

CO-OP BANK RECORDS KSH 9.63 BILLION PROFIT IN Q12025

Co-op Bank is pleased to report a Profit Before Tax of **Kshs.9.63 Billion** for Q12025, a commendable **6.8 per cent** growth compared to Kshs.9.0 Billion recorded in Q12024. This represents a Profit after Tax of **Kshs. 6.9 Billion** compared to Kshs. 6.6 Billion reported in Q12024, a growth of 5.3 per cent.

The strong performance by the Bank is in line with the Group's strategic focus on sustainable growth, resilience, and agility, riding on the 'Soaring Eagle' Transformation Agenda.

Key Performance highlights:

1. Financial Position: The Group has registered strong growth as follows.

- *Total Assets grew to Kshs.774.1 Billion, an 8.3% growth from Kshs 714.7 Billion in the same period last year.*
- *Net loans and advances grew by 1.7% to Kshs.384.5 Billion compared to Kshs.378.1 Billion in Q12024.*
- *Customer deposits grew to Kshs. 525.2 Billion, a 9.0% increase from Kshs. 481.8 Billion.*
- *Shareholders' funds have grown to Kshs. 155.9 Billion, a 22.7% increase from Kshs. 127.1 Billion in Q12024 driven by the strong growth in retained earnings of Kshs. 16.7 Billion.*

2. Comprehensive Income

- *Total operating income grew by 12.8% from Kshs. 18.8 Billion to Kshs. 21.2 Billion.*
- *Net interest income grew by 21.7% from Kshs 11.7 Billion to Kshs 14.2 Billion.*
- *Total non-interest income retreated marginally by 1.9% from Kshs. 7.1 Billion to Kshs. 6.9 Billion.*
- *Total operating expenses grew by 19.1% from Kshs 9.9 Billion to Kshs. 11.7 Billion.*

3. Cost Management

The Group reports excellent efficiency gains from the various initiatives to record a Cost-to-Income Ratio of **45.5%** in Q12025, from 59% in FY2014 when we began our Growth & Efficiency journey.

4. A Strong Digital Footprint

- The Bank continues to leverage its core banking system (Latest version of Finale from Infosys - one of the best rated globally) to support the Group's digital synergy. The system continues to enhance service excellence and support innovative and advanced banking solutions.
- Through our digital channel strategy, the Bank has successfully moved over **90%** of all customer transactions to alternative delivery channels, a 24-hour contact centre, 619 ATMs & Cash Deposit Machines (CDMs), mobile & internet banking and over 15,594 network of Co-op kwa Jirani agents.
- Our **Omni-channel platform** continues to offer users accessibility and enhanced experience. The platform interfaces online banking through personal computers, mobile phones and USSD availing our services to all customers through their preferred channel yet retain the same user experience from wherever they are.
- **Mco-op Cash Mobile** wallet continues to drive substantial non-funded income streams with **Kshs 19.1 Billion** in loans disbursed in Q12025, averaging **Kshs. 6.37 Billion** per month.
- Over 243,155 customers have taken up the MSME packages we rolled out in 2018, and 67,000 have been trained on business management skills. Year to date, we have disbursed **Kshs. 3.04 Billion** to MSMEs through our Mobile E-Credit solution. MSMEs make up **16.6%** of our total Loan Book.
- Our unique model of retail banking services avails access to cash for FOSA operations, enabling 619 FOSA outlets to support over 15 million Sacco members access banking services even in rural/remote areas.

5. Wide and Expanding Branch Network

The Branch network has expanded to a total of 212 outlets (5 in South Sudan). Our newest Branch in Kibwezi, saw the Bank hit 15 additional outlets this year. Other recently-opened locations include: Imaara Mall-Mombasa Road-Nairobi, Ugunja in Siaya, Luanda, Isibania, Maa Mahiu, Dagoretti Market, Marimanti, Ruiru Nord Mall, Naromoru, Eldoret Airport Road, Eldama Ravine, Westlands Square Executive Centre, Eastleigh BBS Mall and Rumuruti.

Kingdom Bank opened its 23rd branch in Machakos County along Mbolu Malu Road, being the fourth branch opened recently.

Co-operative Bank of South Sudan opened its fifth branch in Wau, supporting business growth and financial inclusion in South Sudan.

6. A Growing Team

The Bank continues to invest in a competitive team set to serve at existing functions at the same time tap new growth opportunities across all areas of the business. Staff Numbers have grown from 5,400 as at the close of 2023 to **5,888**, creating job opportunities for over **488** young people.

7. Subsidiaries

- Co-op Bancassurance Intermediary Ltd posted a Profit Before Tax of Kshs. 402.1 Million in Q12025, riding on strong penetration of Bancassurance business.
- Co-operative Bank of South Sudan that is a unique joint venture (JV) partnership with Government of South Sudan (Co-op Bank 51% and GOSS 49%) made a Profit Before Tax of Kshs 80.7 Million in Q12025. This performance was however restated to reflect the changes in general purchasing power of the South Sudanese Pound resulting in a loss of Kshs. 47.0 Million.
- Co-op Trust Investment Services Ltd contributed Kshs. 161.5 Million Profit Before Tax in Q12025 compared to Kshs. 75.5 Million in Q12024, a commendable 113.9% growth. The Subsidiary has Funds Under Management currently at **Kshs. 383.9 Billion**.
- Kingdom Bank Limited (A niche MSME Bank) contributed a Profit Before Tax of **Kshs. 224.7 Million** in Q12025.
- Kingdom Securities Limited contributed a Profit Before Tax of **Kshs. 41.8 Million** in Q12025, a growth of 199.6%

8. Commitment to Sustainability

In 2022, the Bank embarked on an enhanced Environmental, Social and Governance (ESG) roadmap to integrate ESG considerations into its operations with several key milestones achieved.

Most Sustainable Bank in Kenya

The Bank's commitment to ESG excellence was celebrated at the 2024 Kenya Bankers' Sustainable Finance Catalyst Awards, with the Bank emerging as the **Overall Award Winner**. This was the **Fifth** win by the Bank since the inception of the Award seven years ago.

Supporting Industry effort on climate risk management

The Bank is playing an active role in supporting climate change initiatives (IFRS S1 & S2, Green Finance Taxonomy) that are being led by our regulator Central Bank of Kenya and the industry lobby group Kenya Bankers Association. Co-op Bank has the highest capacity-building rate in Kenya Bankers Association Sustainable Finance Module XII on Climate Risk.

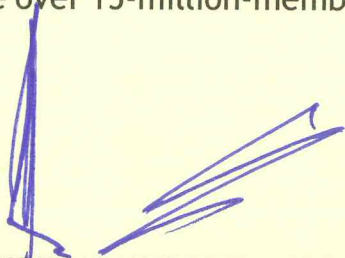
Climate Risk Project

We have, in line with Sustainable Development Goals (SDG) number 13 '*Take urgent action to combat climate change and its impacts*' 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.

Co-op Bank Foundation, the Group's social investment vehicle, continues to provide Scholarships to gifted but needy students from all regions of Kenya. The sponsorship includes fully paid secondary education, full fees for University education, Internships, and career openings for beneficiaries. The foundation is fully funded by the bank and has supported 11,709 students since the inception of the program.

Conclusion

The Co-operative Bank Group continues to pursue strategic initiatives that focus on resilience and growth in the various economic sectors. This is anchored on a successful universal banking model supported by an innovative digital presence, a wide physical footprint, over 9.4 Million account holders and the unique synergies in the over 15-million-member co-operative movement that is the largest in Africa.



DR. GIDEON MURIUKI - CBS, MBS
GROUP MANAGING DIRECTOR & CEO

15th May 2025

Editors' Notes

The Co-operative Bank Group ('Co-op Bank') is incorporated in Kenya under the Company's Act and is licensed to carry out the business of banking under the Banking Act. The Bank was listed in year 2008 wherein it is now the largest Co-operative Bank in Africa.

The Group is one of the largest financial institutions in the region and has 5 subsidiaries namely, Kingdom Securities Ltd, Co-optrust Investment Services Limited, Co-op Bancassurance Intermediary Ltd, Kingdom Bank Limited and Co-operative Bank of South Sudan; The Bank also owns a 24.8 per cent stake in CIC Insurance Group and 25% of Co-op Bank Fleet Africa Leasing Limited. The Bank's footprint across Kenya and the region includes: 212 branches in Kenya, 5 in South Sudan, 619 ATMs & Cash Deposit Machines (CDMs), and over 15,000 Co-op Kwa Jirani agency banking outlets supporting our growing client base.