income after impairment charges	72,813,841	66,020,477
Total operating expenses ⁹	(38,033,522)	(33,656,629)
Profit before taxation	34,780,319	32,363,848
Income tax expense	(9,323,974)	(9,175,483)
Profit for the year	25,456,345	23,188,365

EXPLANATORY FOOTNOTES

The amounts have been extracted from the full set of the audited Group Consolidated Financial Statements for the year ended 31st December 2024 and condensed to arrive at the line items in the summary consolidated financial statements as follows:

- Includes net fees and commission income and total other income
- Includes credit loss expense on loans and advances
- Includes amortisation of intangible assets, amortisation of leasehold land, depreciation of property and equipment, depreciation-right of use assets, employee costs and other operating expenses

THE CO-OPERATIVE BANK OF KENYA LIMITED AND SUBSIDIARIES SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 KShs'000	2023 KShs'000
Profit for the year	25,456,345	23,188,365
Other comprehensive income, net of income tax		
Fair value changes on financial assets at FVOCI ¹⁰	16,792,049	(8,361,591)
Exchange differences on translation of a foreign operation	-	-
Revaluation surplus on building	-	-
Other comprehensive income/ (loss) for the year	16,792,049	(8,361,591)
Total comprehensive income for the year	42,248,394	14,826,774
Basic and diluted earnings per share (KShs)	4.33	3.92

EXPLANATORY FOOTNOTES

The amounts have been extracted from the full set of audited Group Financial Statements for the year ended 31st December 2024 and condensed to arrive at the line items in the summary financial statements as follows:

- Includes Changes in fair value of equity instruments at fair value through other comprehensive income and fair value gain on debt instruments at fair value through other comprehensive income.

THE CO-OPERATIVE BANK OF KENYA LIMITED AND SUBSIDIARIES SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 KShs'000	2023 KShs'000
Net cash generated from operating activities	69,306,382	41,046,000
Net cash used in investing activities	(25,733,710)	(19,550,732)
Net cash used in financing activities	(18,551,421)	(2,255,249)
Net increase in cash and cash equivalents	25,021,251	19,240,019
Currency translation differences	(93,953)	153,195
Cash and cash equivalents at 1 January	40,059,215	20,666,001
Cash and cash equivalents at 31 December	64,986,512	40,059,215

They were approved by the Board of directors on 19th March 2025 and signed on its behalf by:

J. K. Murugu, OGW - **Chairman**
M. Malonza MBS, HSC - **Vice Chairman**
Dr. G. Muriuki, CBS, MBS - **Group Managing Director & CEO**
S. M. Kibugi - **Company Secretary**