



THE CO-OPERATIVE UNIVERSITY OF KENYA

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CITATION



DR. GIDEON MURIUKI – CBS, MBS

GROUP MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER
THE CO-OPERATIVE BANK OF KENYA

**ON THE OCCASION OF CONFERMENT OF
DOCTOR OF HUMANE LETTERS (HONORIS CAUSA) – DLITT. OF
THE CO-OPERATIVE UNIVERSITY OF KENYA**

Friday, 25th February 2022



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THE CO-OPERATIVE UNIVERSITY OF KENYA CITATION ON DR. GIDEON MURIUKI, CBS, MBS, ON HIS CONFERMENT OF THE DOCTOR OF HUMANE LETTERS (HONORIS CAUSA) - DLITT. OF THE CO-OPERATIVE UNIVERSITY OF KENYA AT NAIROBI, KENYA ON 25TH FEBRUARY 2022

Dr. Gideon Muriuki - CBS, MBS, a career banker, a transformational leader, a cooperater, a distinguished private sector servant, a polished innovator, and a prime mover of no comparable influence in the cooperative movement.

Dr. Gideon Muriuki was born on the 1st of September 1964, to Ben Muriuki Gakenge and Beatrice Muthoni Muriuki in Mung'aria village in Tetu, Nyeri County. He is the firstborn among three children to parents who were business people. He was thus born and raised in a hardworking, loving, God-fearing, and supportive family environment, virtues that have had an immense influence on his character.

Born in a family that was conscious of the benefits of education, Dr. Gideon Muriuki started off his education in 1970 at a tender age of six years when he joined a local Nursery School in Kaigonde Village. He later joined Kaigonde Primary School from 1971 to 1974 before transferring to Kiganjo Primary School from 1975 to 1977, sitting for his Certificate of Primary Education (CPE) in 1977. Having passed his CPE, Dr. Gideon Muriuki joined Kagumo High School in Nyeri for his 'O' Level education from 1978 – 1981 and sat for his Kenya Certificate of Education (KCE) in 1981. He proceeded for his 'A' Level education at the same school - Kagumo, from 1981 to 1983 and sat for his KACE in 1983. Upon successful completion of 'A' Level education, Dr. Gideon Muriuki joined the University of Nairobi in 1985, graduating from the University in 1988 with a Bachelor of Science degree in Mathematics.

Upon completing his university education, Dr. Gideon Muriuki started his career in the banking sector at an early age in 1989 when he was recruited as a Graduate Trainee at Barclays Bank of Kenya, where he served until 1992. He then moved to Standard Chartered Bank where he worked from 1992 to 1996. Having settled in employment in the highly prestigious banking sector, Dr. Gideon Muriuki on 28th May 1994 married Joyce Wanjiku Muriuki, with whom he has five children.

In his illustrious career in the banking sector spanning over three decades, Dr. Gideon Muriuki, a Fellow of the Kenya Institute of Bankers has had a great impact on the banking sector and the cooperative movement in ways that have positively impacted many lives. Since his appointment on 1st March 2001 as CEO of the Co-operative Bank of Kenya, a Bank predominantly owned by the over 15 million-member Kenya Co-operative movement, Dr. Gideon Muriuki has presided over the most remarkable turnaround of the bank in its history. With the express mandate to drive a transformation agenda in the Bank, Dr. Gideon Muriuki has moved the Bank from a massive loss position of over KES. 2.3 billion in the year 2001 and an asset book of around KES 24 billion, to one of the largest banks in the region with an asset base of over KES 600 billion and a profit before tax of over KES 16.5 billion for the first nine months of the year 2021. As a result of his leadership, the Co-operative Bank of Kenya is now supporting wholesale and retail banking linkages with the over 15-million-member co-operative movement through the over 22,000 co-operative societies that cut across every sector of the economy in Kenya. His transformational agenda has seen the growth and market positioning of the Group as a successful universal Bank offering the full range of banking services including retail and business banking; corporate & institutional banking; SME banking; co-operatives banking; fund management; and, corporate finance & advisory services, but with a critical focus on economic empowerment of the co-operative movement that is the bedrock of the bank.

Dr. Muriuki at the helm as CEO, the Co-operative Bank of Kenya has grown into the most successful Co-operative Bank in Africa. He has retained the bank on a clear strategic path anchored in the movement, with co-operatives as both majority shareholders and also as key customers. To ensure the long-term sustainability of the co-operative movement, Dr. Muriuki in 2003 established Coop Consultancy Services Limited, a consultancy company wholly owned by the Bank, to support co-operatives on critical needs that include training and capacity-building; HR sourcing; ICT systems audits and procurement; strategic planning; restructuring and turnaround strategies. The Co-op Consultancy team of over 20 consultants has executed over 900 mandates in the last five years, which has helped co-operatives not only adopt viable operating models but also become more competitive in the marketplace. The Co-operative Bank of Kenya has also invested in the training of Co-operative leaders and Management, with over 6,000 members attending short-term courses in the last five years.

Dr. Gideon Muriuki in his transformation agenda has maintained a strong belief in the great potential of the cooperative movement and the principles of co-operatives. As a result, when the Co-operative Bank of Kenya decided to list on the Nairobi Securities Exchange in 2008, Dr. Muriuki structured a unique shareholding structure of the bank post-IPO that ensured that the co-operative identity and control of the bank would not change following the IPO. This guarantees that the Bank will remain a 'co-operators bank' into the future. The IPO boosted the Bank's capital and brought in new shareholders, but the co-operative movement retains a controlling 64.5% equity stake through Co-opholdings Co-operative Society Limited. Further, as a result of his faith in the co-operative movement and the strategic foresight, Dr. Gideon Muriuki insisted that the Co-operative Bank of Kenya would retain its identity as a co-operative bank when it expands into other parts of Africa. He did this, well aware that it would have been much easier to go into other parts of Africa as a successful

Kenyan commercial bank. This arrangement is operational in South Sudan, where the Bank structured a Joint Venture with the Government of South Sudan to establish the Co-operative Bank of South Sudan. Under this arrangement, the Co-operative Bank of Kenya holds a 51% equity stake while the 49% balance is held by the Government of South Sudan on behalf of South Sudan's co-operative movement. This is intended to not only give South Sudan co-operatives a stake in the bank, but also to share the bank's successful Kenyan experience and encourage the revival of co-operative banking across Africa.

Besides his work at the Co-operative Bank of Kenya, Dr. Gideon Muriuki has had concern for and direct intervention in the cooperative movement. He has enriched and strengthened the bonds of partnership between apex co-operative institutions in Kenya. A case in point is the Co-operative Insurance Company (CIC Group) and Co-op Bank Strategic Business Partnership established in 2010. Co-op Bank solidly supported the recapitalization of CIC which is majority-owned by the co-operative movement, with Co-op Bank as the largest and strategic shareholder in CIC with a 24.8% stake. The strategic business relationship between the Co-operative Bank of Kenya and CIC Group has significantly boosted the shared interests of the two partners. The extension of this Co-op Bank-CIC partnership to other countries in Africa will foster a much-needed revival and recovery of co-operative insurance across Africa. Co-op Bank has also maintained linkages with The Co-operative University of Kenya, a premier institution of higher learning in cooperative training, research, and consultancy.

Dr. Muriuki has greatly supported the recovery of marketing co-operatives, especially coffee societies which had long suffered the effects of the 1990's global price collapse. He submitted Structured Debt Relief Proposals to the Government, achieving a write-off of the massive legacy debts that coffee co-operatives owed Co-op Bank and the World Bank. The 2006 debt relief

by the Government of Kenya offered a historic relief to coffee societies, enabling them to recover and continue to support many households and the rural economy. In addition, under, Dr. Gideon Muriuki as Group CEO, Co-op Bank supported the establishment for the first time of a licensed coffee marketing company wholly-owned by small-holder coffee societies, called the Kenya Co-operatives Coffee Exporters Limited (KCCE). KCCE has greatly supported coffee co-operatives to take greater control of the coffee value chain. This has significantly impacted the coffee trade, enabling farmers to earn a better return on their produce. KCCE plans to extend this successful value-chain model to other cash crops produced by small-holder farmers.

In 2007, in his focus to supporting the cooperative movement, Dr. Muriuki delivered a project intended to enable Savings and Credit Cooperatives Societies (SACCOS) customers to have convenient access to their funds saved with SACCOs. The bank invested in a switch, named Coopswitch, which interlinks the SACCO banking systems with those of the Bank. This enables SACCO members to access the Visa network worldwide. Since the inception of the Coopswitch, over 1.4 million Saccolink cards have been issued, enabling users to enjoy the convenience of easy access to funds. SACCOs have also benefited immensely as they are now able to retain both liquidity, and also the loyalty of their members who no longer have to open accounts with banks in order to access their funds from any part of the world.

Besides, in 2007, Dr. Muriuki championed the establishment of the Co-operative Bank Foundation to serve as a corporate social investment vehicle for the Bank. The Foundation has provided full secondary and university education scholarships to gifted but needy students from all regions of Kenya. The program, which is fully funded by the Bank, has benefitted 7,685 students since its inception. The Co-operative Bank Foundation scholarship scheme is anchored in the co-operative movement. To qualify for the scholarship, a student has to have at least one parent as a member of a co-operative. In addition, the actual selection is

done by delegates who represent shareholder co-operatives of the bank. This procedure is intended to promote the co-operative spirit of self-help, and cooperation amongst members.

The overall performance of Dr. Muriuki at Co-op Bank has been phenomenal, to the great benefit of the cooperative movement. He was appointed the CEO of the Bank amidst shareholder revolt following a historic KES 2.3 billion loss that the Bank reported in 2001. During his leadership at the Bank, despite the frightening legacy of challenges including huge levels of non-performing assets; weak management controls; and, fierce competition in the market, Dr. Muriuki has steered the Bank out of near-collapse to achieve record profitability. Key achievements include:

1. Moving the Bank from a huge loss of KES 2.3 billion in 2001, to a profit before tax of over KES. 16.5 billion for the first nine months of the year 2021;
2. An increase in total assets from KES 24 billion in 2001, to over KES 600 billion;
3. An increase in customers from 125,000 in 2001, to over 9 million;
4. An increase in Service Network from 27 branches and three ATMs in 2001 to 158 branches in Kenya, four branches in South Sudan, 589 ATMs, and over 25,000 Co-op Kwa Jirani agency banking outlets;
5. An increase in Loans and Advances from KES 15 billion in 2001, to over KES 300 billion in 2021; and
6. An increase in customer deposits from KES 17 billion in 2001, to over KES 420 billion.

Apart from sustained profitability of the Bank, under the leadership of Dr. Gideon Muriuki, the Bank has delivered a consistent dividend pay-out, especially to co-operatives that own 64.5% of the bank, earning them a very competitive return on their investment. In the last six years, Kenyan co-operatives

through their shareholding entity (Co-op Holdings Co-operative Society) have received in excess of KES 21.5 billion in dividend payments from Co-op Bank, which is a most attractive return on their original investment in the Bank. Besides, under the leadership of Dr. Gideon Muriuki, the Co-operative Bank of Kenya under the 7th Principle of co-operatives has demonstrated great concern for the community in pandemic times. In the face of unprecedented disruptions to households and businesses occasioned by the COVID-19 Pandemic, under Dr. Gideon Muriuki, the Co-operative Bank took a different posture. Aware that dividend is a critical lifeline to many co-operatives in Kenya, the Bank bucked the industry trend and proceeded to pay the dividend. This was despite the overwhelming trend by many banks and other listed companies to withhold dividends. Furthermore, Co-op Bank paid the same level of dividend amounting to KES 5.9 Billion, similar to what was paid out in the year 2019 before the pandemic, thereby offering a most timely relief and 'stimulus package' to co-operatives and other shareholders throughout the country. Co-op Bank was able to sustain the generous dividend payout even in a lean pandemic year on account of the strong capital buffers that the Bank has built over many years under the leadership of Dr. Gideon Muriuki.

The great successes of the Co-operative Bank of Kenya under the leadership of Dr. Gideon Muriuki has enabled the Bank to win key awards over the last two decades. This includes the Best Bank in Kenya Award and the Best Bank in Financial Inclusion award at the 2021 EMEA Awards (African Banking Awards); the Co-op Bank subsidiary company Co-optrust Investments Services won the Best Asset Manager in Kenya (2021); won the Best Bank in Kenya award in the African Banking Awards 2020 organized by EMEA Finance (2020); the Best Bank in Kenya award in the African Banking Awards organized by EMEA Finance (2019); the Overall Winner of the Kenya Bankers Association (KBA) (2019); the Sustainable Finance Catalyst Award (2019) at which the Co-operative Bank of Kenya was named Best Bank in

Sustainable Finance in Kenya (June 2019); the Overall Winner in Environmental Sustainability Reporting at the 2019 East African Financial Reporting (FiRe) Award; and, the best Bank in Kenya Award in the African Banking Award organized by EMEA Finance (2018).

At a personal level, the approach, innovation, and the historic turnaround of Co-op Bank has earned Dr. Gideon Muriuki wide recognition and acclaim around the world. This has enabled him to win several key awards: EMEA Awards (African Banking Awards), named The Best Bank CEO in Africa (2021); the overall winner of the 2016 Utumishi Bora Awards organized by the Kenya Christian Professionals Forum; honored by the Evangelical Alliance of Kenya with the 2016 'Lion of Judah' award (2016); awarded the coveted 'CEO of the Year – Africa 2014' in the 2014 International Banker awards; Recognized with 'Distinguished Leadership Award' by Africa International University (July 2011); and, conferred a 'Doctorate of Philosophy (Ph.D.) (Honoris causa) in Business Leadership' by Kabarak University (November 2011).

Dr. Gideon Muriuki, due to distinguished service at the Co-operative Bank of Kenya and support to the cooperative movement has received key decorations from Presidents of Kenya: Order of the Grand Warrior (OGW in 2005), Moran of the Order of the Burning Spear (MBS in 2011) from retired President HE. Hon Mwai Kibaki; and Chief of the Order of the Burning Spear (CBS in 2018) from His Excellency President Uhuru Kenyatta. He was also awarded a decoration of Chevalier de L'orde National du Burkina Faso (The National Order of Burkina Faso) by the President of Burkina Faso in recognition of his outstanding contribution to the development of rural finance in Africa (2006).

Here, then, is a transformational leader who turned around the Co-operative Bank of Kenya, which is predominantly owned by

the Kenya Co-operative movement, and espouses the aspiration of vibrant sustainable cooperatives in Kenya. His interventions have touched and transformed lives of millions of people through innovations in the cooperative movement in Kenya and Africa. The Co-operative University of Kenya, which has a mandate to contribute to cooperative development in Kenya and the African region is proud to be associated with the qualities and achievements of Dr. Gideon Muriuki. I am therefore greatly honoured and privileged to present Dr. Gideon Muriuki, to be conferred, the Doctor of Humane Letters (Honoris Causa) DLitt. of The Co-operative University of Kenya.

Ladies and Gentlemen, **Dr. Gideon Muriuki**





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