

Investor Briefing

H1 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. 811.9 Billion in Total Assets

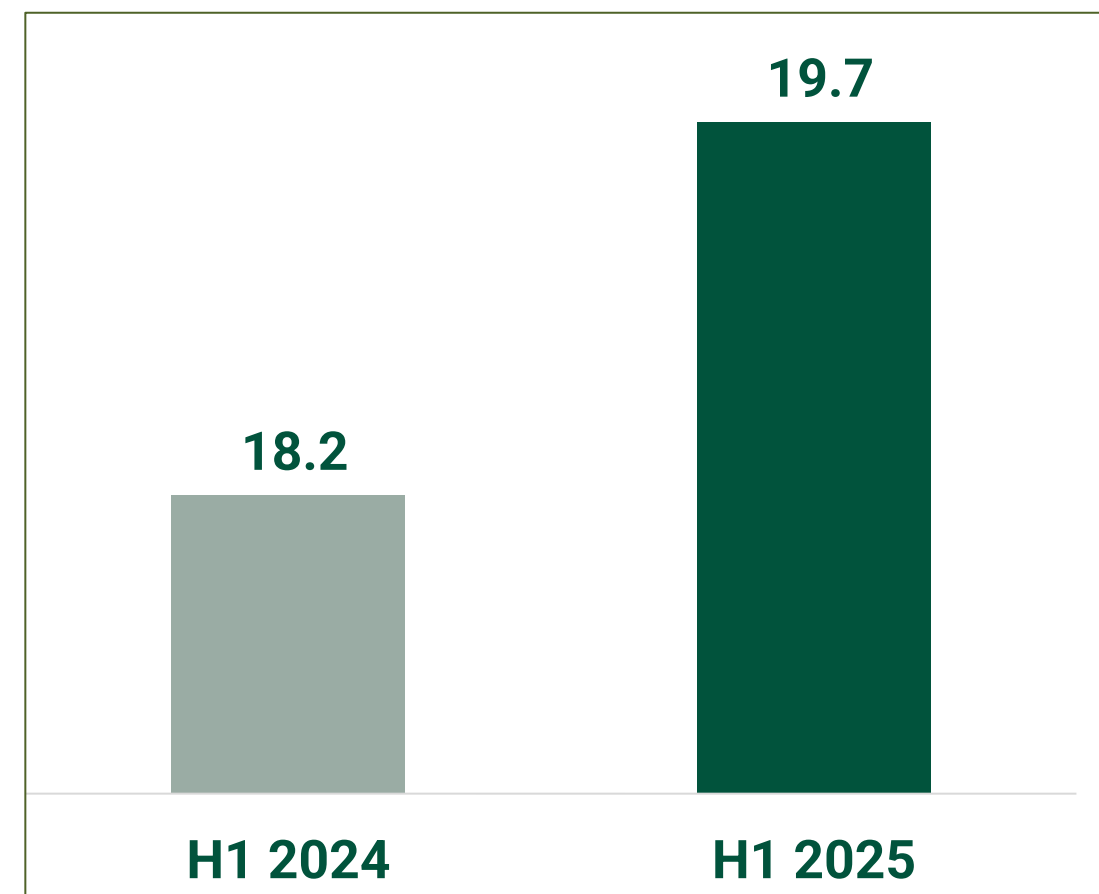
5,850 Skilled, Motivated Staff Members

1 ■

**We are Growing
Creating Value**

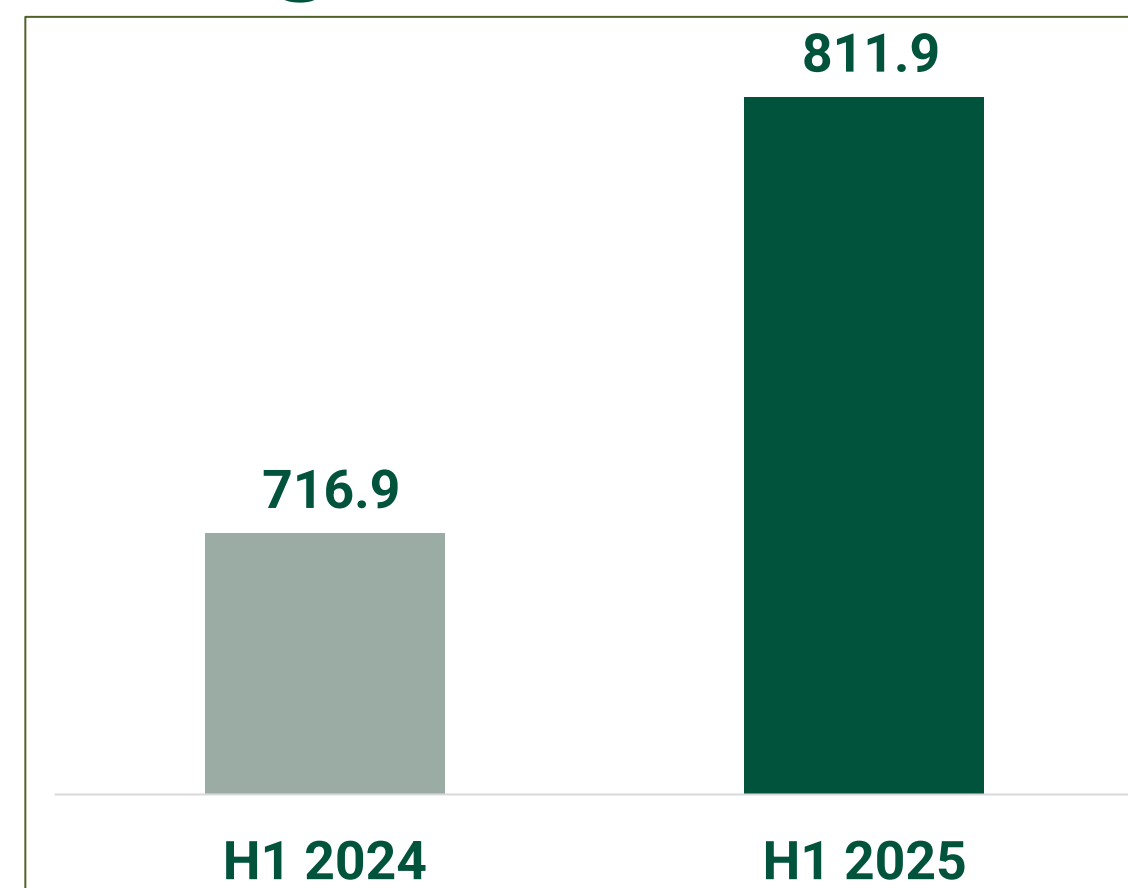


Efficient, Profitable Business Model



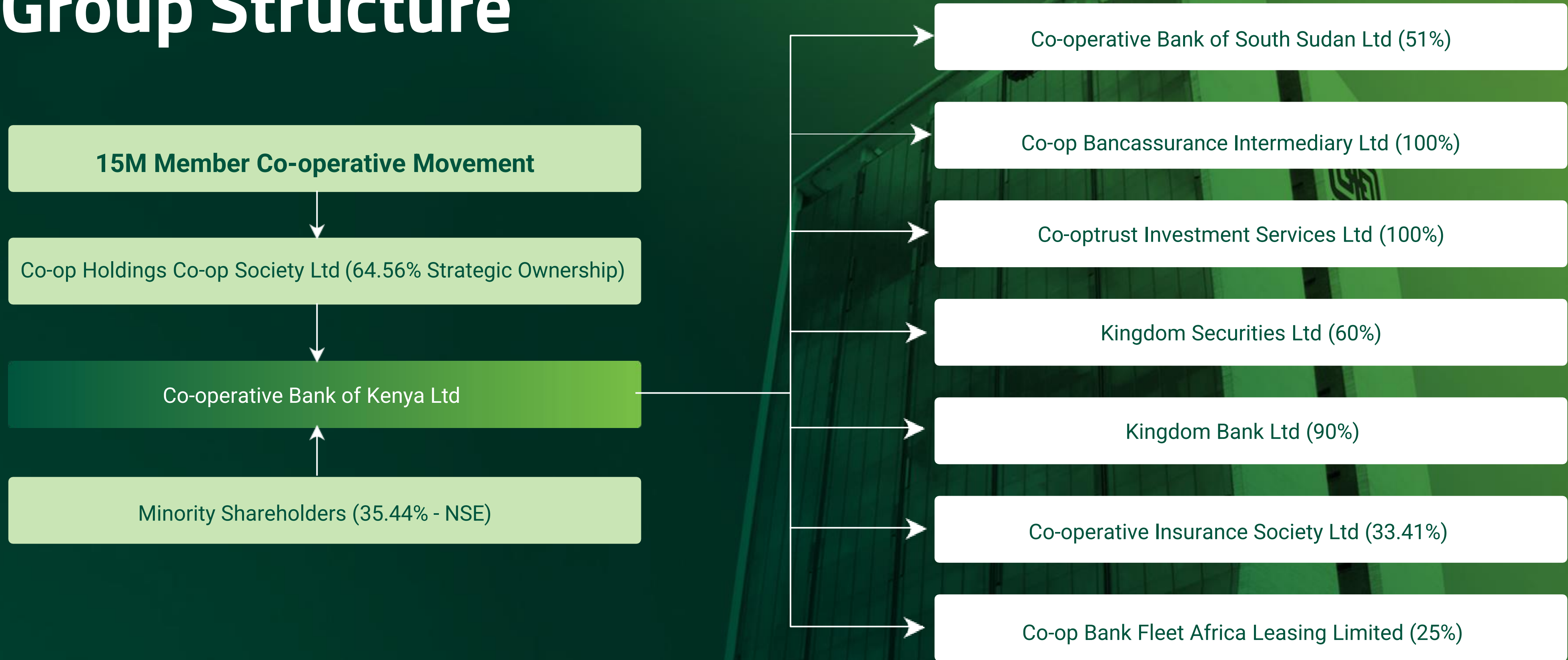
Profit Before Tax (Kshs. B)

Growing Asset Base



Total Assets (Kshs. B)

Group Structure



A Successful Universal Banking Model



Our Presence



212 Branches



16,055
Co-op Kwa Jirani
Agents



622 ATMs & Cash
Deposit
(CDMs) Machines



17K Diaspora Banking
Customers



5,850 Staff



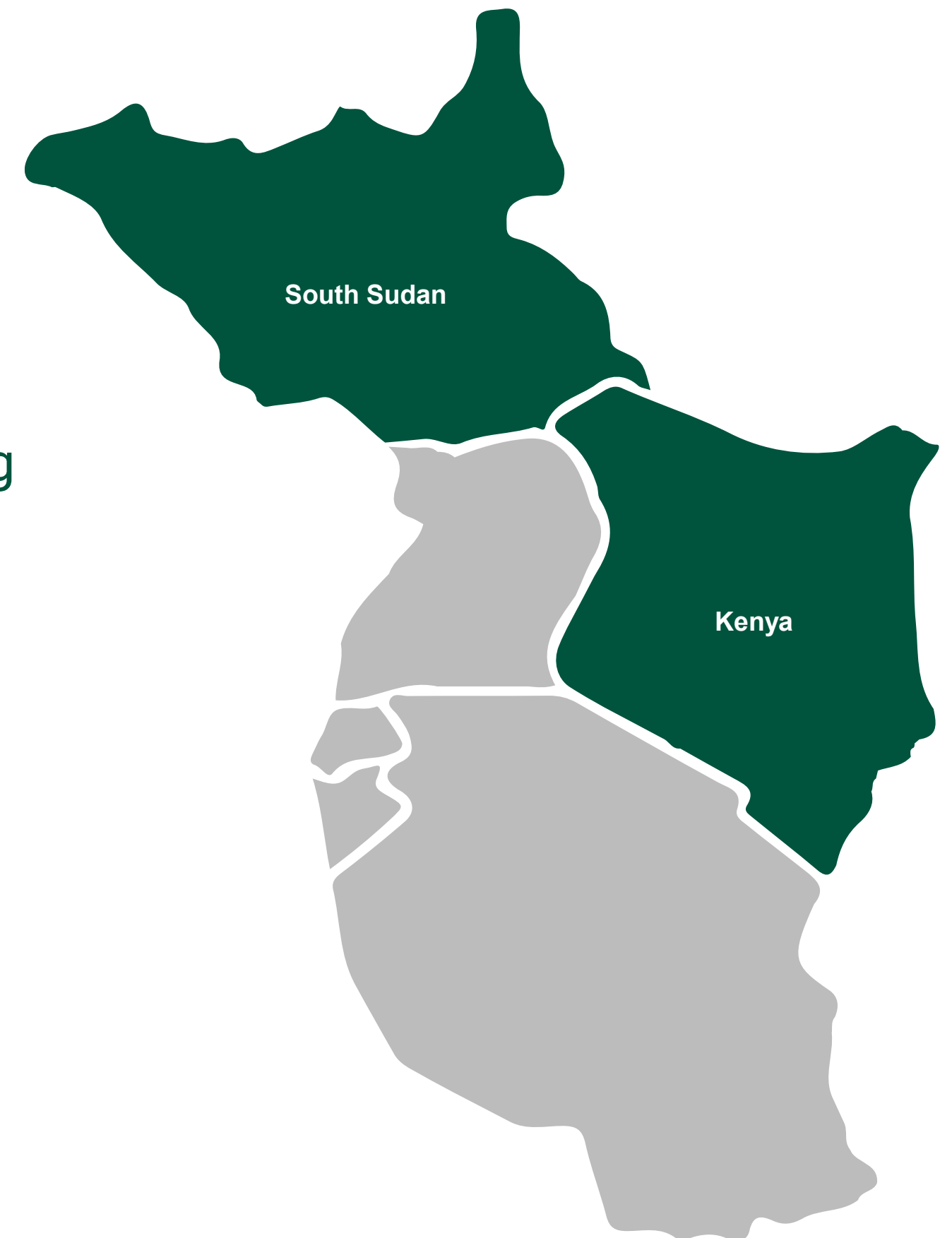
**New Core Banking
System**

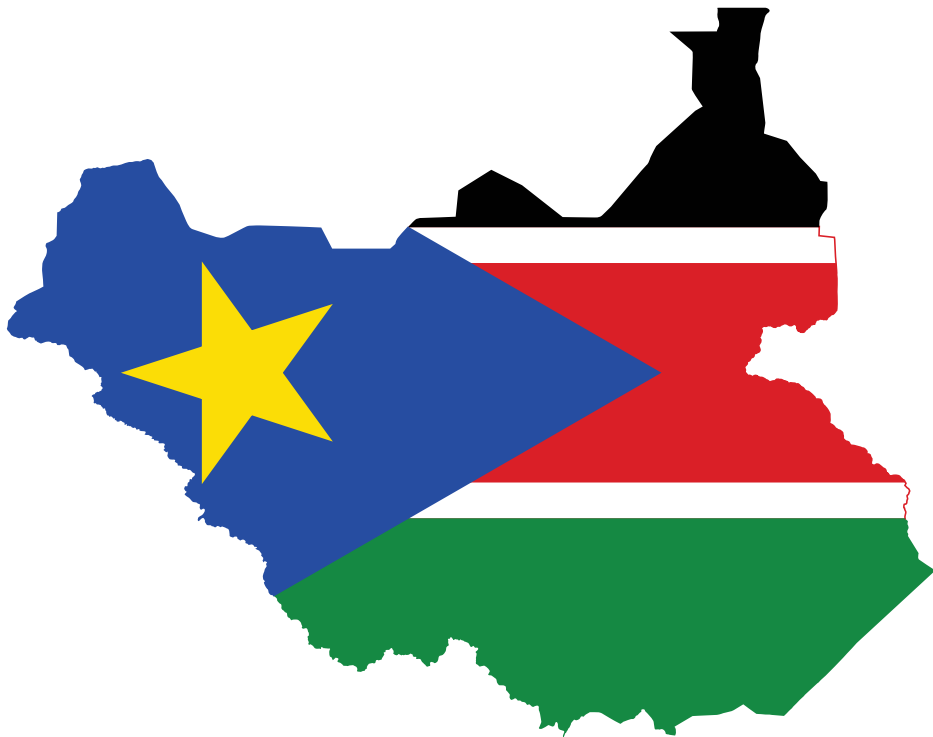


619 Sacco Front
offices Branch
Network



24hr Contact Centre

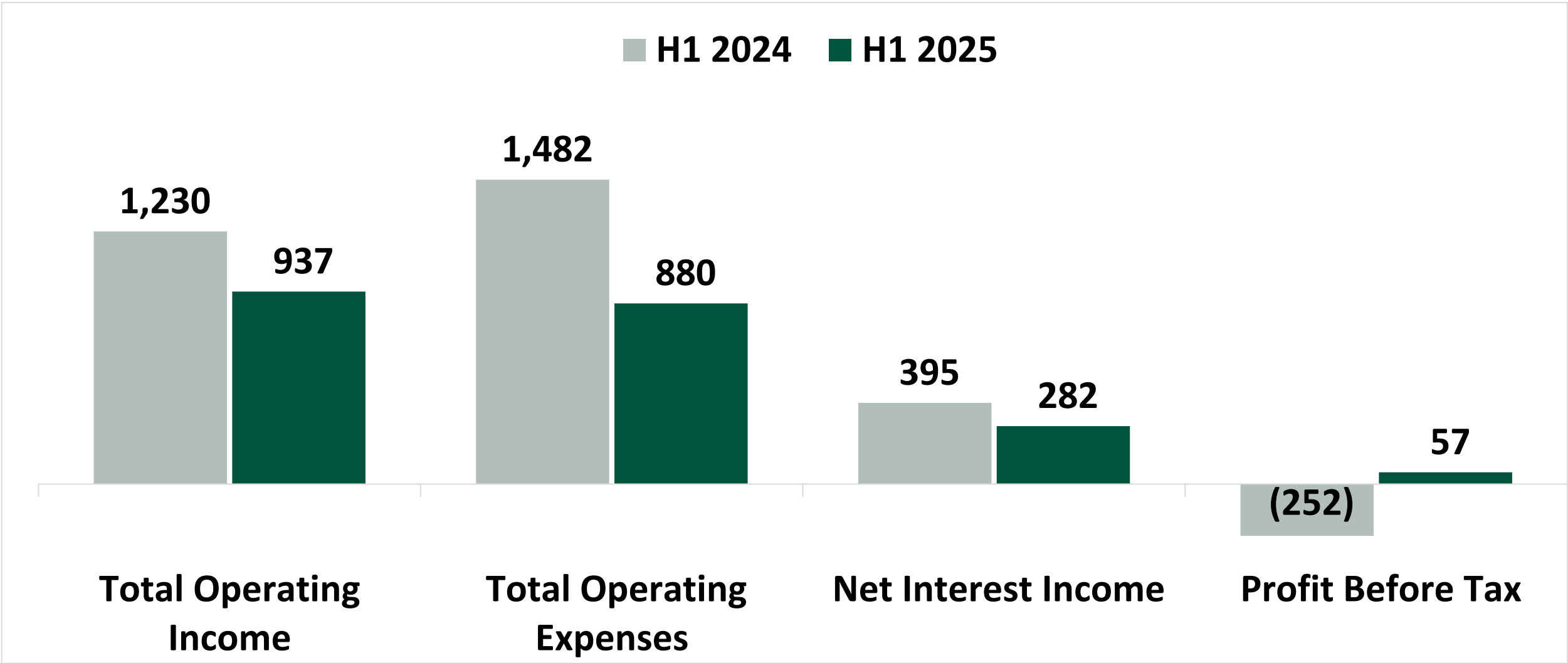
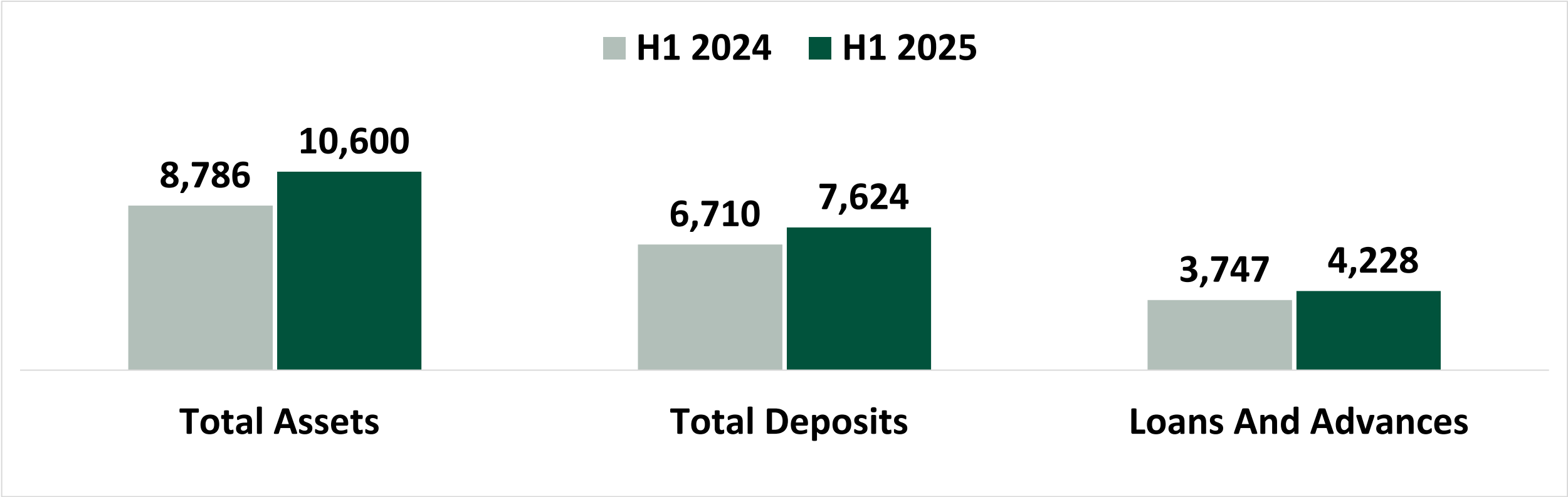




- Branches
- Juba
 - Kololo
 - Malakia
 - Nimule
 - Wau
 - Gudele

5 Non-oil collection centers

Owns 31% of CIC Africa Ltd- South Sudan



2.

We are Resilient
Protecting Value



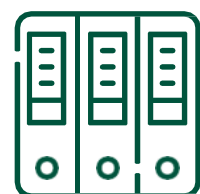
Robust Financial and Operational Foundations Driving Stability



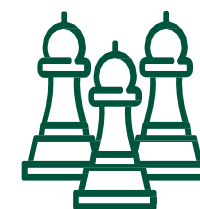
Proactive Enterprise Risk Management Framework.



Up to **53.1% of our loan Book** is in Consumer banking which is low risk and performing well.



Proactive Regulatory compliance



Optimal risk spread with KShs.**253.7 Bn** in government securities.



Strong Capital Buffers: Total Capital to Risk Weighted Assets (RWA) **21.3%** (Regulatory 14.5%)



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



NPL Management

- Cumulative provisions Kshs. 43.9B from 2020.
- NPL Coverage ratio at 70%, with security 101.6%



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

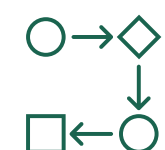
>90% of transactions on alternative channels enhancing operational efficiency.



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



Optimization of Omnichannel integrating accessibility and User experience.

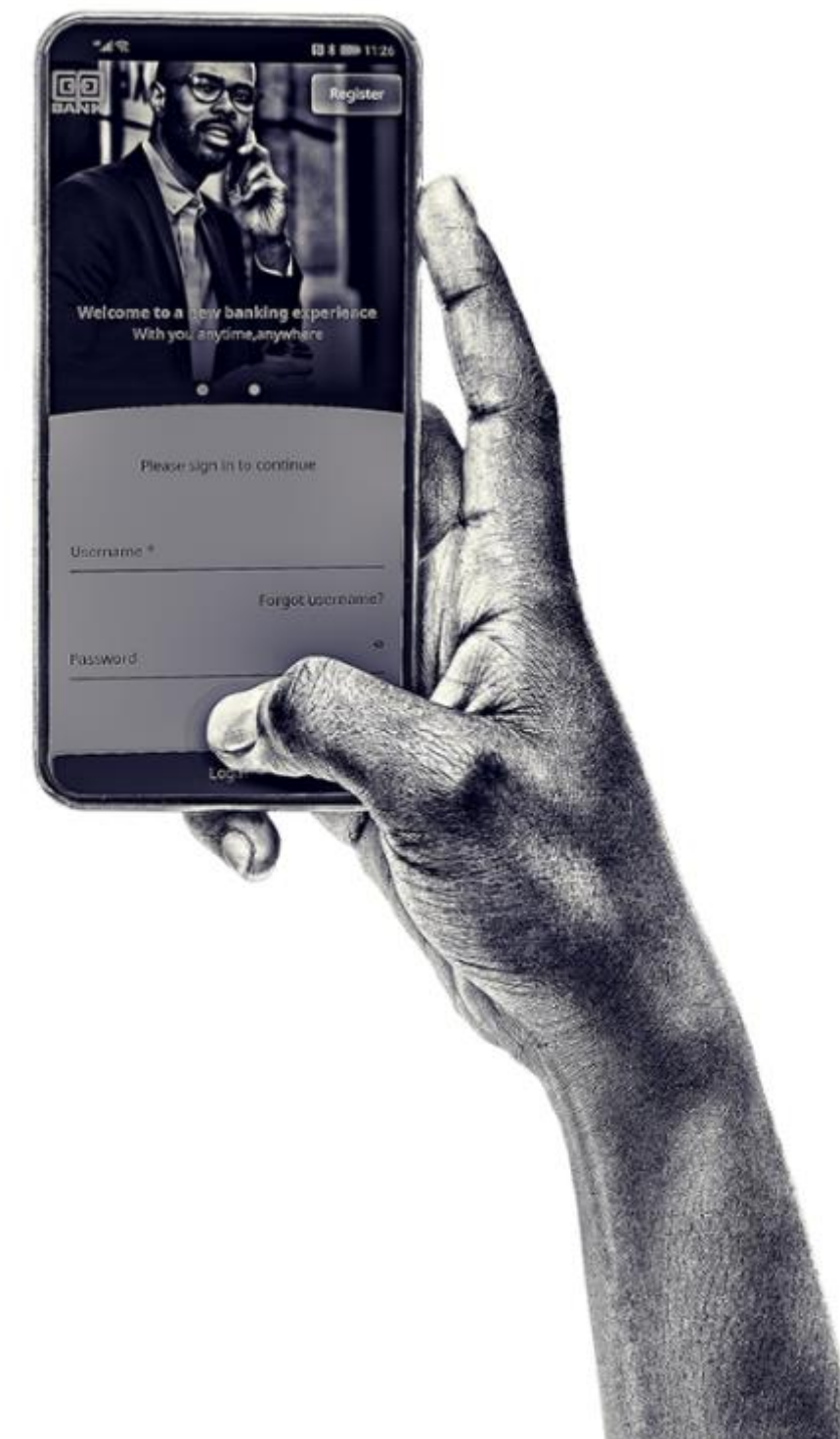


Enhanced digitization of internal bank processes and engagement platforms as part of our Digital Transformation Strategy.



Staff Productivity

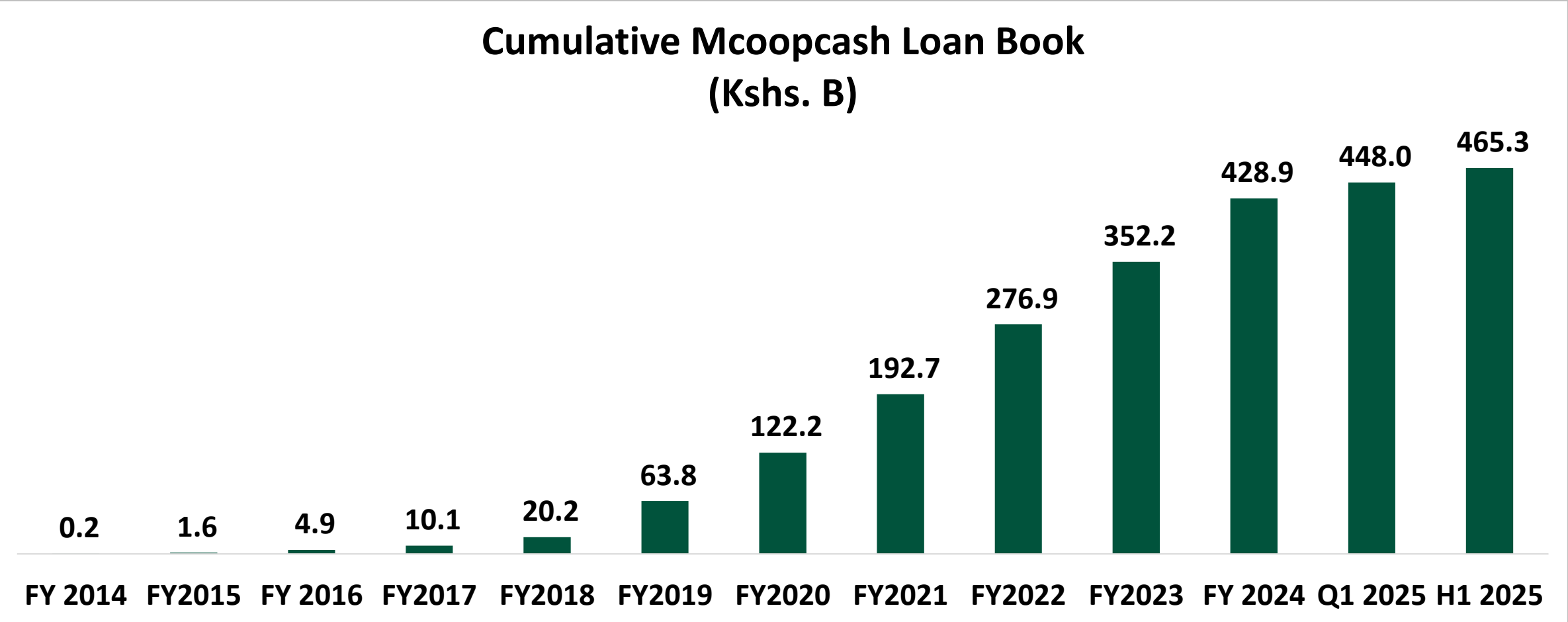
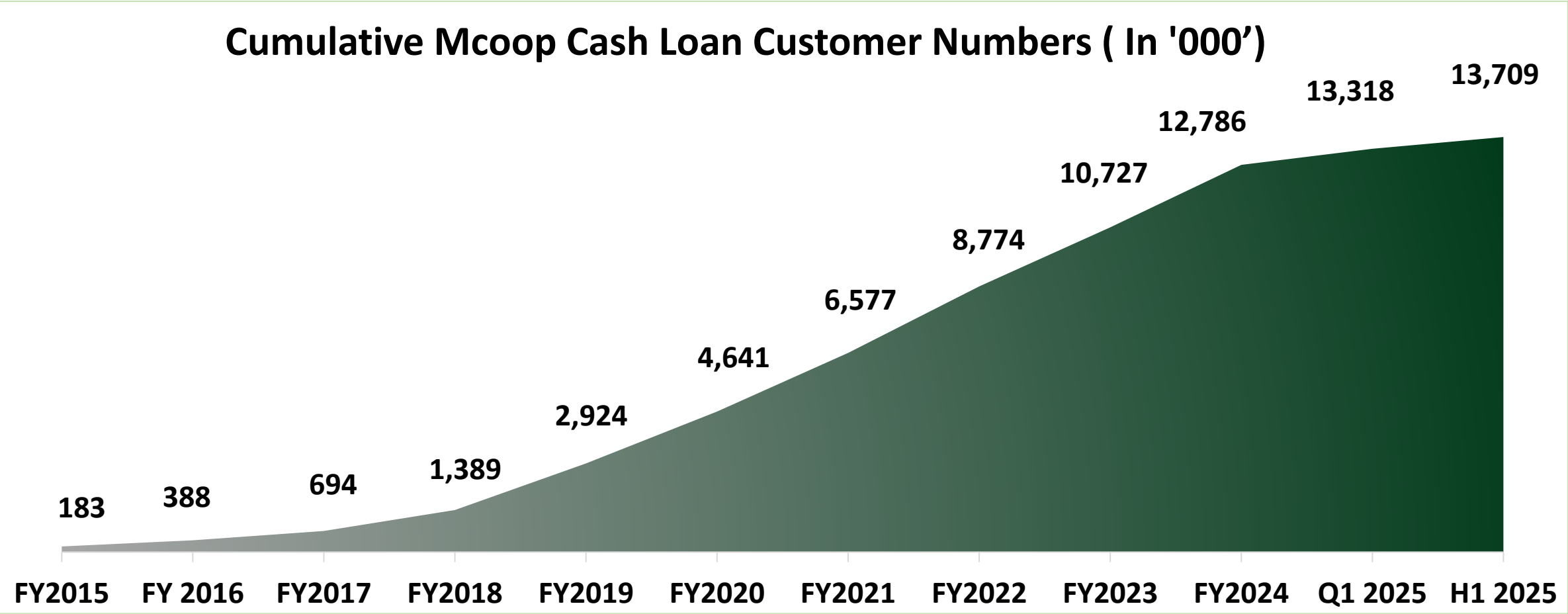
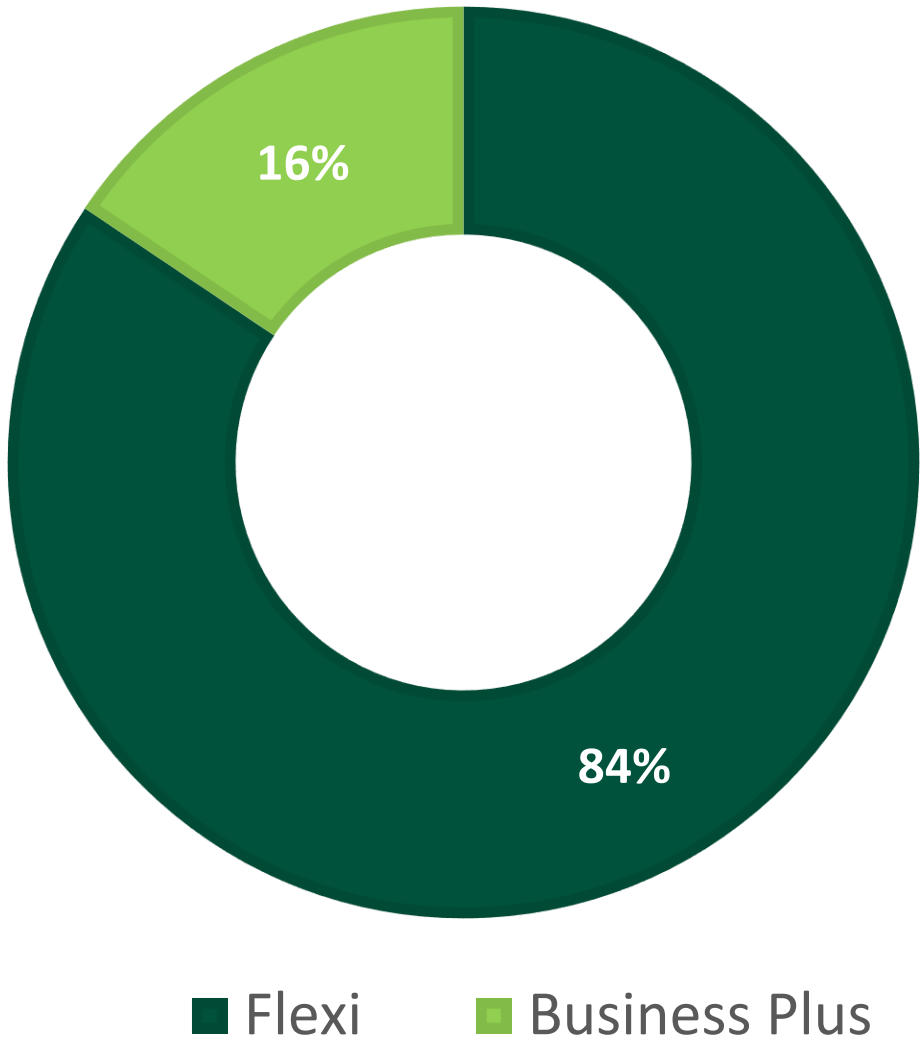
- ✓ Supporting new ways of working – Digital Workforce
- ✓ Sales Force effectiveness (SFE)
- ✓ Performance Management



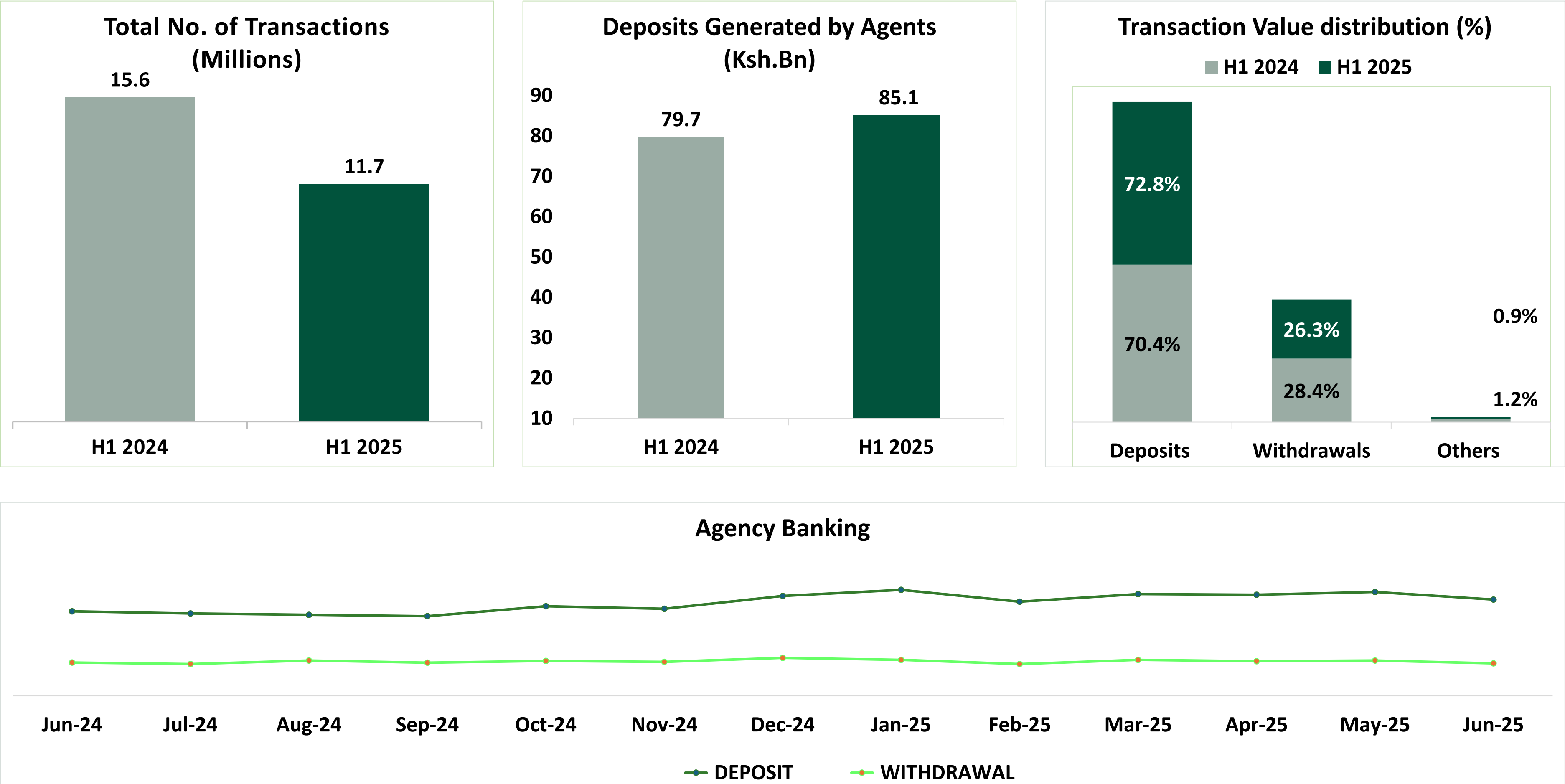
Kshs. 36.4 Bn Disbursed YTD

Kshs. 465.3 Bn Disbursed since inception.

% CONTRIBUTION TO YTD DISBURSEMENTS



Growing Co-op Kwa Jirani Agency Banking





Economic Highlights

Navigating Challenges, Capturing Opportunities

- **Kenya's Growth Story: Resilient 2024, Faster 2025**
- **Financial Conditions: FX, Inflation & Credit Pulse**
- **South Sudan: Oil-Led Recovery, Structural Vulnerabilities**

KENYA'S GROWTH STORY: RESILIENT 2024, FASTER 2025

- Global growth outlook for 2025 has been revised upwards in July 2025, reflecting stronger front-loading in anticipation of higher tariffs; trade de-escalation; improvement in financial conditions, including due to a weaker US dollar; and fiscal expansion in some major economies.
- Global headline inflation is expected to continue declining albeit at a slower pace than previously projected with forecasts predicting above target inflation in the US and be more subdued in other large economies.
- Domestically, the economy has remained resilient, registering a growth of 4.9% growth in Q1 2025 with all sectors recording positive growths, albeit in varying magnitudes.
- Growth was largely driven by the agricultural sector which grew by 6% relative to 5.6% growth in Q1 2024 supported by favorable weather conditions experienced in most parts of the country.
- The growth was also supported by the resilience within the services sector and the recovery within the construction & mining segments of the industrial sector.
- Looking ahead, the Kenyan economy is projected to pick up in 2025, supported by strong growth within the agricultural sector, resilience of key service sectors and recovery within the industrial sector supported by;
 - ✓ Settlement of pending bills within the construction sector,
 - ✓ Recovery in growth of credit to the private sector as borrowing costs fall,
 - ✓ Improved exports & Currency stability.
- Key risks to the outlook revolves around high debt repayments constraining spending for key GoK programmes, policy uncertainty especially on trade policy, geopolitical tensions and adverse weather conditions.



FINANCIAL CONDITIONS: FX, INFLATION

Inflation Rate

- Year on Year headline inflation came in at 4.1% in July 2025 from 3.8% in June, slightly lower than the 4.3% recorded in July 2024, supported by favorable weather and falling global commodity prices which continue to mute inflation risks from trade tensions.
- Core inflation has however, been rising since the turn of the year, now at 14-month high, signaling some recovery in consumer spending aided by cuts in interest rates.
- We project overall inflation to remain stable supported by improved agricultural performance, stable commodity prices and a stable currency.

Exchange Rate (YTD Currency Performance: +0.05%)

- Year to date (YTD), the KES has gained 0.05% against the USD, after an 18.1% appreciation in 2024, a reversal compared to the 26.8% depreciation recorded in 2023. This is attributed to the return in market confidence after settlement of June 2024 Eurobond.
- With weak global growth coinciding with increased global oil supply, energy (oil) prices are expected to decline by 17% in 2025. Coupled with strong official reserves from exports, diaspora & tourism flows and debt drawdowns, the KES is projected to face less pressure in the 2H 2025.
- The bank continues to match its FX portfolio.



FINANCIAL CONDITIONS: CREDIT PULSE



Interest Rates & Private Sector Credit Growth

- The Monetary Policy Committee (MPC) lowered its benchmark rate (CBR) in each of the last six consecutive meetings to June 2025 by a total of 3.25%. This shows that MPC is confident that there are no material risks on the horizon from the two critical prices of inflation and the exchange rate.
- Yields on short-term government securities have declined by an average of 7.84% between August 2024 and July 2025 and seem to have stabilized. We expect GoK to remain active in the domestic market to raise funds to fund the budget in FY2025/26.
- Private sector Credit growth, though still weak, is on a recovery path averaging 2% in May 2025 from a contraction of 2.9% In January 2025.
- However, credit risk remain a key concern with industry NPLs averaging 17.6% in April 2025.
- As a bank we continue to support Corporates, Co-operatives and MSMEs with working capital and households with personal loans to smoothen consumption.

SOUTH SUDAN: OIL-LED REBOUND, STRUCTURAL VULNERABILITIES



- Oil output, which accounts for almost all of South Sudan's Exports and government revenues, is forecast to grow 20.3% after an estimated 45.9% decline in 2024 following the damage of the Petrodar pipeline running through Sudan.
- The gradual recovery in exports will provide room for higher government spending, while a stabilising exchange rate will relieve inflationary pressures on consumers.
- For instance, government consumption is projected to rise by 12.5% in 2025 and 13.0% in 2026, after an estimated 22.0% decline in 2024 and is expected to anchor overall spending and significantly boost economic activities.(Fitch)
- The stabilization of the of SSP since March 2025 on improving inflows and the positive outlook on the main-season crop harvest will aid in inflation slowdown, easing pressure on households' purchasing power and anchor overall demand.
- The resumption of oil flows is expected improve economic conditions.
- The 10% tariff imposed by the US on South Sudanese exports is expected to have minimal impact as the market mainly exports oil, which is exempt from tariff and is currently not sold to the US.
- Non-oil revenue continue to grow, benefiting from the continued implementation of tax policy reforms approved under the FY2024/2025 budget and broader revenue administration improvements.
- To support the reforms being undertaken by the government, an IMF program was agreed in June 2025 geared towards strengthening economic resilience to shocks, enhance macroeconomic stability, restore sustainability, and improve governance and transparency, critical in economic transformation and growth.
- Key risks to the outlook: South Sudan is heavily reliant on aid which is shrinking, inflation remains high and the oil infrastructure passing through Sudan continue to face significant risks due to the continued fighting.

2025-2029 Corporate Strategic Plan

“Good to Great” Strategy





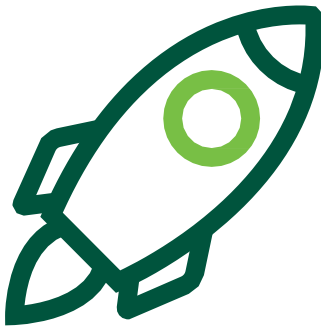
PURPOSE

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

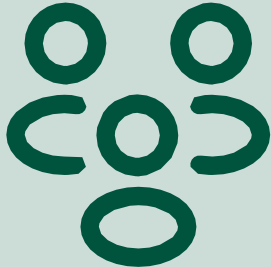
To offer a wide range of innovative financial solutions leveraging on our heavy investment in multi-channels, national and regional presence and with a focus on excellent customer experience by a highly motivated and talented team.

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 customer experience across our 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 the economy, society, and 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. 465.3B** disbursed to Date.
- Kshs. **6.1 Billion** disbursed per month on average.
- Short term tenure



Mobile Internet



ATM & CDM Agency



MSME Transformation

68,800 Customers trained

249,319 customers onboarded MSME Gold, Silver & Bronze

NFS

- **143** Webinars
- **190** Clinics
- **67** networking forums
- **6** International Business trips



Sales Force Effectiveness

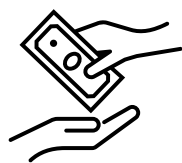
- Sector focus; Tailor-made go-to-market strategies for different sectors.
- Scale up of value chain business
- Leasing- Partnership with Coop fleet to offer assets on lease



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.





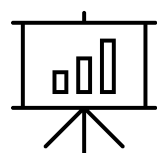
NPL Management & Credit Processes

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.

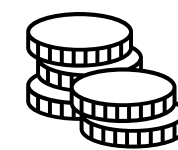
Focused credit management projects through:

- 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.



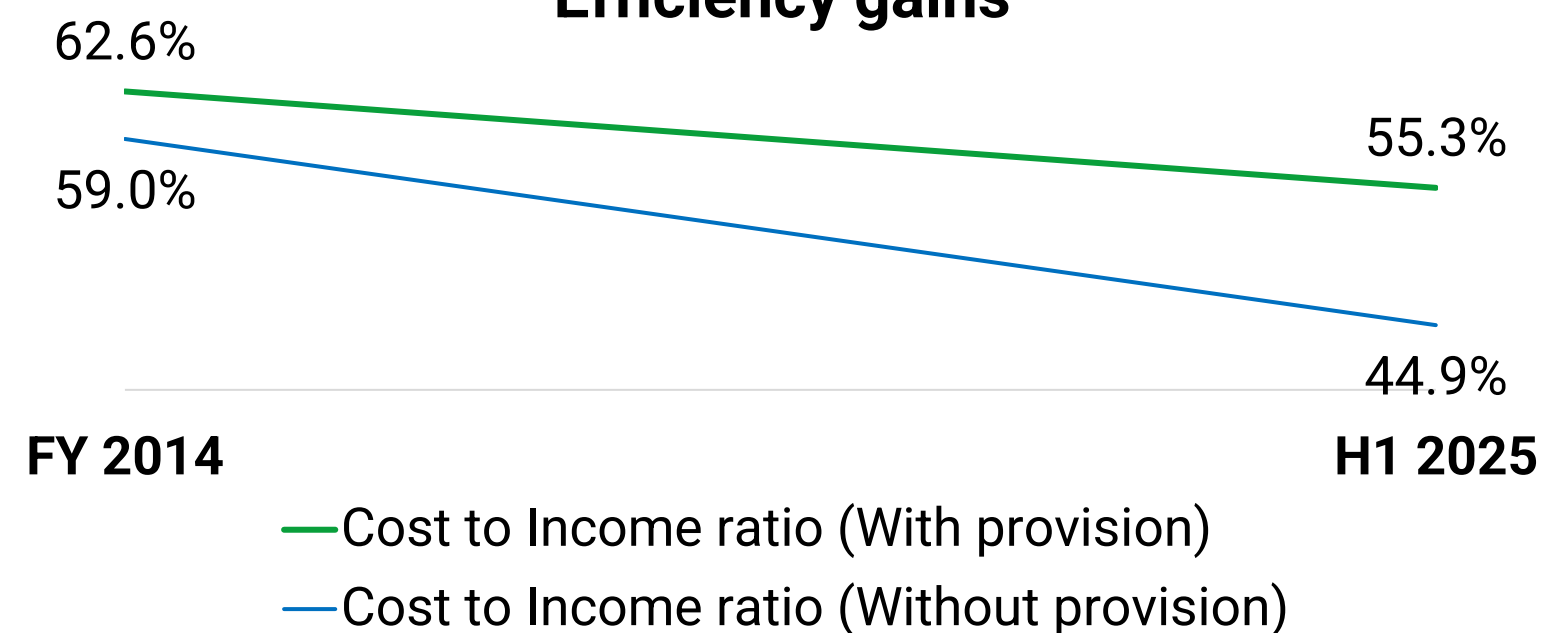
Data Analytics

- 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)



Environmental Social and Governance (ESG) Policy Statement

The Co-operative Bank Group objectives under this policy are:

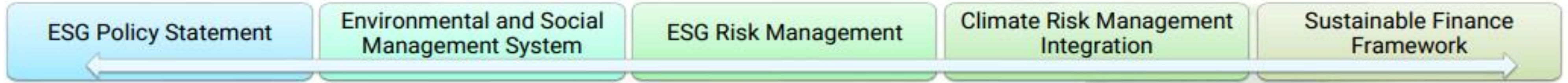
- To incorporate strong environmental, social, and corporate governance principles throughout all operations and business activities.
- To comply with relevant national laws, regulations and agreements on the environment, climate change, health, safety, and social issues to which the Group subscribes 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



Impact driven by our dedicated ESG Focus



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

- **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.

<div>Co-op Foundation</div> <div>11,815</div> <div>Students Sponsored on Scholarship Program</div>	<div>Co-op Consultancy</div> <div>3,818</div> <div>Consultancies to the Co-operative Movement.</div>	<div>Local Suppliers</div> <div>90%</div> <div>of our sourcing is local</div> <div>18.5B</div> <div>paid to Suppliers in FY2024</div>	<div>MSME Focus</div> <div>249,319</div> <div>onboarded to MSME Gold, Silver and Bronze.</div> <div>68,800</div> <div>Trained</div>
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Sustainability Awards

Most Sustainable Bank in Kenya



**Asanteni
Saana!**

**OVERALL
WINNER**

Sustainable Finance Catalyst Awards


**Best Overall Award
1st Place
Co-operative Bank of Kenya**



Most Innovative Bank



Best in financing Commercial Clients



Best in Financing MSMEs



1st Runners up – Best In promoting People with Disability (PWD)



2nd Runners Up – Best in Promoting Gender Inclusivity

Award-Winning Brand

ENERGY MANAGEMENT AWARDS (EMA) 2025

Winner, Financial Institution Award

GLOBAL FINANCE - WORLD'S BEST BANK AWARDS 2024

Best Bank in Kenya

FT AWARDS 2024

Bank of the Year (Kenya)

INFOSYS FINACLE INNOVATION AWARDS 2025

Finalist

AFRICAN BANKER AWARDS

African Banker of the year Award (2023)

Best Regional Bank – East Africa (2022)

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

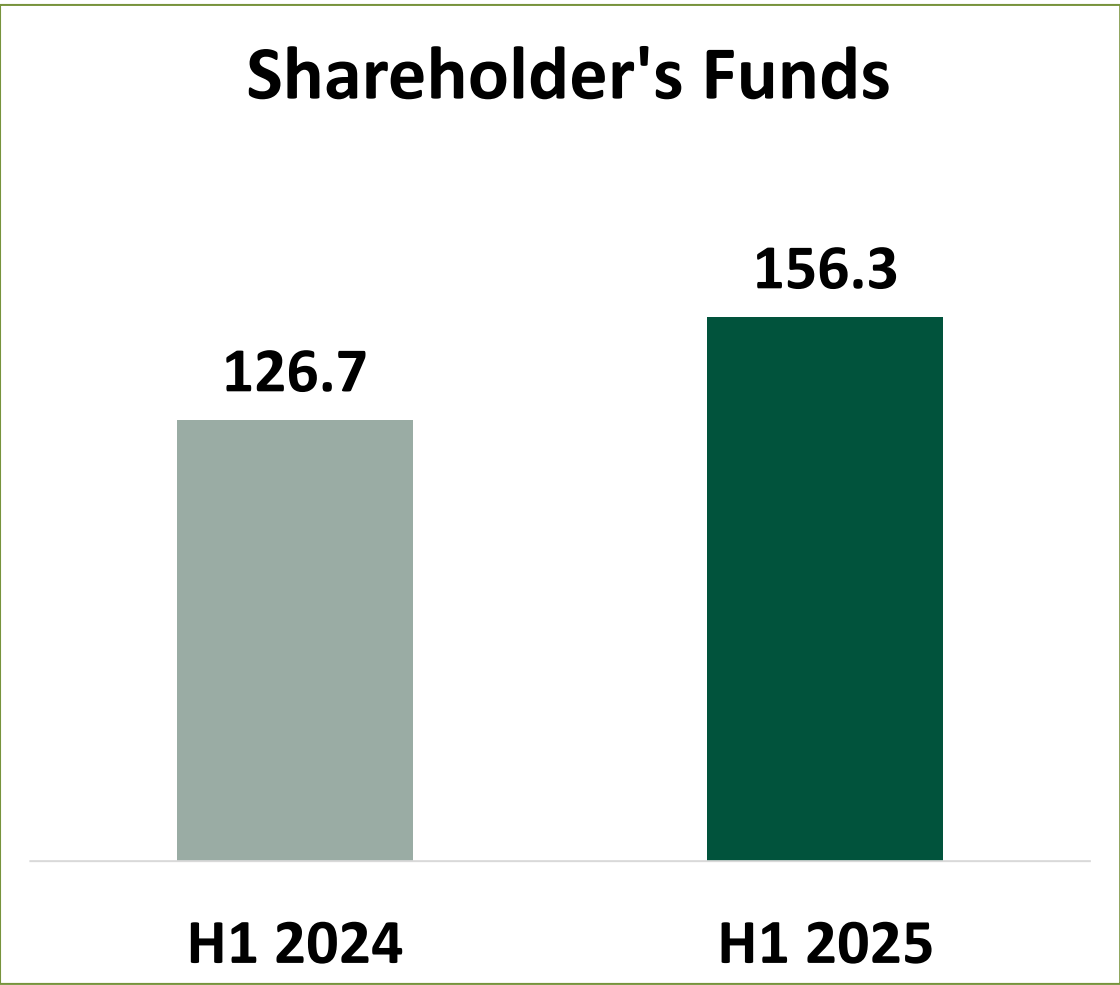
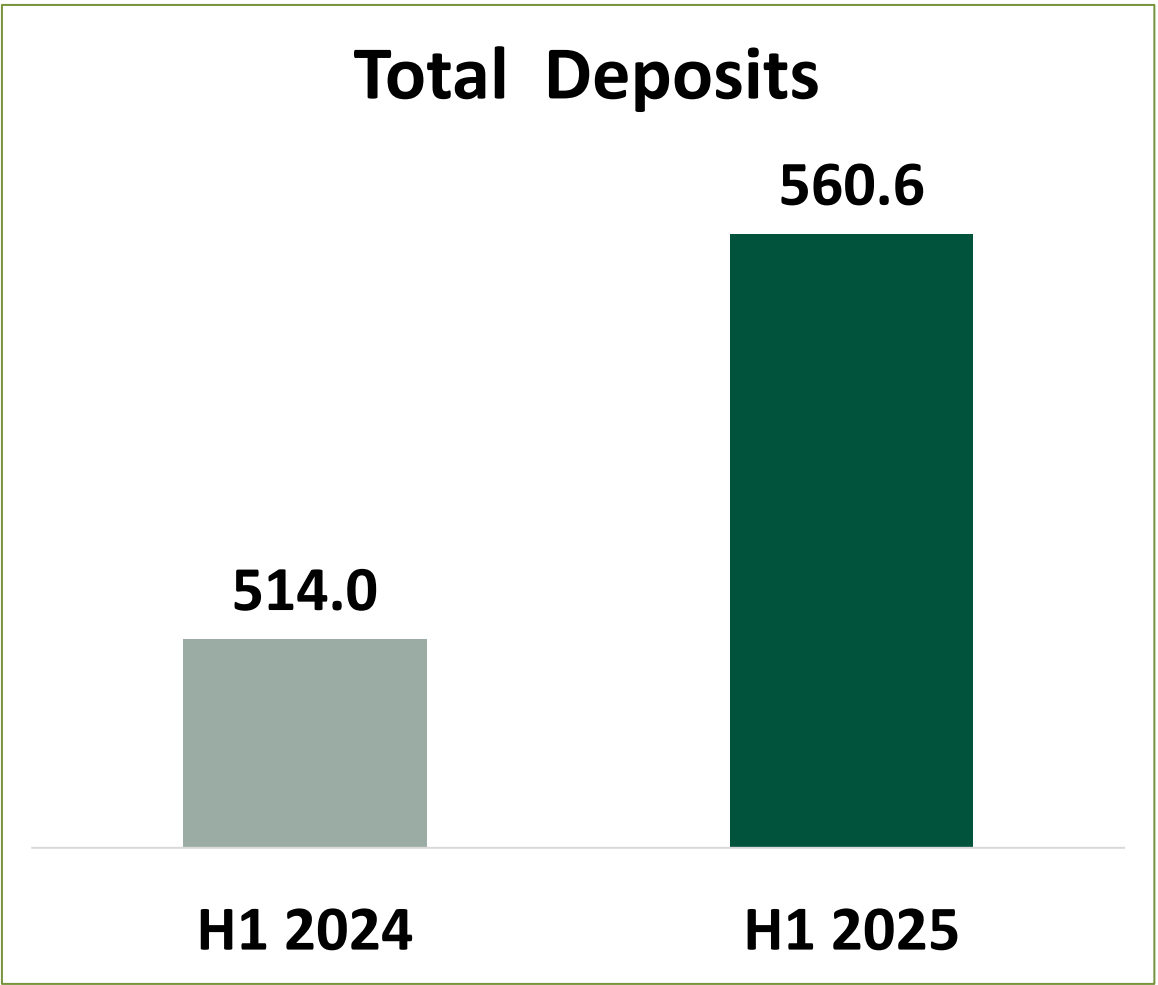
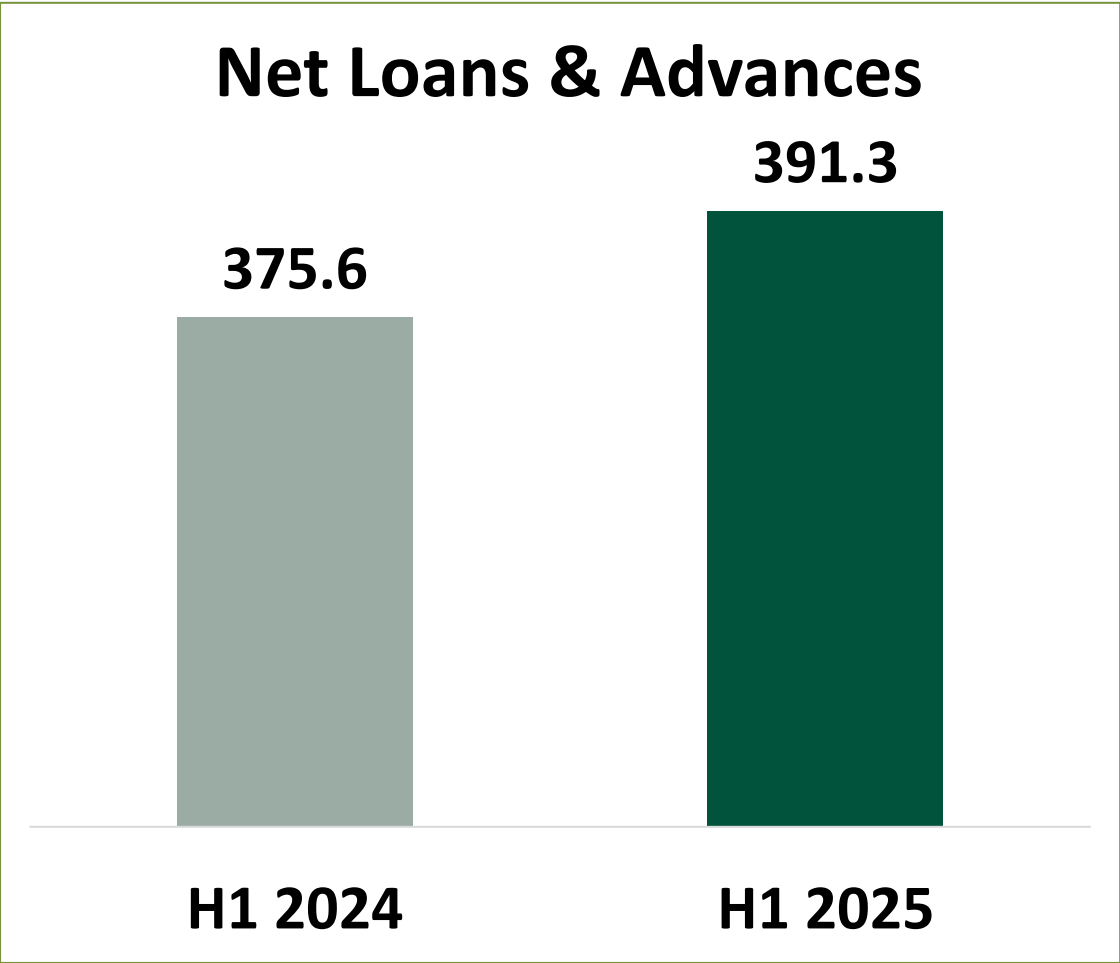
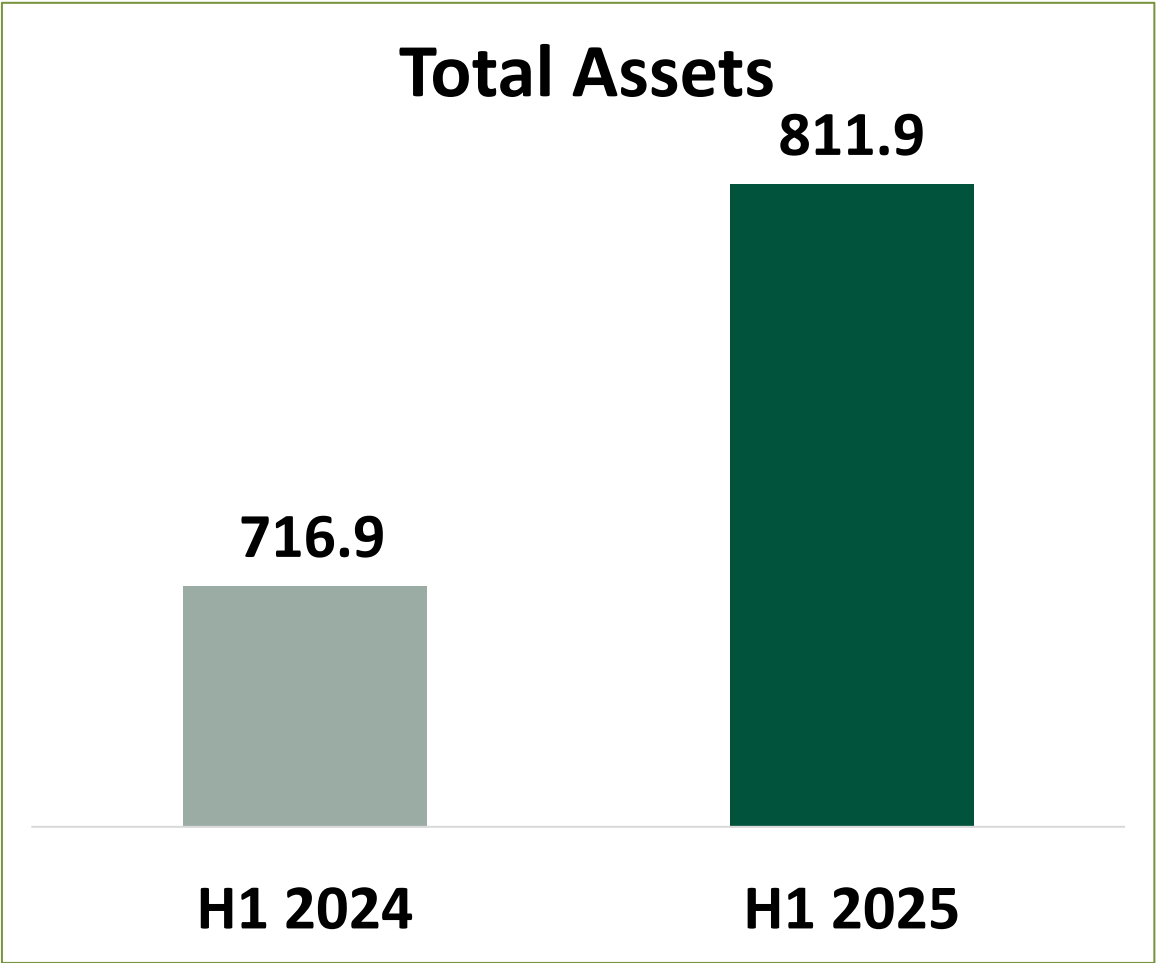
ICPAK FIRE AWARDS

Overall Winner – Sustainability Reporting 2022 & 2023



Group Financial Performance

Strong Financial Position (Kshs. Billions)

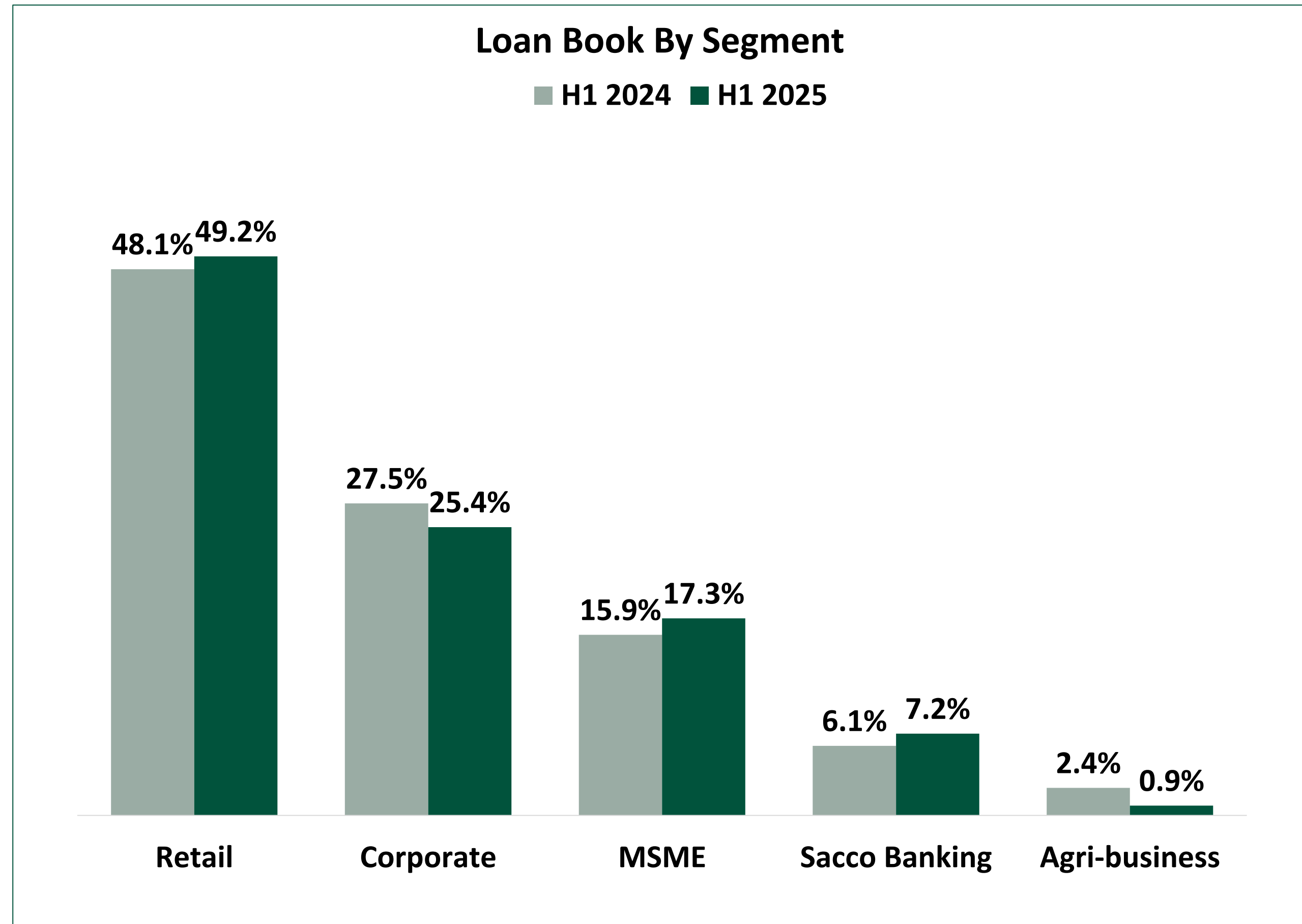


Strong Financial Position

<i>Kshs. Billions</i>	H1 2025	H1 2024	% Growth	
Total Assets	811.9	716.9	13.2%	↑
Net Loan book	391.3	375.6	4.2%	↑
Government Securities	253.7	202.2	25.5%	↑
Total Deposits	560.6	514.0	9.1%	↑
Borrowed Funds	65.7	50.2	30.8%	↑
Shareholder's Funds	156.3	126.7	23.4%	↑

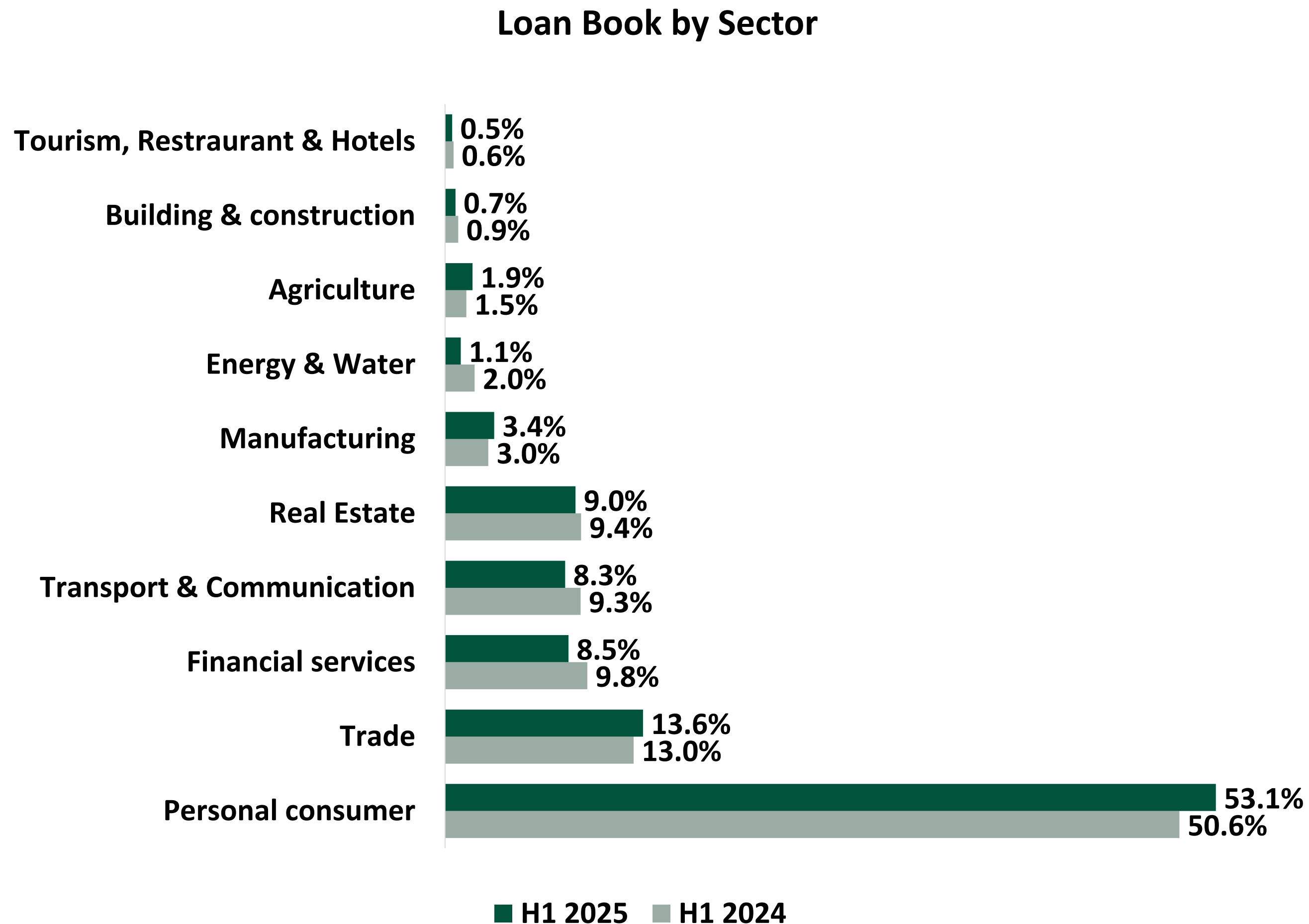
Diversified loan book

- 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.



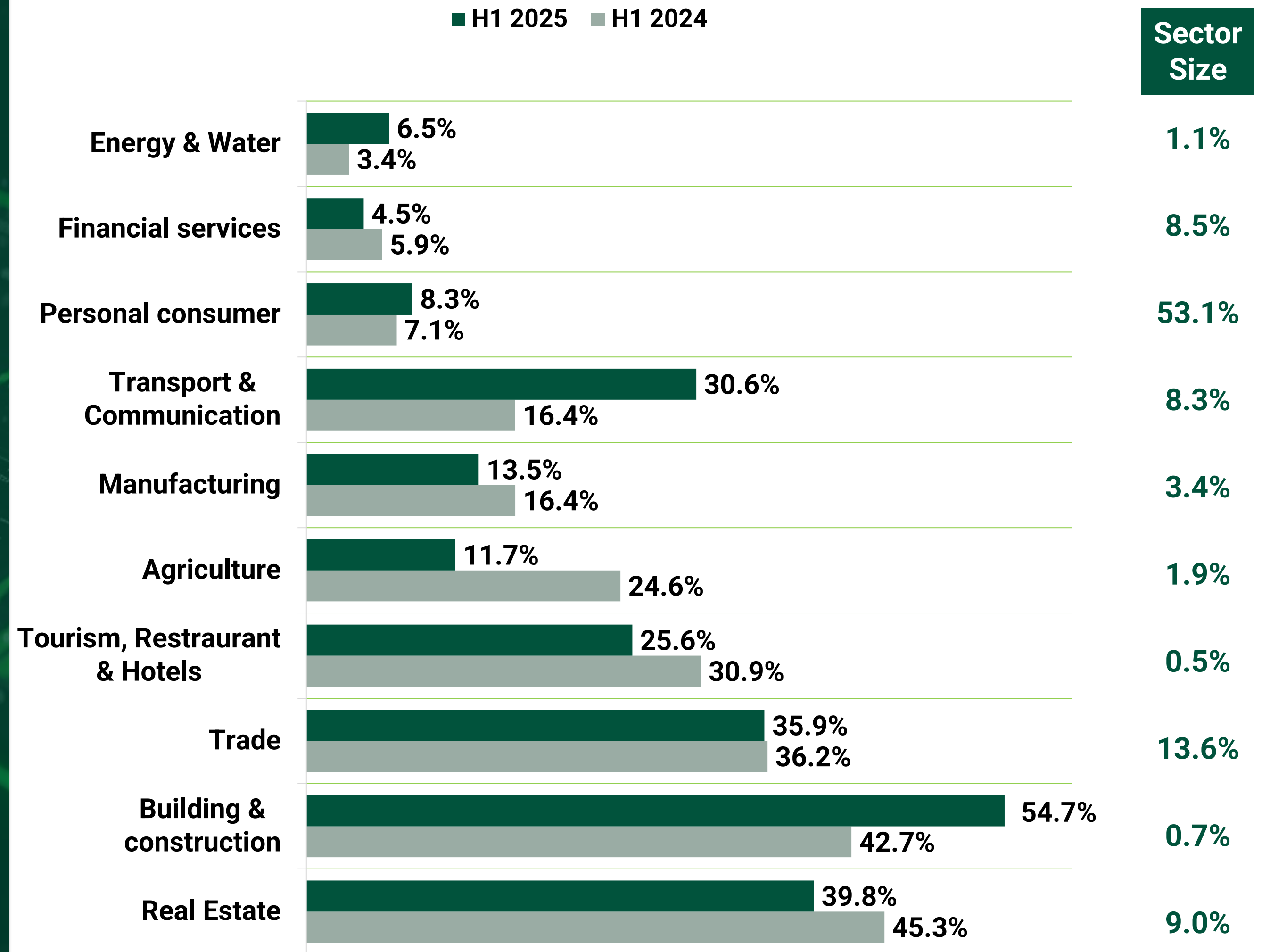
Diversified loan book

- Diversified across sectors
- 53.1% in Personal consumer which is performing well



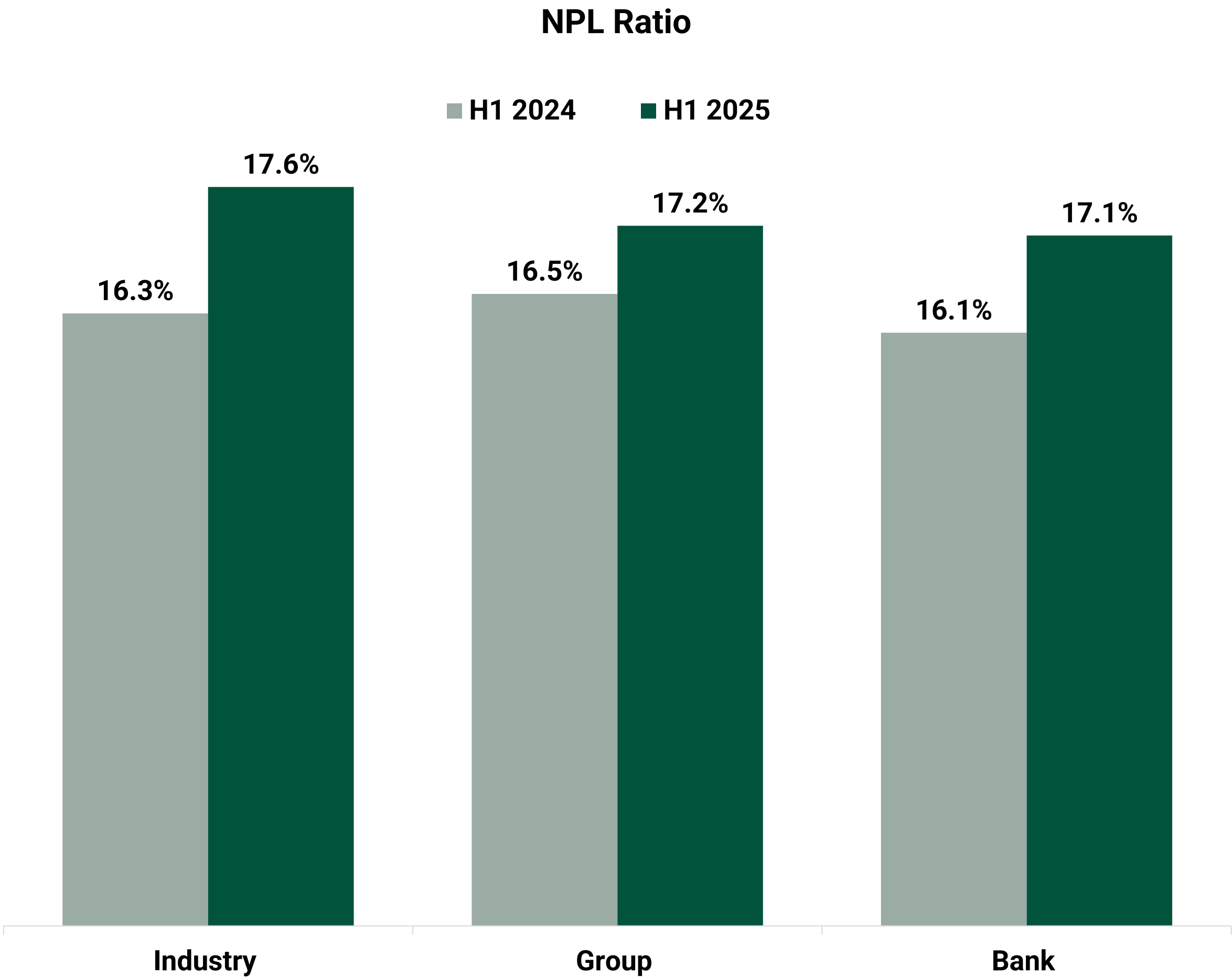
Portfolio Trends: Sector NPL

Low relative exposure in high-risk sectors

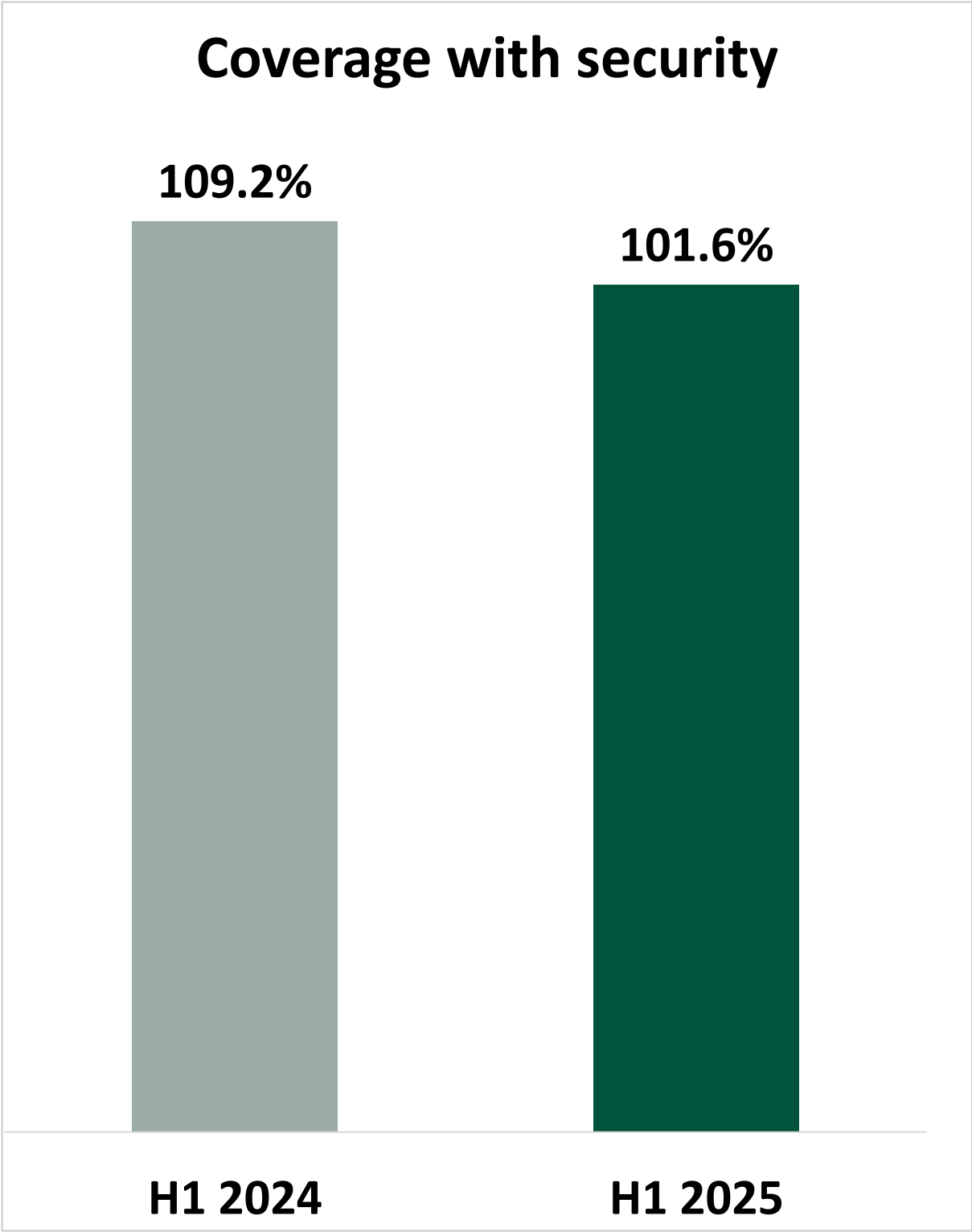
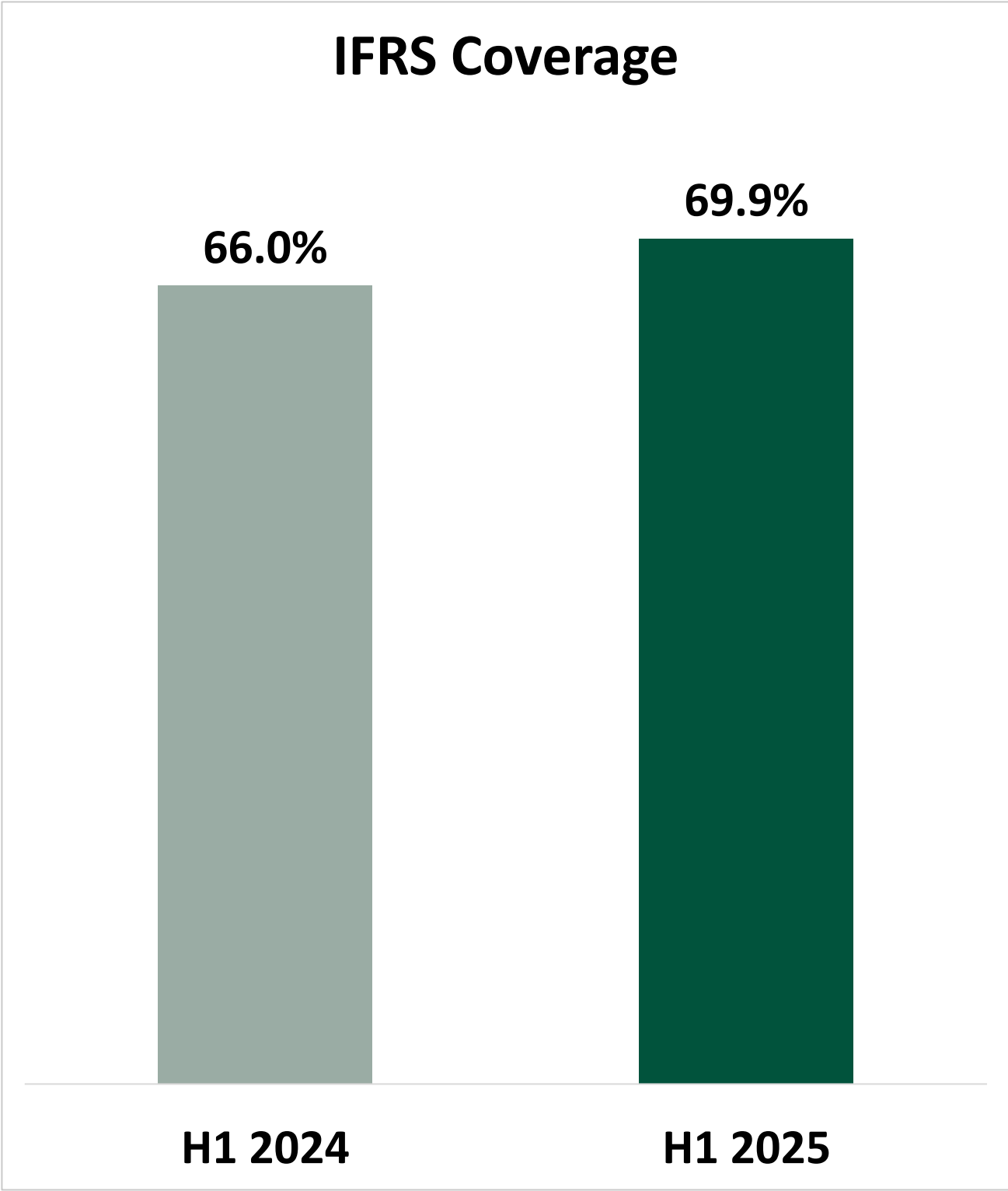
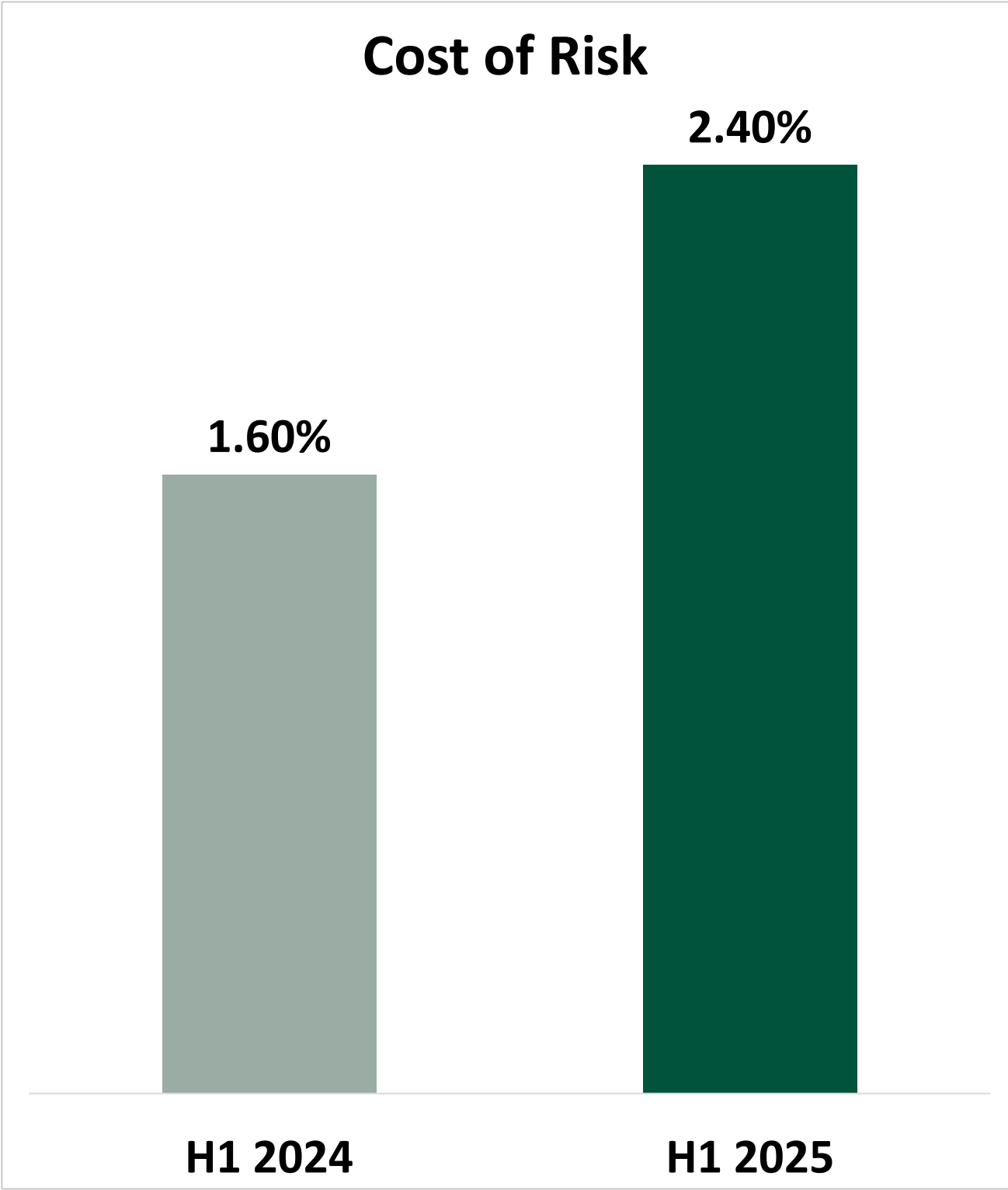


Supporting NPL Management;

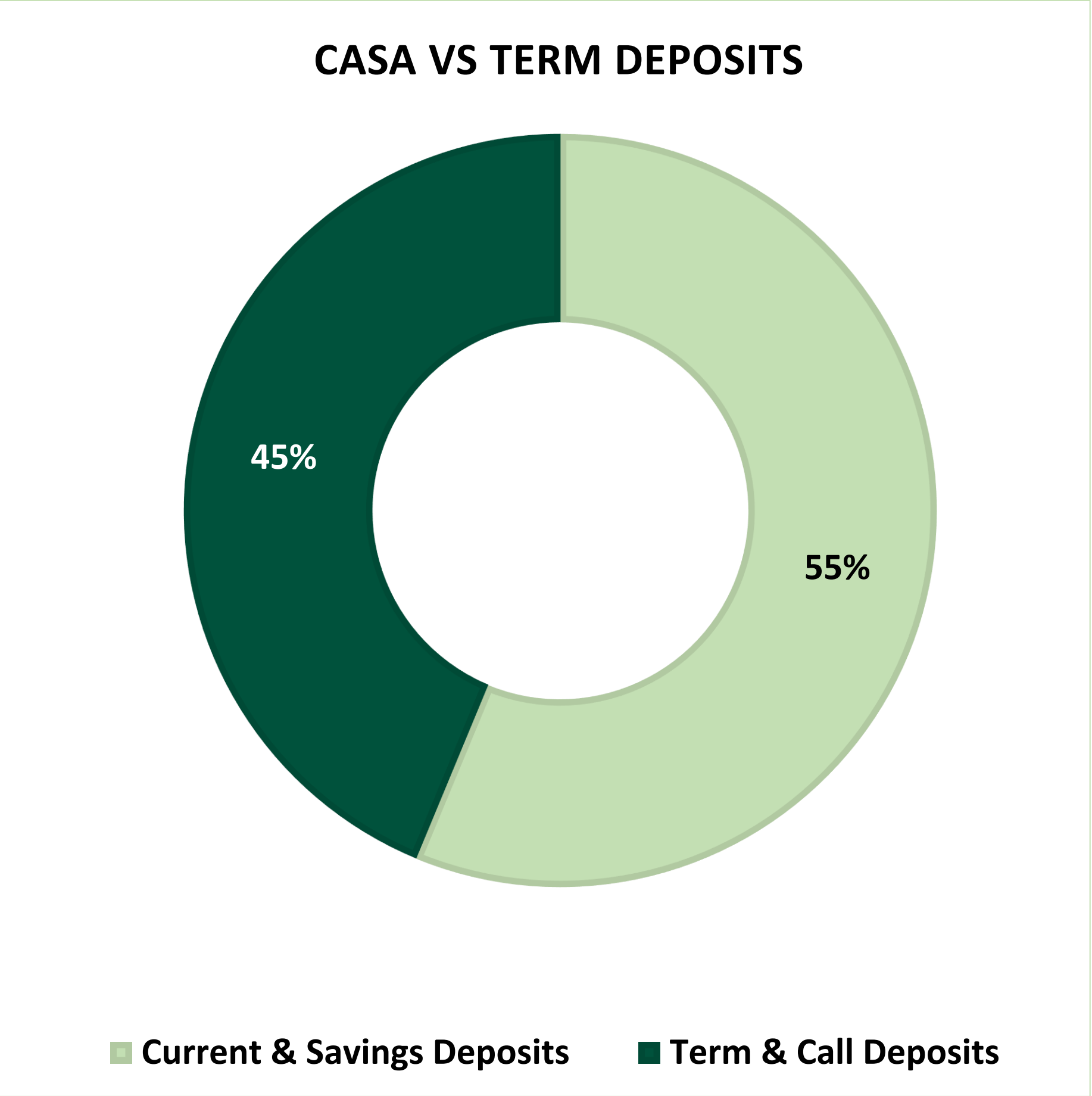
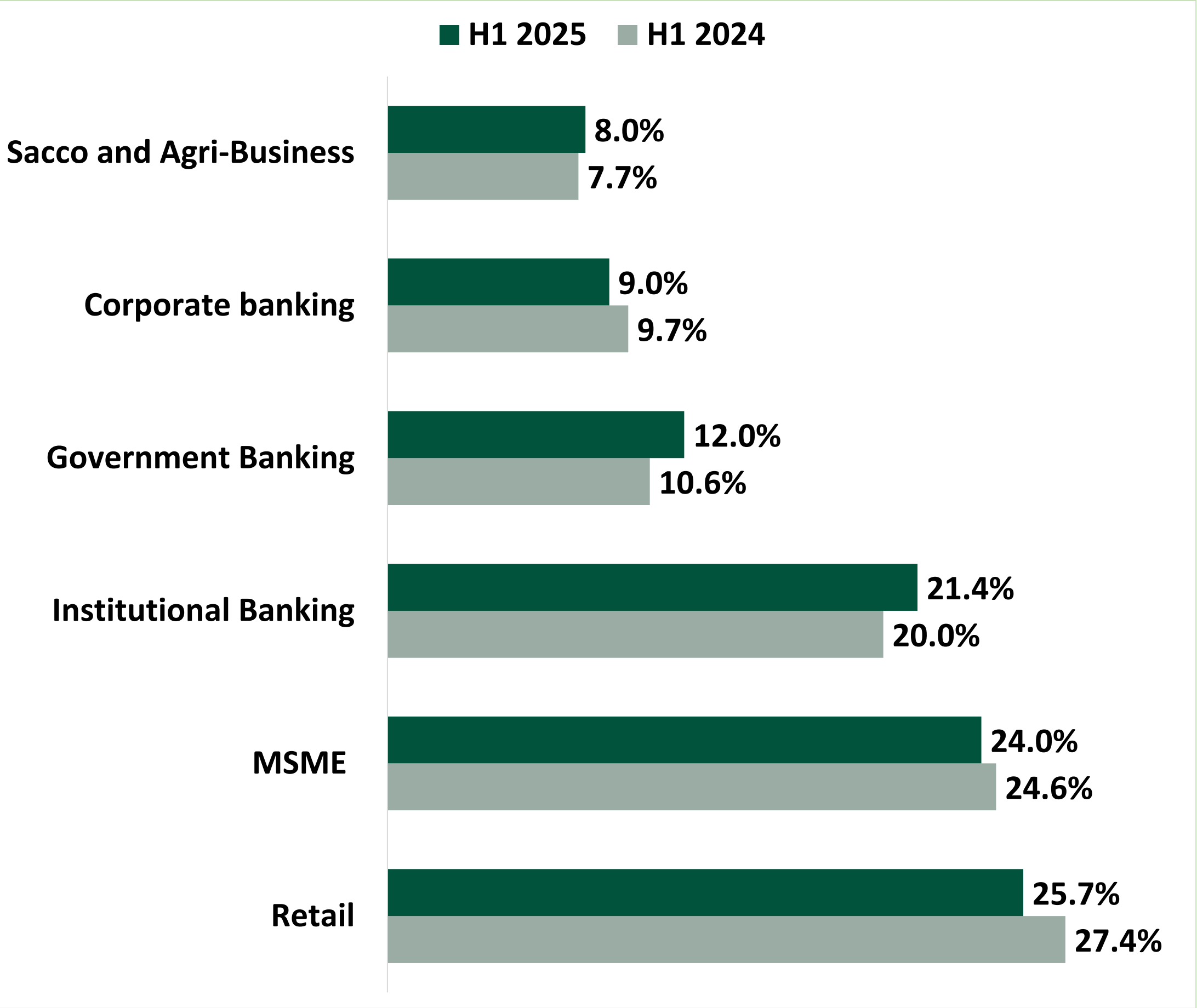
- Proactive Credit Management Strategies.
- Business Growth.
- Consumers and Businesses resilience amid tight economic environment.



Cost of risk of 2.4% in H1 2025.



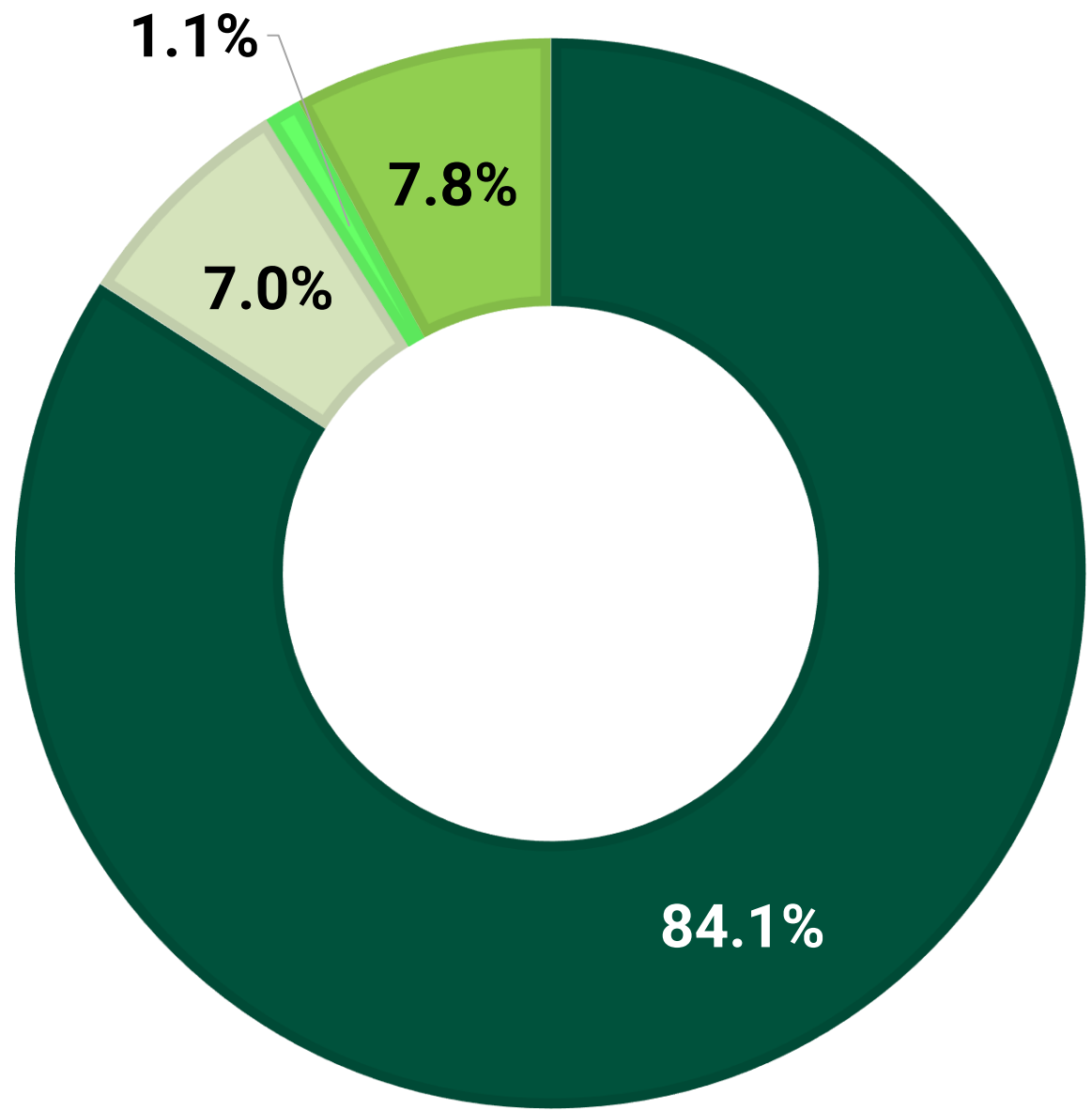
Well-diversified Liability Portfolio



Optimally balanced Kenya Shilling Asset & Funding Book

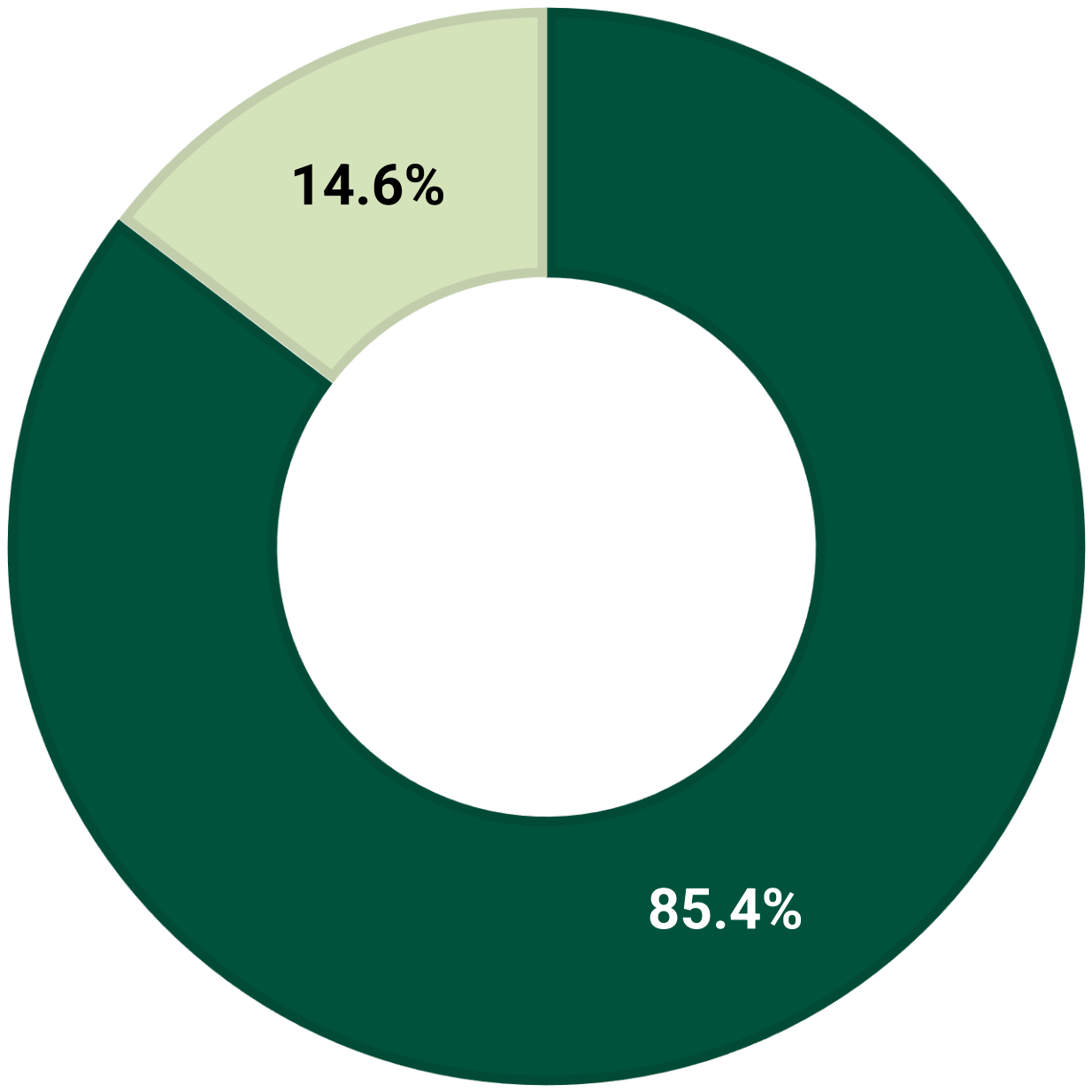
FUNDING: LOCAL VS. FOREIGN CURRENCY

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



ASSETS: LOCAL VS. FOREIGN CURRENCY

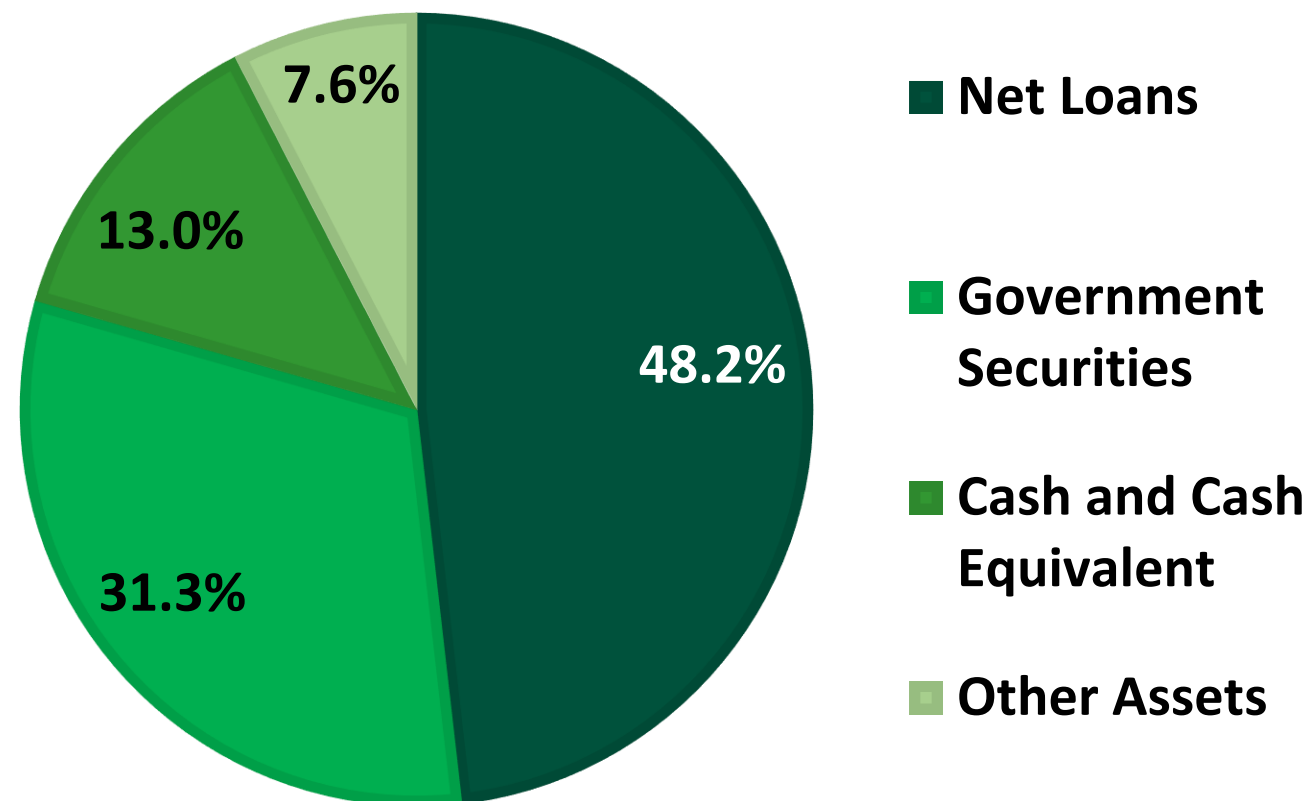
- Local Currency
- Foreign Currency



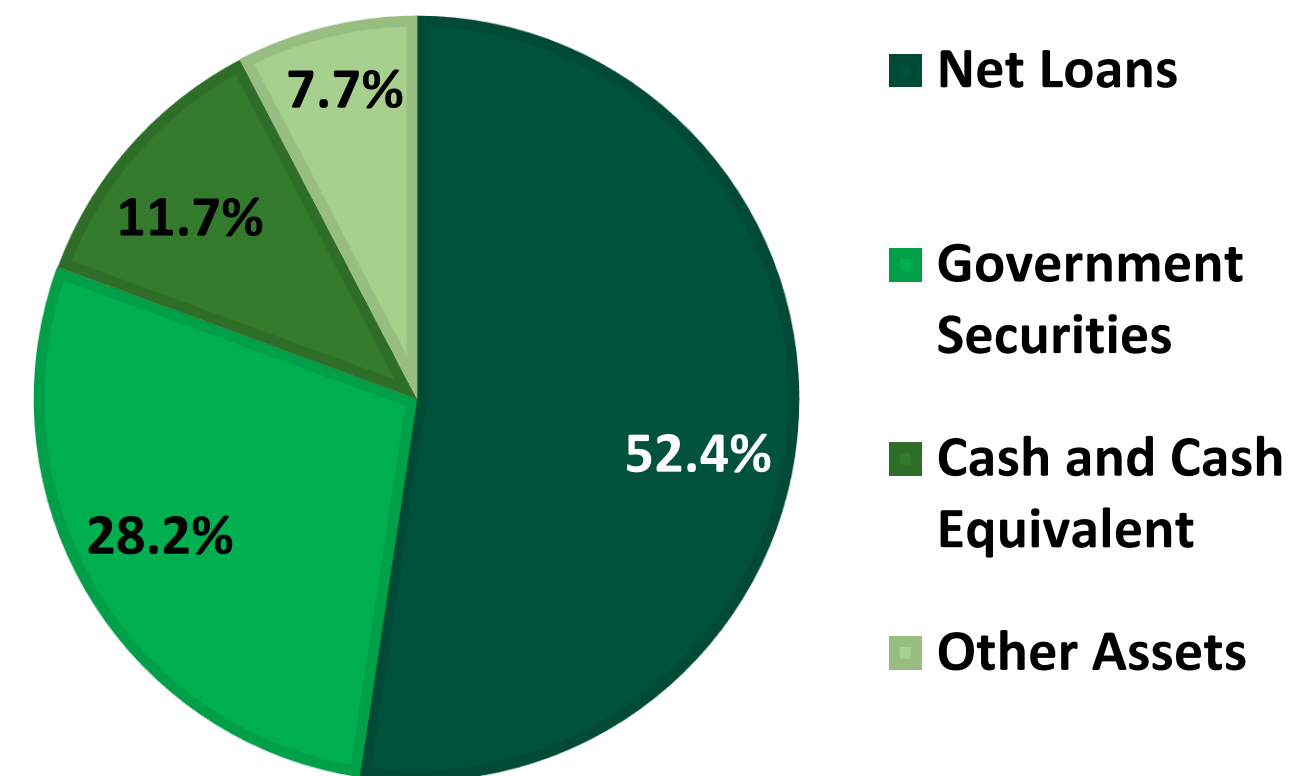
Asset and Funding Mix

Asset Categories

H1 2025

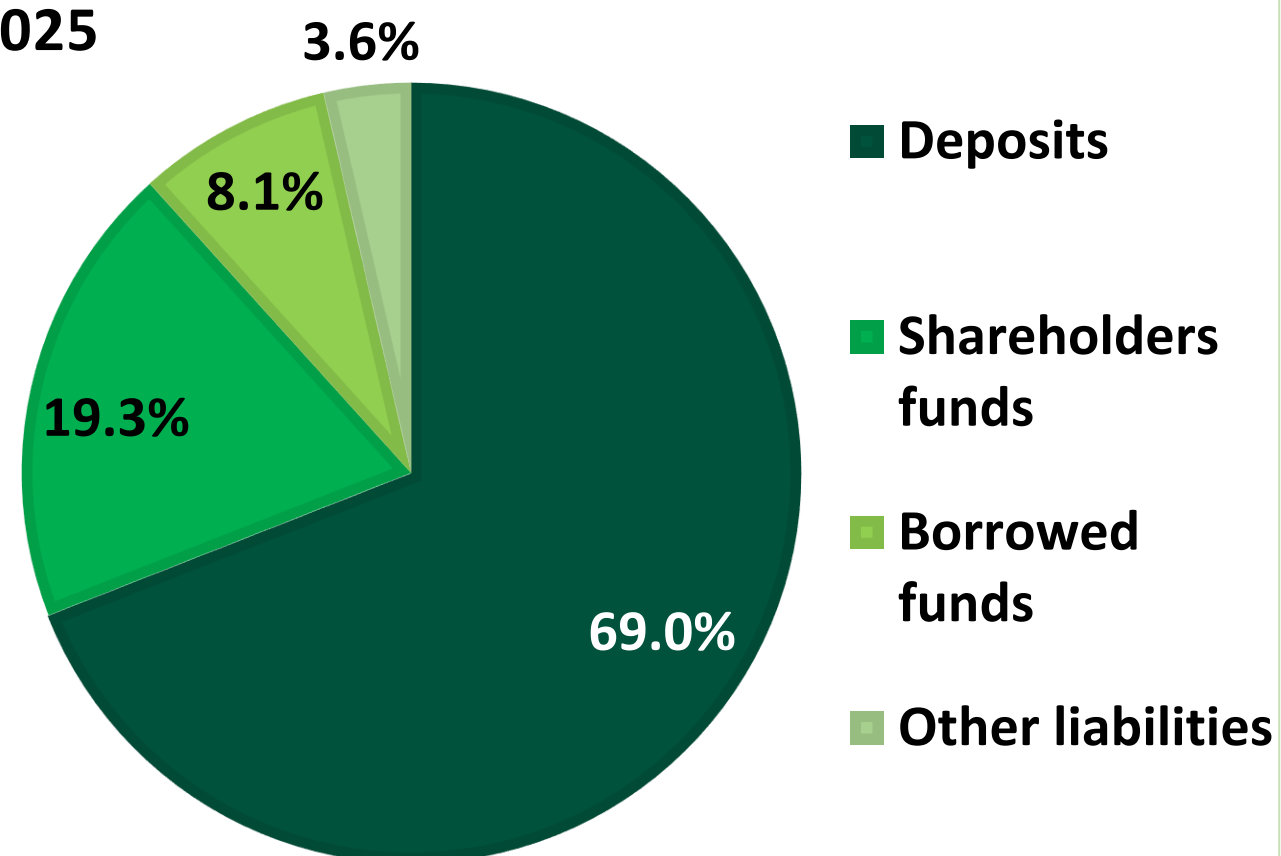


H1 2024

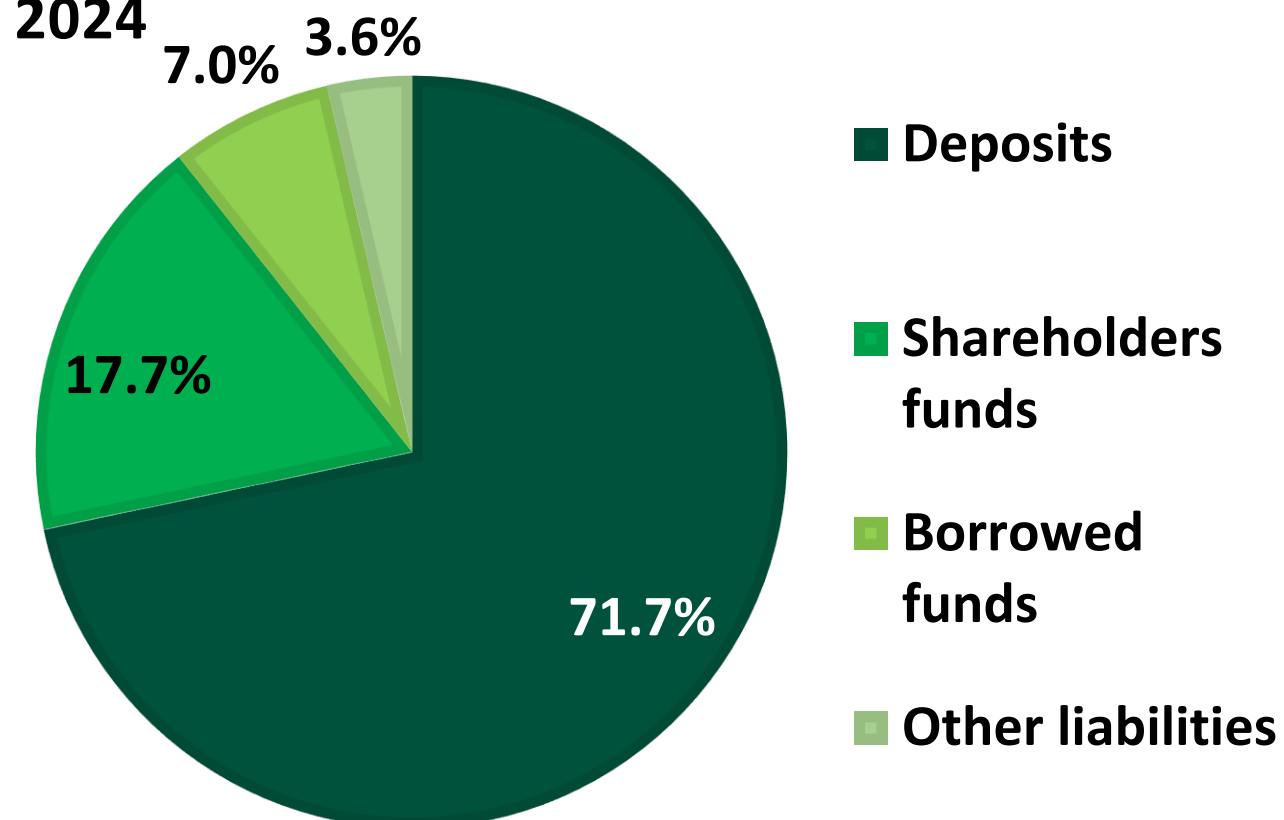


Funding Categories

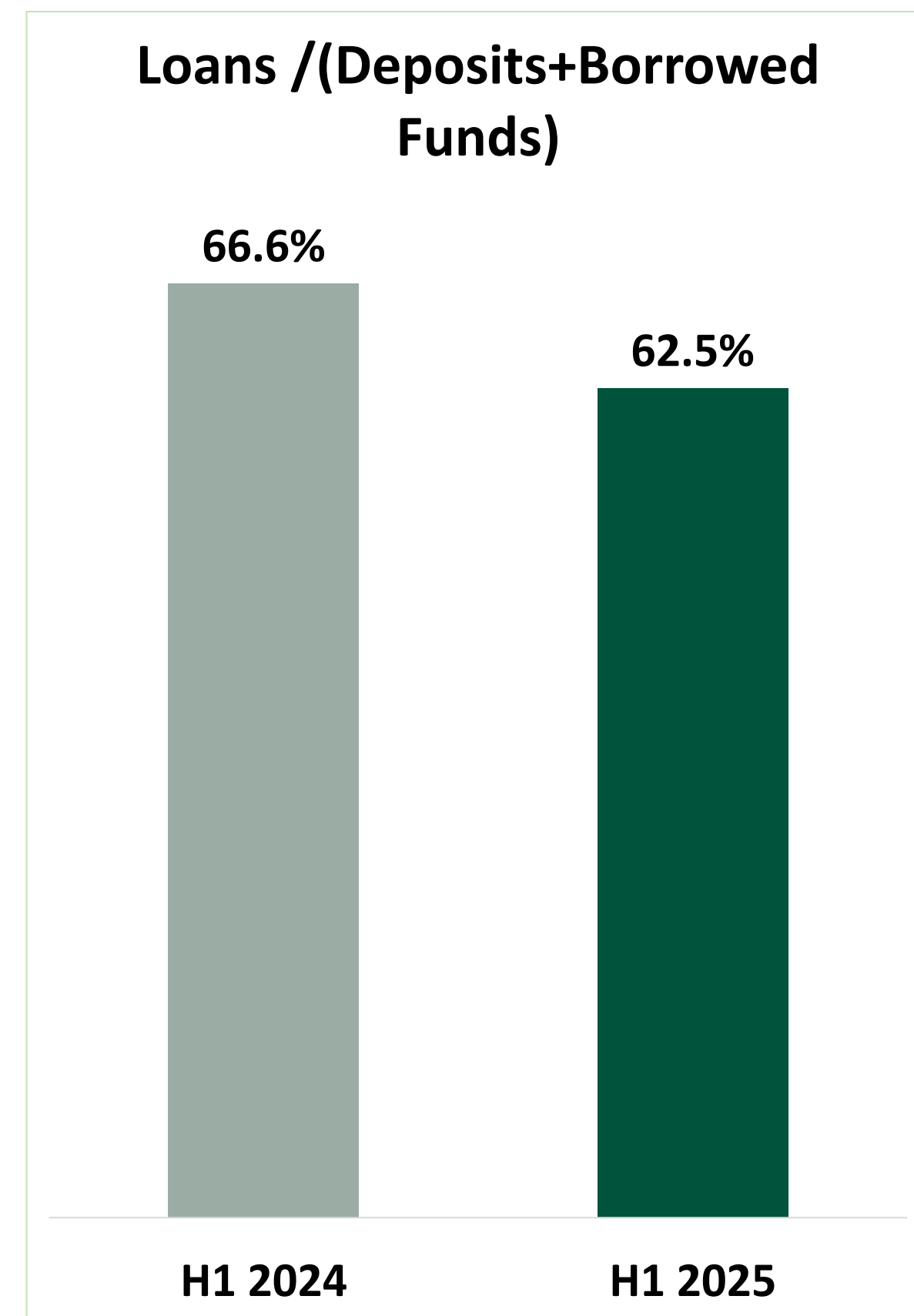
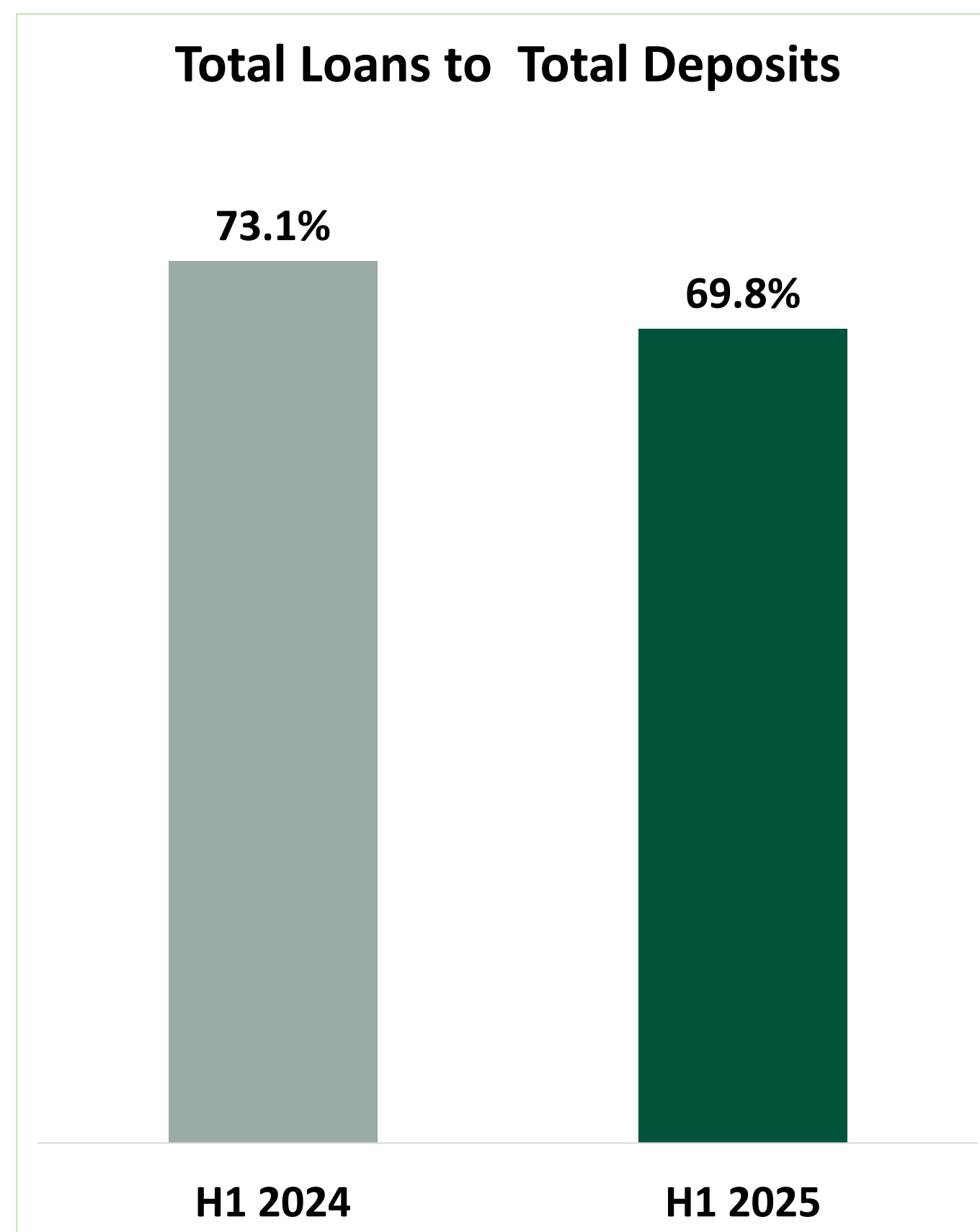
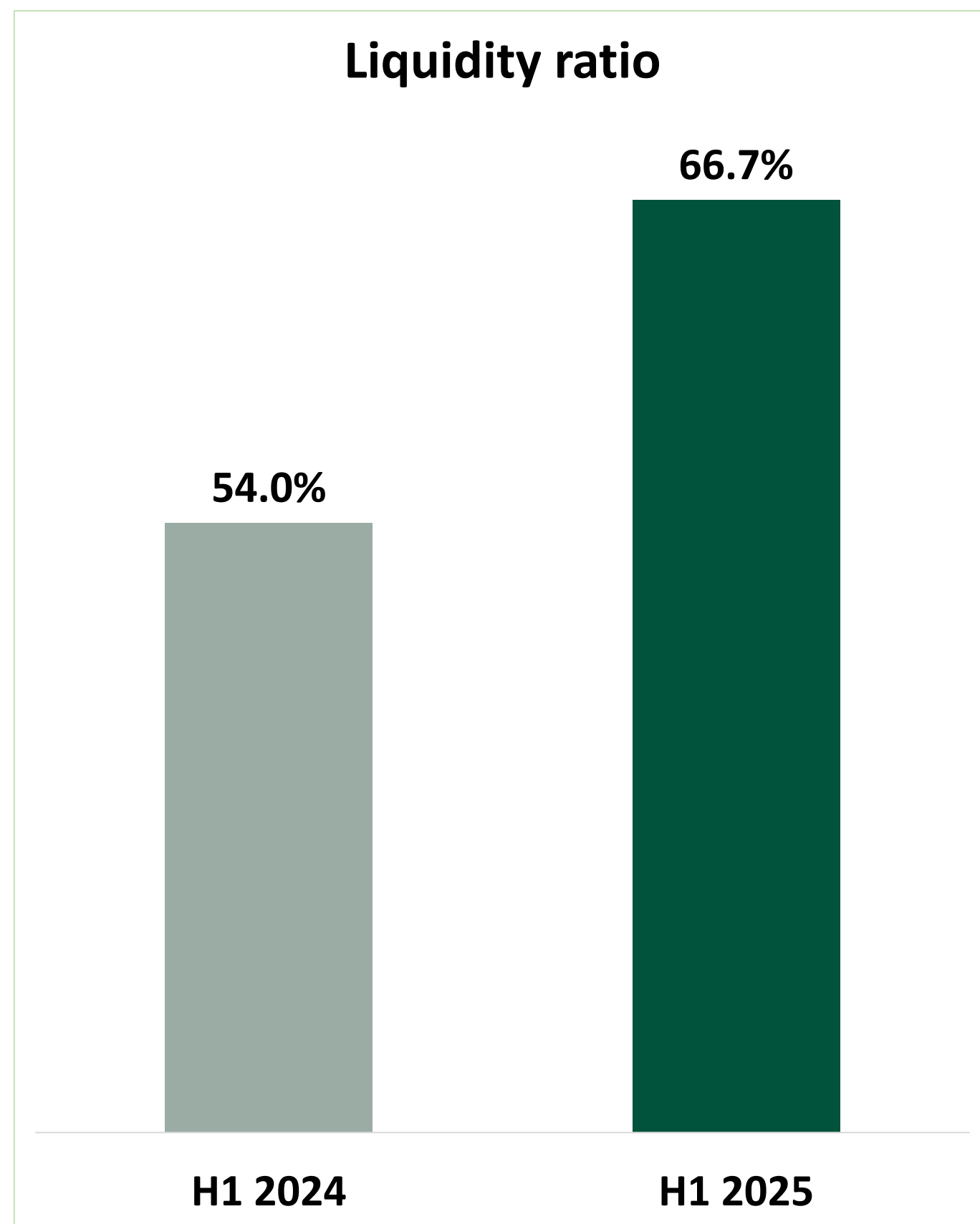
H1 2025



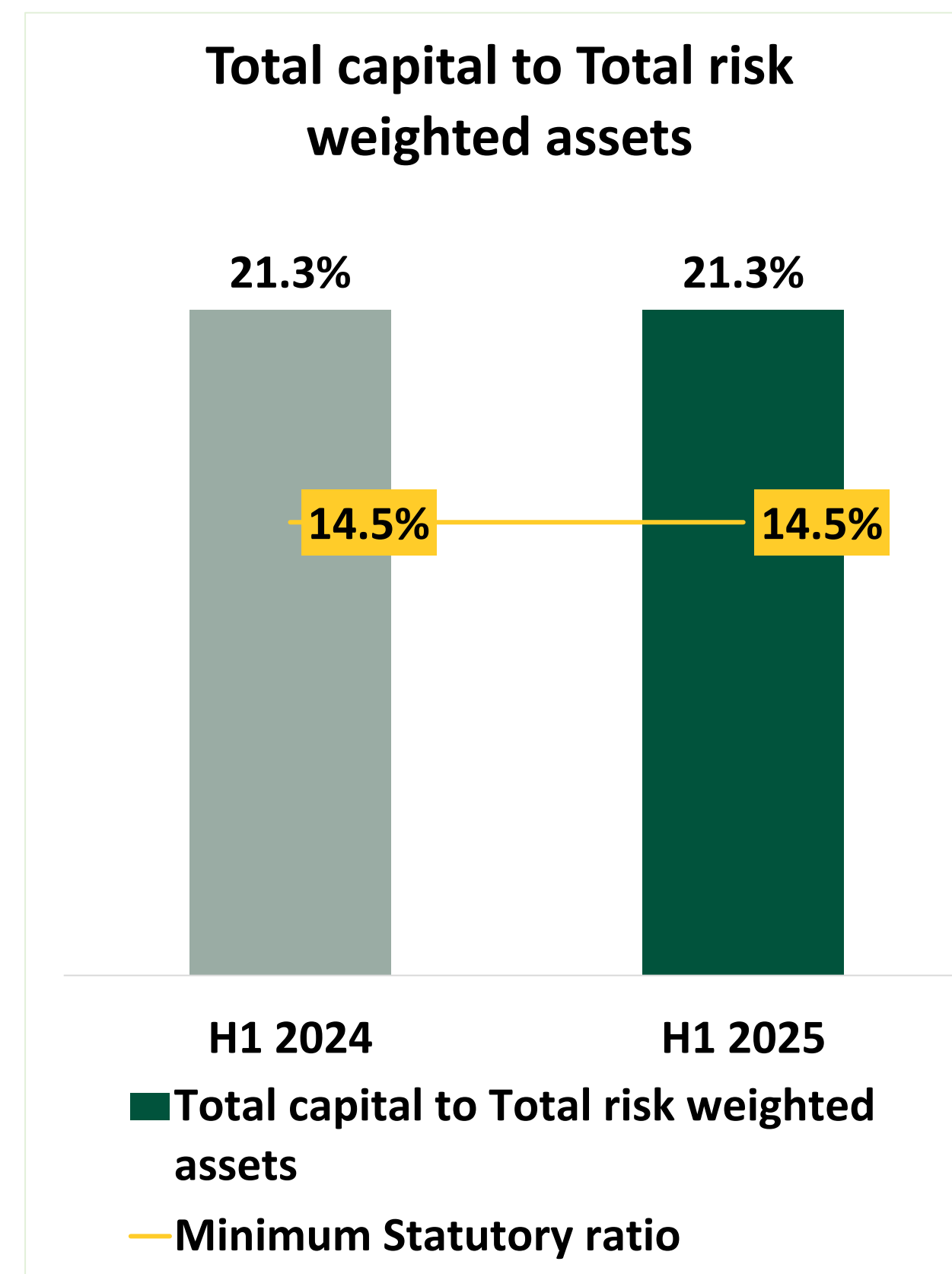
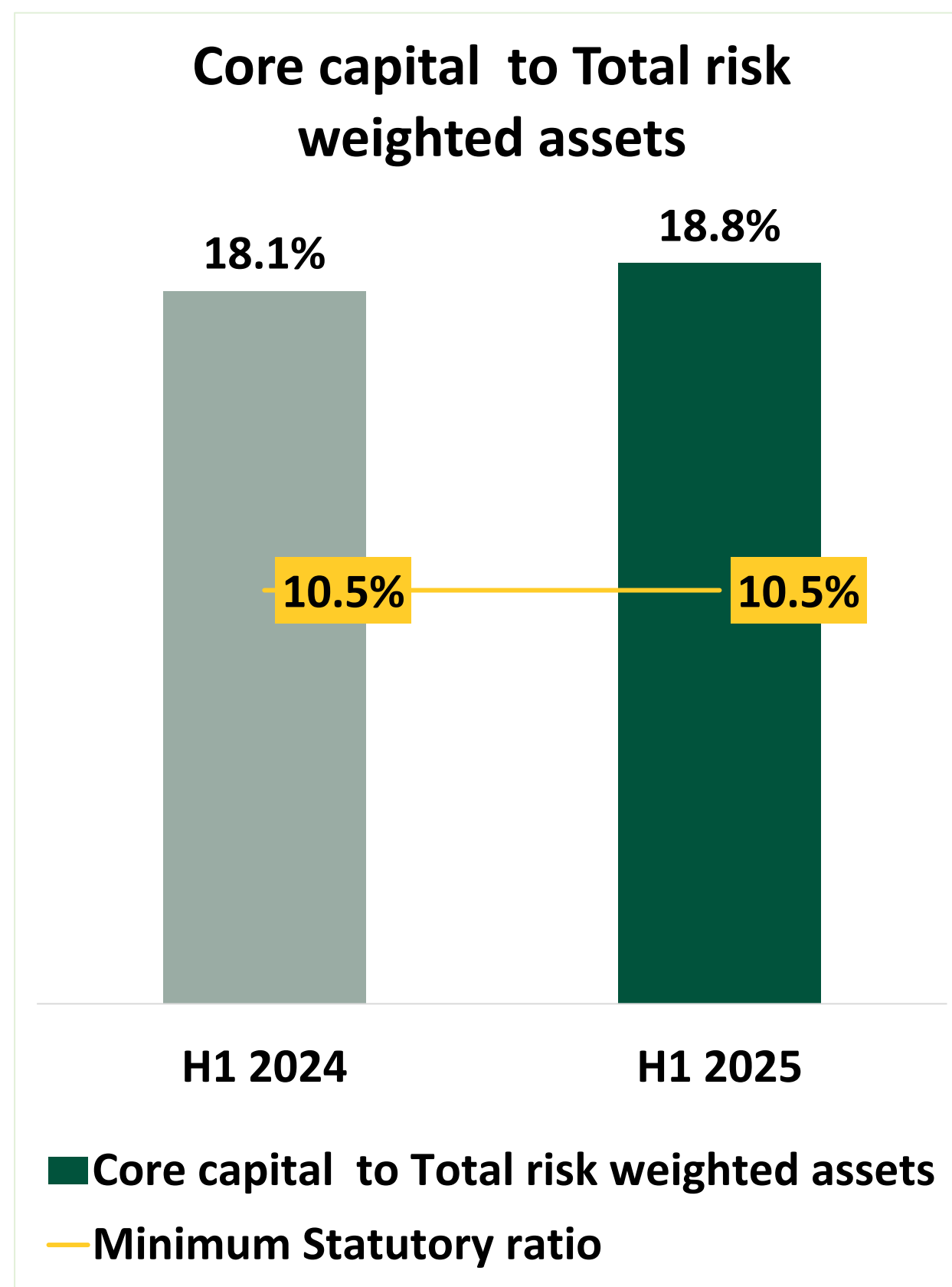
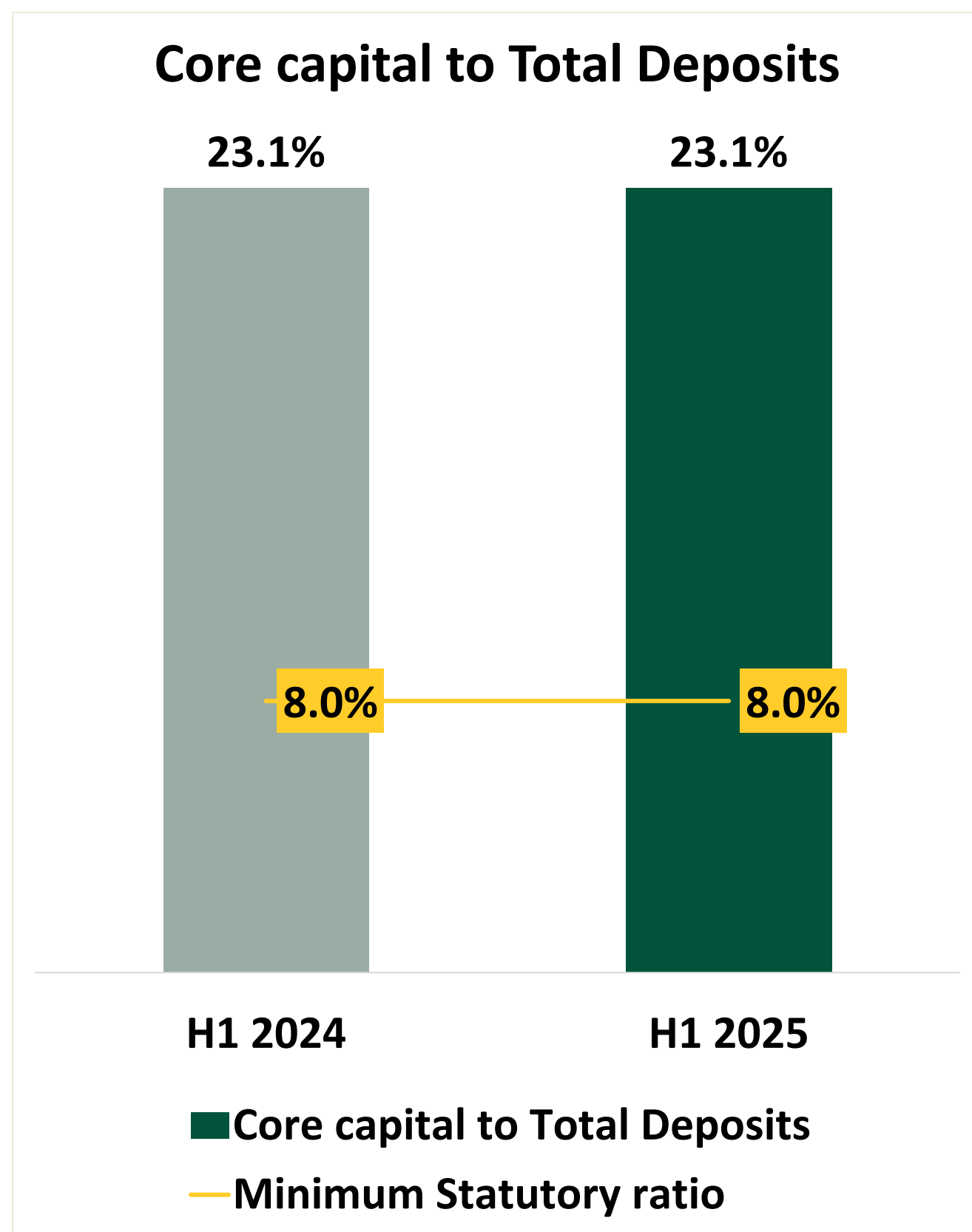
H1 2024



Strong Liquidity to Support Investments



Capital buffers for sustainable growth



Sustainable Profitability

Kshs. Billions	H1 2025	H1 2024	YoY Change	
Total Interest Income	44.8	39.8	12.6%	↑
Total Interest Expenses	15.4	15.9	-3.3%	↓
Net Interest Income	29.4	23.9	23.1%	↑
Fees and commissions on loans and advances	5.6	6.0	-7.0%	↓
Other Fees and commissions	6.33	6.32	0.2%	↑
Foreign exchange trading income	1.5	2.6	-41.6%	↓
Other income	0.6	0.4	77.7%	↑
Total Operating Income	43.5	39.2	10.8%	↑
Loan loss provision	4.5	3.0	50.5%	↑
Staff costs	9.9	9.1	8.2%	↑
Other operating expenses	9.6	9.1	5.5%	↑
Total Operating expenses	24.0	21.3	13.0%	↑
Profit before tax and exceptional items	19.5	18.0	8.3%	↑
Exceptional items-Share of profit of associate	0.21	0.20	7.4%	↑
Profit Before Tax	19.7	18.2	8.3%	↑
Income tax	5.6	5.2	8.0%	↑
Profit After Tax	14.1	13.0	8.4%	↑

Subsidiary Contribution

	H1 2025 KShs ‘000	H1 2024 KShs ‘000	Growth KShs ‘000	Growth %
Co-operative Bank of Kenya Ltd	17,755,043	16,704,469	1,050,574	6.3%
Co-operative Bank of South Sudan Ltd	56,929	(252,362)	309,291	122.6%
Co-opTrust Investment Services Ltd	360,762	142,727	218,035	152.8%
Co-op Bancassurance Intermediary Ltd	790,750	682,659	108,091	15.8%
Kingdom Securities Ltd	63,236	35,620	27,615	77.5%
Kingdom Bank Ltd	491,137	650,470	(159,333)	(24.5%)
Co-op Bank and Subsidiaries Total	19,517,857	17,963,584	1,554,274	8.7%
Associates share of profit	145,086	197,412	(52,326)	(26.5%)
Group Profit Before Tax	19,662,944	18,160,996	1,501,948	8.3%
Income Tax Expense	5,583,561	5,170,359	413,202	8.0%
Group Profit After Tax	14,079,383	12,990,634	1,088,749	8.4%

Key Ratios

Ratio	H1 2025	H1 2024	
RoAA	3.7%	3.8%	✓
RoAE	19.9%	22.1%	✓
EPS	4.8	4.4	^
Ave Return of Interest Earning Assets	13.5%	13.1%	^
NIM on Loans	9.4%	8.0%	^
NIM on Interest Earning Assets	8.3%	7.2%	^
CIR Group <i>(with provisions)</i>	55.3%	54.2%	^
CIR Group <i>(without provisions)</i>	44.9%	46.6%	✓
CIR Bank <i>(with provisions)</i>	54.8%	52.6%	^
CIR Bank <i>(without provisions)</i>	43.7%	44.4%	✓
Non-Funded to Total Operating Income	32.5%	39.2%	✓
Cost of Customer Deposits	4.8%	5.4%	✓
Cost of Funds	4.9%	5.7%	✓



THANK YOU

 **CO-OPERATIVE BANK**
We are you