

# Investor Briefing

Q1 2025



# 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. 774.1 Billion in Total Assets**

**5,888 Skilled, Motivated Staff Members**



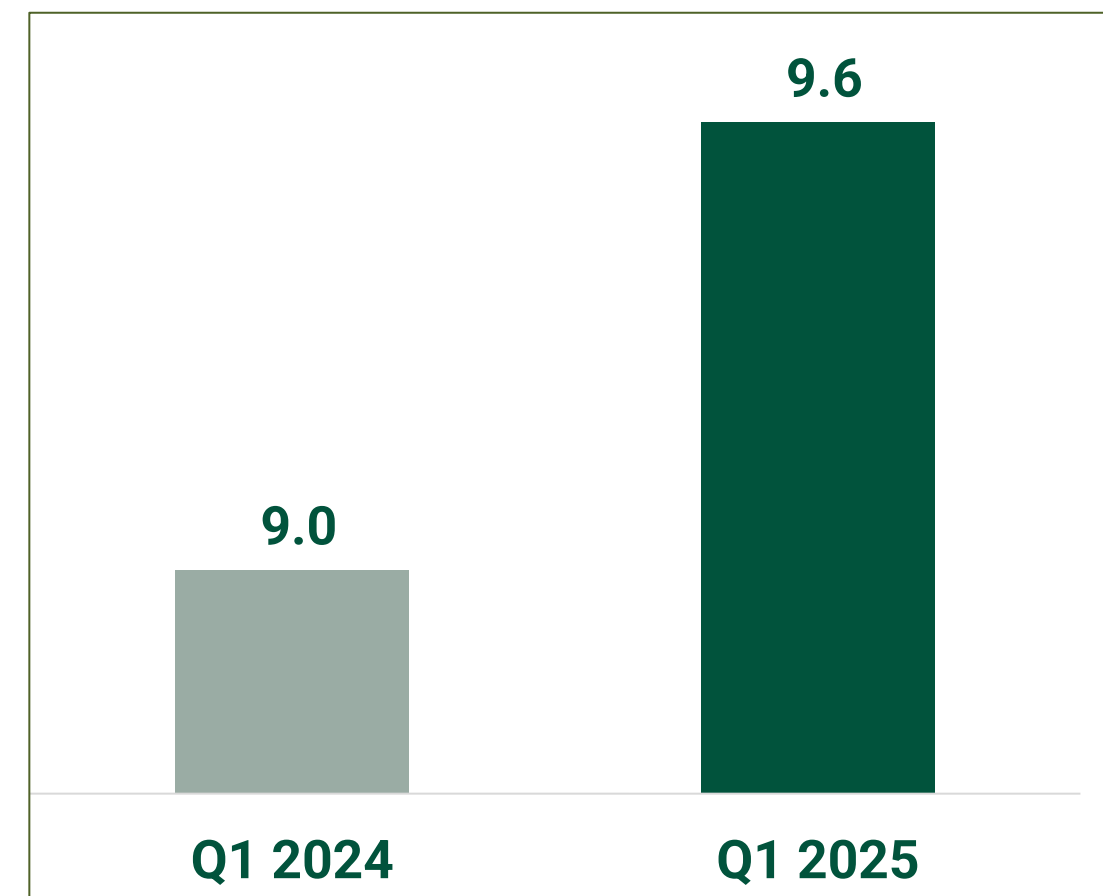
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**We are Growing  
Creating Value**



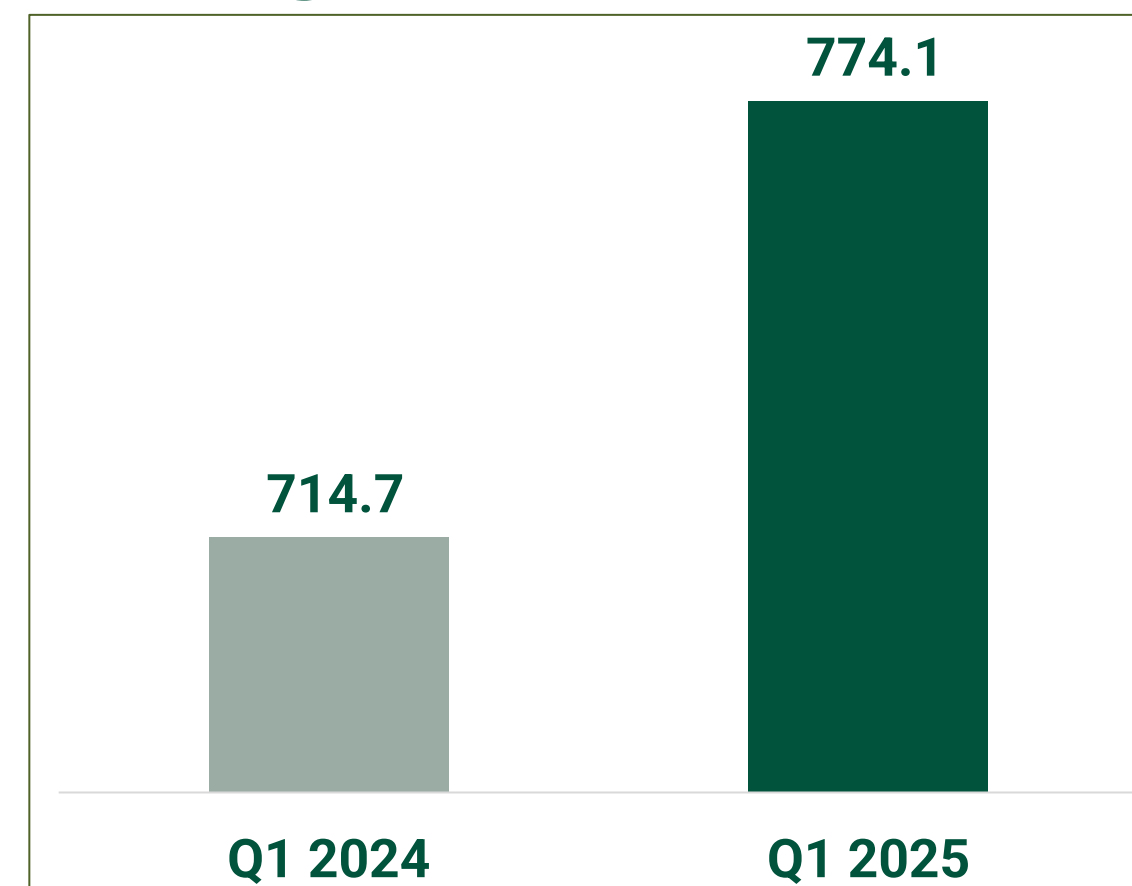


## Efficient, Profitable Business Model



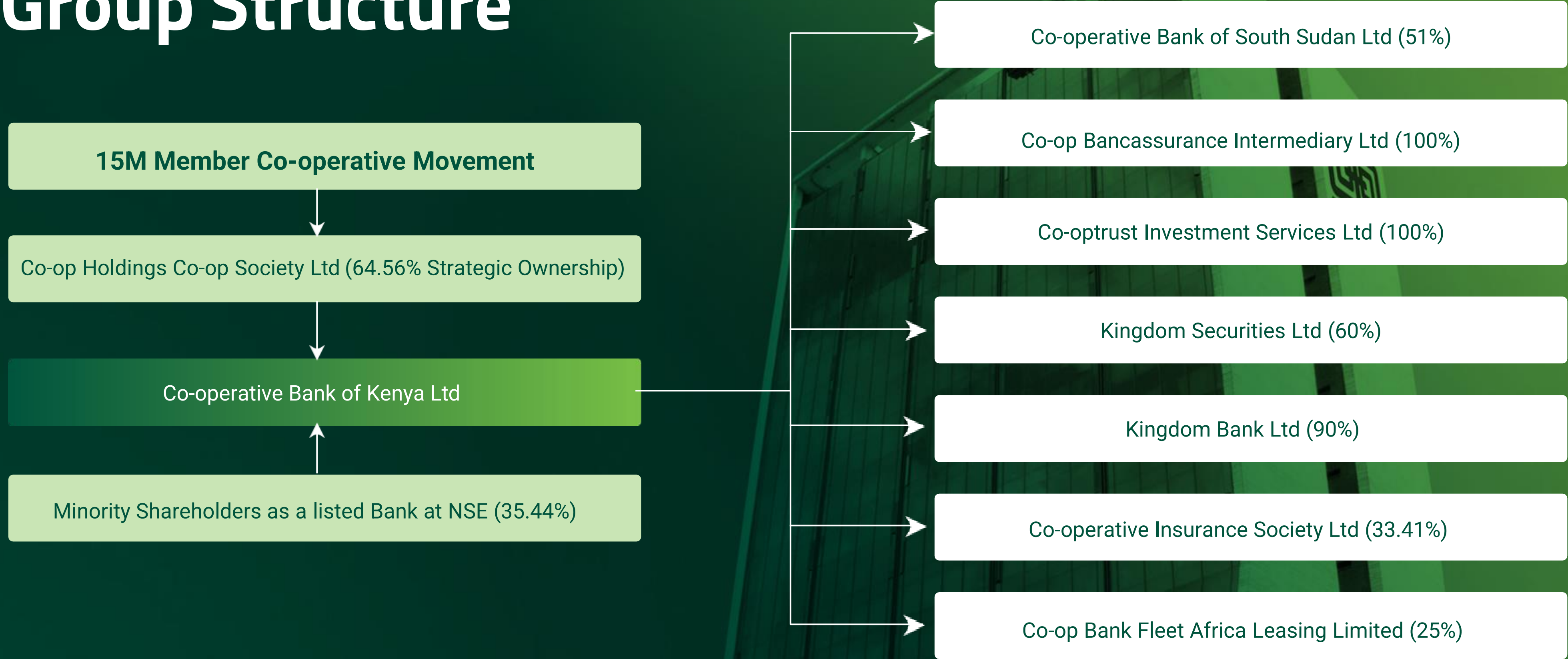
Profit Before Tax (Kshs. B)

## Growing Asset Base



Total Assets (Kshs. B)

# Group Structure



# A Successful Universal Banking Model





# Our Presence



**212** Branches



**15594**  
Co-op Kwa Jirani  
Agents



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



**16K** Diaspora Banking  
Customers



**5,888** Staff



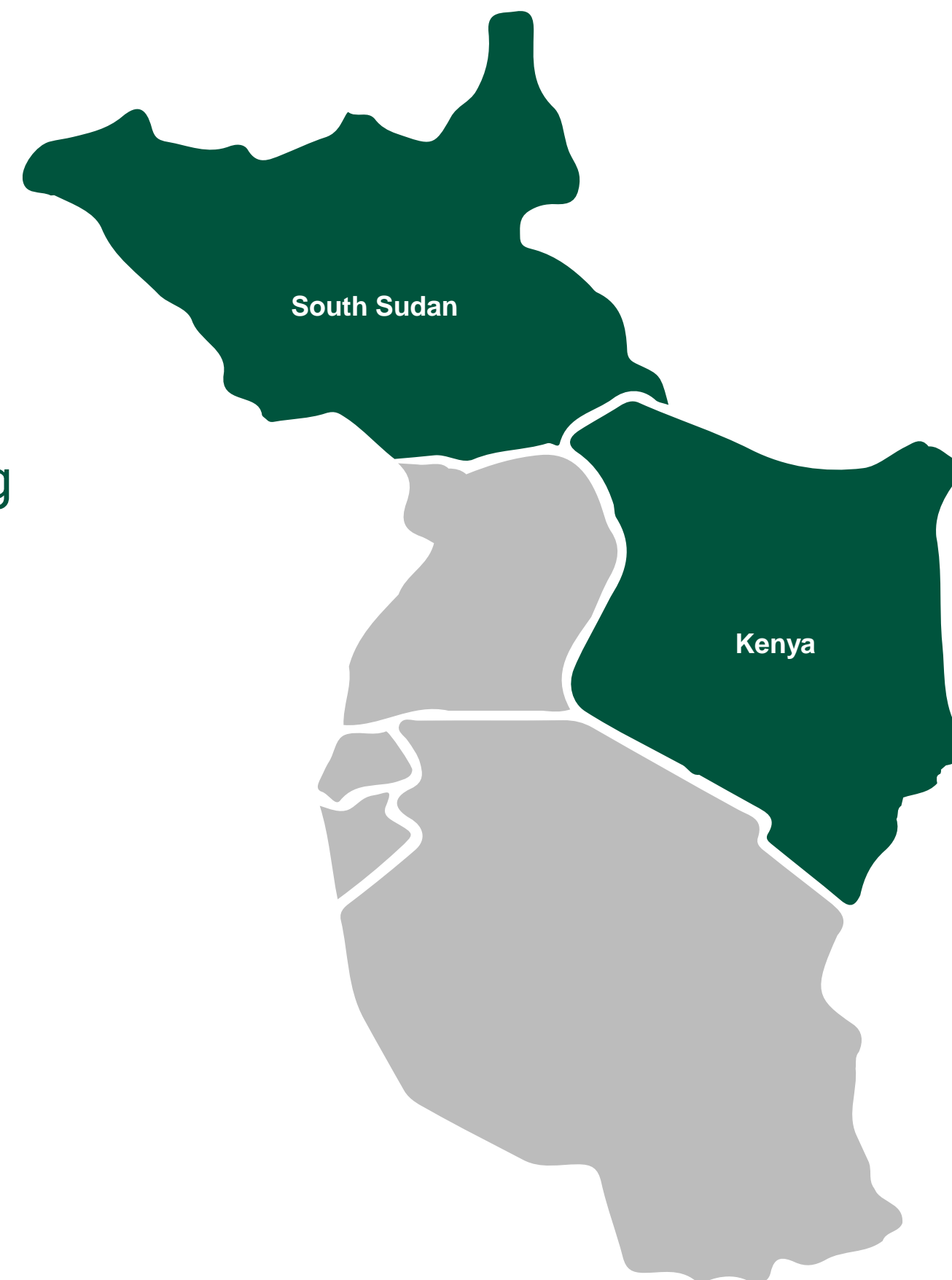
**New Core Banking  
System**

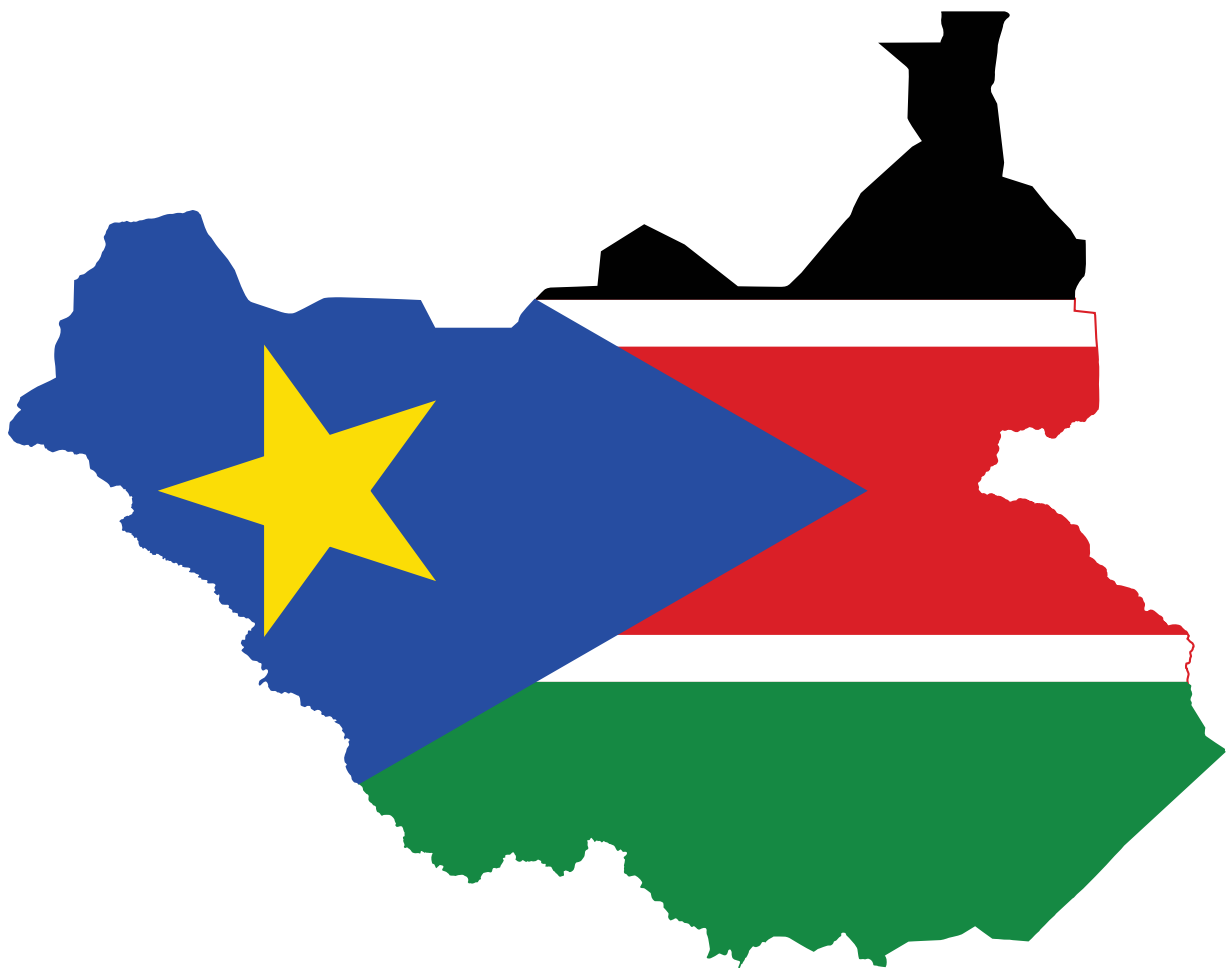


**619** Sacco Front  
offices Branch  
Network



**24hr** Contact Centre

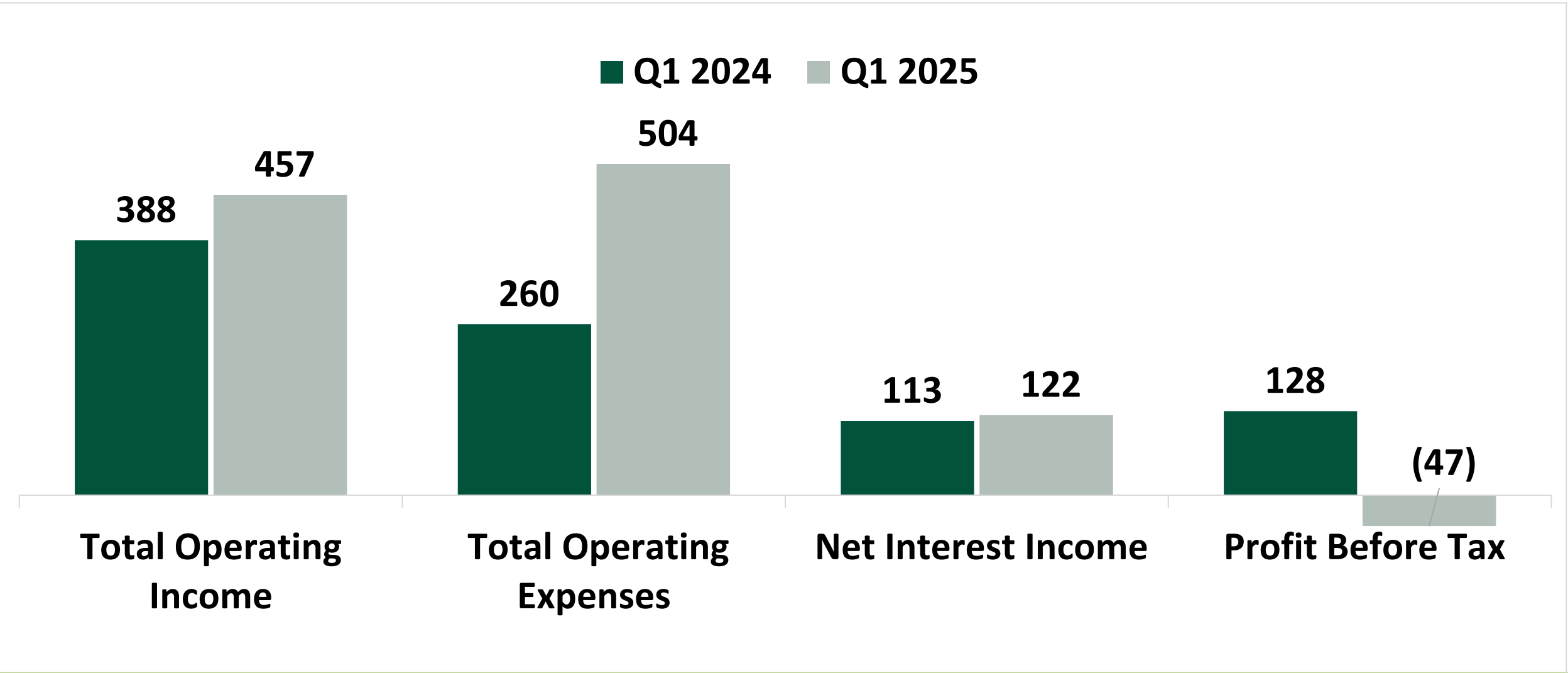
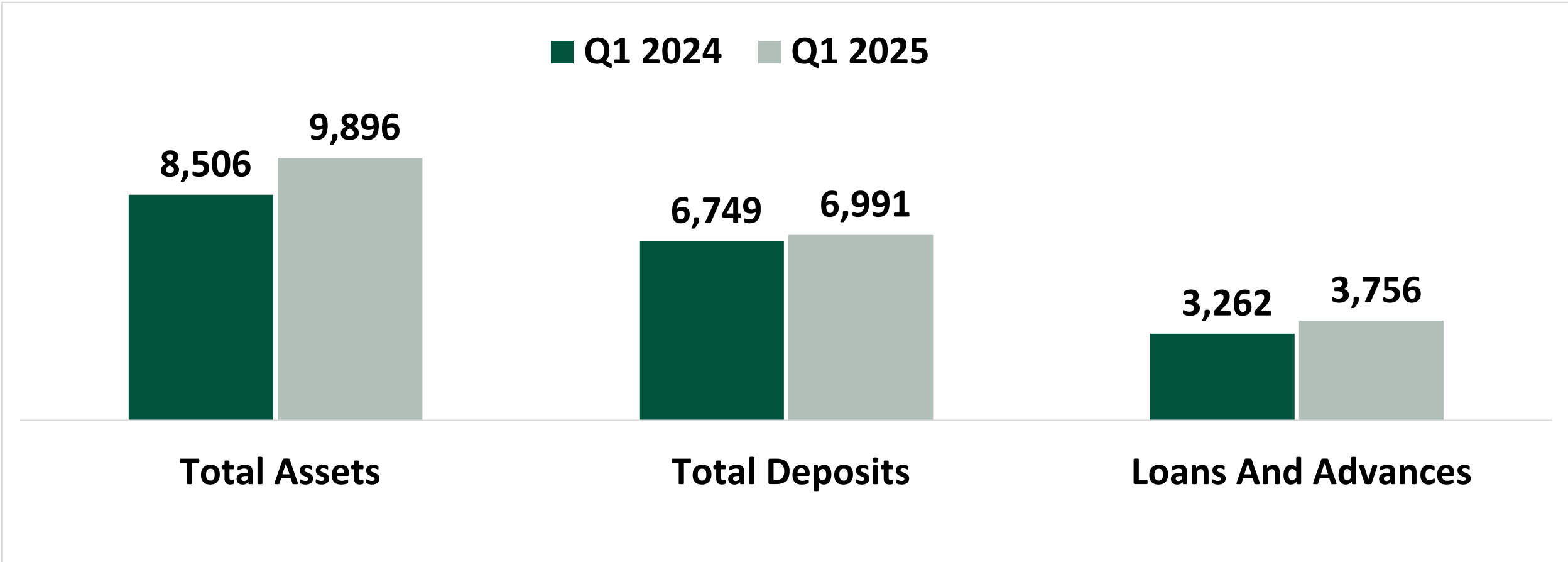




5 Branches

5 Non-oil collection centers

Owns 31% of CIC Africa Ltd- South Sudan





# 2.

**We are Resilient**  
**Protecting Value**





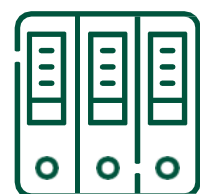
# Robust Financial and Operational Foundations Driving Stability



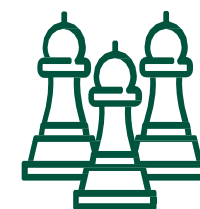
Proactive Enterprise Risk Management Framework.



Up to **52.5% of our loan Book** is in Consumer banking which is low risk and performing well.



Proactive Regulatory compliance



**Optimal risk spread** with KShs.**242.1 Bn** in government securities.



Strong Capital Buffers: Total Capital to Risk Weighted Assets (RWA) **22.8%** (Regulatory 14.5%)



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



## NPL Management

- Cumulative provisions Kshs. 41.5B from 2020.
- NPL Coverage ratio at 69.2%, with security 101.5%



## ESG Commitment

- Dedicated ESG unit, ESG Champions in all Strategic Business Units.
- Enhanced ESG Policy Framework
- Climate Risk Consultancy Project



# 3.

**We are agile**  
**Fast | Adaptable**



# Leveraging Digital Transformation and Agile Methodologies



Mobile Internet



ATM & Agency CDM

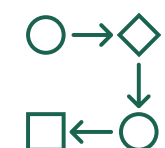
**>90%** of transactions on alternative channels enhancing operational efficiency.



**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**

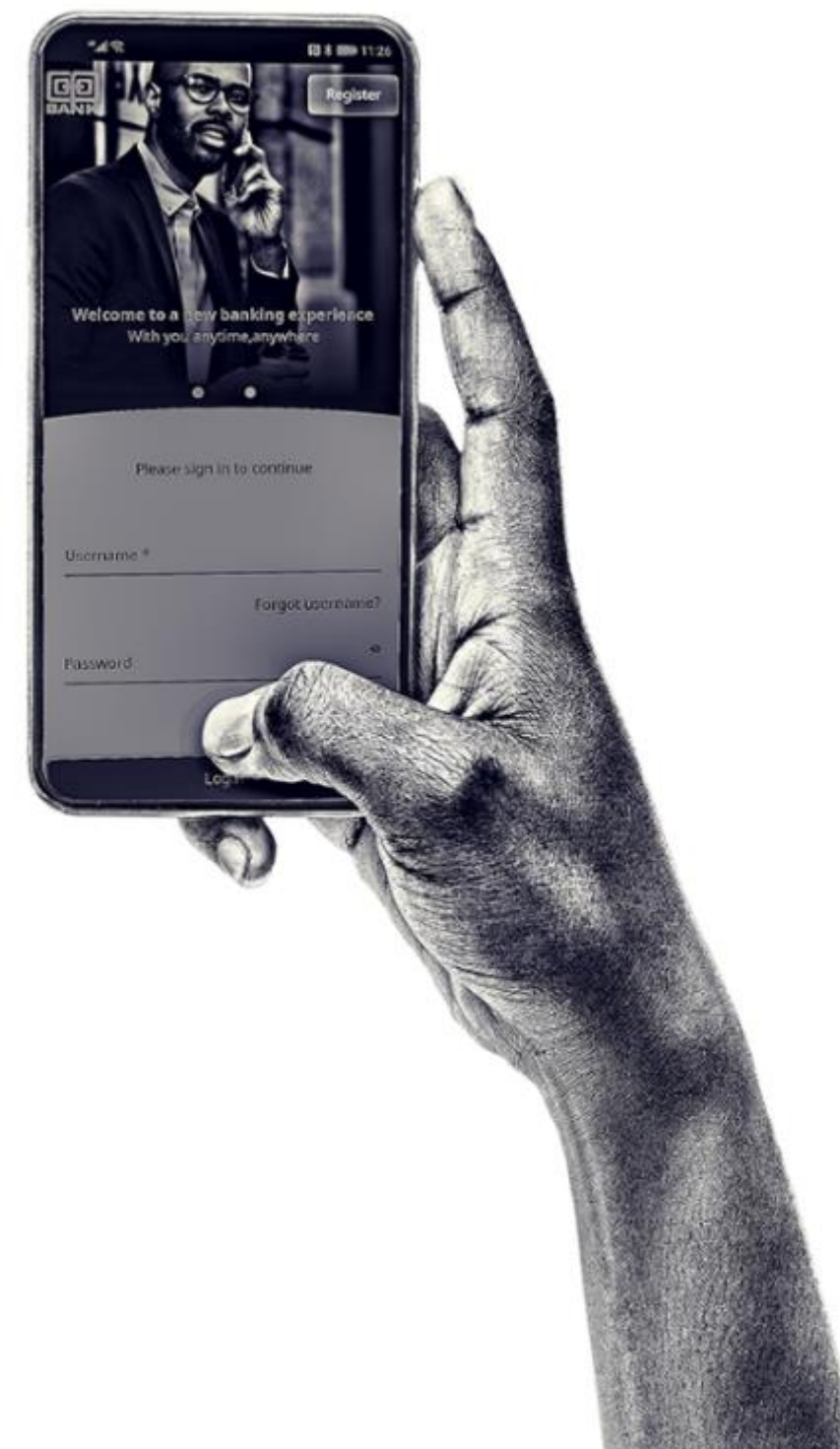


Enhanced digitization of internal bank processes and engagement platforms as part of our **Digital Transformation Strategy**.



**Staff Productivity**

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

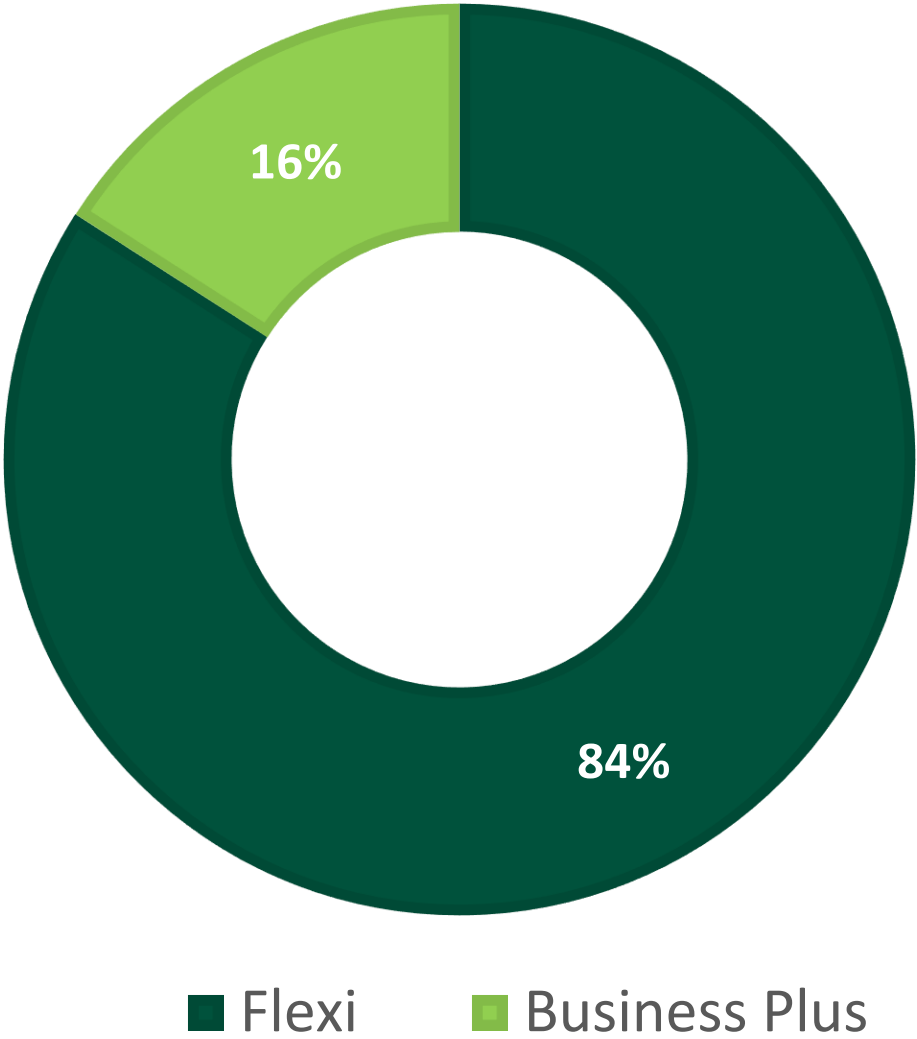




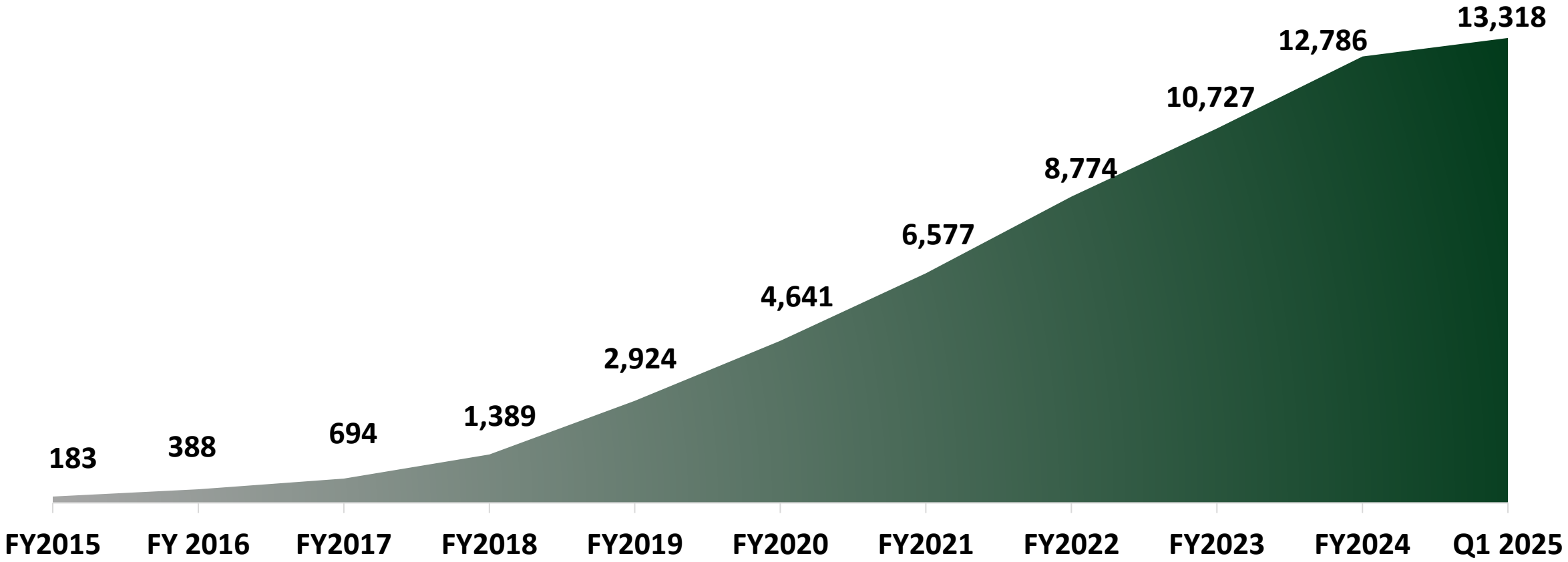
Kshs. 19.1 Bn Disbursed YTD

Kshs. 447.89 Bn Disbursed since inception.

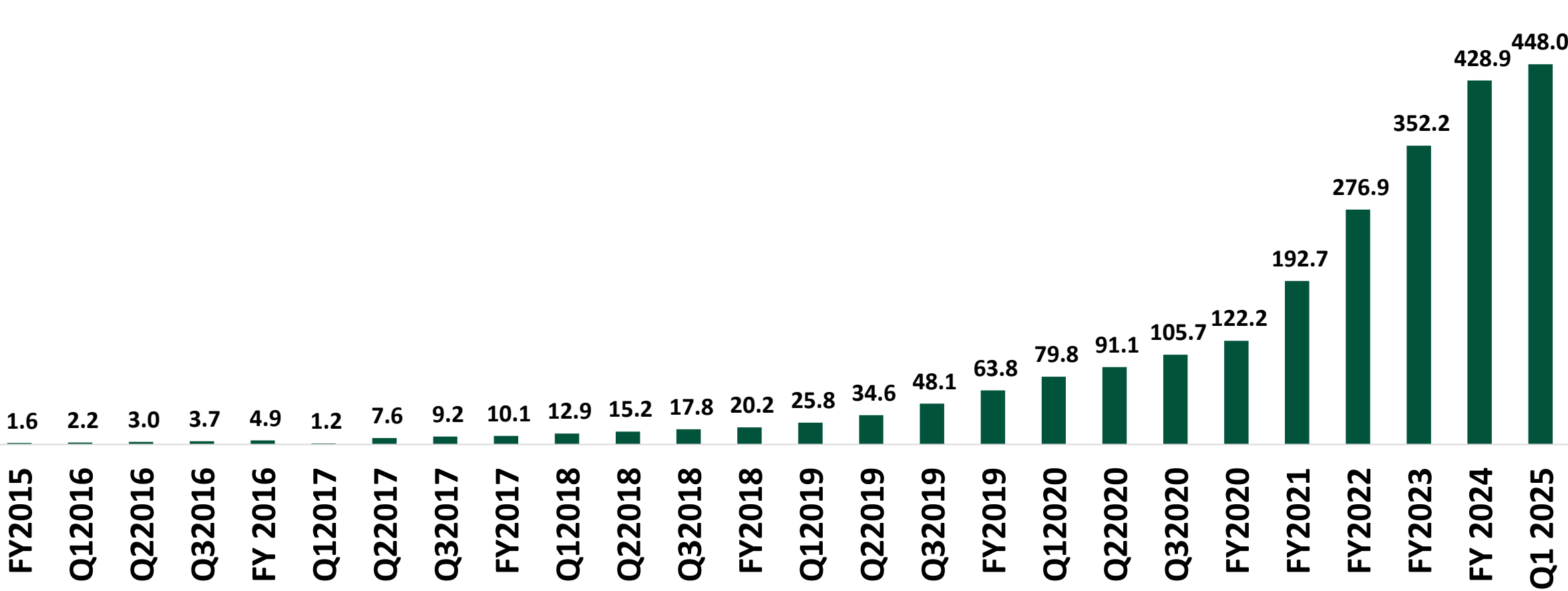
% CONTRIBUTION TO YTD DISBURSEMENTS



Cumulative Mcoop Cash Loan Customer Numbers ( In '000')

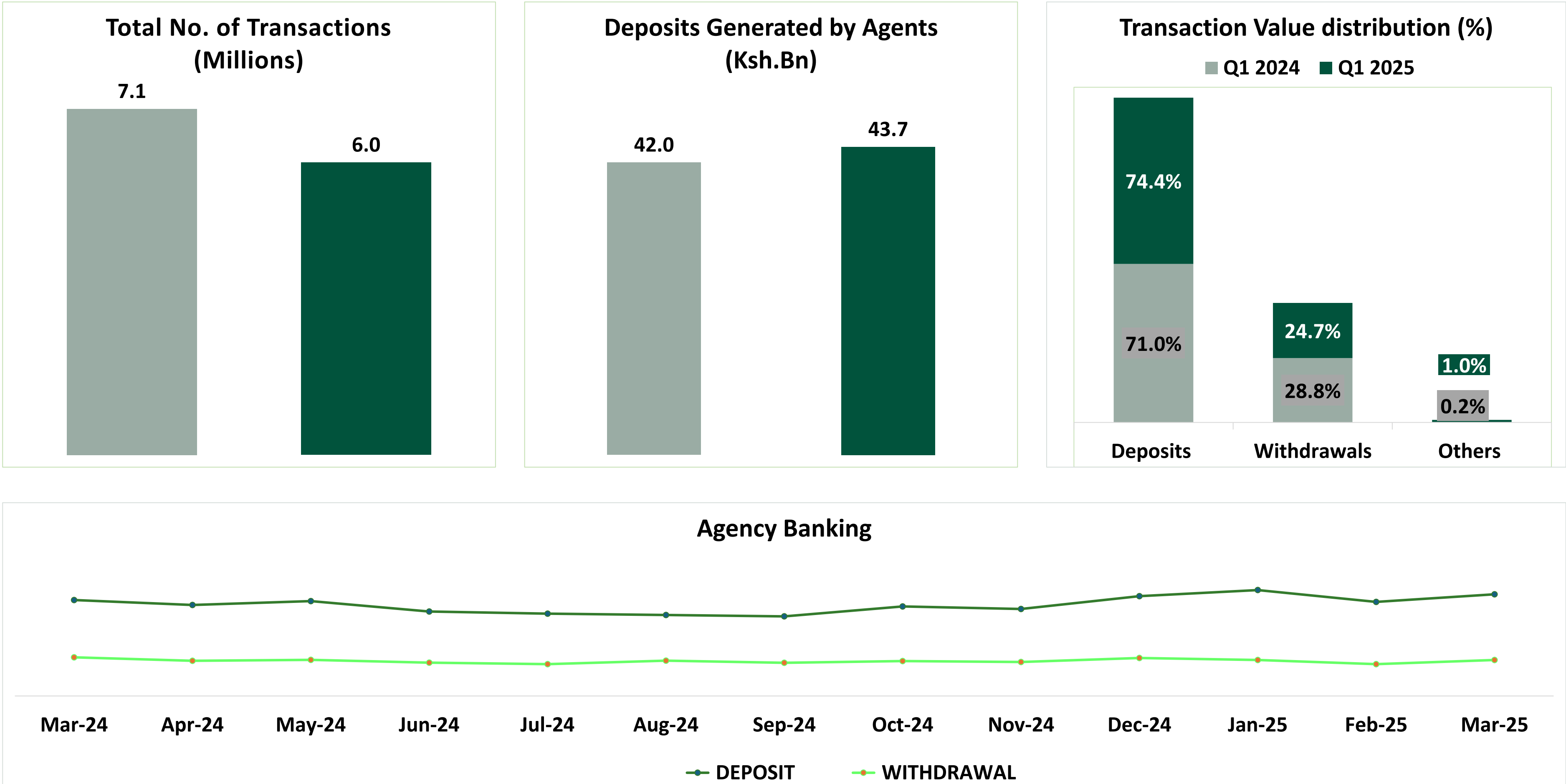


Cumulative Mcoopcash Loan Book (Kshs. B)





# Growing Co-op Kwa Jirani Agency Banking



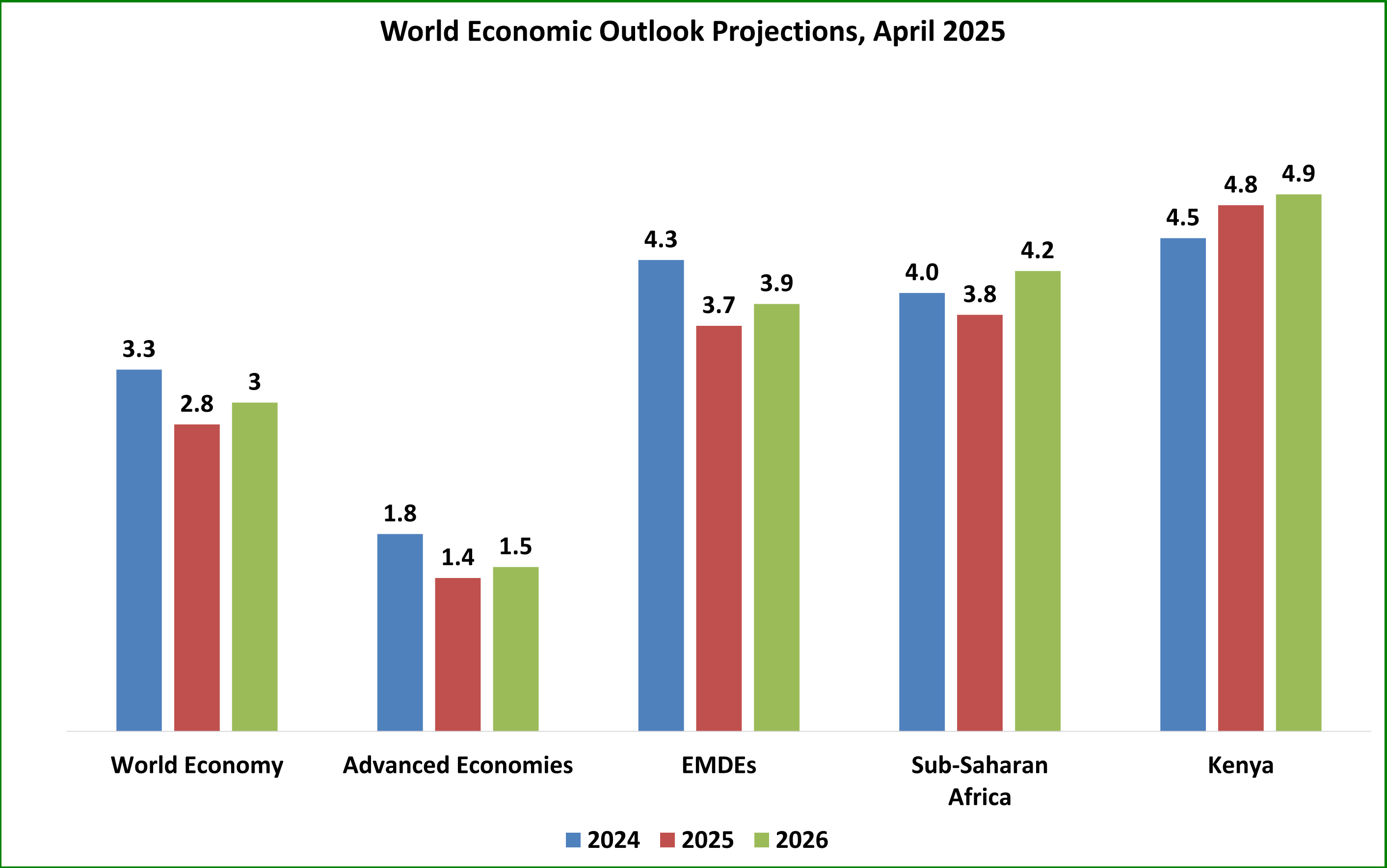


# Economic Highlights

Navigating Challenges, Capturing Opportunities



# Uneven Growth Ahead: Global Divergence and Tariff-Driven Slowdown in 2025



- Core Views**
- Global GDP growth expected to slow to 2.8% in 2025, down from 3.3% in 2024, with tariffs impacting trade.
  - Advanced economies lagging, emerging markets showing resilience but facing new headwinds.
  - Kenya outperforms with projected growth of 4.8% in 2025, supported by agriculture and a resilient services sector.

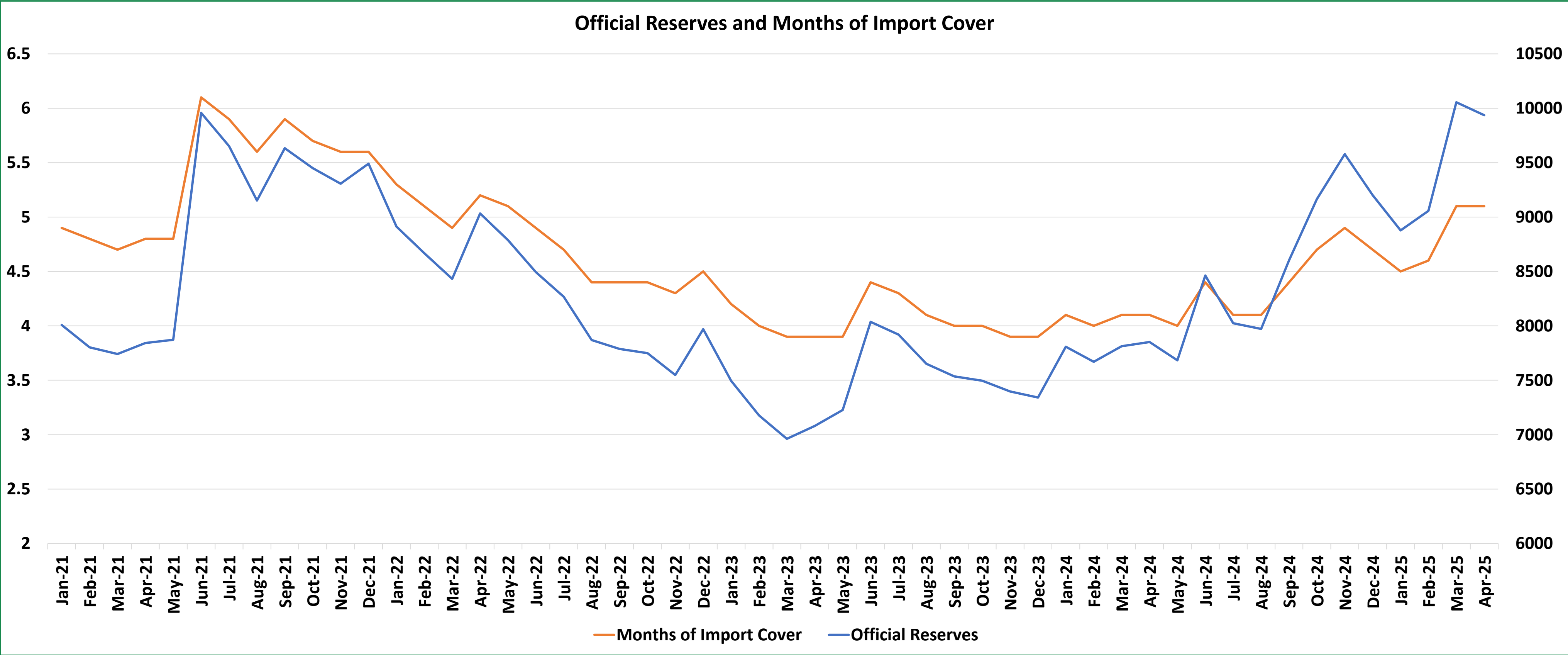


# Key Economic Indicators Snapshot: Positioning for Recovery and Policy Adjustments in 2025.

Indicator	2023	2024e	2025f
Real GDP growth (%)	5.6	4.5	4.8
Inflation (%)	7.69	4.52	≤5
Policy Rate (% , EOP)	13	11.25	9
FX (KES/USD)	153	129	128–132
Reserves (USD bn / months import)	7.8 / 4.0	9.9 / 5.1	≥9.5 / ≥4.5
Current-account deficit (% GDP)	4.1	3.3	2.8
Private Sector Credit Growth, (% , EOP)	13.9	-1.4	10
NPL ratio (%)	15.1	16.4	≤16
Fiscal Deficit (% , GDP)	5.3	5.1	4.4



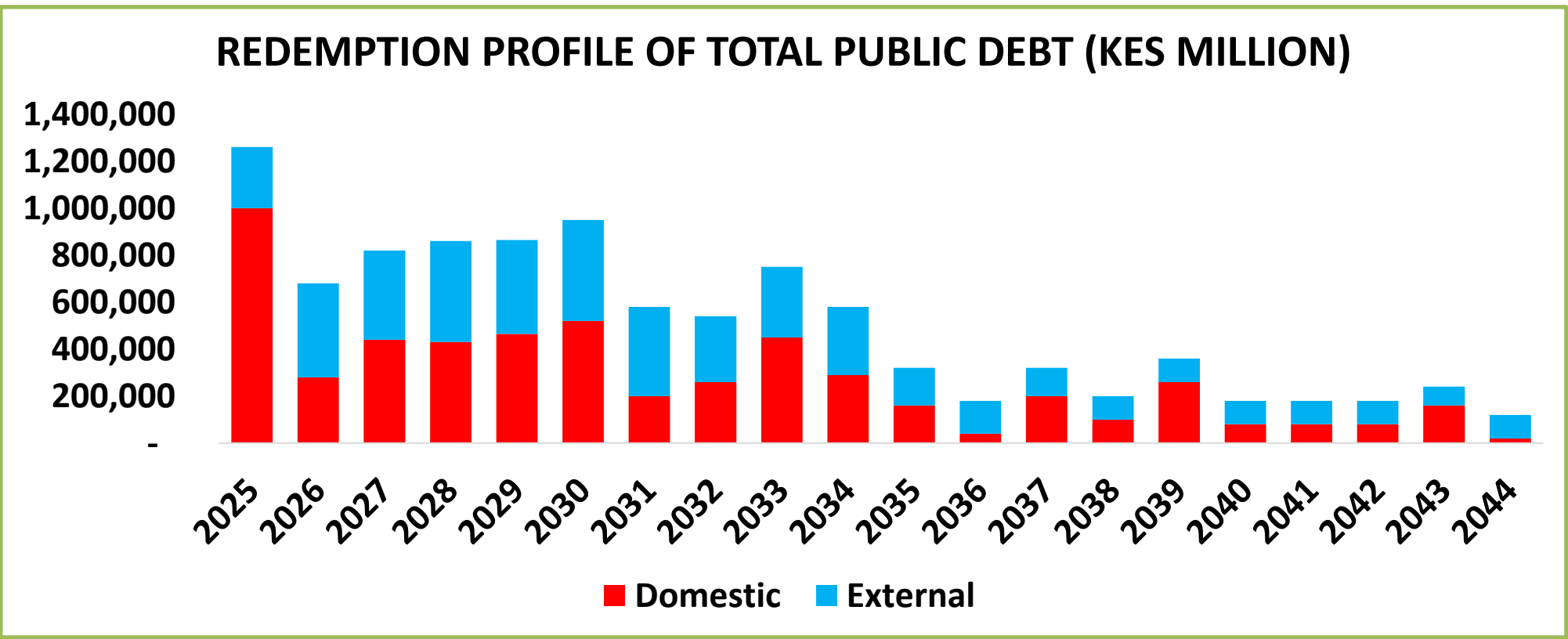
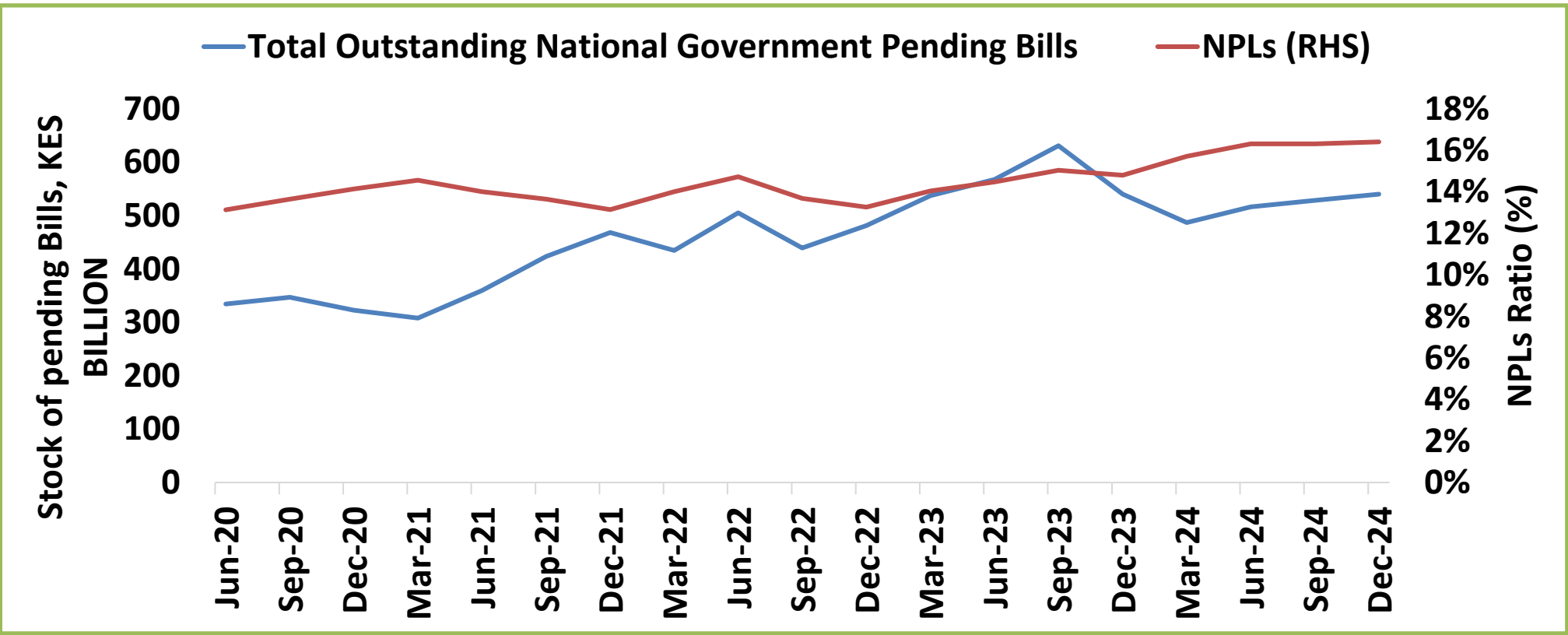
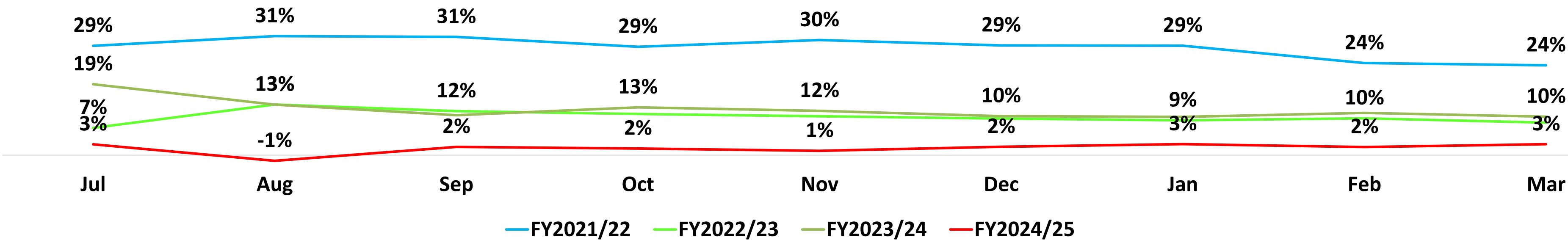
# Strong FX Buffer: Reserve Recovery Through Debt Creating inflows, Signals Shilling Stability in 2025





# Unlocking Liquidity: The Road to Confidence Through Fiscal Discipline

Overall growth in tax revenues has weakened substantially in FY2024/25



- The Government is keen on pending bills resolution & fiscal consolidation.
- These are expected to unlock liquidity and enhance confidence in the domestic economy.



# Key Risks To Watch in 2025

Trade policy uncertainty-Tariffs.

Global financing conditions.

Fiscal Policy implementation and debt sustainability.

Geopolitical tensions.



# 2025-2029 Corporate Strategic Plan

*“Good to Great” Strategy*

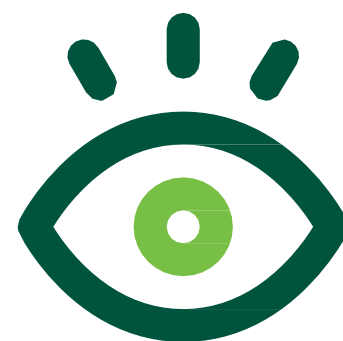






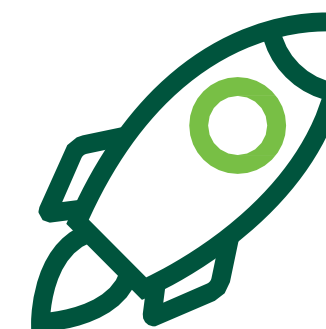
## PURPOSE

A financial partner predominantly owned by the 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

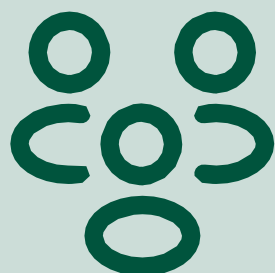
To offer a wide range of innovative financial solutions leveraging on our heavy investment in multi-channels, national and regional presence and with a focus on excellent customer experience by a highly motivated and talented team.

1



Aggressive deepening of our dominance in Kenya and Region.

2



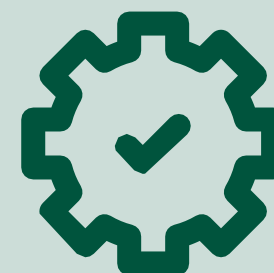
Primary provider of financial services to the Co-operative Movement in Kenya and the region

3



Seamless and exceptional experiences across all customer touchpoints.

4



Leverage 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 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

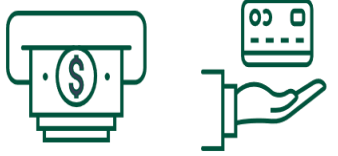
>**90%** of total transactions are on Alternative Channels.

### E-Credit

- A key focus area, **Kshs. 447.89B** disbursed to Date.
- Kshs. **6.4 Billion** disbursed per month on average.
- Short term tenure



**Mobile Internet**



**ATM & Agency**



## MSME Transformation

**67,000** Customers trained

**243,155** customers onboarded MSME Gold, Silver & Bronze

### NFS

- **131** Webinars
- **190** Clinics
- **46** 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) & Kingdom Bank (Ongoing).
- Omnichannel platform
- Mco-op Cash Mobile Wallet
- Business Process Management System.





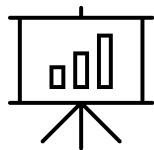
## NPL Management & Credit Processes

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.

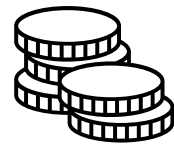
Focused credit management projects through:

- 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.



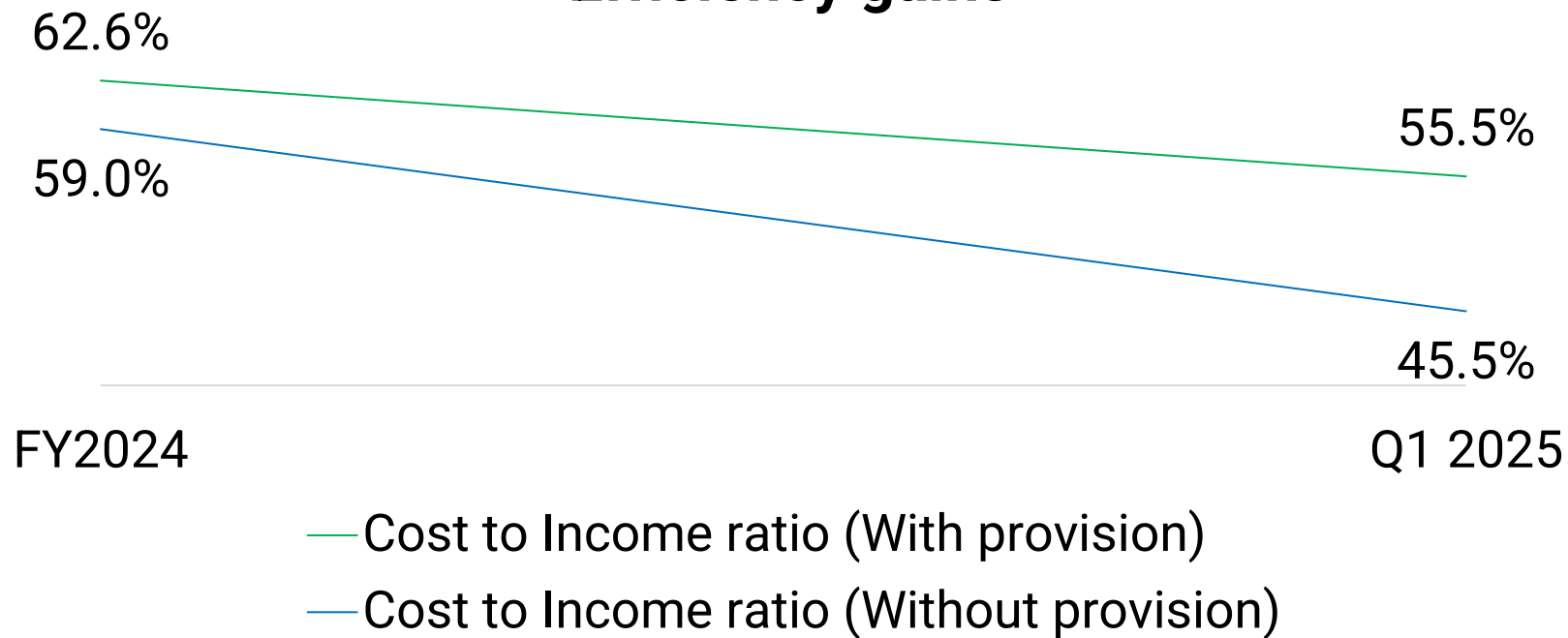
## Data Analytics

- 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

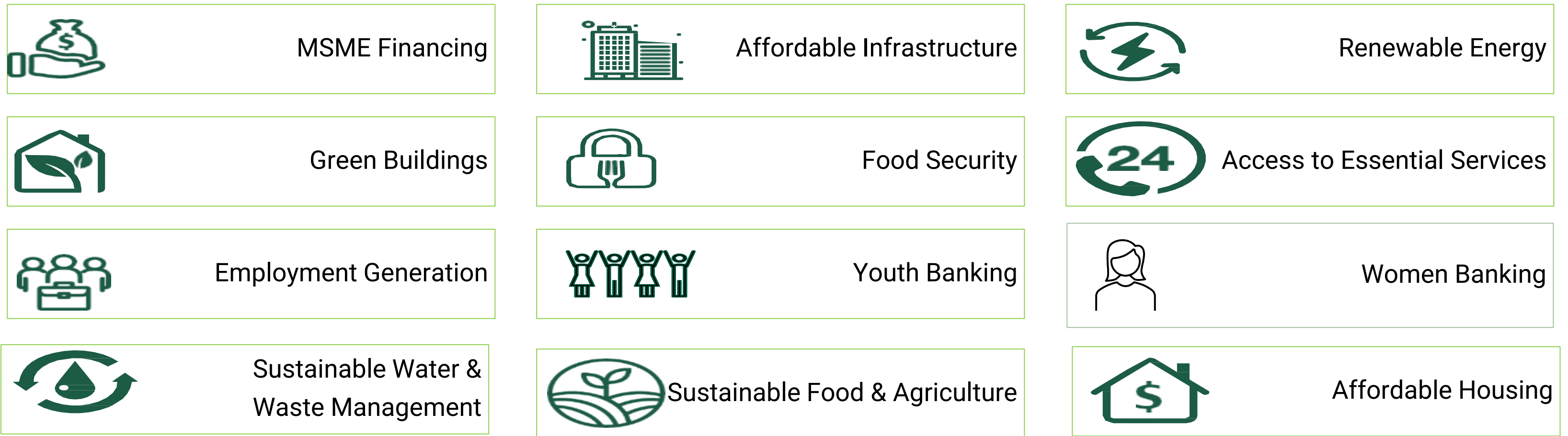


# Environmental Social and Governance (ESG)





# Impact driven by our dedicated ESG Focus



- **ESG Policy:** Co-operative Bank Group is committed to sustainable development and integrating environmental, social, and governance (ESG) principles throughout all operations and business activities.
- **Environmental and Social Management System (ESMS):** We use an ESMS, aligned with IFC Performance Standards and national regulations which includes risk categorization, due diligence, action plans, and monitoring
- **Loans screening for environmental and social risks.**
- **ESG Risk Management:** We integrate ESG risk, that include environmental risks, into our existing risk management processes.

- 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  
**11,709**  
Students  
Sponsored  
on Scholarship  
Program

Co-op  
Consultancy  
**3,770**  
Consultancies  
to the Co-operative  
Movement.

Local Suppliers  
**90%**  
of our sourcing  
is local  
**18.5B**  
paid to Suppliers in  
FY2024

MSME Focus  
**243,155**  
onboarded to MSME  
Gold, Silver and  
Bronze.  
**67,000**  
Trained



# Environmental Social and Governance (ESG) Policy Statement

## 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.

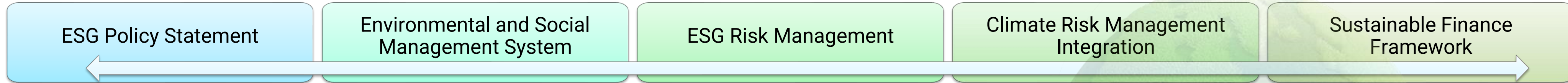
**This policy shall be applied enterprise-wide and covers all material operations, including geographies, corporate functions, and business units of the Co-operative Bank (Co-op Bank) Group.**

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





# ESG Policy Framework



Our ESG Policy Framework is a cohesive structure guiding Co-operative Bank's strategic approach to Environmental, Social, and Governance (ESG) obligations. It orchestrates an interconnected network of policies, procedures, and guidelines, creating a robust ESG management system and provides a robust blueprint for managing and mitigating ESG-related risks, as well as for leveraging opportunities to enhance our positive impact on society and the environment

## Environmental

Bolster environmental health through sustainable financial products & services and programs



### 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

## Social

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



### Financial Inclusion

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

### Social Inclusion

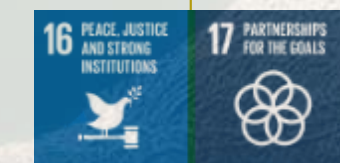
Promoting financial intermediation in the economy

### Economic Inclusion

Empowering and building resilient communities, especially to the underserved

## Governance

Build enterprise resilience through ESG integration



### Groupwide ESG Integration

Incorporating ESG in all investment and operations decisions





# Sustainability Awards

Most Sustainable Bank in Kenya



Most Innovative Bank



Best in financing Commercial Clients



Best in Financing MSMEs



1<sup>st</sup> Runners up – Best In promoting People with Disability (PWD)



2<sup>nd</sup> Runners Up – Best in Promoting Gender Inclusivity

**Asanteni  
Saana!**

**OVERALL  
WINNER**

Sustainable Finance Catalyst Awards





# Award-Winning Brand

## **GLOBAL FINANCE - WORLD'S BEST BANK AWARDS 2024**

Best Bank in Kenya

## **FT AWARDS 2024**

Bank of the Year (Kenya)

## **AFRICAN BANKER AWARDS**

African Banker of the year Award (2023)

Best Regional Bank – East Africa (2022)

## **ICPAK FIRE AWARDS**

Overall Winner – Sustainability Reporting 2022 & 2023

## **CSR 100 AWARDS**

Education Scholarship Program

Adoption of Agribusiness and use of Renewable Energy Technologies for Agriculture by Youth in Kenya



## **ASIAN BANKER GLOBAL MEA AWARDS**

Best SME Bank in Kenya - 2024

Best Omnichannel Technology Implementation - 2023

## **KBA CUSTOMER SATISFACTION SURVEY 2022 & 2023**

Best Overall in Satisfactory Customer Experience.

## **DIGIBANK SUMMIT 2022**

Excellence in Customer Experience

## **CIO 100 AWARDS**

CIO of the year Award (2023)

Banking Category – Overall Winner (2024)

## **EMEA FINANCE AFRICAN BANKING AWARDS 2022 & 2023**

Best Bank – Kenya

Best Asset manager, Co-opTrust Investments Services – Kenya

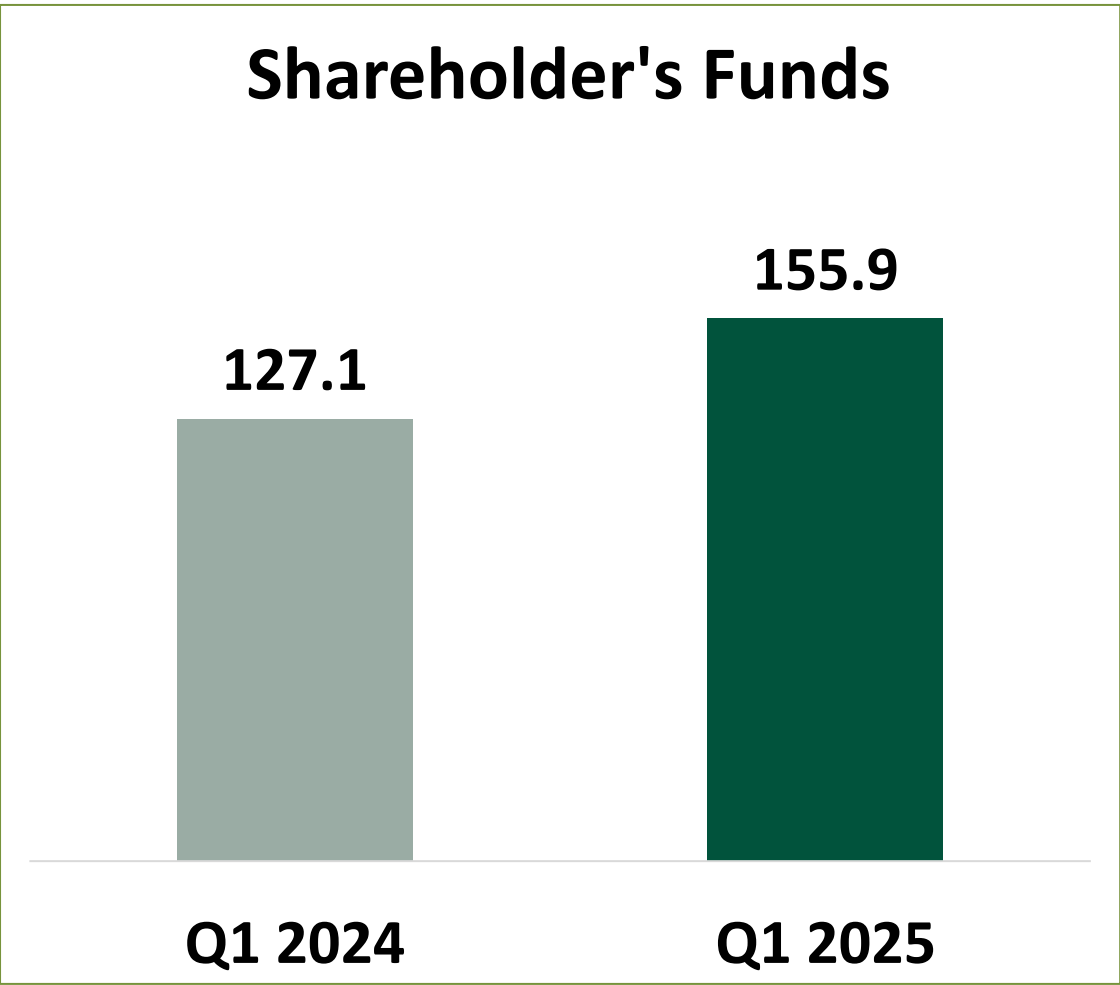
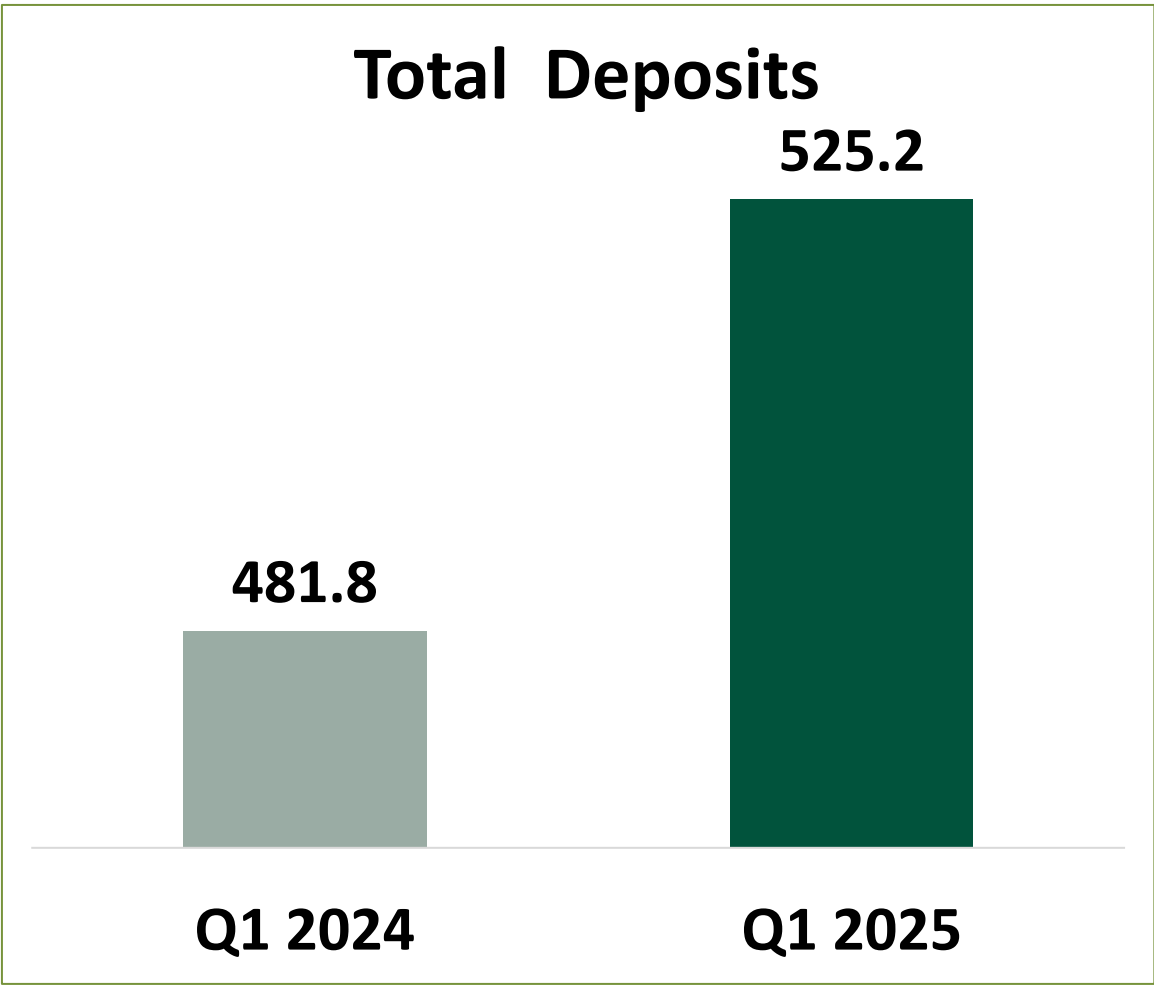
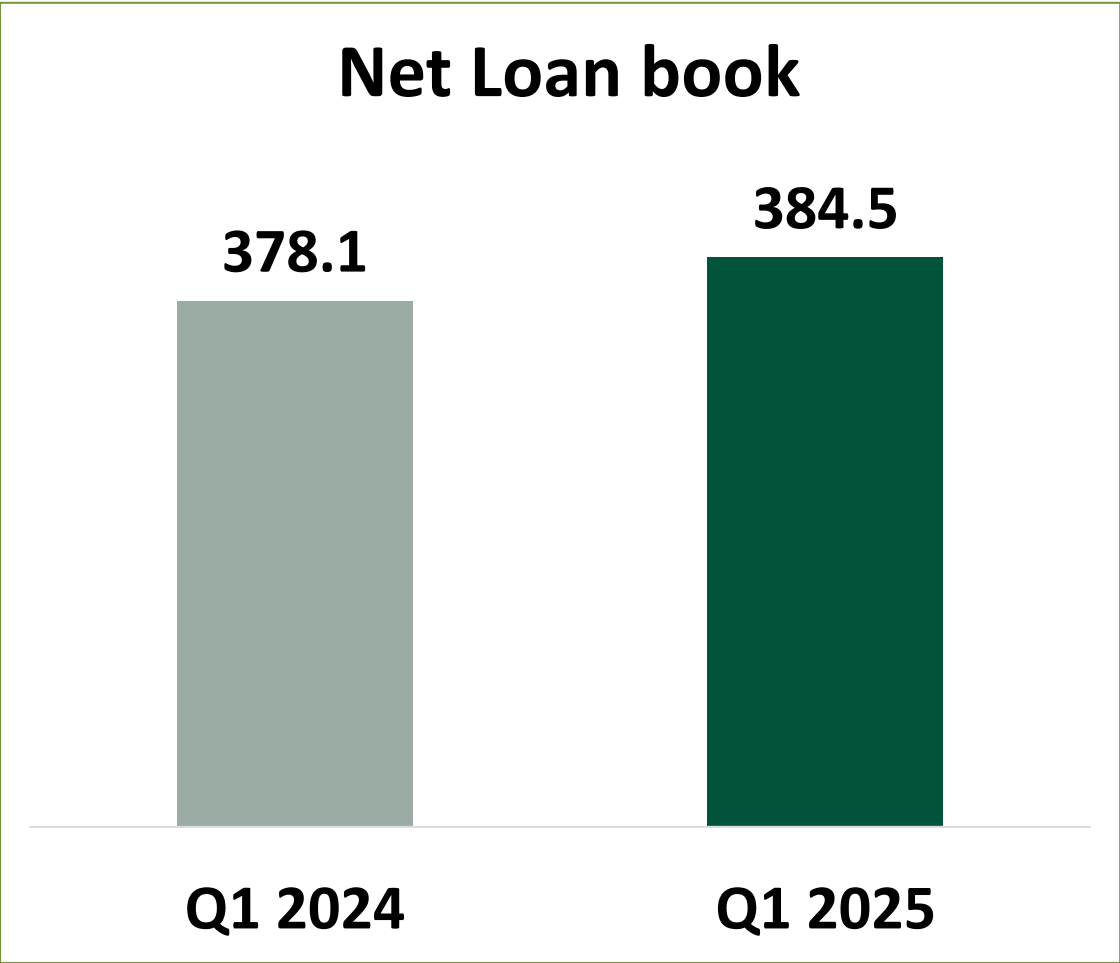
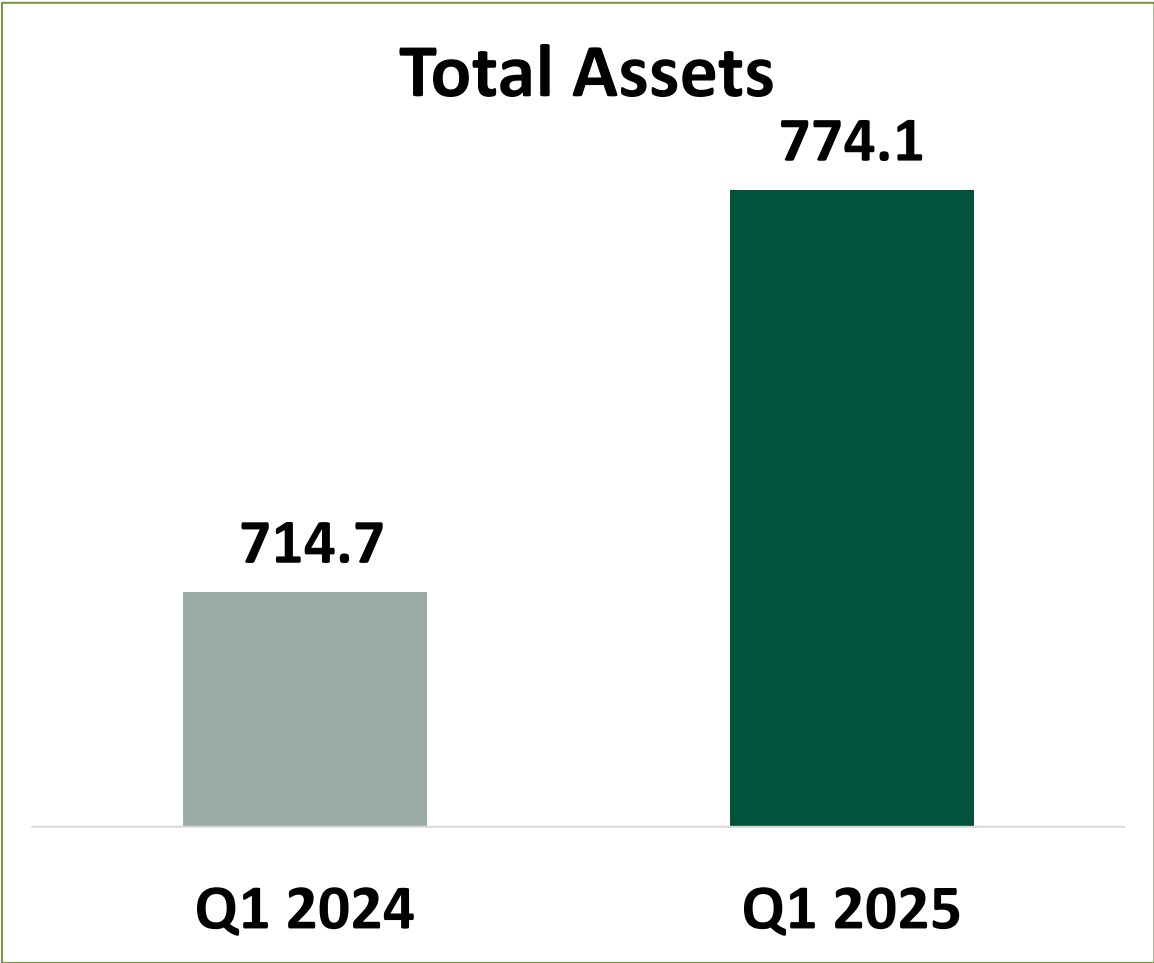




# Group Financial Performance



# Strong Financial Position (Kshs. Billions)





# Strong Financial Position (Kshs. Billions)

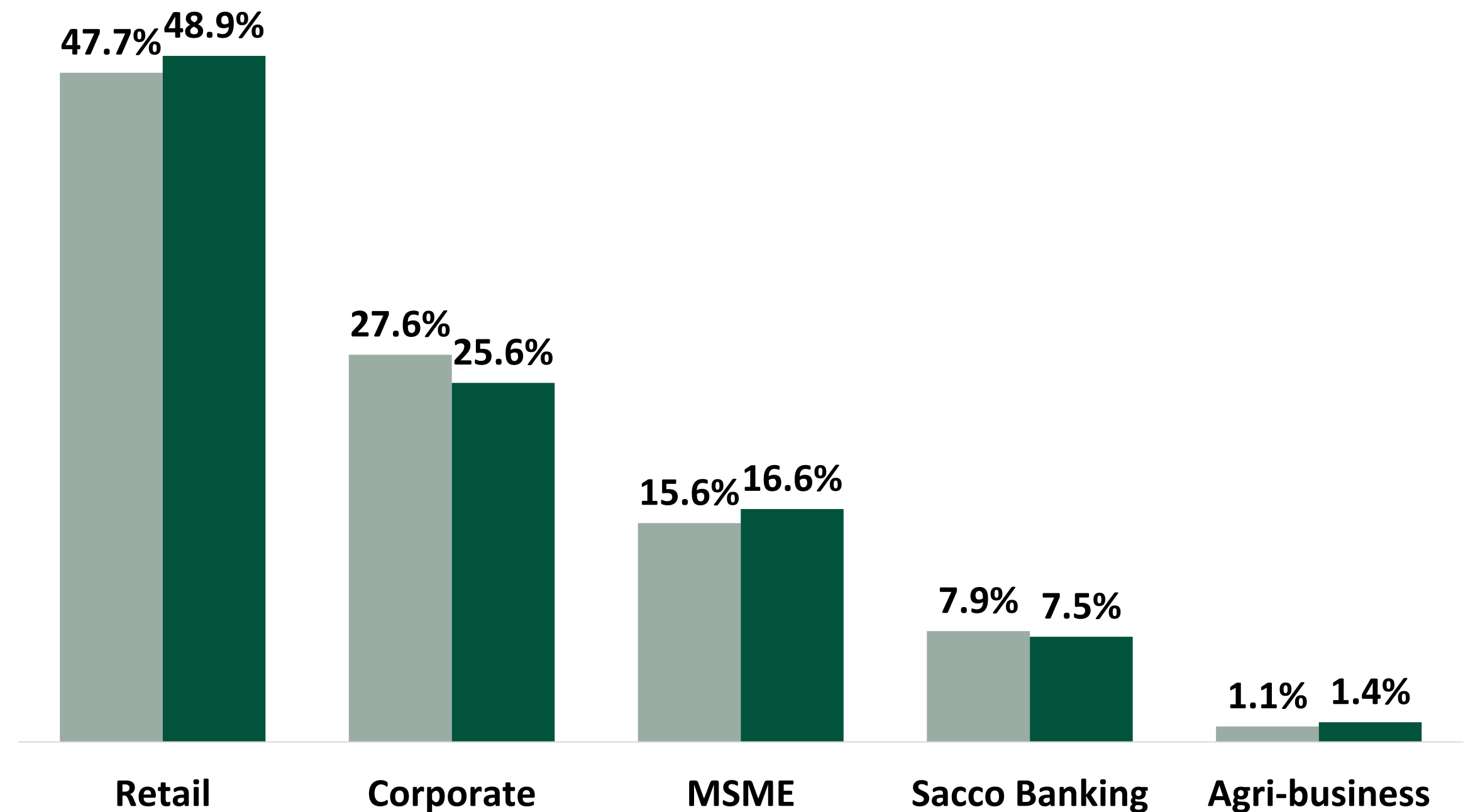
Kshs. Billions	Q1 2025	Q1 2024	% Growth	
<b>Total Assets</b>	774.1	714.7	8.31%	↑
<b>Net Loan book</b>	384.5	378.1	1.70%	↑
<b>Government Securities</b>	242.1	200.2	20.94%	↑
<b>Total Deposits</b>	532.1	501.6	6.08%	↑
<b>Borrowed Funds</b>	54.8	60.1	-8.81%	↓
<b>Shareholder's Funds</b>	155.9	127.1	22.66%	↑

## 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

■ Q1 2024 ■ Q1 2025

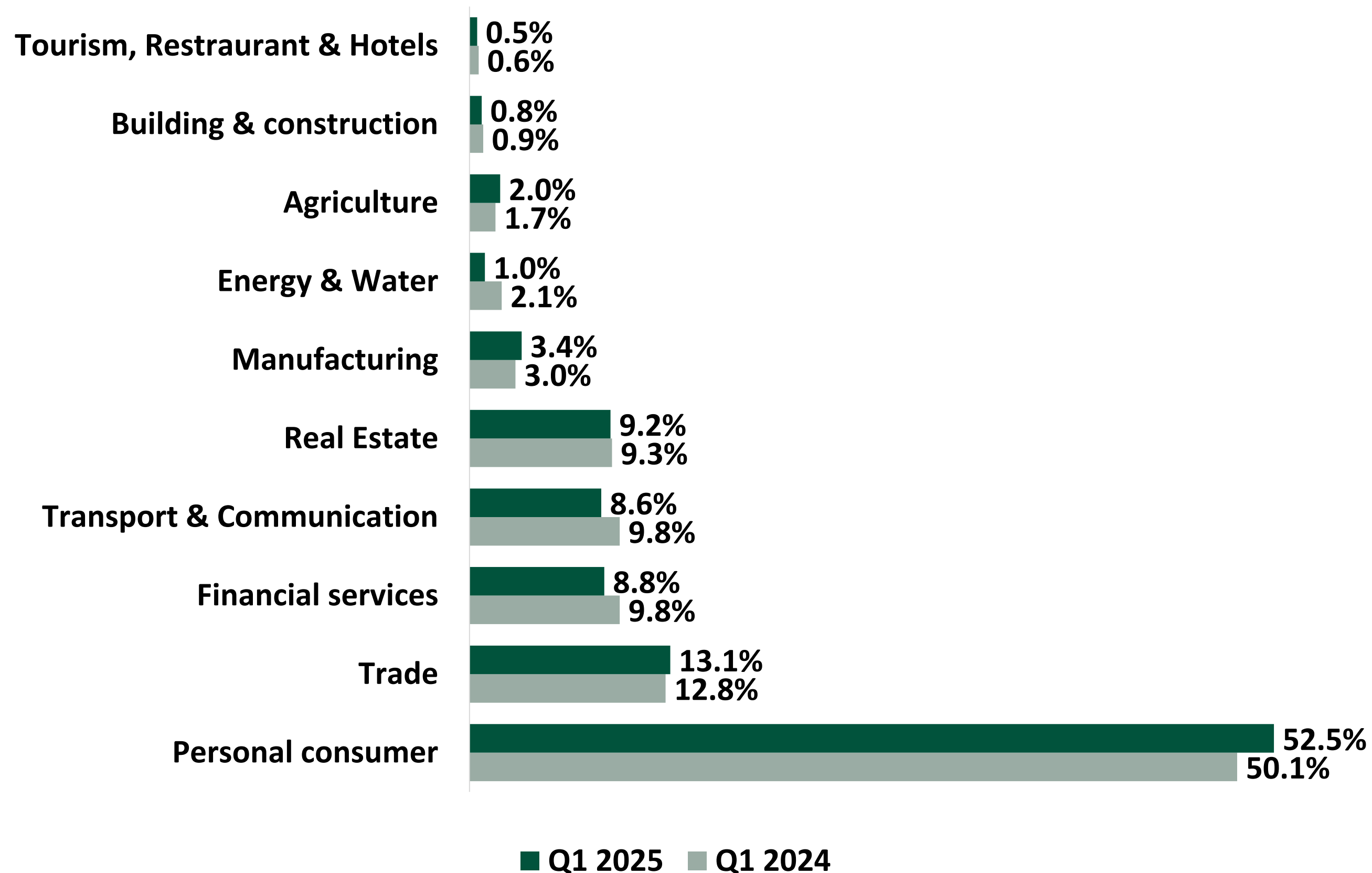




## Diversified loan book

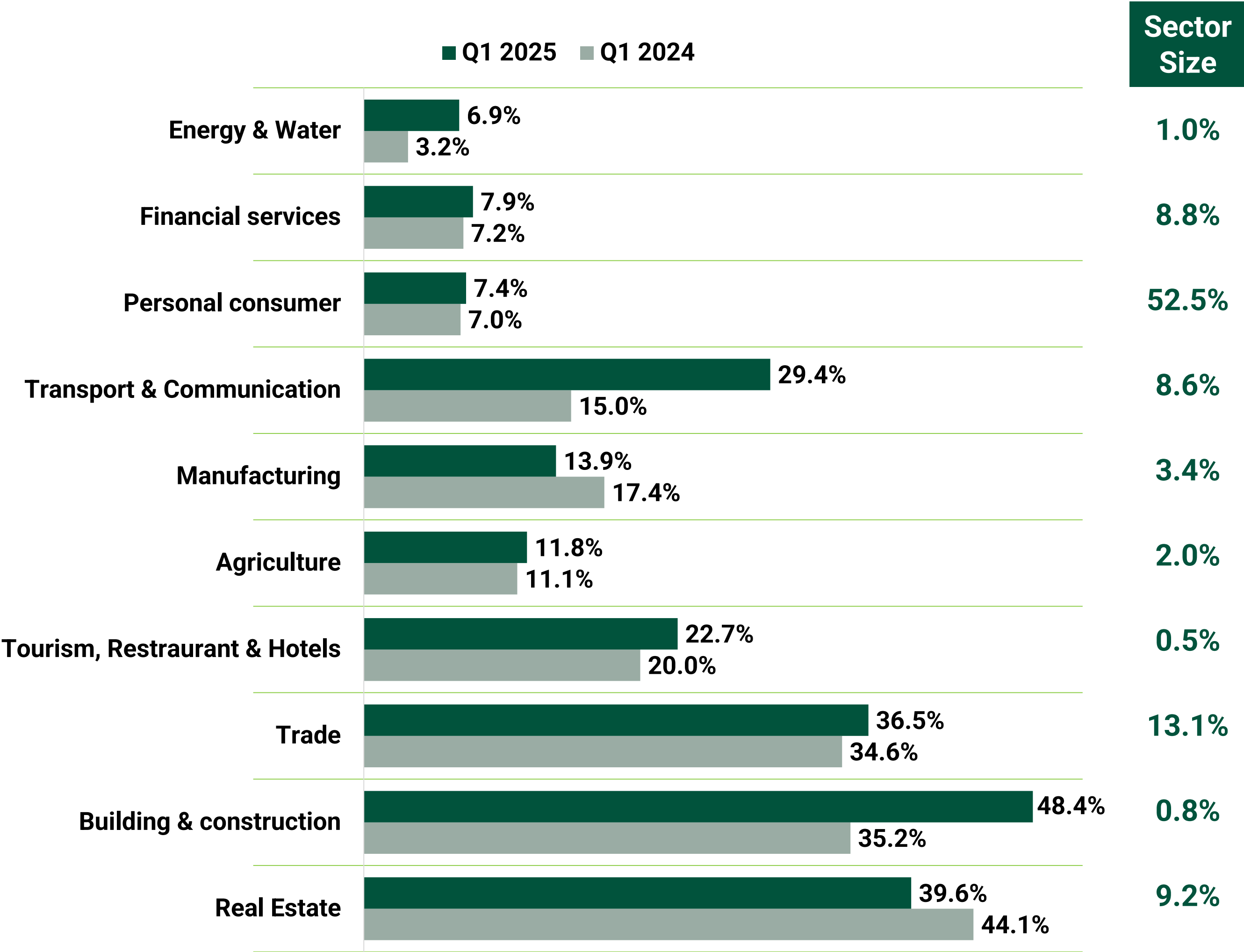
- Diversified across sectors
- 52.5% in Personal consumer which is performing well

### Loan Book by Sector



# Portfolio Trends: Sector NPL

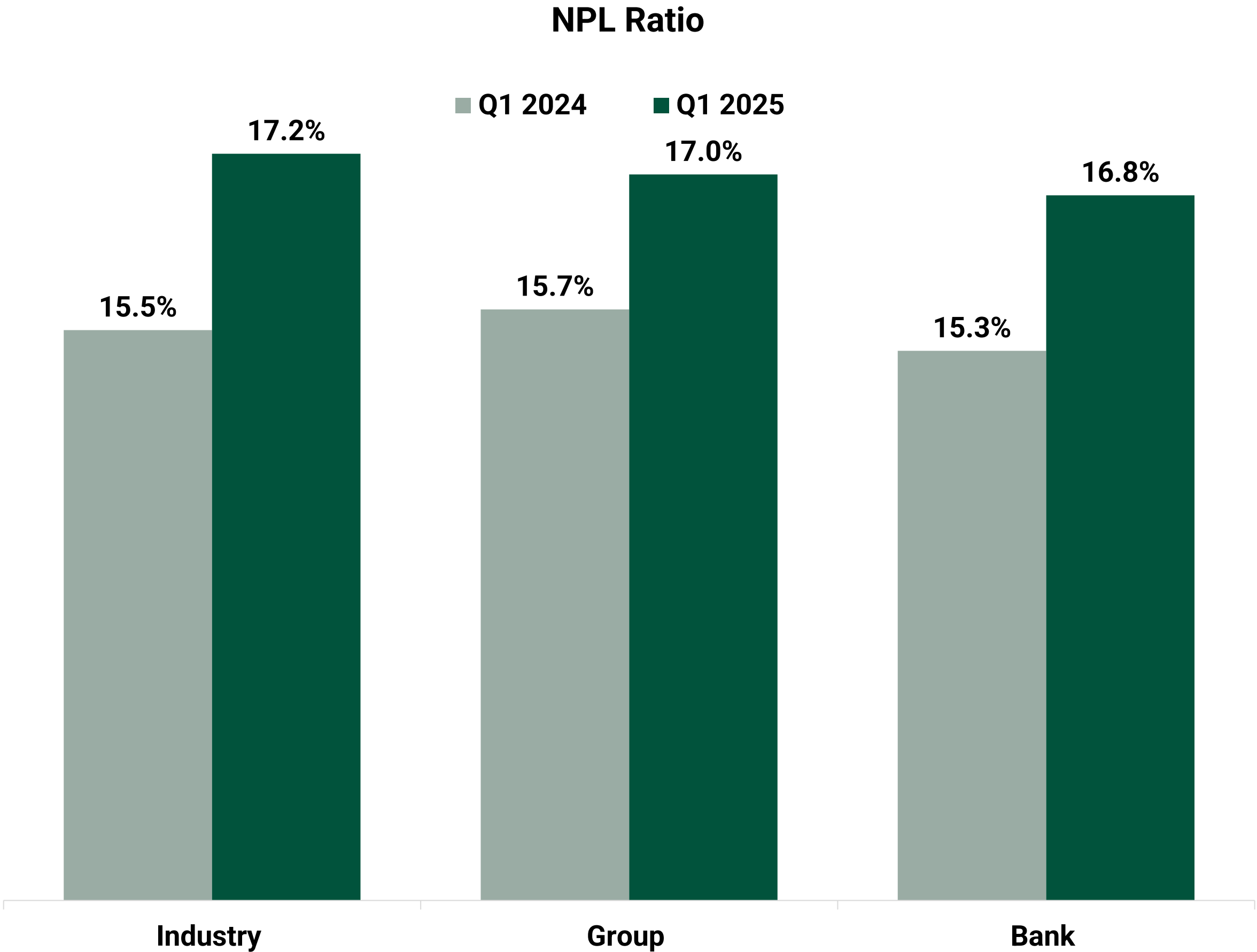
Low relative exposure in high-risk sectors



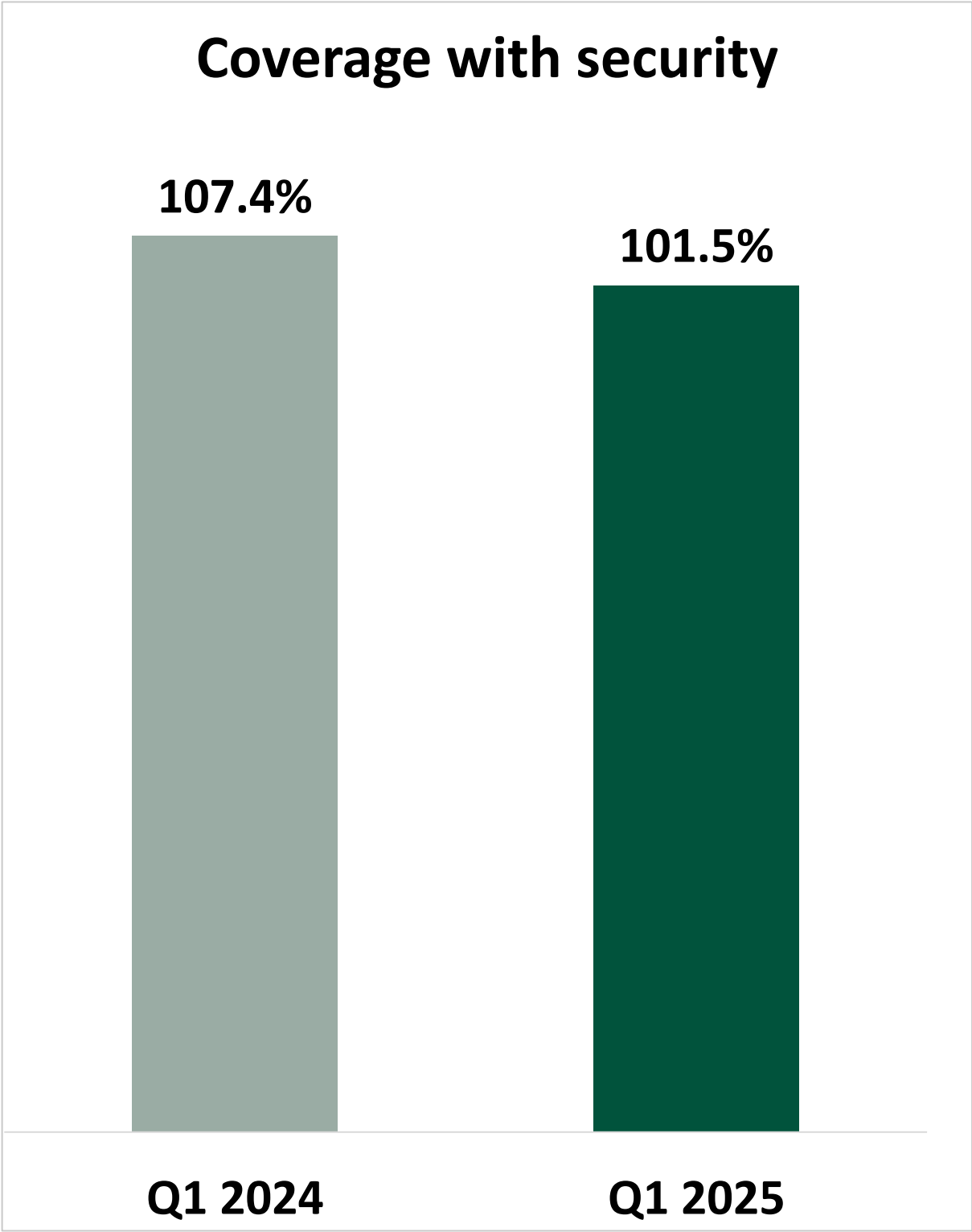
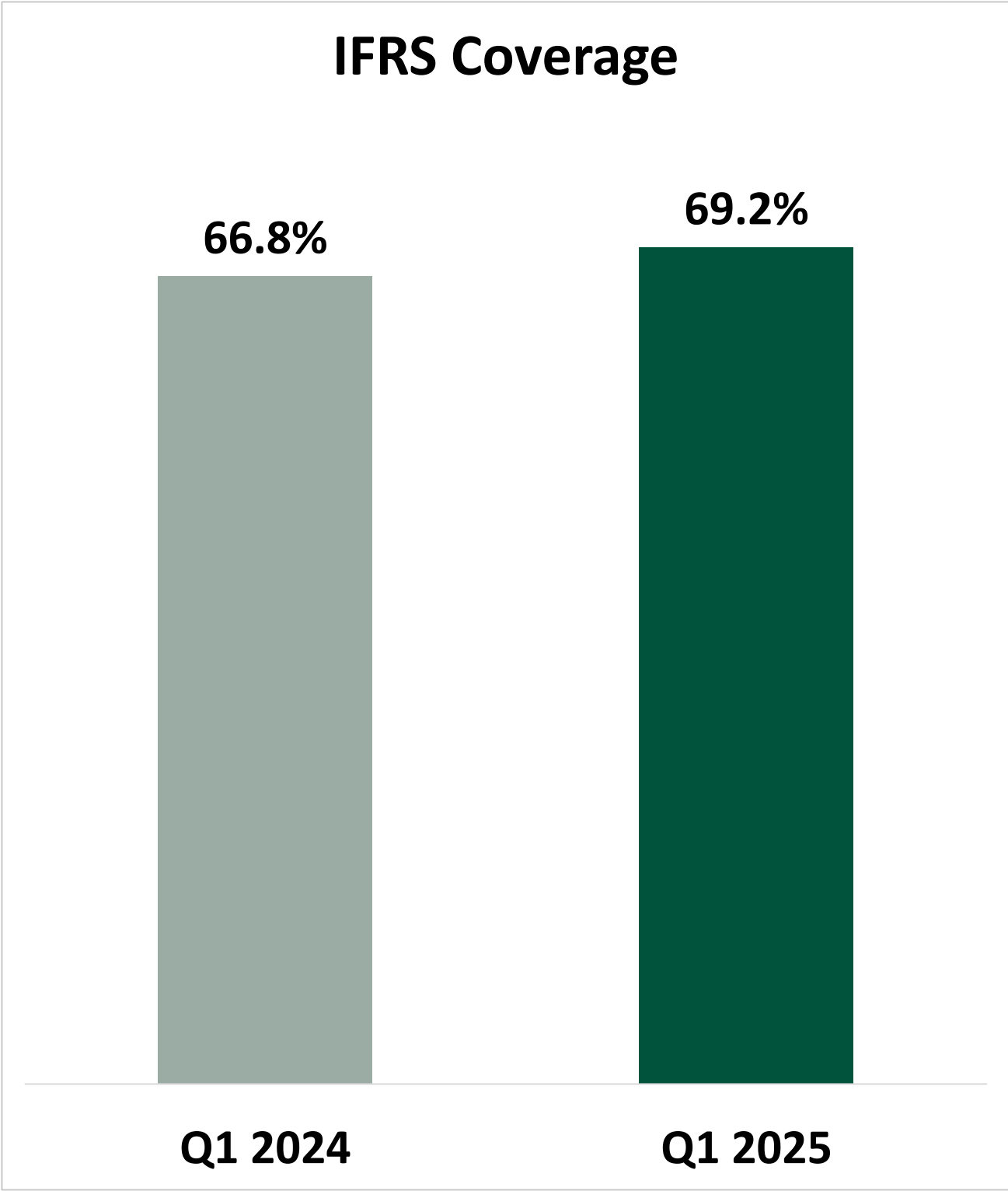
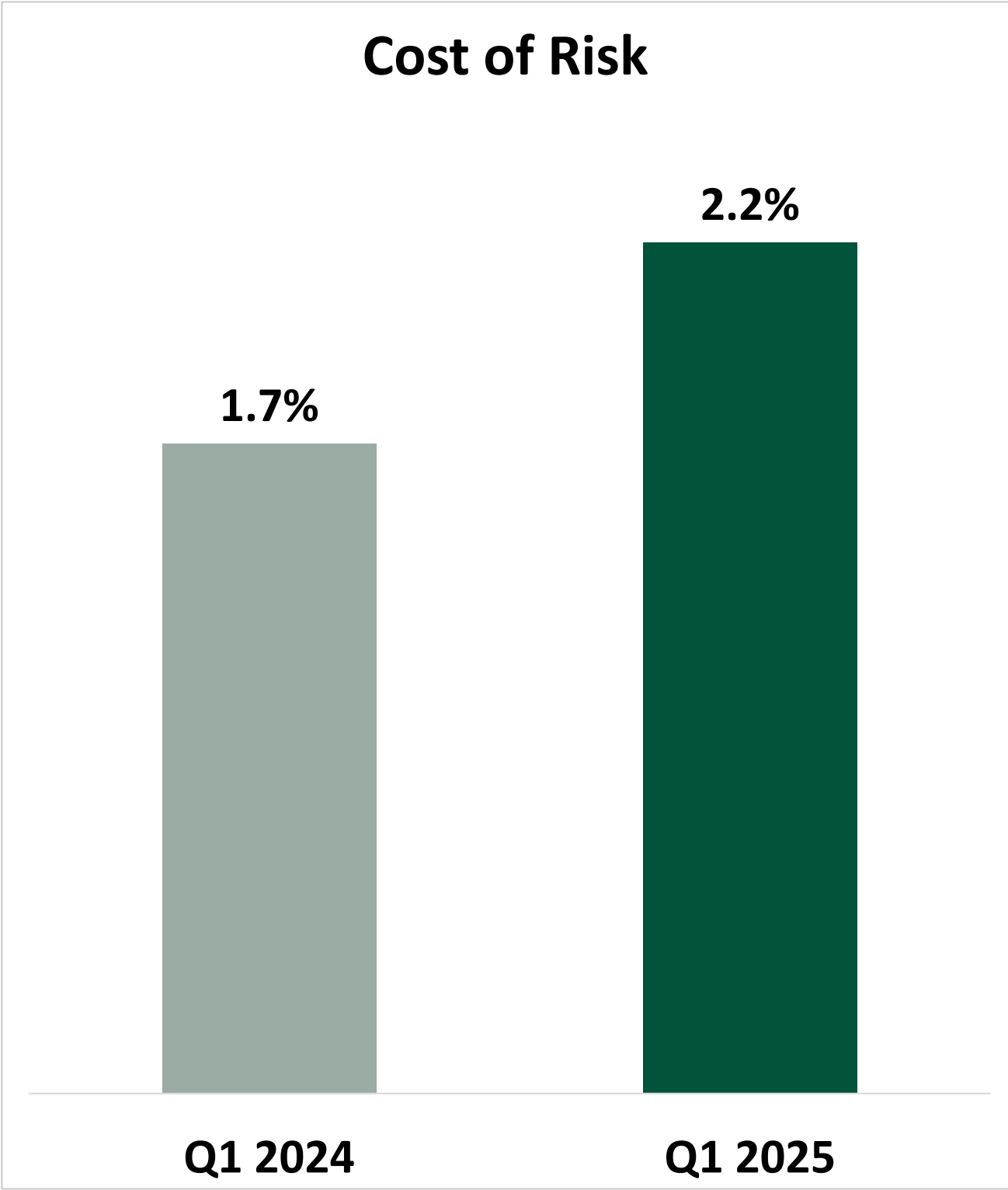


# Supporting NPL Management;

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

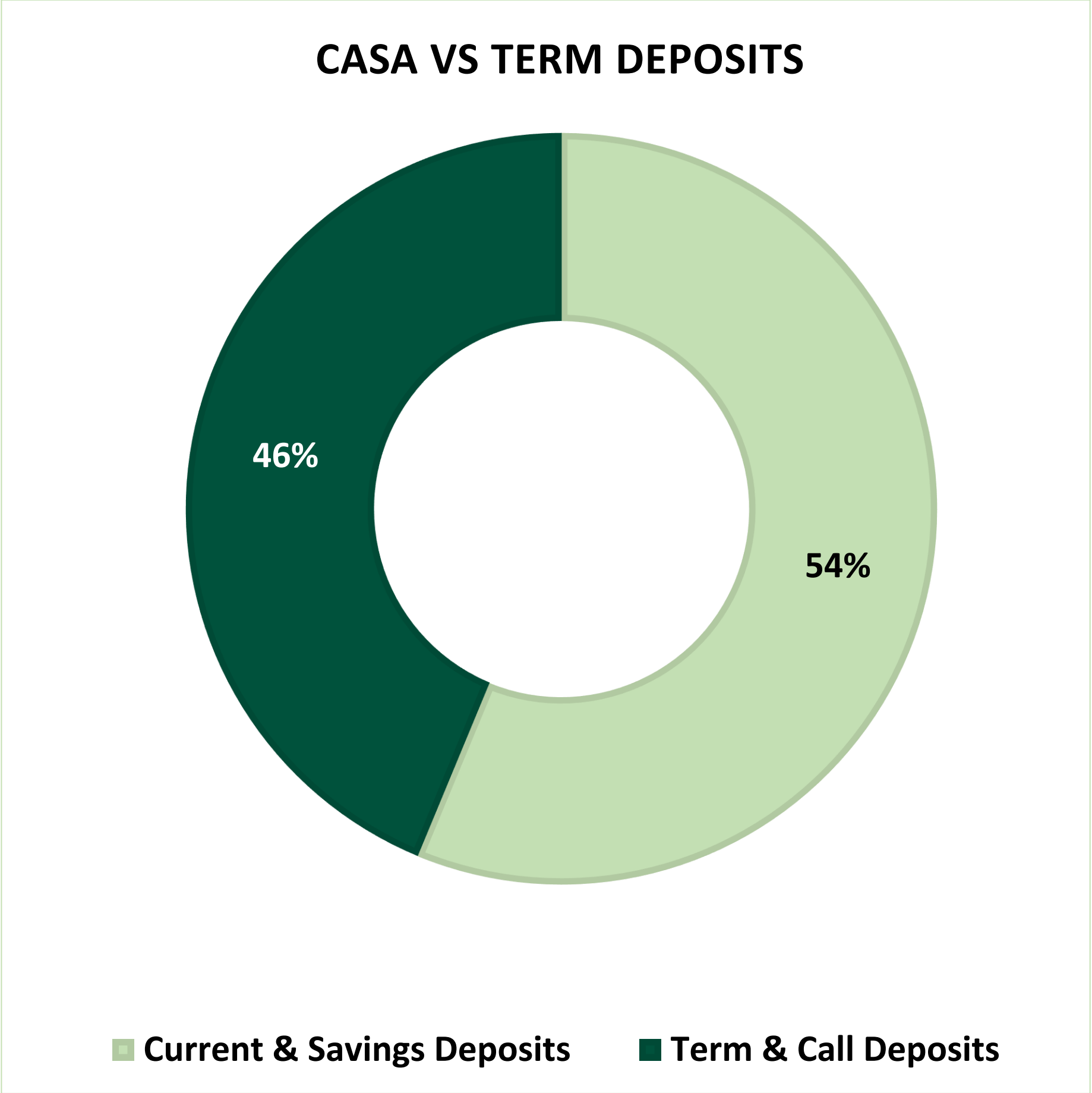
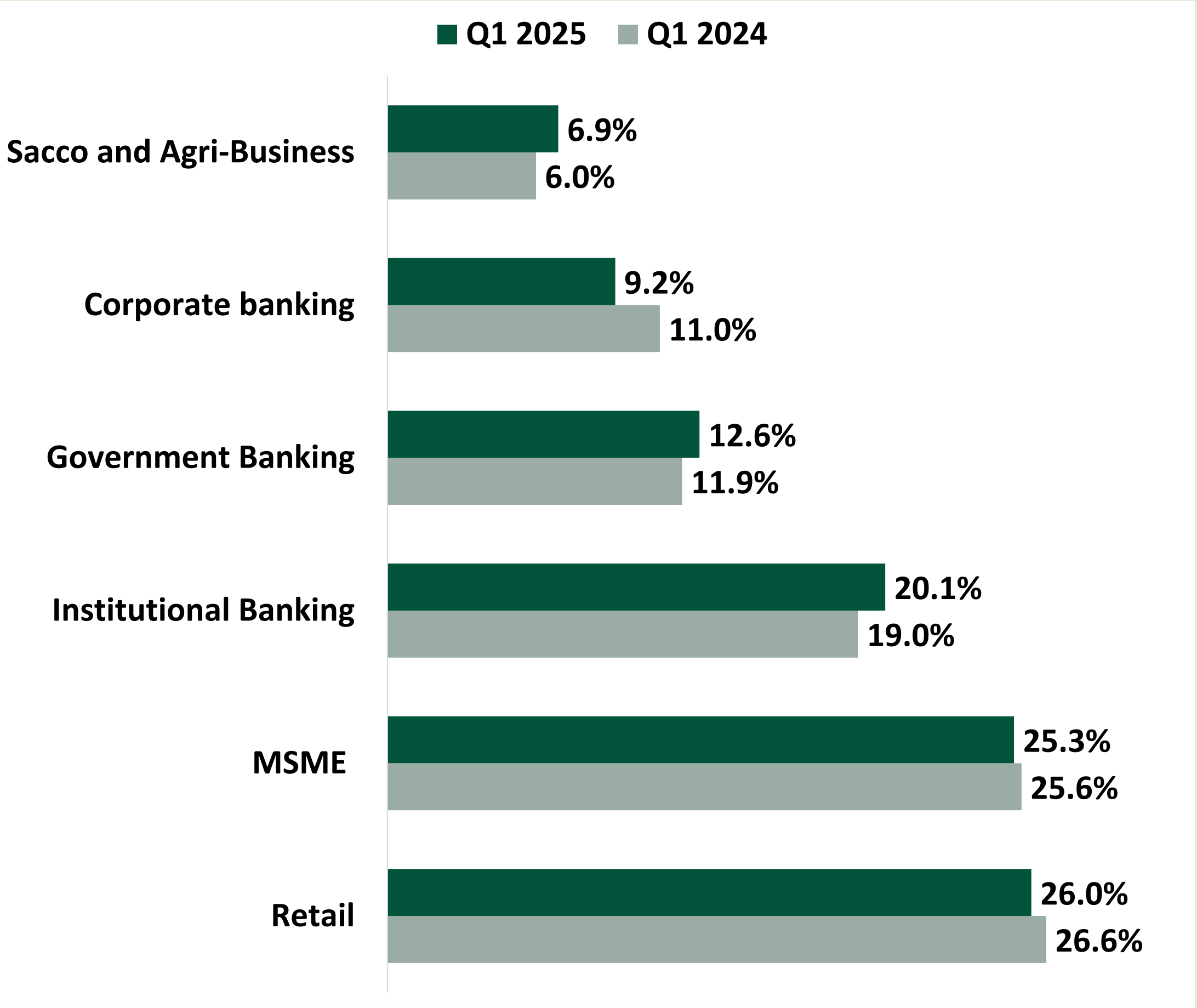


# Cost of risk of 2.2% in Q1 2025.





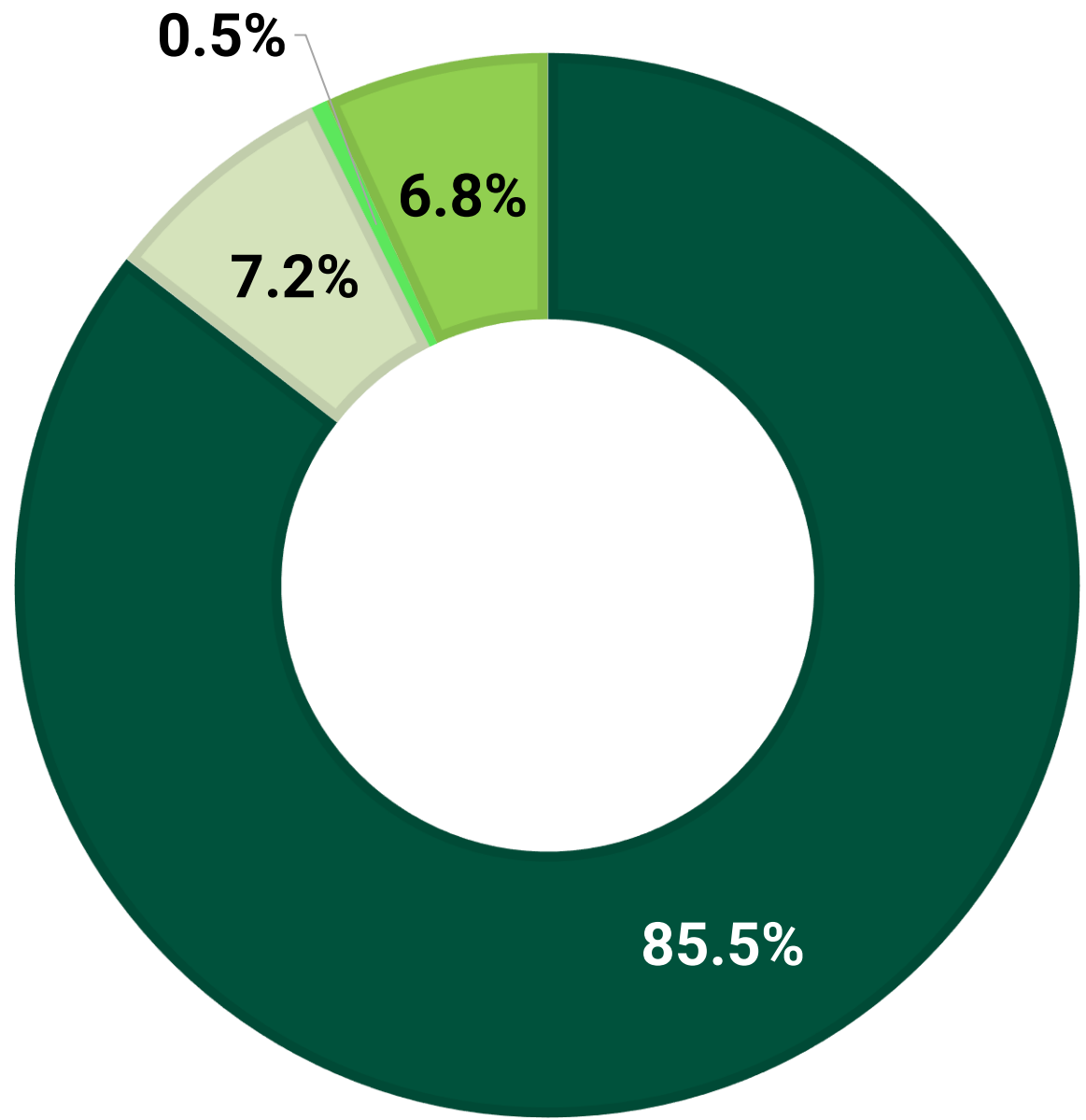
# Well-diversified Liability Portfolio



# Optimally balanced Kenya Shilling Asset & Funding Book

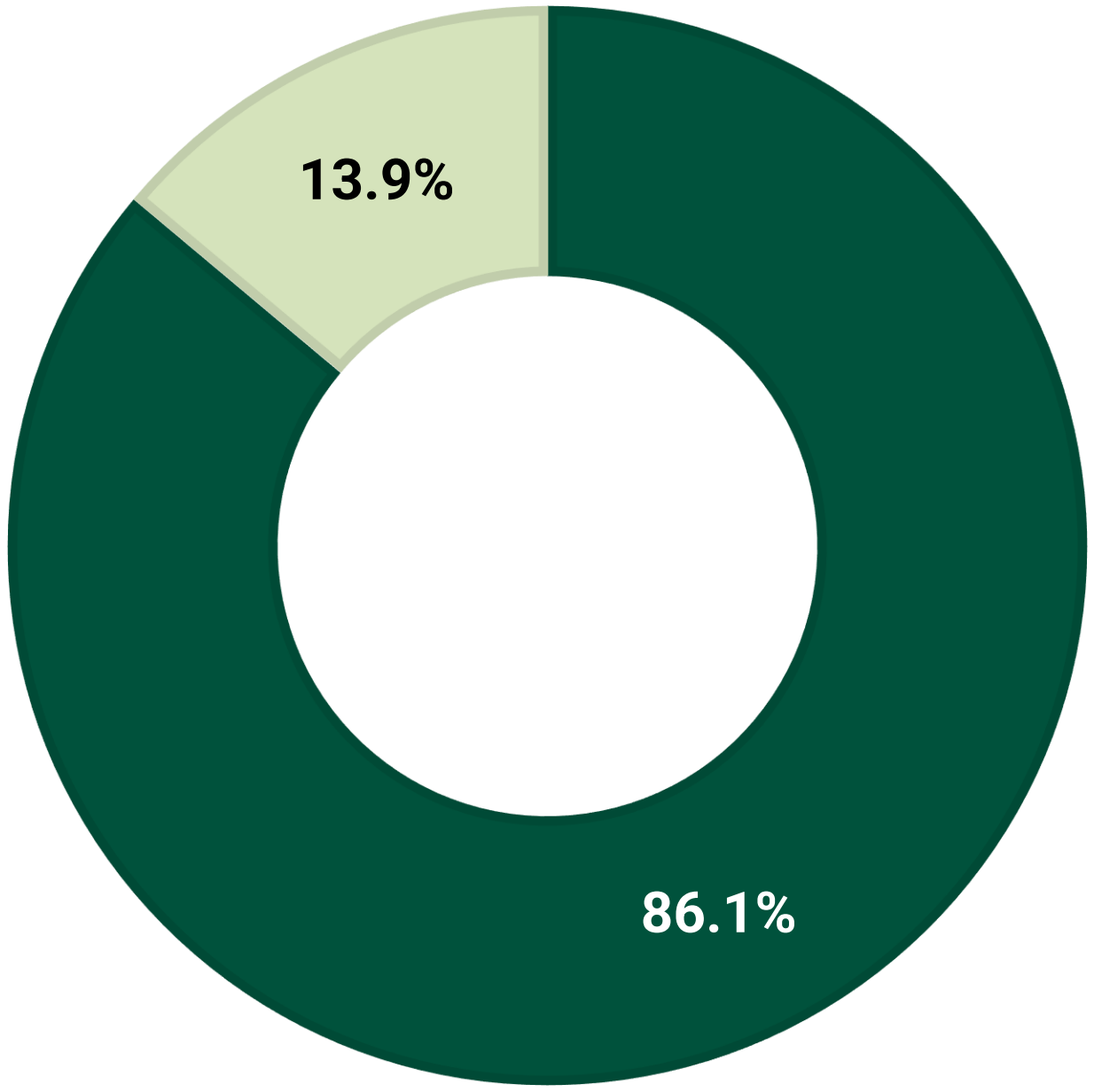
## FUNDING: LOCAL VS. FOREIGN CURRENCY

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



## ASSETS: LOCAL VS. FOREIGN CURRENCY

- Local Currency
- Foreign Currency

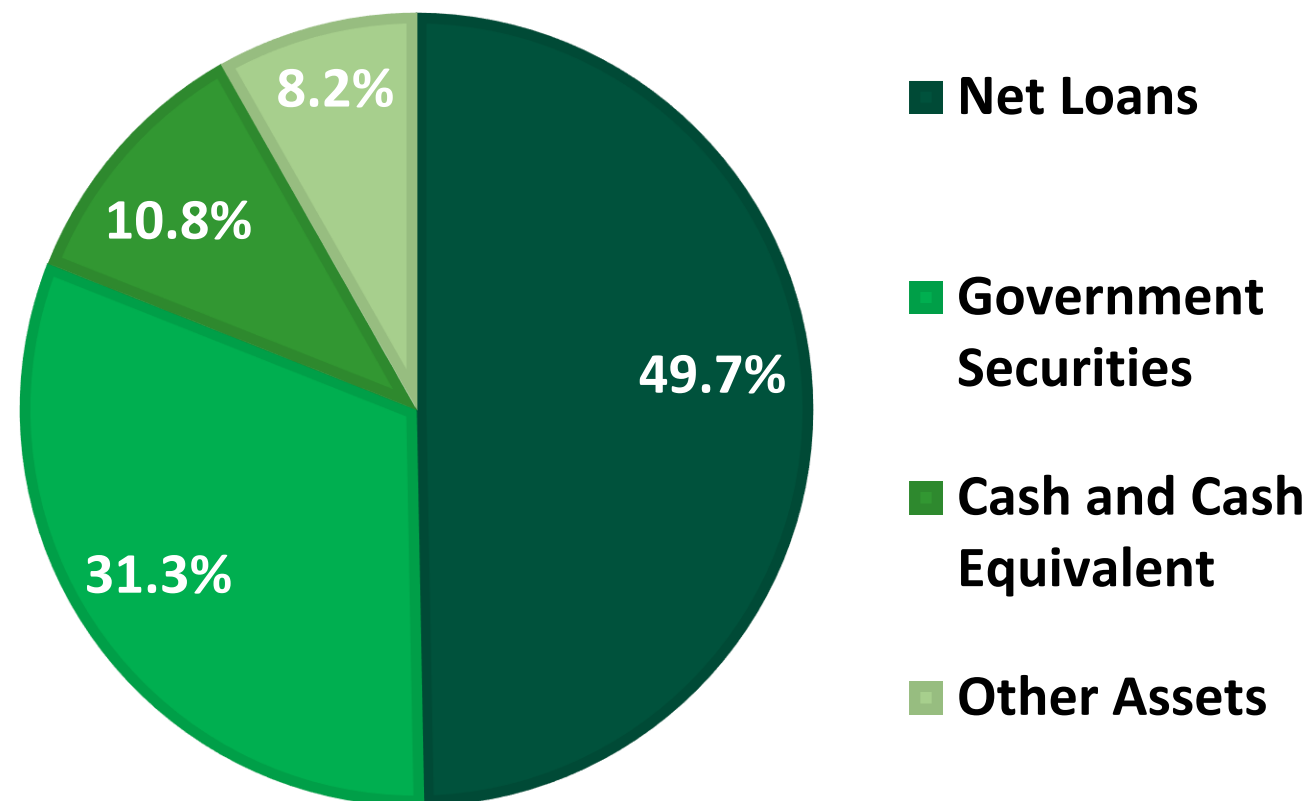




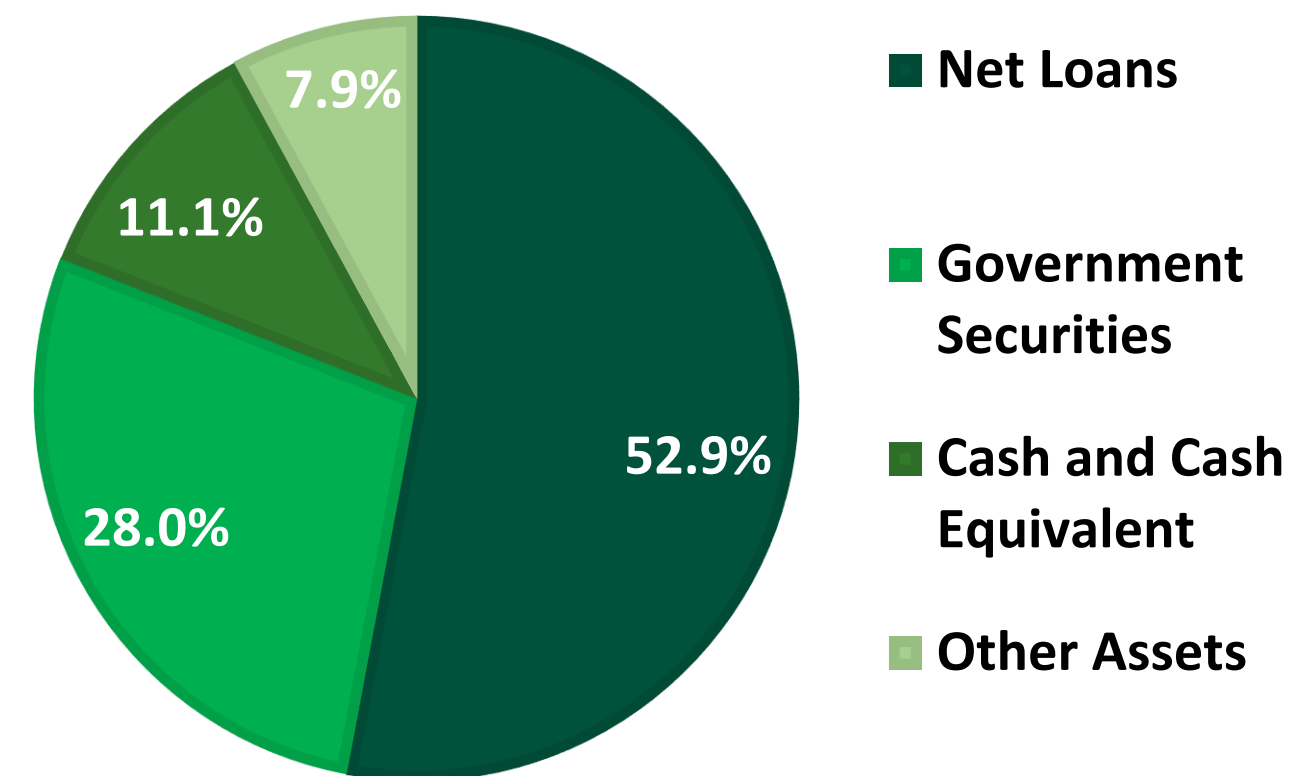
# Asset and Funding Mix

## Asset Categories

Q1 2025

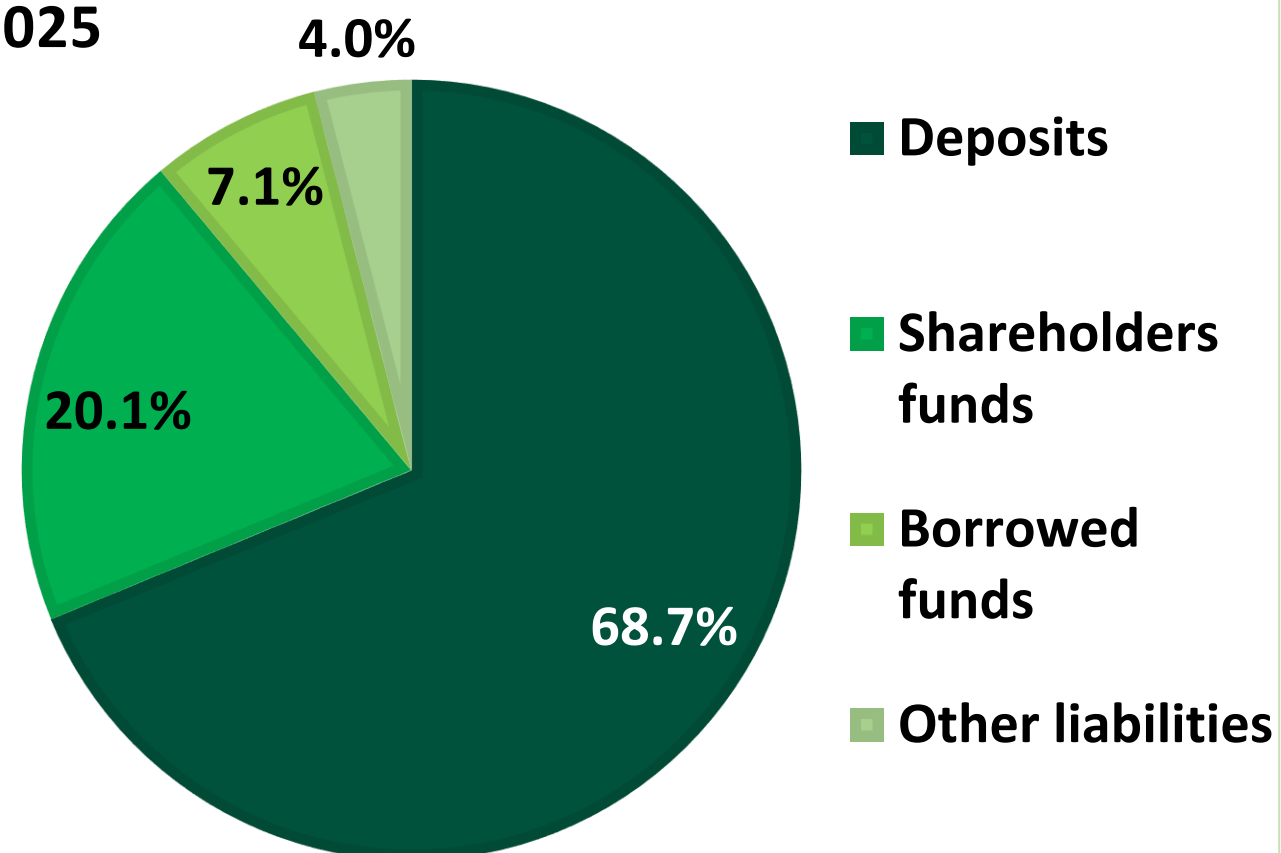


Q1 2024

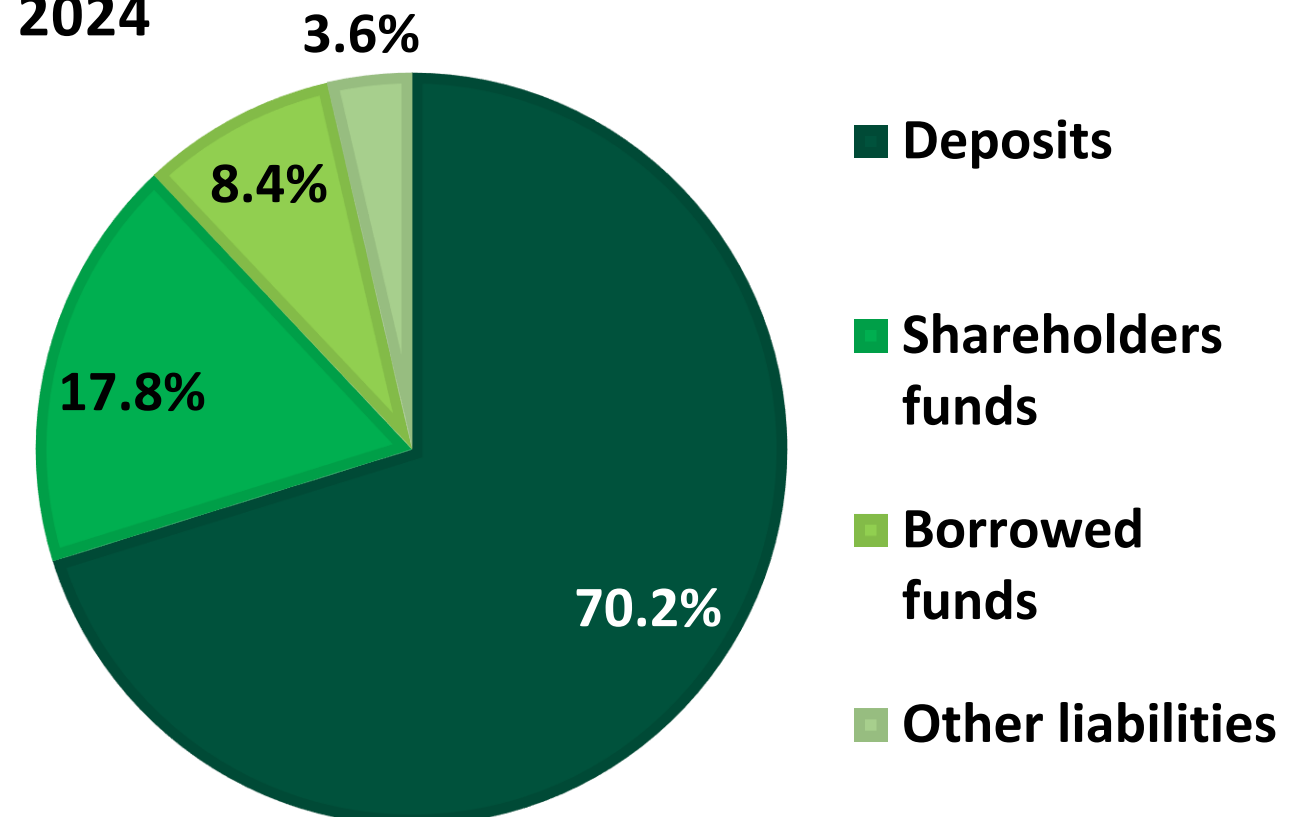


## Funding Categories

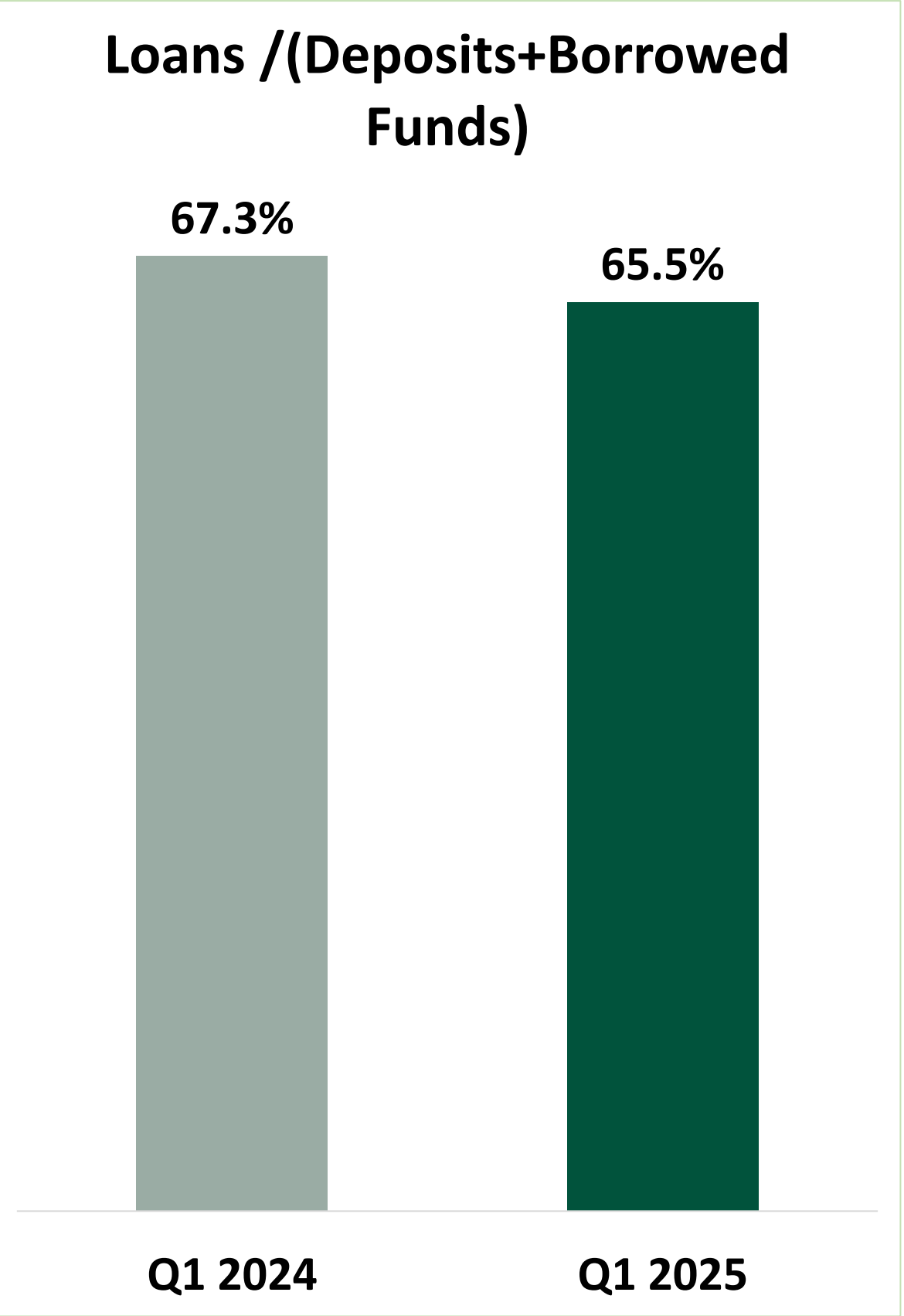
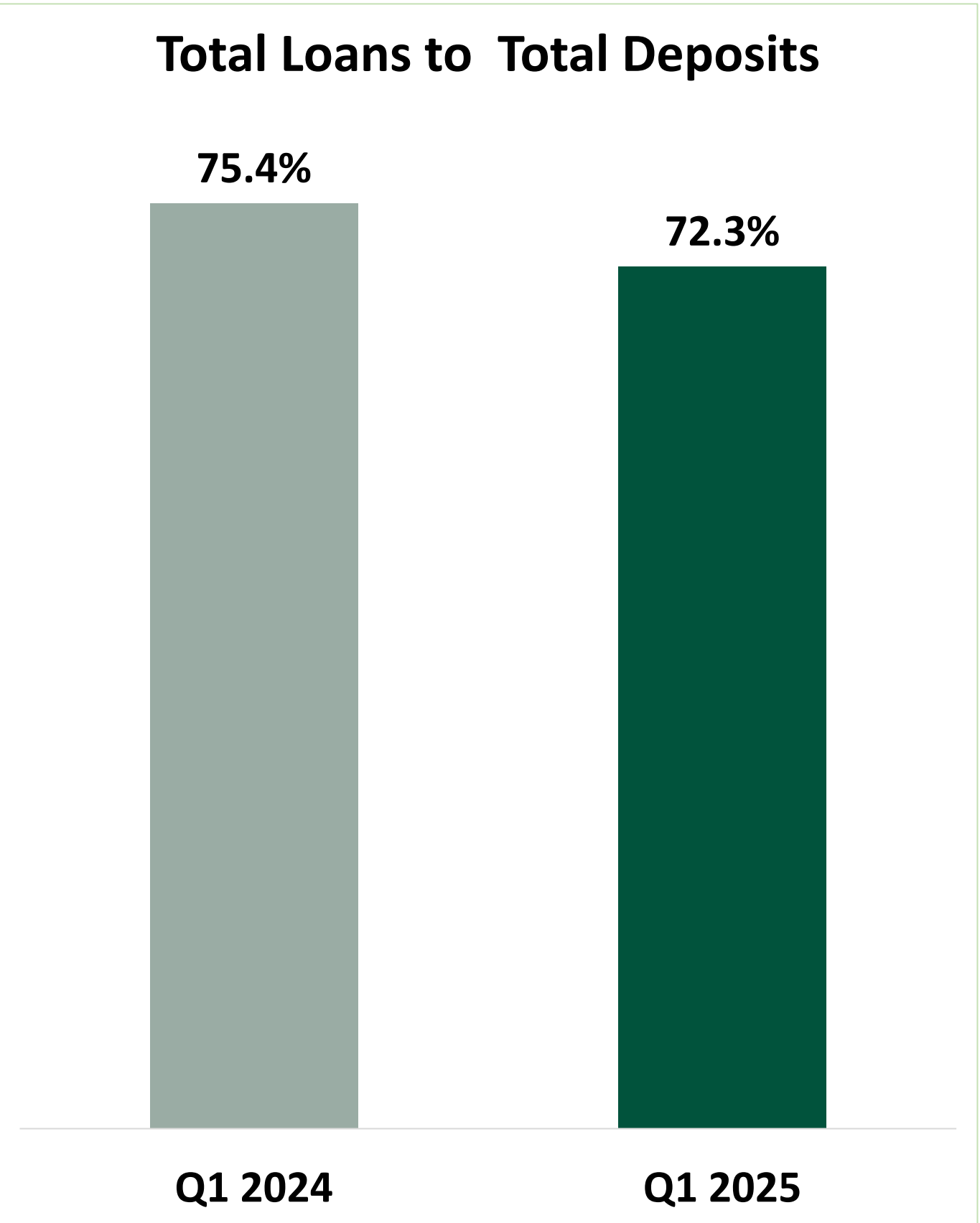
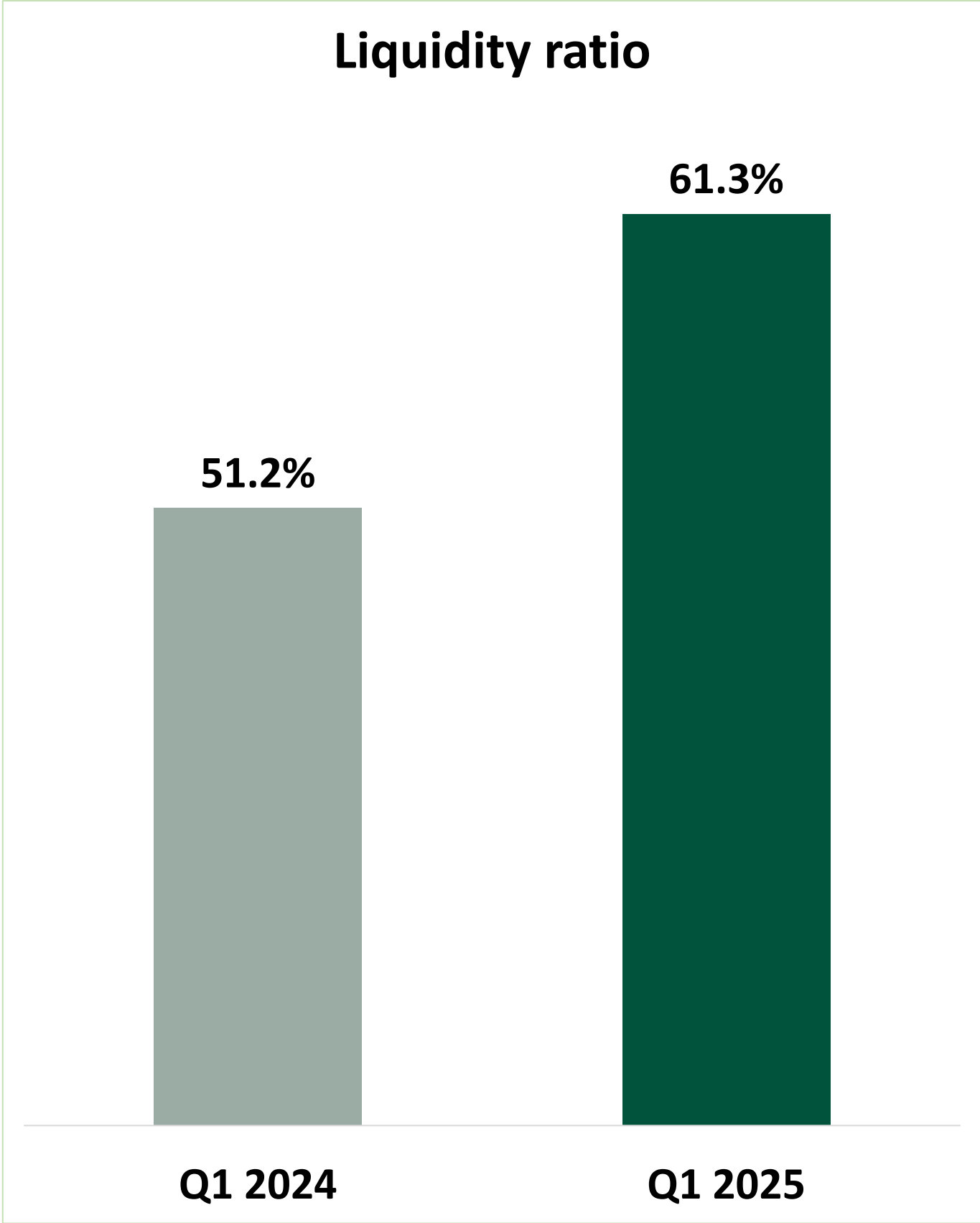
Q1 2025



Q1 2024

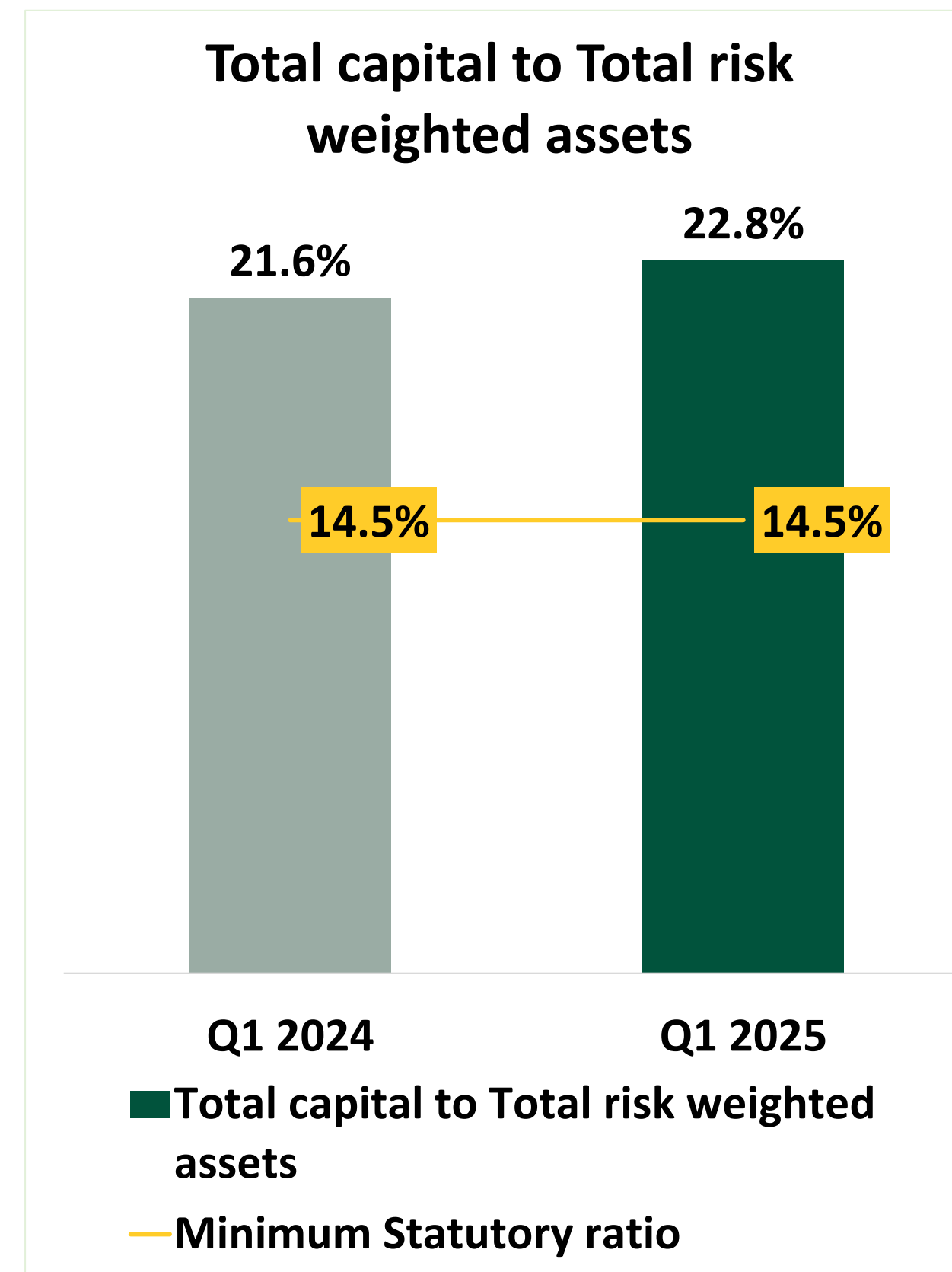
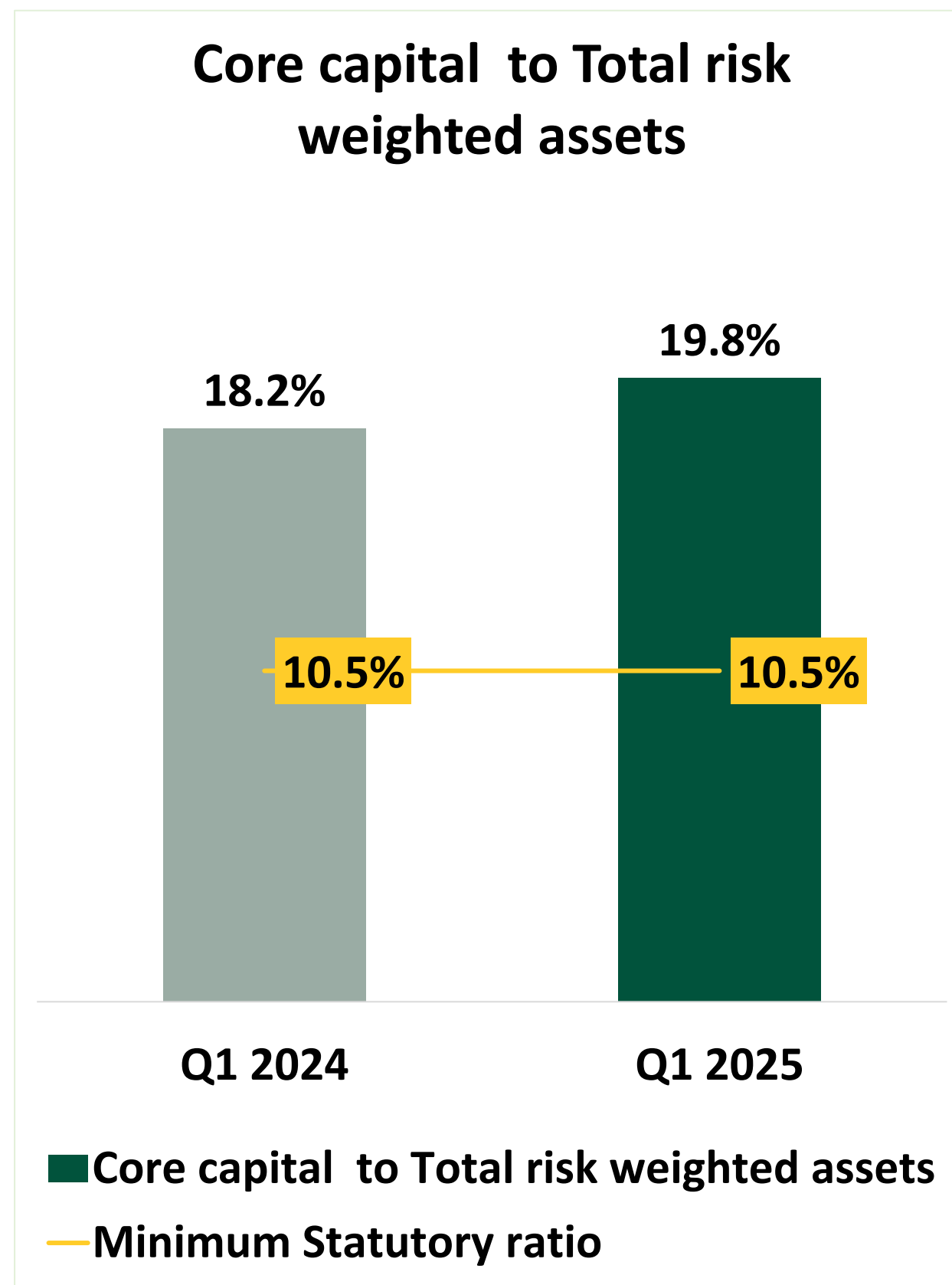
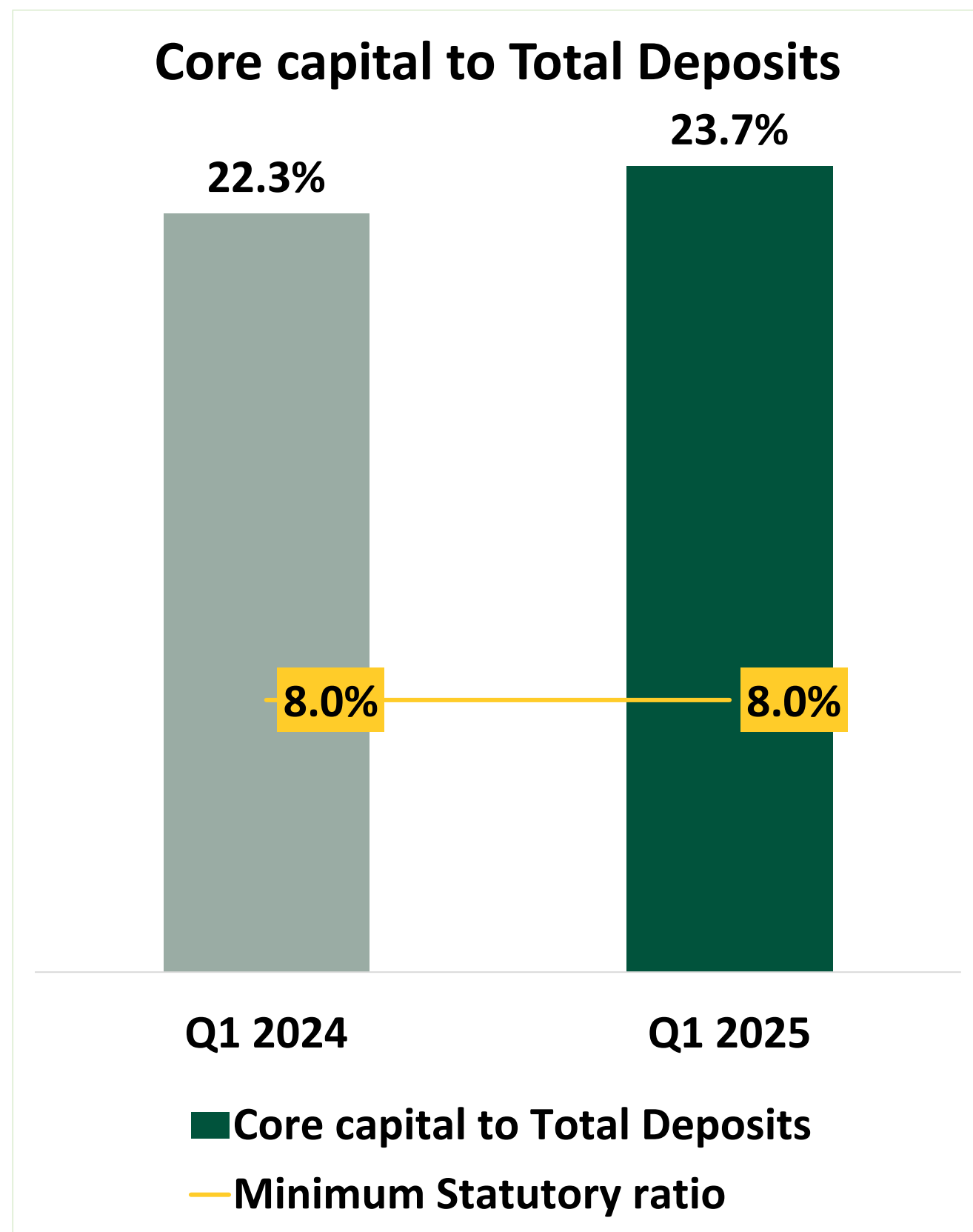


# Strong Liquidity to Support Investments





# Capital buffers for sustainable growth



# Sustainable Profitability

Kshs. Billions	Q1 2025	Q1 2024	YoY Change	
Total Interest Income	22.21	19.41	14.4%	↑
Total Interest Expenses	7.97	7.71	3.3%	↑
<b>Net Interest Income</b>	<b>14.24</b>	<b>11.70</b>	<b>21.7%</b>	↑
Fees and commissions on loans and advances	2.77	2.89	-4.4%	↓
Other Fees and commissions	3.06	2.57	19.2%	↑
Foreign exchange trading income	0.80	1.44	-44.5%	↓
Other income	0.32	0.17	90.1%	↑
<b>Total Operating Income</b>	<b>21.18</b>	<b>18.78</b>	<b>12.8%</b>	↑
Loan loss provision	2.11	1.59	32.6%	↑
Staff costs	4.92	4.46	10.2%	↑
Other operating expenses	4.72	3.81	23.8%	↑
<b>Total Operating expenses</b>	<b>11.75</b>	<b>9.86</b>	<b>19.1%</b>	↑
Profit before tax and exceptional items	<b>9.43</b>	<b>8.91</b>	<b>5.8%</b>	↑
Exceptional items-Share of profit of associate	0.19	0.10	93.6%	↑
<b>Profit Before Tax</b>	<b>9.63</b>	<b>9.01</b>	<b>6.8%</b>	↑
Income tax	2.70	2.43	10.9%	↑
<b>Profit After Tax</b>	<b>6.93</b>	<b>6.58</b>	<b>5.3%</b>	↑



# Subsidiary Contribution

	Q1 2025 KShs '000	Q1 2024 KShs '000	Growth KShs '000	Growth %
Co-operative Bank of Kenya Ltd	8,649,922	8,038,686	611,236	7.60%
Co-operative Bank of South Sudan	-47,008	128,461	-175,469	-136.6%
Co-opTrust Investment Services Ltd	161,486	75,509	85,977	113.9%
Co-op Bancassurance Intermediary Ltd	402,128	304,971	97,157	31.9%
Kingdom Securities Ltd	41,790	13,947	27,843	199.6%
Kingdom Bank Ltd	224,660	350,294	-125,634	-35.9%
<b>Co-op Bank and Subsidiaries Total</b>	<b>9,432,978</b>	<b>8,911,868</b>	<b>521,110</b>	<b>5.8%</b>
Associates share of profit	193,744	100,067	93,677	93.6%
<b>Group Profit Before Tax</b>	<b>9,626,722</b>	<b>9,011,935</b>	<b>614,787</b>	<b>6.8%</b>
Income Tax Expense	2,695,958	2,431,880	264,078	10.9%
<b>Group Profit After Tax</b>	<b>6,930,764</b>	<b>6,580,055</b>	<b>350,709</b>	<b>5.33%</b>

# Key Ratios

Ratio	Q1 2025	Q1 2024	
RoAA	3.7%	3.9%	✓
RoAE	19.6%	22.0%	✓
EPS	4.73	4.49	^
Ave Return of Interest Earning Assets	13.7%	13.1%	^
NIM on Loans	9.1%	7.6%	^
NIM on Interest Earning Assets	8.1%	7.2%	^
CIR Group <i>(with provisions)</i>	55.5%	52.5%	^
CIR Group <i>(without provisions)</i>	45.5%	44.1%	^
CIR Bank <i>(with provisions)</i>	54.7%	52.8%	^
CIR Bank <i>(without provisions)</i>	44.2%	43.4%	^
Non-Funded to Total Operating Income	32.8%	37.7%	✓
Cost of Customer Deposits	5.5%	5.7%	✓
Cost of Funds	5.6%	5.9%	✓





THANK YOU

 **CO-OPERATIVE BANK**  
We are you