

i) Dividends Related Questions

	QUESTIONS	ANSWERS
1	Dividends: <ul style="list-style-type: none"><li>• What is the dividend rate this year?</li><li>• When will dividends be paid?</li><li>• Why is the dividend constant even as the bank profitability keeps growing?</li><li>• Why does the bank pay dividends once instead of twice (interim and final) like others?</li></ul>	<p>We pay dividends once a year.</p> <ul style="list-style-type: none"><li>• The Board of Directors of the Bank approved a first and final dividend payment of Kshs 1.50/= per share for the year ended 31st December, 2024 (2023-Kshs.1.50) which will be paid out from 10th June 2025 to all shareholders on the Bank's Shareholders Register as at 28th April 2025.</li><li>• The total dividend payment to the shareholders will be Kshs 8.8 Billion.</li><li>• The Board continues to review the dividend payout against the need to retain capital for growth.</li><li>• Our dividend payment is guided by the dividend policy. The Bank has opted to pay dividends once a year to ensure dividends are tied directly to overall financial results rather than interim performance based on short-term market fluctuations or earnings variations.</li></ul>
2	How does the board plan to balance shareholder returns with investments in strategic initiatives like ESG and digital transformation to ensure long-term growth?	<p>In 2022 , the Bank embarked on an enhanced Environmental, Social and Governance roadmap to integrate ESG considerations into its operations with several key milestones achieved.</p> <ul style="list-style-type: none"><li>• <b>Most sustainable Bank in Kenya-</b> 5th win by the bank since the inception of the award seven years ago.</li><li>• <b>Supporting industry effort on climate risk management-</b> Co-op Bank has the highest capacity building rate in Kenya Bankers Association sustainable Finance Module on Climate Risk.</li><li>• <b>Climate Risk Project-</b> We have embarked on a Climate Risk Project with the aim of formulating an effective climate strategy roadmap and implementation plan to chart a clear path towards our climate goals.</li><li>• <b>Co-op-a-Maji Loan-</b> The Bank, in partnership with Water.org has launched a new Co-op-a-Maji loan to support businesses in this sector such as water bottlers, distillers, licenced borehole drilling companies, manufacturers and distributors of water harvesting equipment.</li></ul> <p>On digitization, the Bank continues to leverage its core banking system (Latest version of Finacle from Infosys -One of the best rated Globally) to support the Group's digital strategy. Through our digital channel strategy the Bank has successfully moved over 92% of all customer transactions to alternative channels, 617 ATMs and Cash Deposit Machines, and over 16,000 Co-op Kwa Jirani agents. MCo-op Cash mobile wallet continues to drive substantial non funded income streams with Kshs 76.7 Billion in loans disbursed in FY2024, averaging Kshs 6.39 Billion per month.</p> <p>All the above and many other efforts are all aimed at ensuring sustained long-term growth.</p>
3	Is the Board considering issuing bonus shares any time soon, given that for long, the business has been making a good profit but the dividend declared is low?	<p>The board has taken this feedback and will deliberate the matter further and provide feedback at the appropriate time.</p>
4	What strategic investments or expansions are planned for the next 12-24 months?	<p>The branch network has expanded to a total of 211 outlets (5 in south Sudan). We have planned 15 additional outlets this year with 14 already opened in various locations such as Rumuruti, Eastleigh BBS mall, Isibania, among others.</p>
5	How is Co-op Bank leveraging AI and Fintech to boost efficiency and customer experience?	<p>The Co-operative Bank of Kenya is leveraging Artificial Intelligence and Fintech to enhance efficiency and customer experience through automation of processes like:</p> <ul style="list-style-type: none"><li>• Account opening and real time Credit Scoring and Risk assessment.</li><li>• Deployment of a modern Core Banking system for real-time transactions.</li><li>• Modernization and Expanded use of digital channels such as MCo-op Cash, Youth Banking App, Co-op kwa Jirani and the Coffee Direct Settlement System.</li><li>• We have deployed chatbots and liveness checks to improve customer engagement and support digital onboarding.</li><li>• Fintech Collaboration - The bank has partnered with Fintechs to enhance its product offerings and improve overall customer experience for example support to MSMEs with tailored digital solutions and earned global recognition for its omnichannel innovation.</li></ul>
6	How do I receive my dividends through M-PESA?	<p>Shareholders are able to receive dividends through M-PESA only by updating their payment details through their stockbroker where they will complete a CDS1 form to capture the mobile number desired for the dividends.</p>
7	How do I change Bank account details?	<p>Visit your stockbroker and fill in a form known as CDS1 form to change your mandate to the desired bank account number.</p>
8	How do I know how my dividend is paid?	<ol style="list-style-type: none"><li>1. Shareholders who instructed the Bank to make Electronic Funds Transfers and those that instructed payment to be made to their M-PESA should check their accounts on 10th June 2025.</li><li>2. Shareholders who instructed the Bank to issue cheques should visit their post office at their earliest convenience to collect the cheques which will also be dispatched on 10th June 2025. We encourage shareholders to visit their stock brokers and update their details to bank or M-PESA.</li><li>3. In the event you have not received your dividends after 10th June 2025, please contact the following staff members who will be happy to receive your queries and offer the necessary support:<ul style="list-style-type: none"><li>•Email <b>sharesoperation@co-opbank.co.ke</b> or <b>shares@co-opbank.co.ke</b></li><li>•Lydia Muchiri - <b>lnmuchiri@co-opbank.co.ke</b> - 0711049164</li><li>•Mellen Bosire - <b>mbosire@co-opbank.co.ke</b> – 0711049792</li><li>•Jane Auma - <b>jauma@co-opbank.co.ke</b> -0711049234</li><li>•Stella Musyoka - <b>musyokas@co-opbank.co.ke</b>- 0711013561</li><li>•Prisca Abwao - <b>pabwao@co-opbank.co.ke</b> -0711013097</li><li>•Winnie Lomosi - <b>wlomosi@co-opbank.co.ke</b> -0711013532</li></ul></li></ol>

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9	How do I receive my past dividends?	<ul style="list-style-type: none"> <li>Unclaimed Financial Assets Authority Act and Regulations thereof dictates that if dividends are not claimed for 3 years, the Bank will remit the shares and the dividends to Unclaimed Financial Assets Authority (UFAA).</li> <li>Any dividend payments claimed over 3 years are remitted to UFAA.</li> <li>Any shareholder can be reunited with his/her dividends by lodging a claim to UFAA and the Bank will be happy to support the reunification by calling on any of the staff members mentioned above.</li> <li>Shareholders are encouraged to please call or email our staff as above for any assistance.</li> </ul>
10	How do I change receipt of dividends : a) from Bank to M-PESA b) from cheque to M-PESA	<ul style="list-style-type: none"> <li>Kindly visit any of our branches and fill the change of details form if your shares are in certificate form.</li> <li>Kindly visit your stock broker and fill a CDS1 form if your shares are in a CDS account.</li> </ul>
11	What happens to my dividends and shares in case of death?	<ul style="list-style-type: none"> <li>Your beneficiaries are required to claim the shares and dividends once the succession/probate through the courts is completed. They should visit any of our branches to obtain the necessary forms to commence what is known as transmission, that is the process to transmit the shares and dividends from deceased to beneficiary.</li> </ul>
12	How do I buy more Bank shares?	<ul style="list-style-type: none"> <li>To buy more shares, give an order to your stockbroker.</li> <li>The Bank has a stock broking Subsidiary called Kingdom Securities Limited and a shareholder can call on the following staff members to place a purchase order- <ul style="list-style-type: none"> <li>Samantha Kibuga - 0711049657</li> <li>Alfred Too - 0711049330.</li> </ul> </li> <li>You can also send an email to the undernoted account for support: <ul style="list-style-type: none"> <li>Email: <a href="mailto:info@kingdomsecurities.co.ke">info@kingdomsecurities.co.ke</a></li> </ul> </li> </ul>
13	How much is the price of the Bank's share?	<ul style="list-style-type: none"> <li>The share price is currently trading at an average of Kshs 14.25</li> <li>The price keeps changing as trading continues and you can follow it on the NSE website: <ul style="list-style-type: none"> <li><a href="https://www.nse.co.ke/market-statistics/equity-statistics.html">https://www.nse.co.ke/market-statistics/equity-statistics.html</a></li> </ul> </li> </ul>
14	What is your future outlook with regards to: Changing world trade dynamics with looming trade wars and expected impact to business environment of the bank.	<ul style="list-style-type: none"> <li>At the global level, the IMF projects a decline in global trade growth from 3.8% to 1.8%, with global GDP expected to slow from 3.3% to 2.8%. The biggest impact is being felt in the China-US trade corridor, given China's position as the world's largest exporter. Economies highly linked to these two markets like Mexico, Canada, and ASEAN countries are the most affected.</li> <li>For Kenya, the impact is expected to be minimal, given that our exports to the US stood at just over USD 700 million, which is not a major share globally. The CBK projected the impact on Kenya's GDP to be about 0.3%, with overall GDP growth expected at 5.1%.</li> <li>While direct exposure is low, the bank continues to monitor any spillover effects on exchange rates, inflation, and customer trade flows.</li> </ul>
15	How is the bank positioning itself to confront AI in cybersecurity arena?	<ul style="list-style-type: none"> <li>The Co-operative Bank of Kenya is strengthening its cybersecurity by integrating AI-driven threat detection, operating a 24/7 Security Operations Center (SOC), and deploying cutting edge security tools for real-time monitoring.</li> <li>The bank aligns its approach with global standards like ISO 27001 and Kenya's National Cybersecurity Strategy, ensuring a robust, multi-layered defense to protect its digital infrastructure and customer data against evolving cyber threats.</li> <li>We already use AI for email and network security to protect against phishing and malware. We also apply Natural Language Processing (NLP) models to detect cyber threats, and we continuously test and model our defenses to stay ahead of emerging risks. Our focus is to embed AI across our security processes to strengthen our cyber defence posture.</li> </ul>

ii) Financial Related Questions

	QUESTIONS	ANSWERS
1	How prepared are we with the new CBK capital requirement?	<ul style="list-style-type: none"> <li>CBK requires Banks to have a core capital of at least Kshs 10 Billion in the next 5 years. Co-op Bank has already met that threshold with core capital of Kshs 114.7 Billion.</li> </ul>
2	What is the asset base and also PAR?	<ul style="list-style-type: none"> <li>Total Asset grew to Kshs 743.2 Billion a 10.7% growth from Kshs 671.1 Bilion last year. MSME's make up 16.6% of our total loan book thereby buffering us from large ticket non-performing loans which we continue to work with the affected customers in sectors such as real estate and manufacturing to turn around/recover.</li> </ul>
3	Where can I get financial reports for this year?	<ul style="list-style-type: none"> <li>The First Quarter 2025 Year financials have been published on the Bank website (<a href="http://www.co-opbank.co.ke">www.co-opbank.co.ke</a>) and on print media (newspapers) on 16th May 2025.</li> </ul>