



## CO-OP BANK RECORDS KSH 18.2 BILLION PROFIT IN THE FIRST HALF OF 2024

Co-op Bank is pleased to report a Profit Before Tax of **Kshs. 18.2 Billion** for first half 2024, a commendable 10.7% growth compared to Kshs. 16.4 Billion recorded in Half 1 2023. This represents a Profit after Tax of **Kshs. 13.0 Billion** compared to Kshs. 12.1 Billion reported in 2023. The strong performance by the Bank is in line with the Group's strategic focus on sustainable growth, resilience, and agility delivering a Return on Equity of 22.1%

### Inclusion to the MSCI Index

The Bank has been added to the MSCI Index. The MSCI Kenya Index, created by Morgan Stanley Capital International (MSCI), tracks the performance of large and mid-cap listed companies in Kenya, providing foreign investors with an up-to-date picture of the state of the Nairobi Securities Exchange (NSE), allowing them to make informed investment decisions.

### Key Performance highlights:

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

- *Total Assets grew to Kshs.716.9 Billion, a 7.8% growth from Kshs 664.9 Billion in the same period last year.*
- *Net loans and advances grew to Kshs. 375.6 Billion, a 2.8% growth from Kshs.365.4 Billion in 2023.*
- *Customer deposits grew to Kshs. 507.4 Billion, a 9.4% increase from Kshs. 463.9 Billion.*
- *External funds from development partners were Kshs. 50.2 Billion compared to Kshs.59.4 Billion in 2023.*
- *Shareholders' funds have grown to Kshs. 126.7 Billion, a 17% increase from Kshs. 108.3 Billion in 2023 driven by the strong growth in retained earnings of Kshs. 15.1Billion.*

#### 2. Comprehensive Income

- *Total operating income grew by 10.9% from Kshs. 35.4 Billion to Kshs. 39.2 Billion.*
- *Total non-interest income grew by 11.2% from Kshs. 13.8 Billion to Kshs. 15.4 Billion.*
- *Net interest income grew by 10.7% from Kshs 21.5 Billion to Kshs 23.9 Billion.*
- *Total operating expenses grew by 11.1% from Kshs 19.1 Billion to Kshs. 21.3 Billion.*

### 3. Cost Management

The Group reports excellent efficiency gains from the various initiatives to record a Cost-to-Income Ratio of **46.6%** in 1H2024 from 59% in FY2014 when we began our Growth & Efficiency journey.

### 4. A Strong Digital Footprint

- **A New Core Banking System, offering opportunity for growth and enhanced efficiency**

The Bank continues to leverage the new core banking system (latest version of Finacle from Infosys, one of the best-rated platforms globally), to support the Group's digital synergy. The system will further enhance service excellence and provide innovative and advanced banking solutions.

- Through our digital channel strategy, the Bank has successfully moved over **93%** of all customer transactions to alternative delivery channels, a 24-hour contact centre, 604 ATMs & Cash Deposit Machines (CDMs), mobile & internet banking and over 17,000 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 36.4 Billion** in loans disbursed in 1H2024, averaging **Kshs. 6.1 Billion** per month.
- Over 223,000 customers have taken up the MSME packages rolled out in 2018, with 63,500 trained on business management skills. In H12024, we disbursed **Kshs. 7.5 Billion** to MSMEs through our Mobile E-Credit solution. MSMEs make up **15.9%** of total Loan Book.
- Our unique model of retail banking services avails access to cash for FOSA operations, enabling 484 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 199 outlets (4 in South Sudan). 15 additional outlets are planned to open this year, with 2 at Imaara Mall on Mombasa Road-Nairobi and Ugunja in Siaya already opened.

Kingdom Bank, a subsidiary of the Bank, opened its 22<sup>nd</sup> branch in Meru County, being the third branch opened this year. The new branch has a key focus in supporting the dynamic agricultural community in Meru and its surrounding areas, in addition to becoming a catalyst for local business growth and development.

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 4,864 as at the close of 2022 to 5,426, creating job opportunities for over 562 young people.

## 7. Subsidiaries

- Co-op Bancassurance Intermediary Ltd posted a Profit Before Tax of Kshs 682.7 Million in 1H2024, 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 264.3 Million in 1H2024. This performance however translated to a monetary loss of Kshs. 252.4 Million attributable to hyperinflation accounting occasioned by currency devaluation of the South Sudan Pound.
- Co-op Trust Investment Services Ltd contributed Kshs. 142.7 Million Profit Before Tax in 1H2024 compared to Kshs. 106.8 Million in 1H2023, a commendable 33.7% growth. The Subsidiary has Funds Under Management of Kshs. 231.3 Billion.
- Kingdom Bank Limited (A niche MSME Bank) contributed a Profit Before Tax of Kshs. 635.5 Million in 1H2024, a remarkable growth of 21.8% from Kshs. 521.9 Million reported in 1H2023.

## 8. Accolades

The Bank was named **Best Bank in Kenya** by Global Finance in their World's Best Banks 2024–Africa Awards. The Bank was recognized for recording phenomenal growth riding on a network of over 17,000 agents and a solid digital footprint, facilitating 93% of transactions via digital channels.

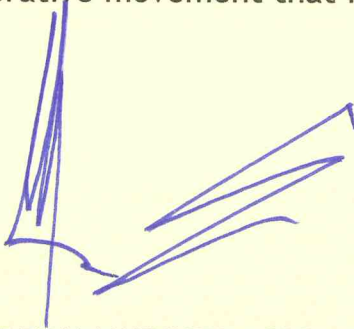
## 9. Commitment to Sustainability

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. 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 11,043 students since inception.

## 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, 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**

15<sup>th</sup> August 2024

## 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 Consultancy & 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: 195 branches in Kenya, 4 in South Sudan, 604 ATMs & Cash Deposit Machines (CDMs), and over 17,000 Co-op Kwa Jirani agency banking outlets supporting our growing client base.