



# Investor Briefing

FY 2024

# 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. 743.2 Billion** in Total Assets

**5,863 Skilled, Motivated Staff Members**

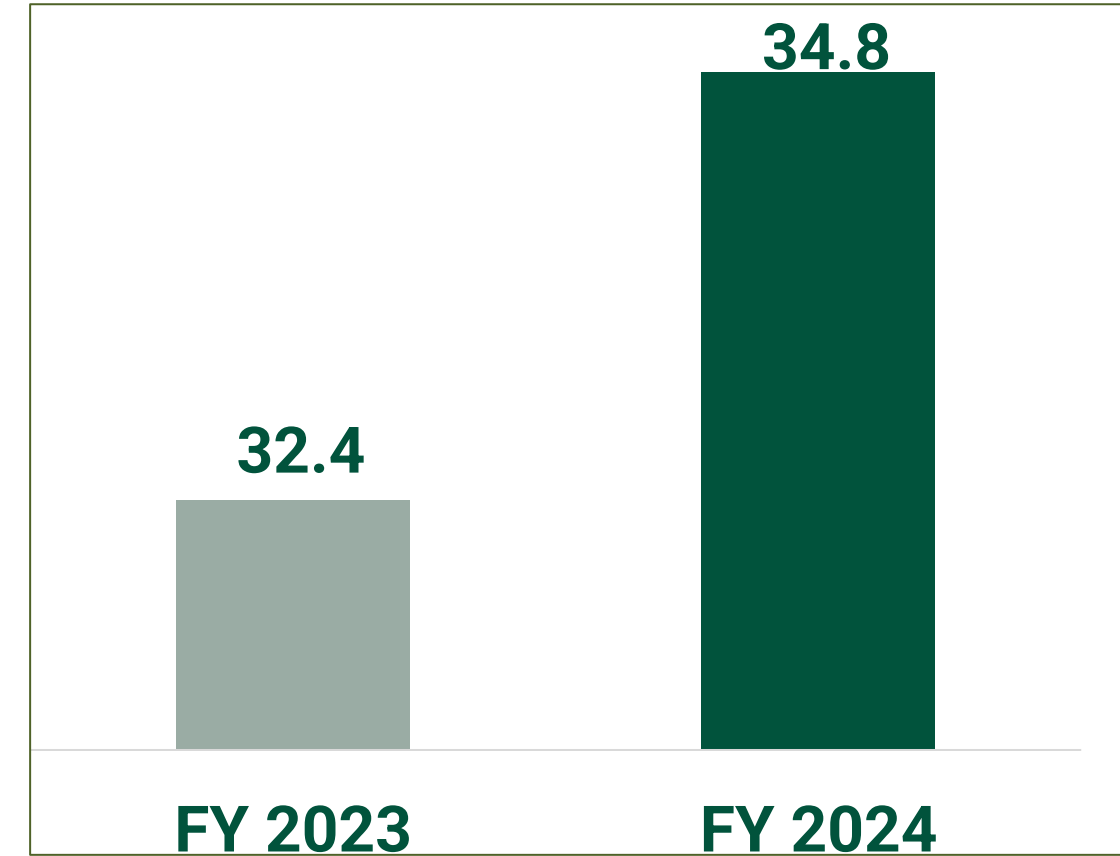
1 ■

**We are Growing  
Creating Value**



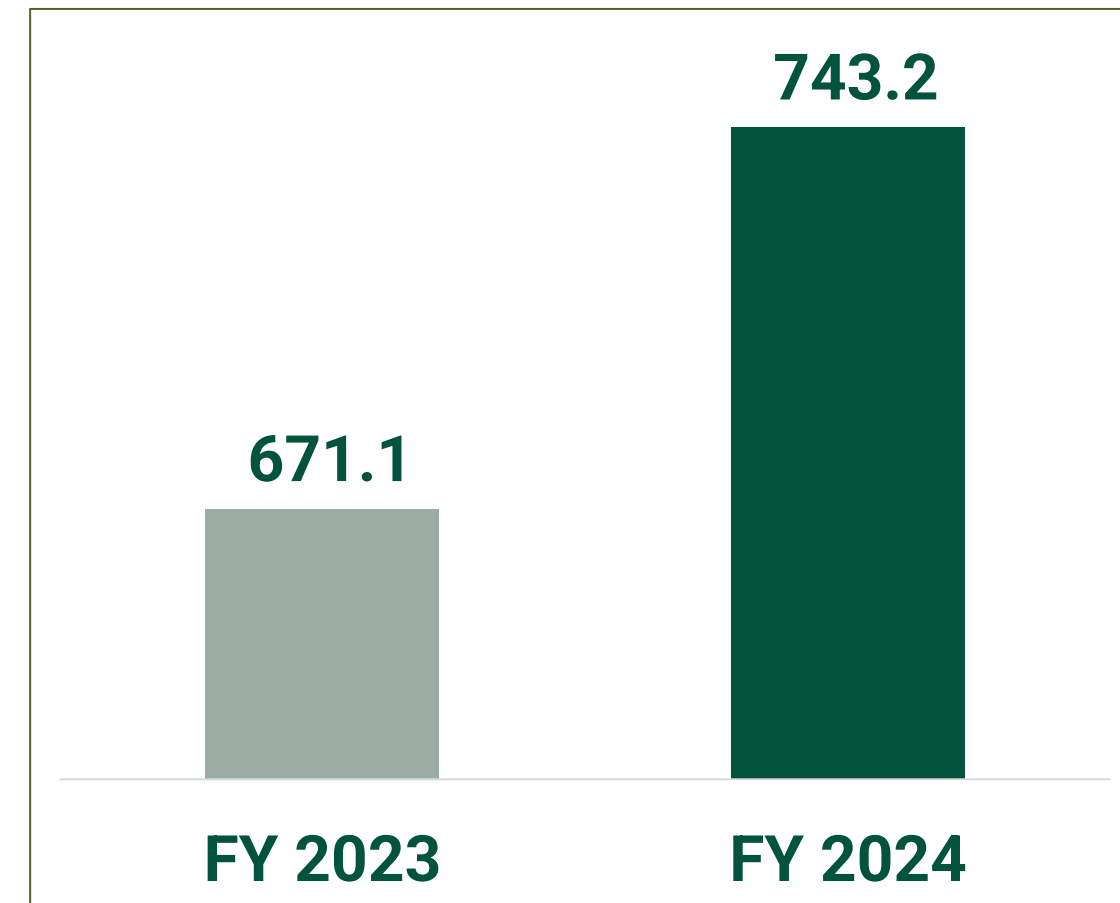


## Efficient, Profitable Business Model



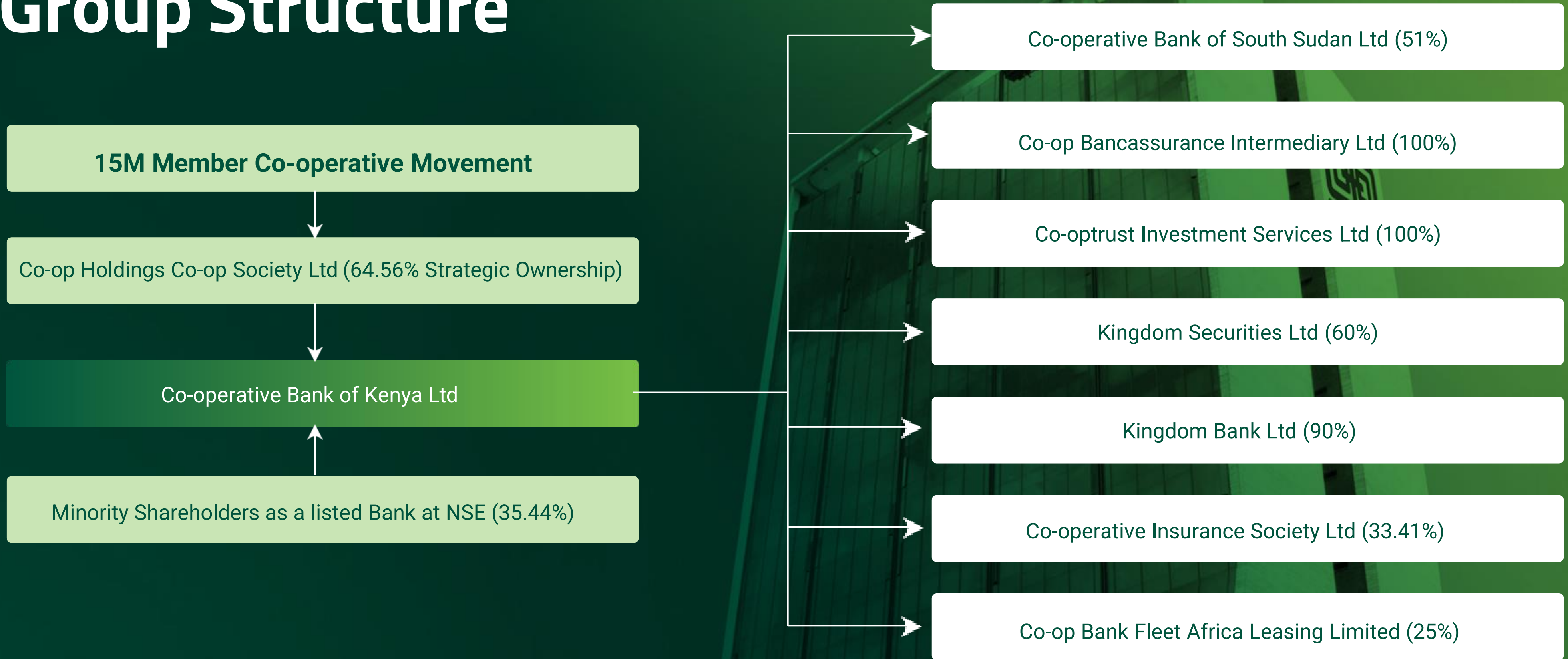
Profit Before Tax (Kshs. B)

## Growing Asset Base



Total Assets (Kshs. B)

# Group Structure



# A Successful Universal Banking Model



# Our Presence



**211** Branches



**16000+**  
Co-op Kwa Jirani  
Agents



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



**16K** Diaspora Banking  
Customers



**5,863** Staff



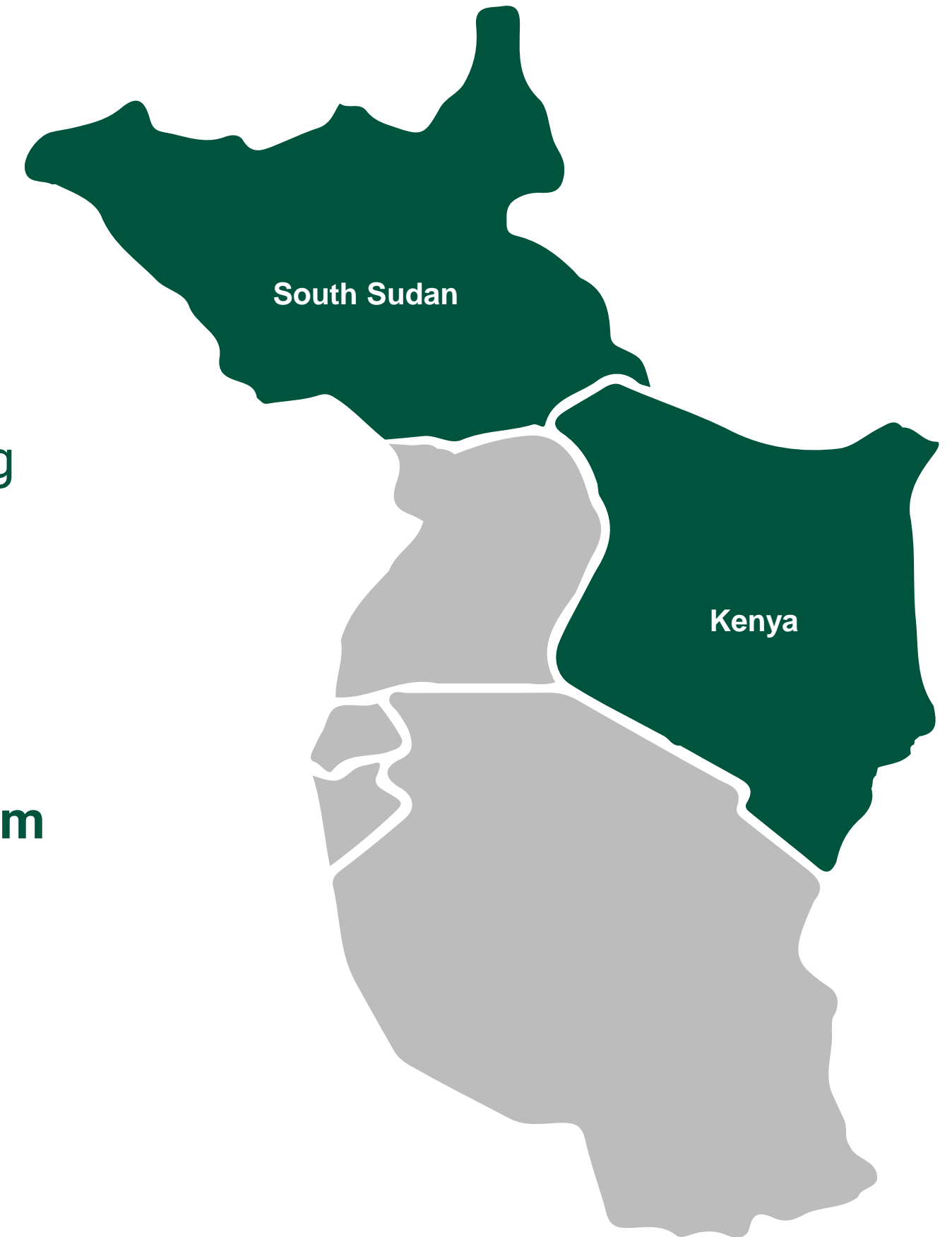
**Core Banking System**

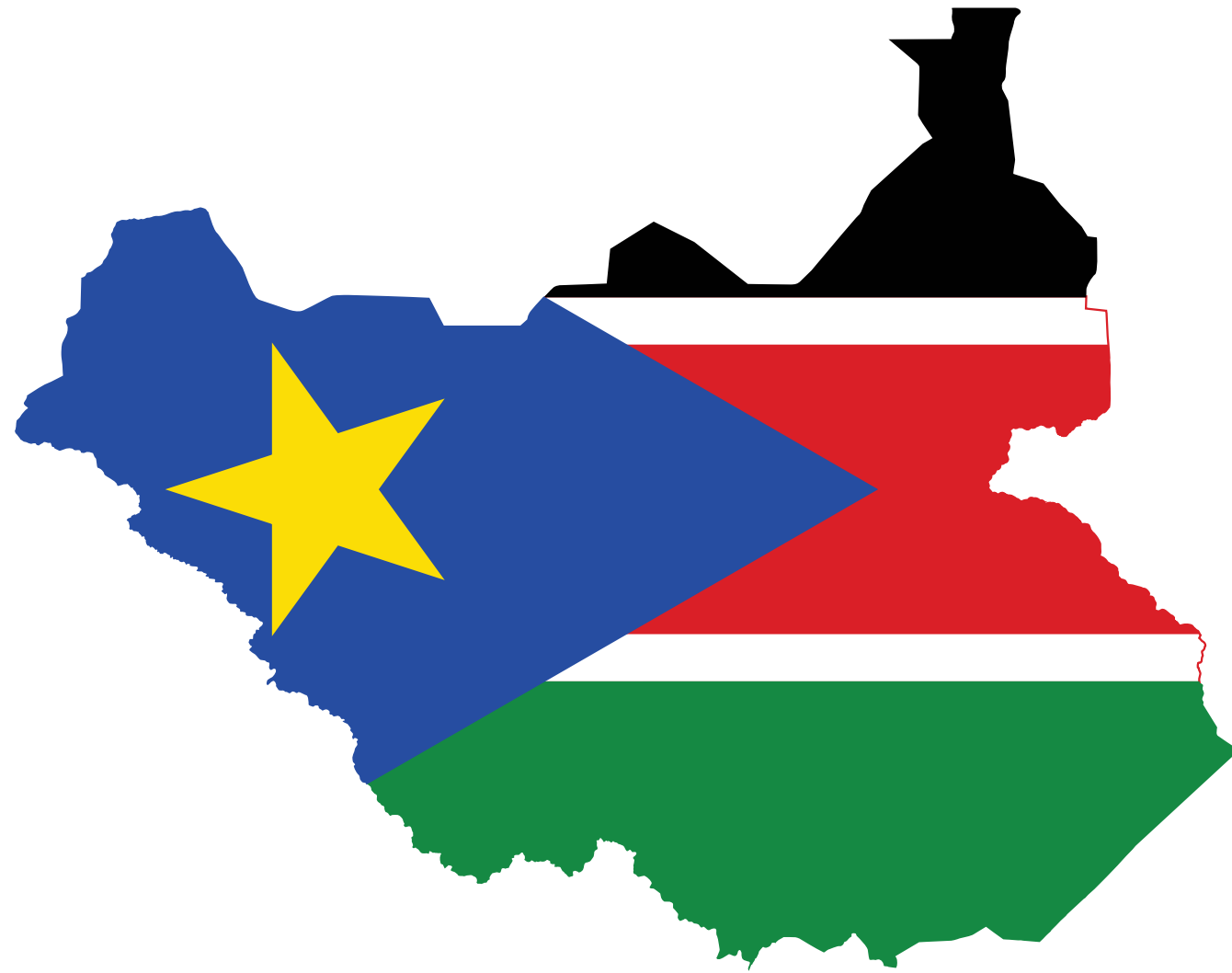


**619** Sacco Front  
offices Branch  
Network



**24hr** Contact Centre

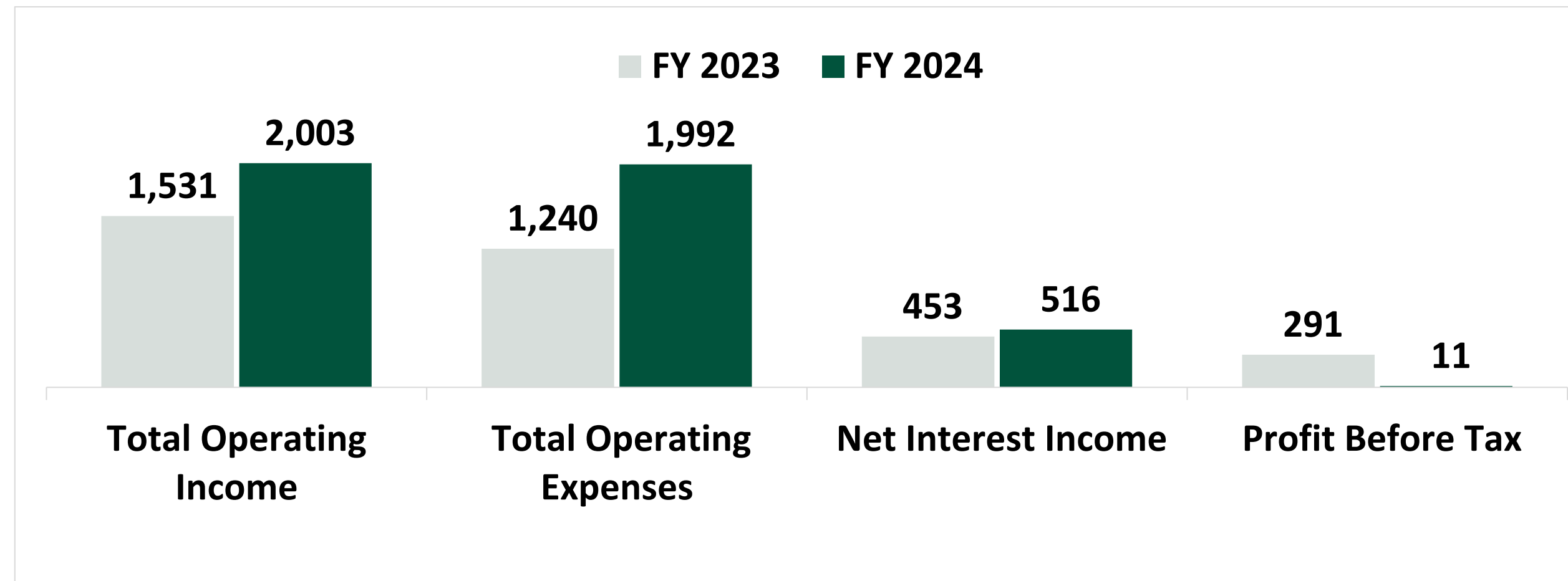
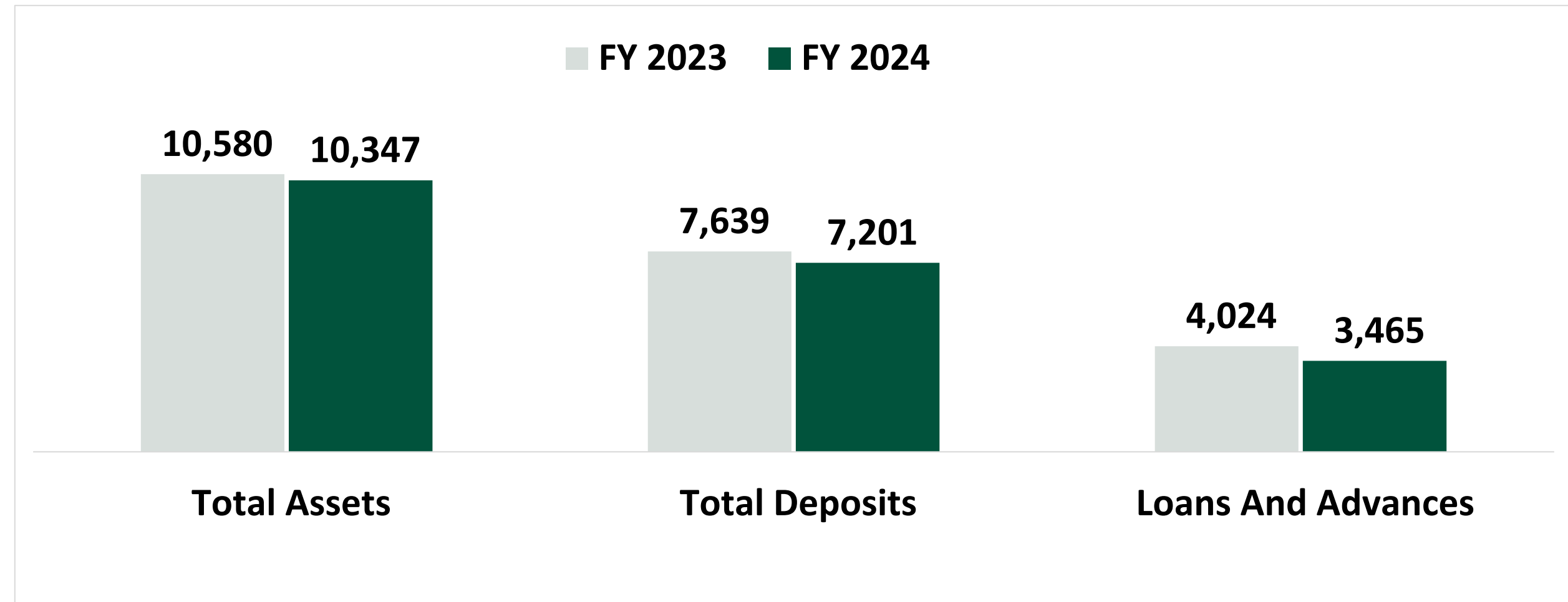




5 Branches

5 Non-oil collection centers

Owns 31% of CIC Africa Ltd- South Sudan





**2**

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



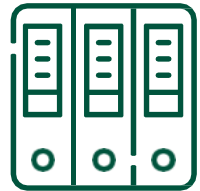
# Robust Financial and Operational Foundations Driving Stability



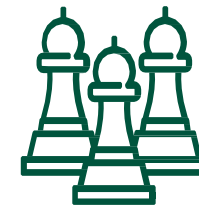
Proactive Enterprise Risk Management Framework.



Up to **51.3% of our loan Book** is in Consumer banking which is low risk and performing well.



Proactive Regulatory compliance



**Optimal risk spread** with KShs.**217.6 Bn** in government securities.



Strong Capital Buffers: Total Capital to Risk Weighted Assets (RWA) **21.2%** (Regulatory 14.5%)



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



## NPL Management

- Cumulative provisions Kshs. 39.4B from 2020.
- NPL Coverage at 69.2%



## 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

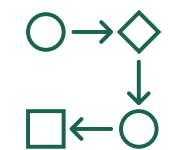
**92%** of transactions on alternative channels enhancing operational efficiency.



**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**

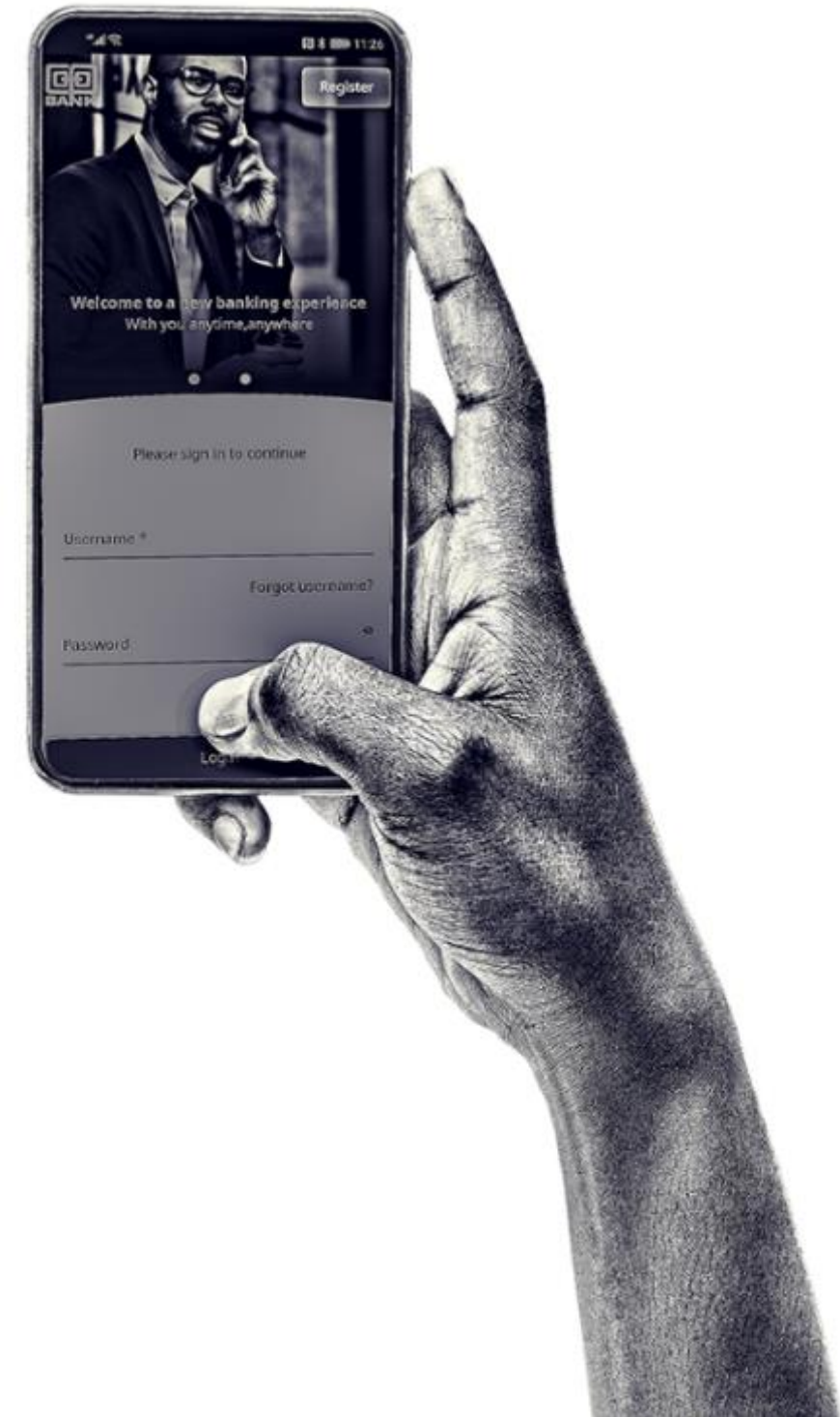


Enhanced digitization of internal bank processes and engagement platforms as part of our **Digital Transformation Strategy** .



**Staff Productivity**

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

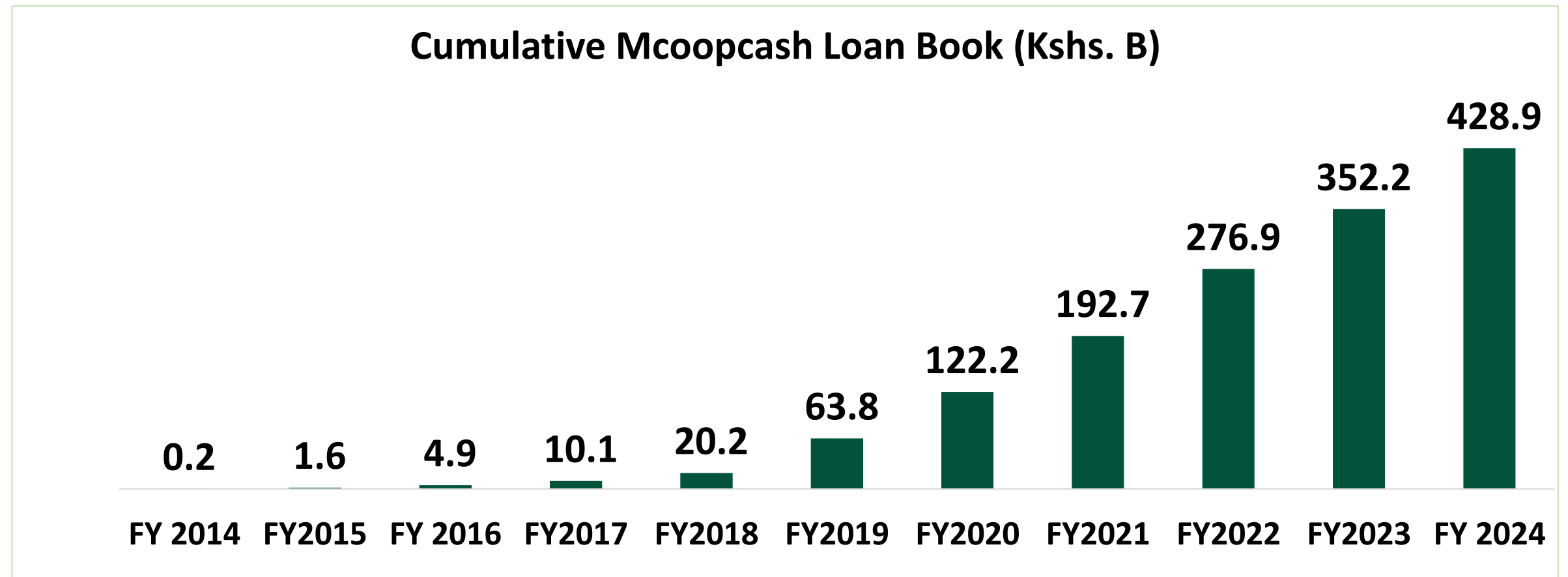
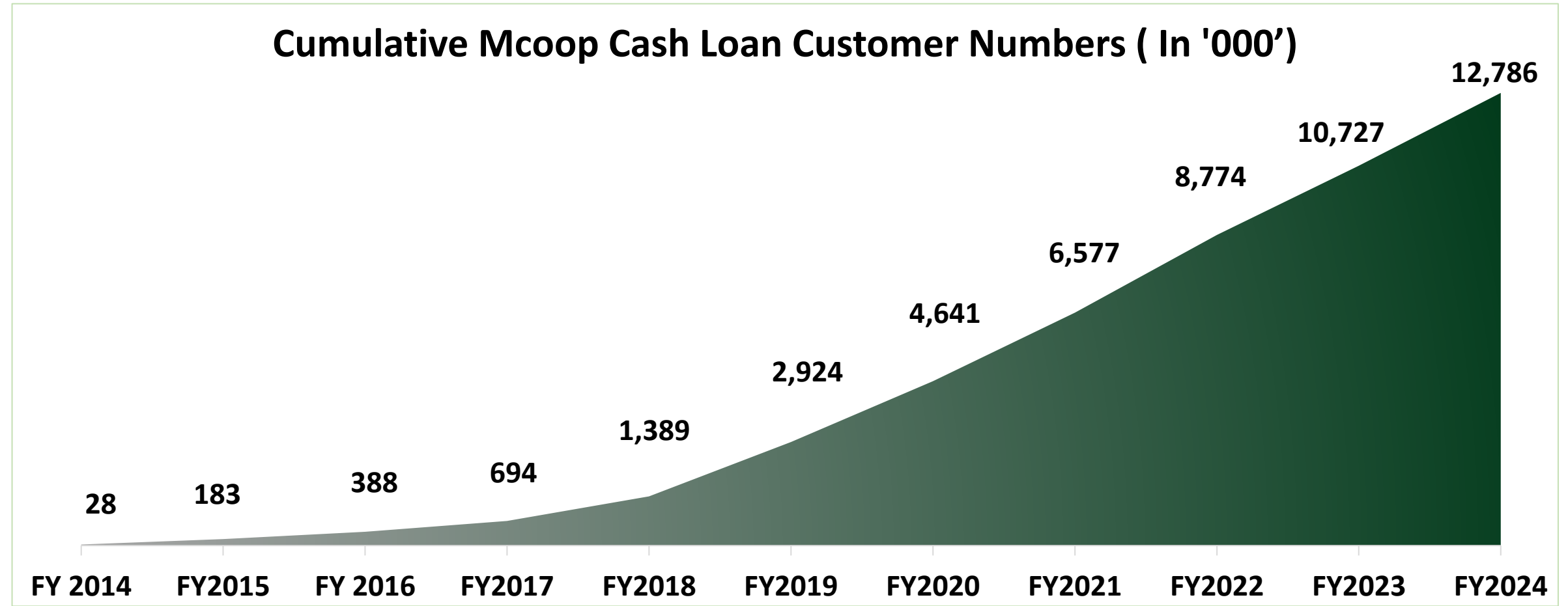
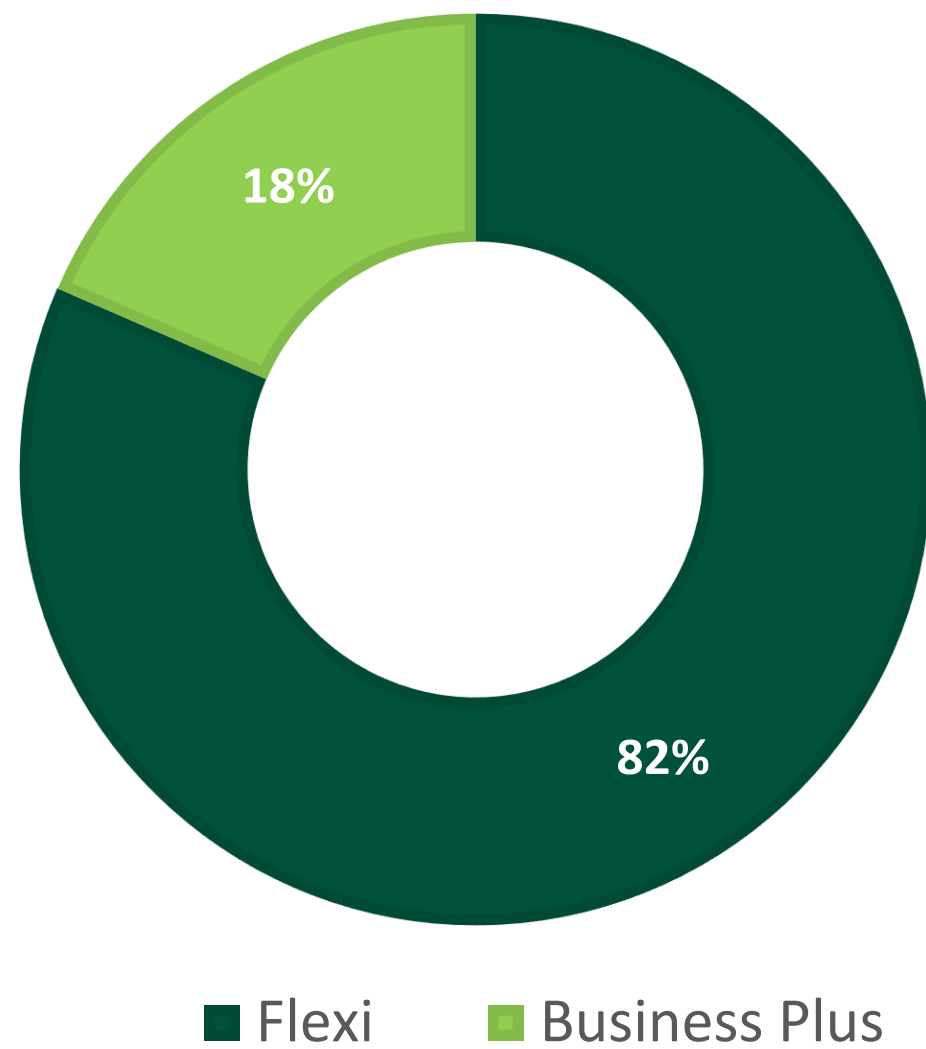


# Increased Access to Finance with E-Credit

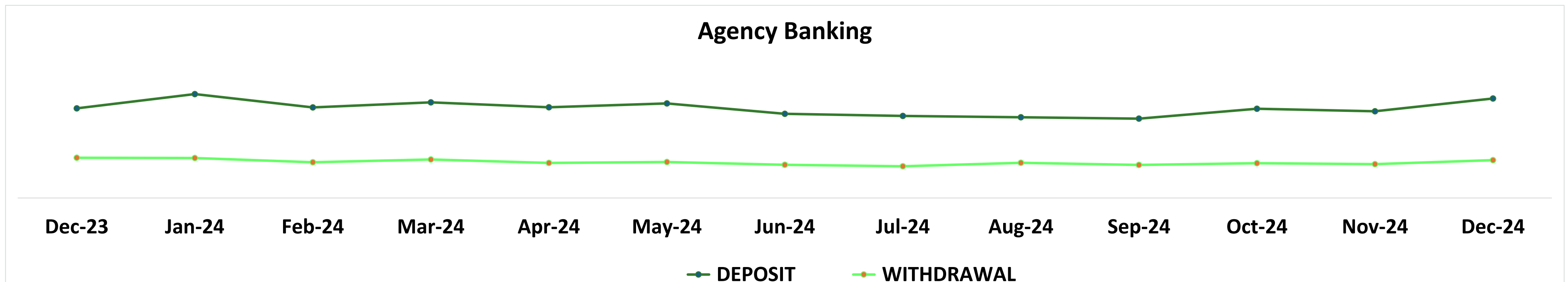
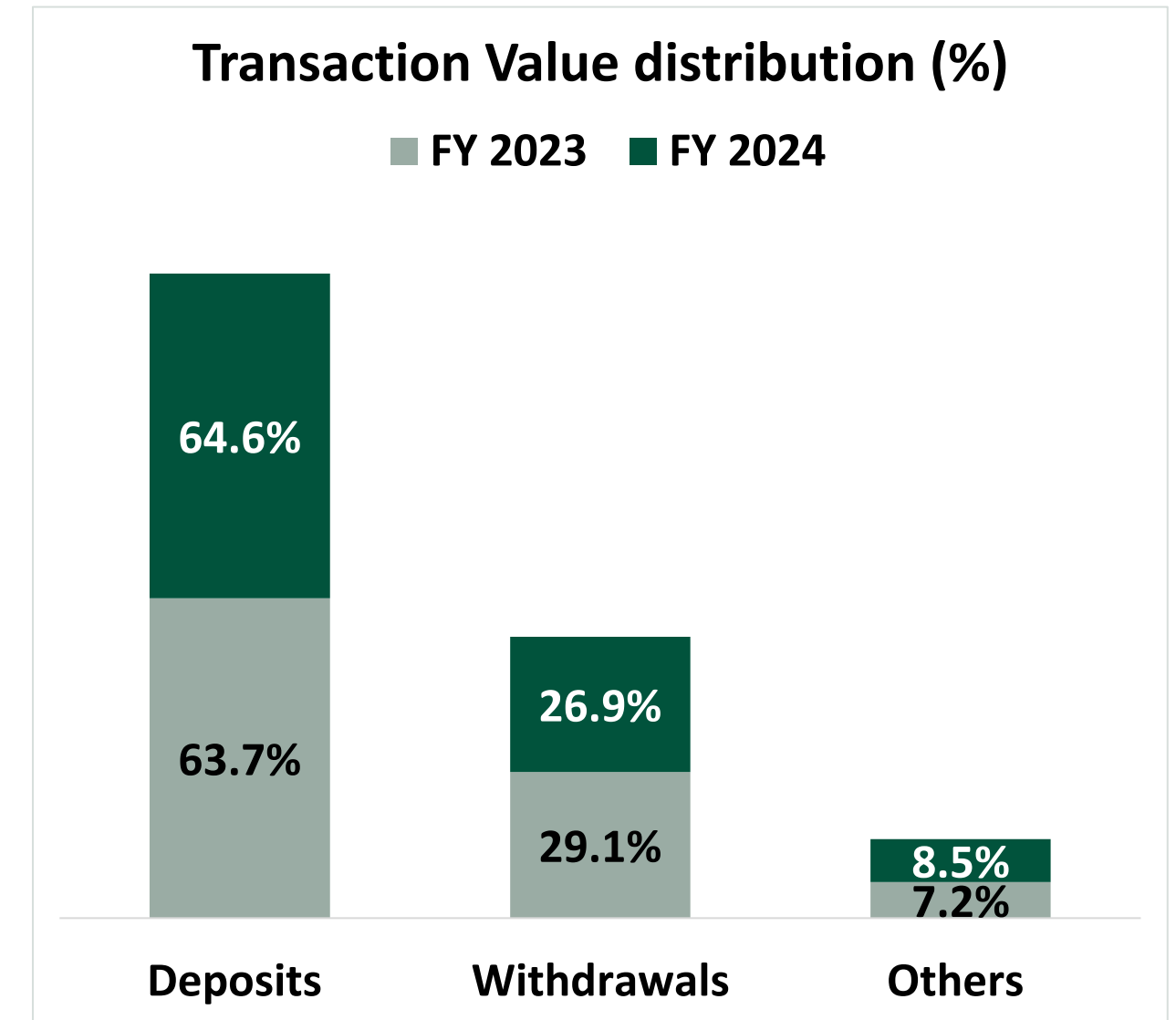
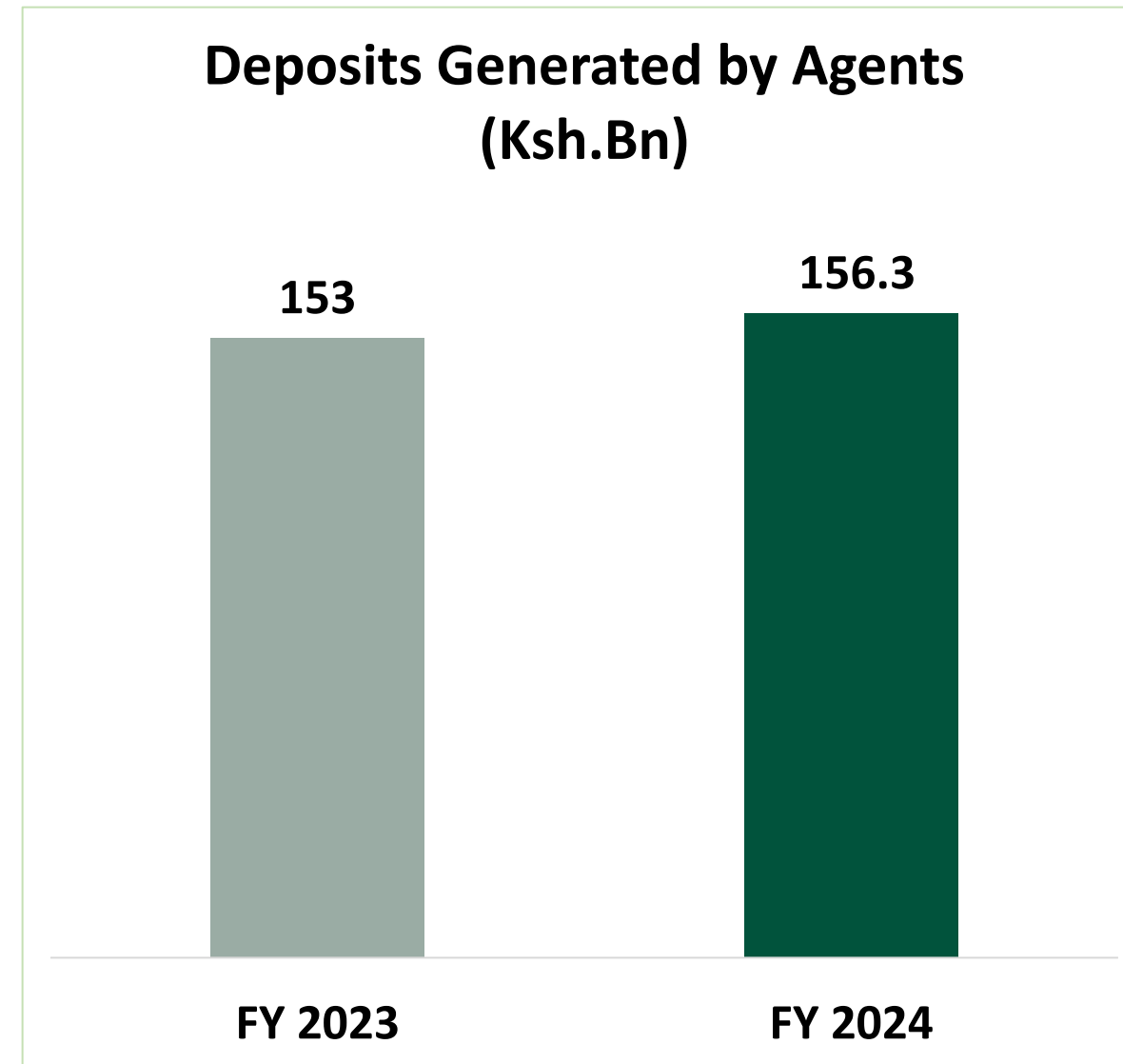
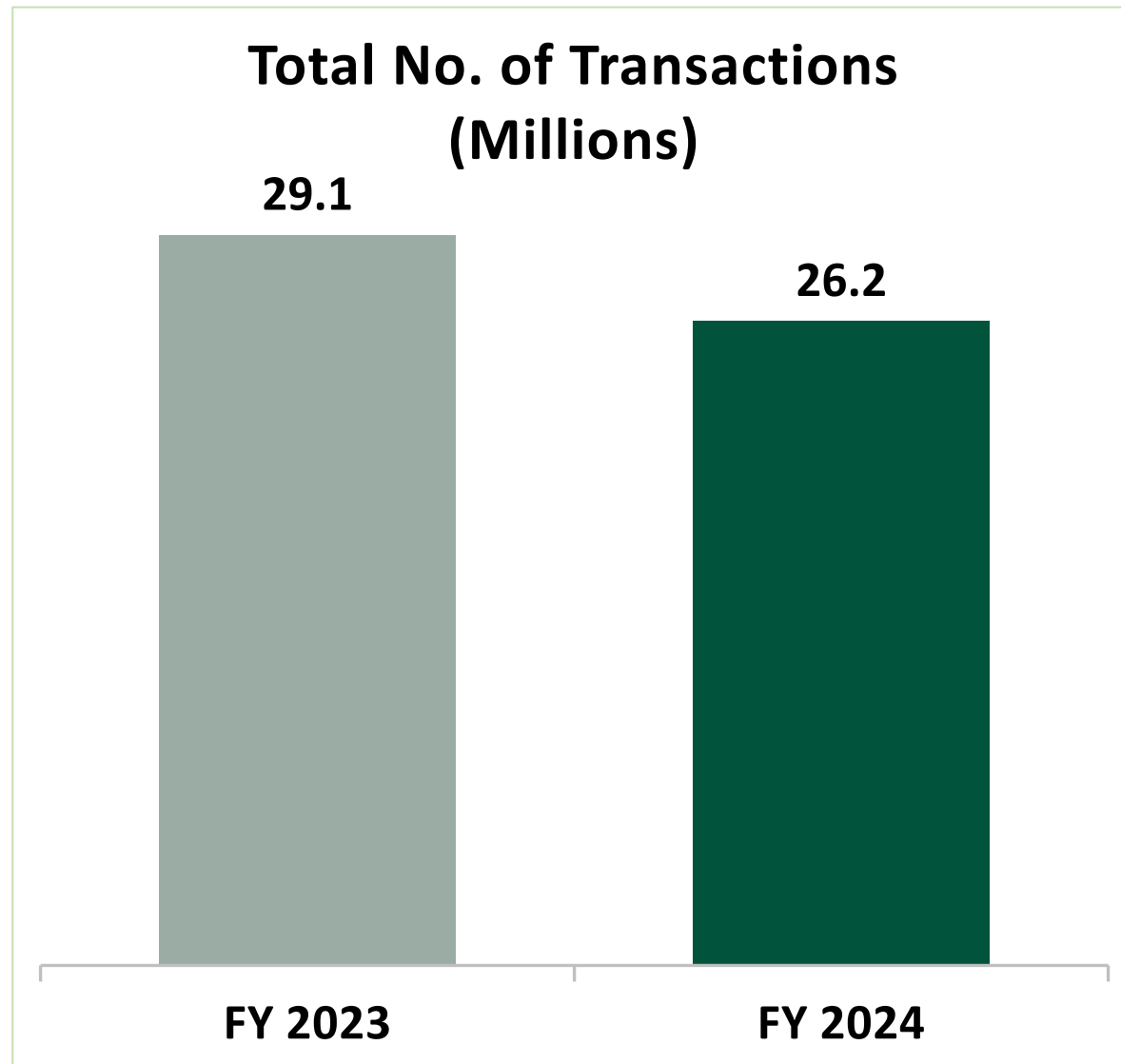
**Kshs. 76.7 Bn Disbursed YTD**

**Kshs. 428.8Bn Disbursed since inception.**

**% CONTRIBUTION TO YTD DISBURSEMENTS**



# Growing Co-op Kwa Jirani Agency Banking





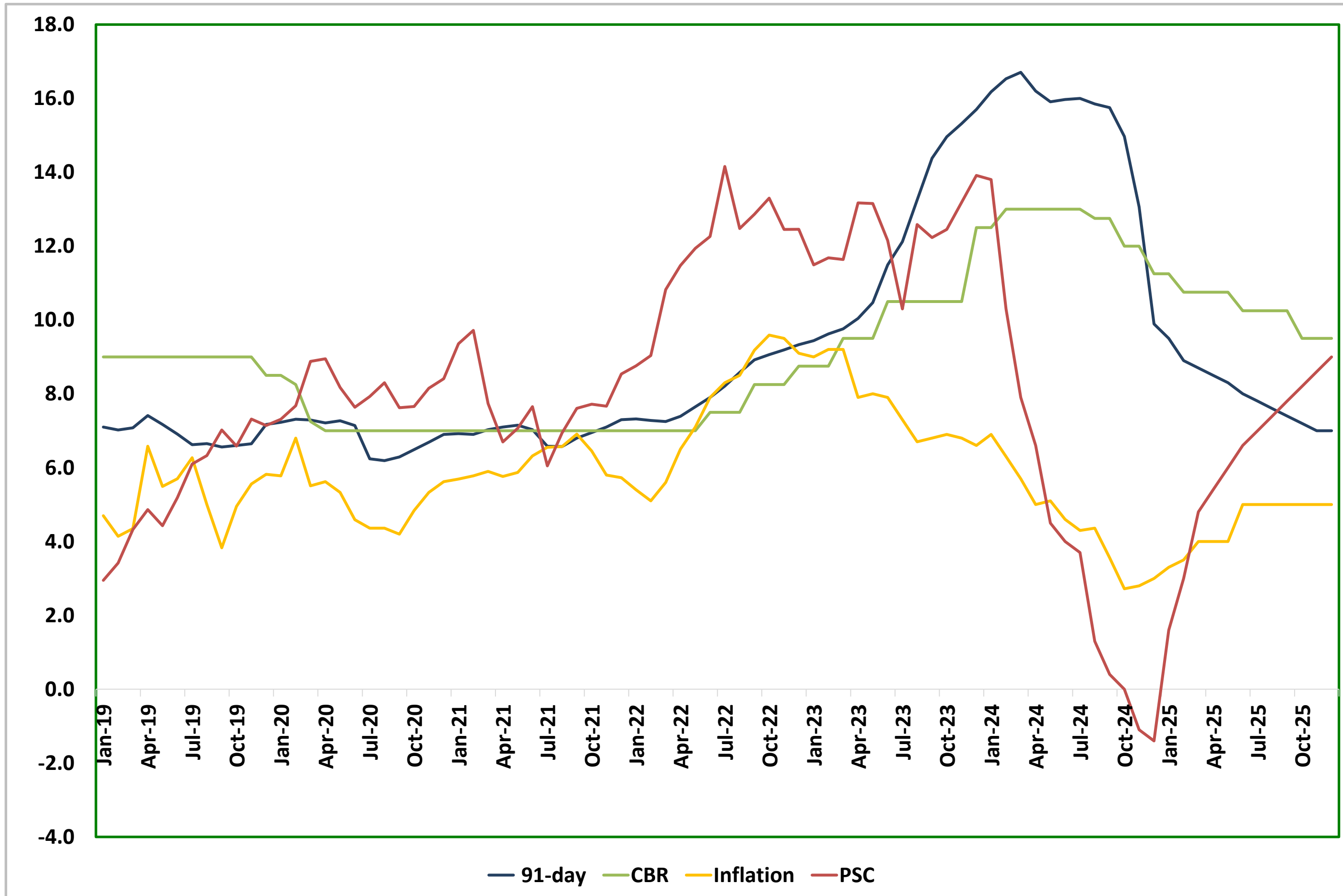
# Economic Highlights

# Summary Of Economic Outcomes, Outlook & Key Risks

- In 2024, the global economy was characterized by slow growth amid falling interest rates as inflation moderated.
- In 2025, we expect a slight pick-up in activities largely driven by the US, South Asia particularly India, improved prospects in the UK, Japan and stable growth in China.
- Forces shaping this outlook: Expansionary fiscal & monetary policies in the US, China & other key markets having positive spillover effects and stability in global commodity prices.
- Domestically, the economy is expected to pick up in 2025 following the slowdown in 2024 driven by;
  - ✓ Recovery in credit growth to the private sector as borrowing costs continue to decline,
  - ✓ Minimal risk to the Kenyan Shilling against major currencies,
  - ✓ Inflation remaining well anchored, seen below 5% in 2025,
  - ✓ Monetary policy has room to stimulate the economy further in 2025,
  - ✓ A well diversified economy acting as an anchor to shocks,
  - ✓ Overall fiscal spending has largely remained strong, around 10% year over year, signaling continued spending on key government programs,
  - ✓ Confidence in the domestic economy as reflected in the successful pricing of USD 1.5 billion Eurobond for liability management, (Access to external markets).



# Monetary Policy Has Room To Stimulate The Economy Further In 2025



## KEY RISKS TO THE OUTLOOK

- Geopolitical tensions,
- Trade policy uncertainty,
- Global commodity prices could take a turn on the upside,
- Global financing conditions could tighten
- Weather related shocks,
- Fiscal spending pressures: High debt servicing costs and funding gap.

# 2020-2024 Corporate Strategic Plan





## PURPOSE

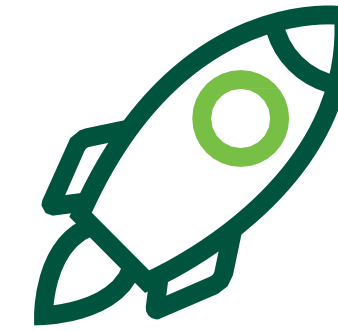
A financial institution predominantly owned by the Kenyan Co-operative movement,

**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

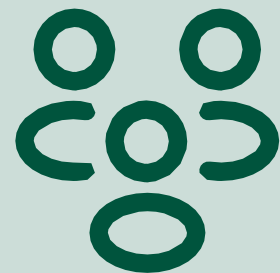
To offer a wide range of innovative financial solutions leveraging on our heavy investment in multi-channels, national and regional presence and with a focus on excellent customer experience by a highly motivated and talented team.

1



Aggressive deepening of our dominance in the Kenya Market

2



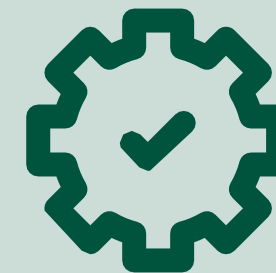
Dominant provider of financial services to the Co-operative Movement in Kenya and the region.

3



Customer experience that is seamless across all our touch points.

4



Operating efficiency driven by digitization, innovative products & Processes, efficient business models, and staff productivity.

5



Optimal Enterprise Risk and Compliance in the dynamic environment

6



Positive impact on Economy, Society & Environment.

# **“Good to Great” Strategy**

## **2025-2029 CORPORATE STRATEGIC PLAN**

The Board of Directors approved the Good to Great Strategy that will guide the Group’s activities for the next 5 years.

This Plan ushers in a period of growth that will see the Bank’s asset size grow to **over Kshs.1 Trillion**.

The key objectives are:

1. Enhanced dominance in our primary market, Kenya, through optimising the opportunities present in various sectors and subsectors.
2. Continued synergy with the Co-operative Movement.
3. Seamless & delightful customer experience across our touch points.
4. Leveraging 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 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

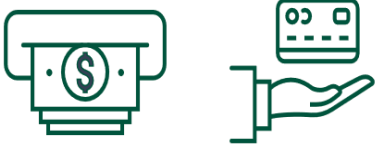
**92%** of total transactions are on Alternative Channels.

### E-Credit

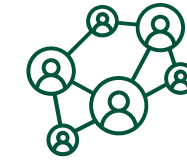
- A key focus area, **Kshs. 428.8B** disbursed to Date.
- Kshs. **6.4 Billion** disbursed per month on average.
- Short term tenure



### Mobile Internet



### ATM & CDM Agency



## MSME Transformation

**66,100** Customers trained

**235,617** customers onboarded MSME Gold, Silver & Bronze

### NFS

- **122** Webinars
- **184** 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”

- 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 Turn Around Time on all loan applications.

Proactive early delinquency & NPL management through Connecting with our customers, collecting and offering customer-centric solutions.

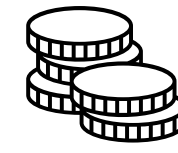
Focused credit management projects through:

- 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.



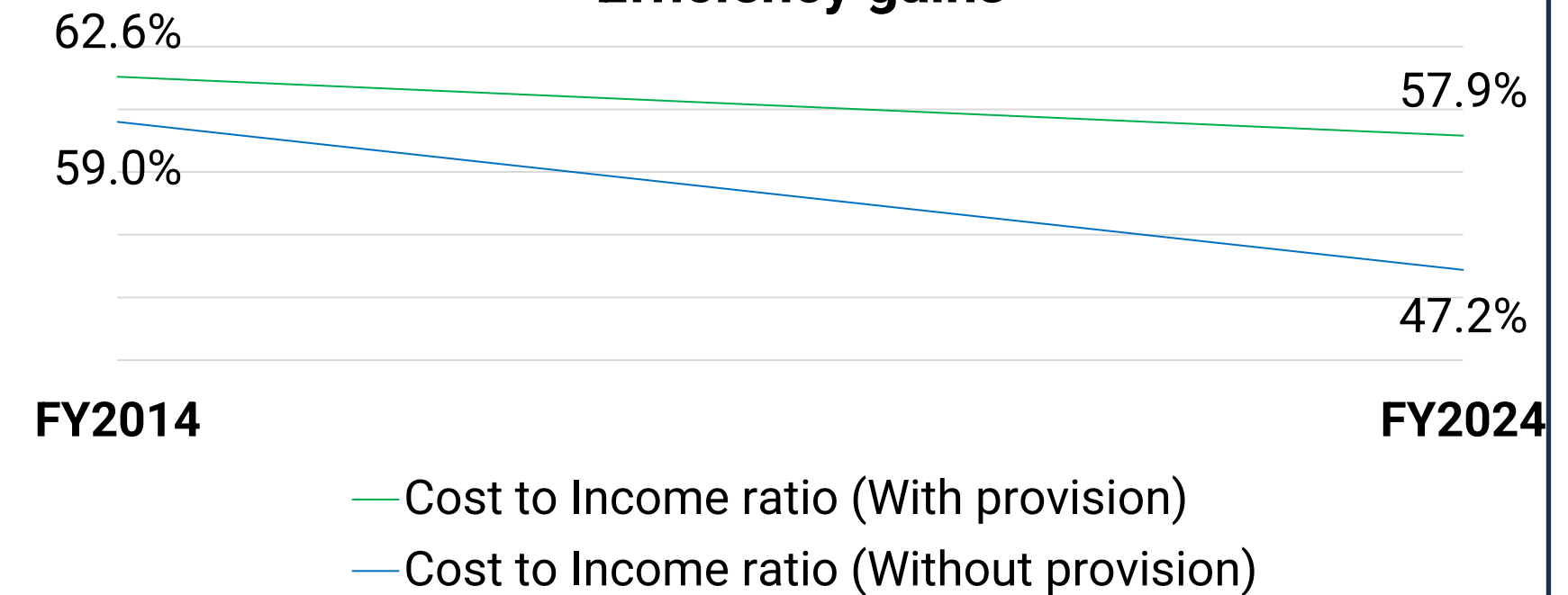
## Data Analytics

- Advanced data analytics supporting data-led sales, reporting and decision making



## Cost Management

### Efficiency gains



## Staff Productivity

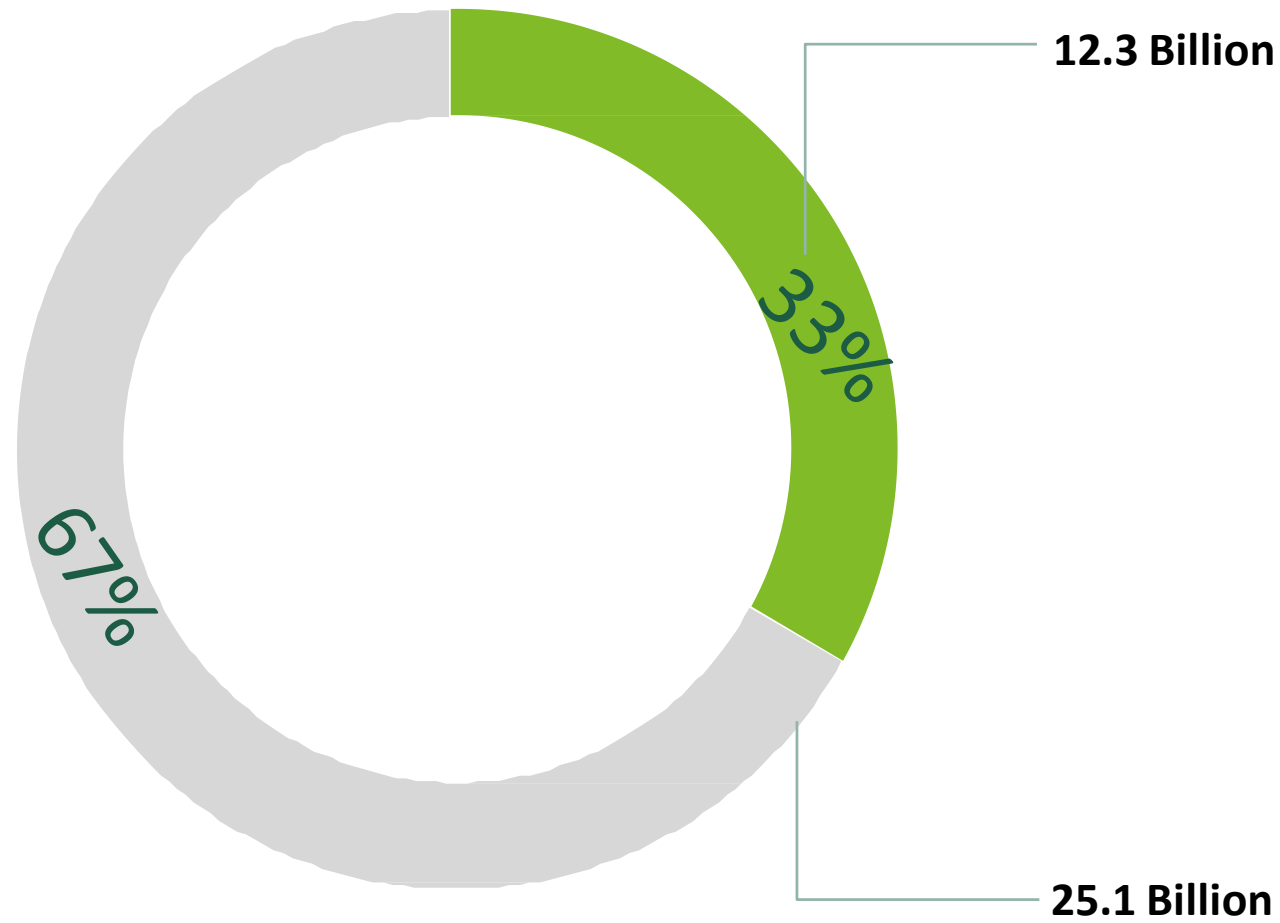
- Performance Rigor & Rhythms
- High Performing Teams (HPT) Culture
- Performance-linked Rewards & Recognition
- Talent Acquisition –deepening capabilities
- Staff Productivity

# Environmental Social and Governance (ESG)





## Framework



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

- 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.

## KES 37.4 Billion

Portfolio of loans above USD 1 million affirms our commitment to sustainable banking



Co-op Foundation  
**11,639**  
Students Sponsored  
on Scholarship Program

Co-op Consultancy  
**3,729**  
Consultancies to the Co-operative Movement.

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

MSME Focus  
**235,617**  
onboarded to MSME Gold, Silver and Bronze.  
**66,100**  
Trained



# Sustainability Awards

Most Sustainable Bank in Kenya



**Asanteni  
Saana!**

**OVERALL  
WINNER**

Sustainable Finance Catalyst Awards



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



# 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

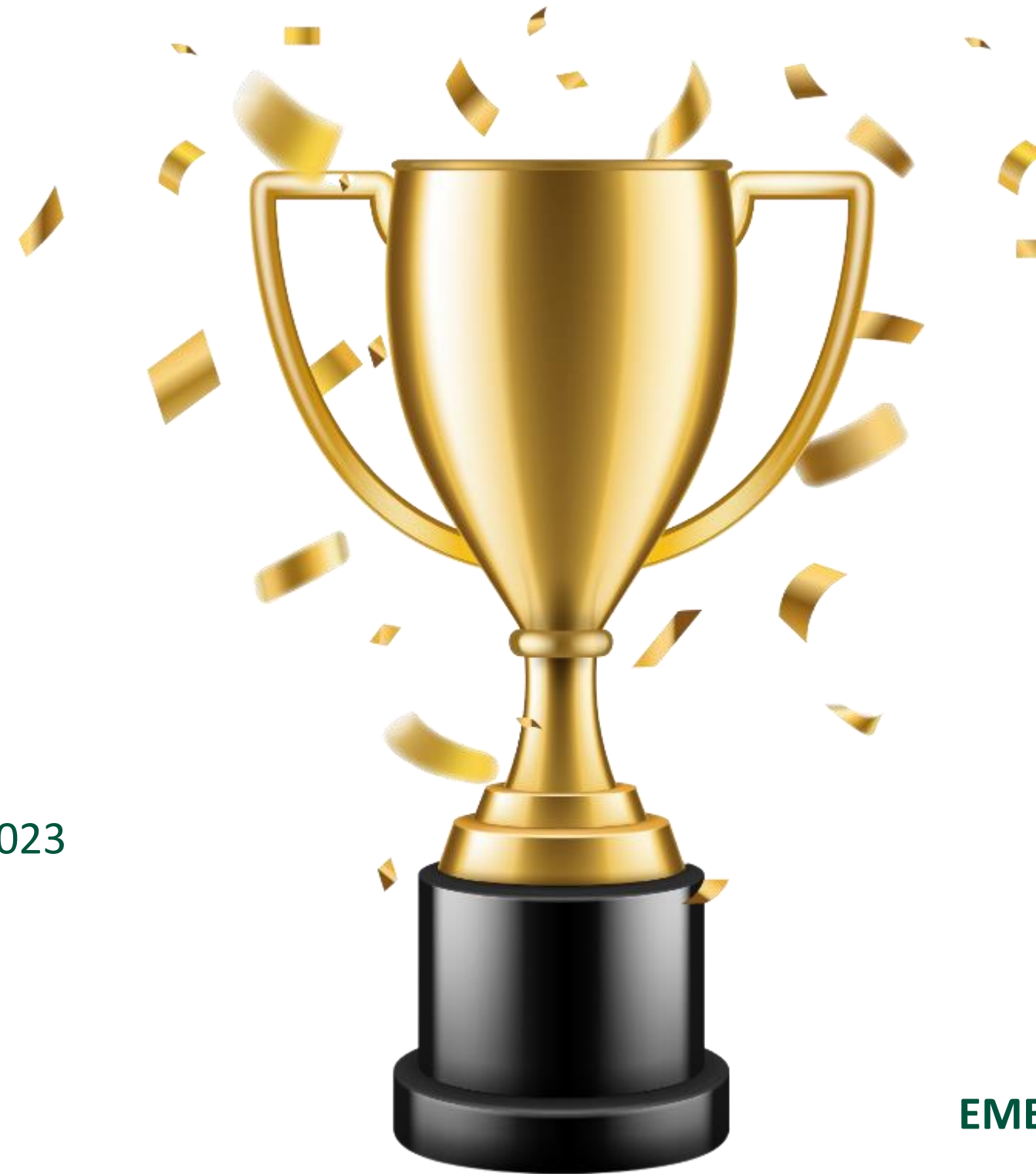
Overall Winner – Sustainability Reporting 2022 & 2023

## 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

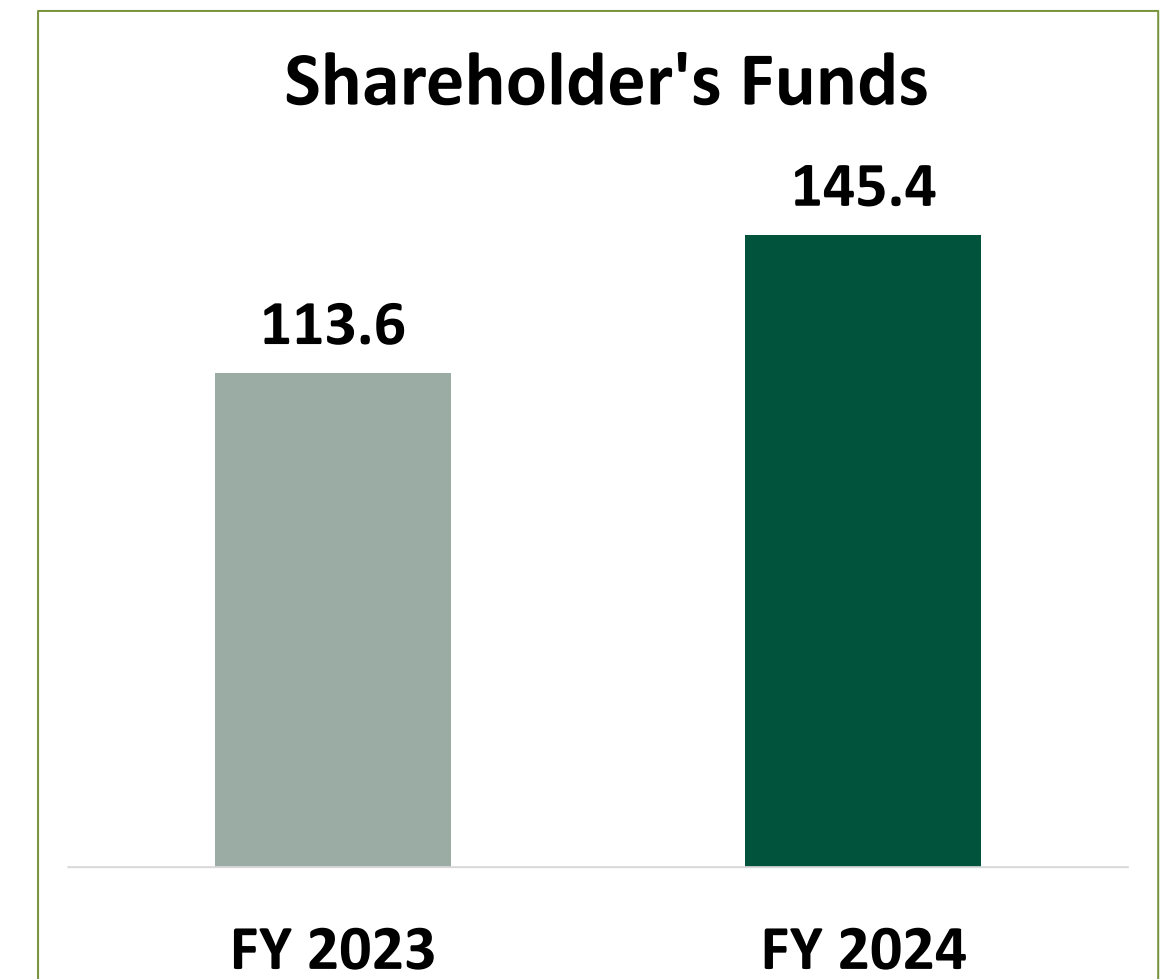
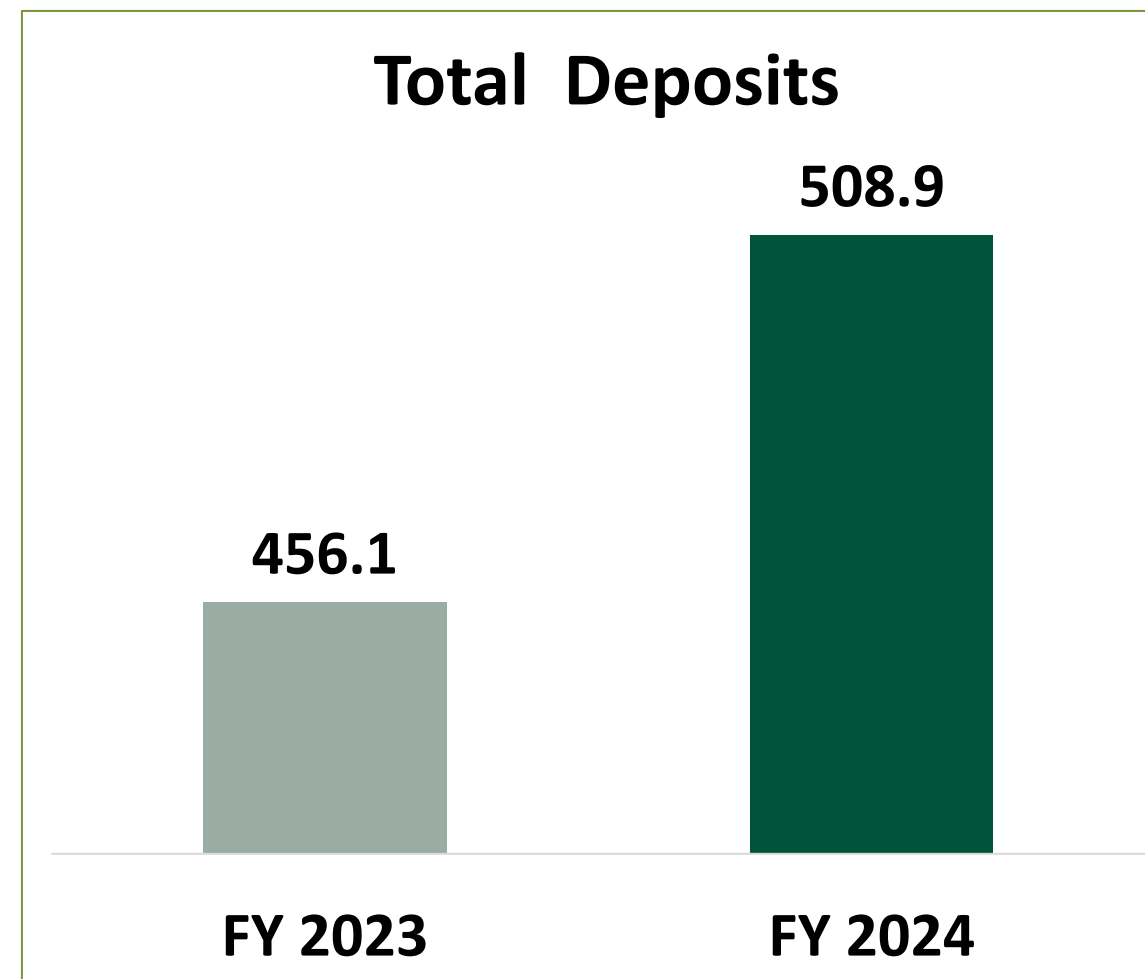
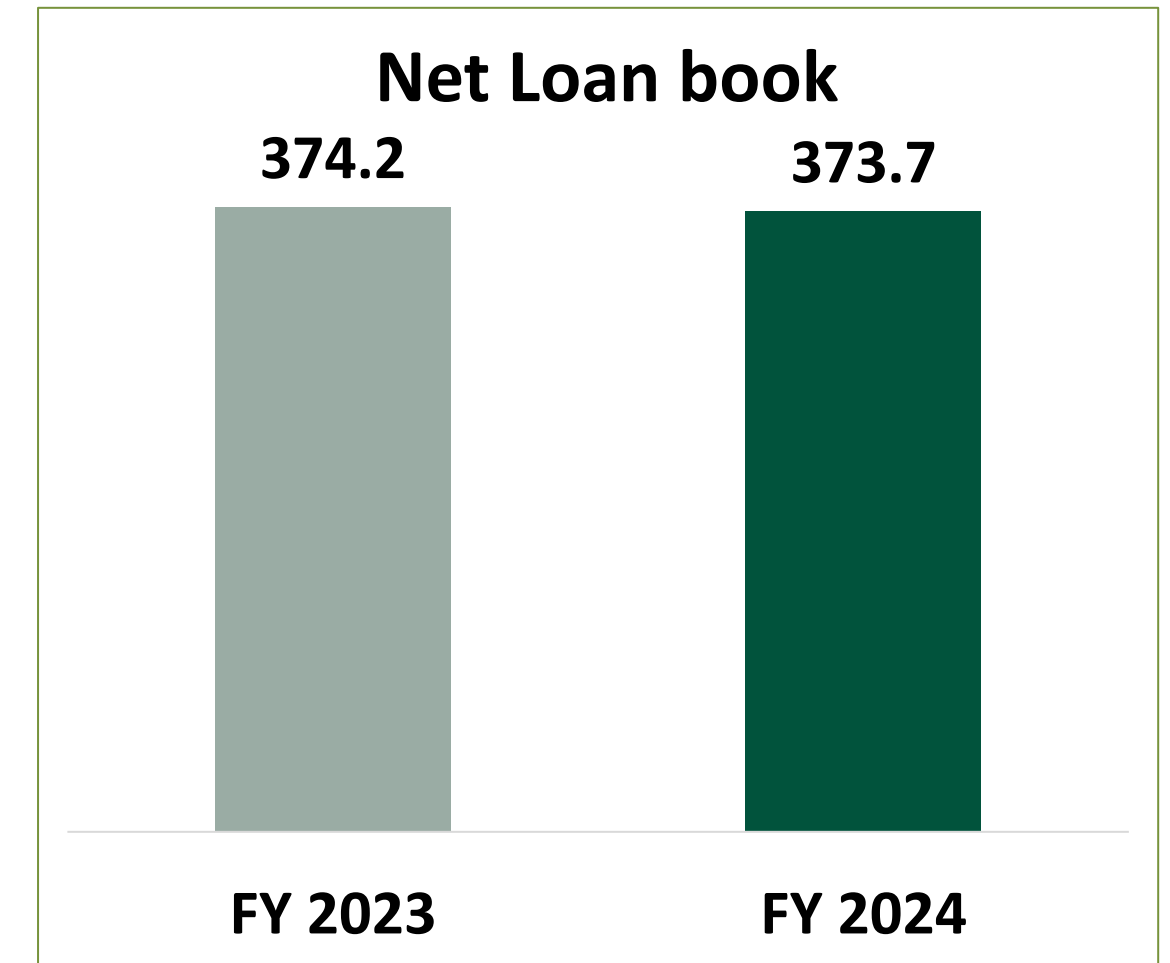
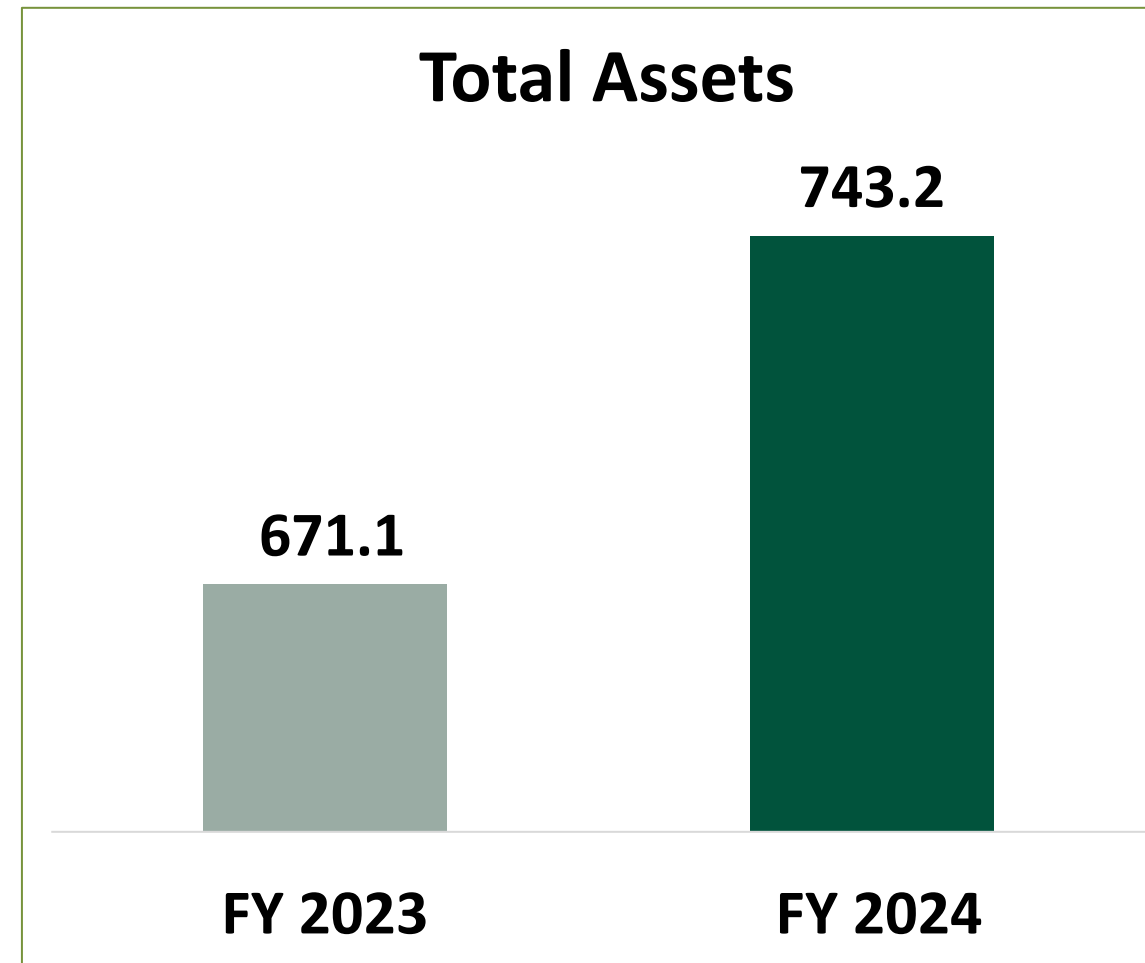
Best Bank – Kenya

Best Asset manager, Co-opTrust Investments Services – Kenya









# Group Financial Performance

# Strong Financial Position (Kshs. Billions)



# Strong Financial Position (Kshs. Billions)

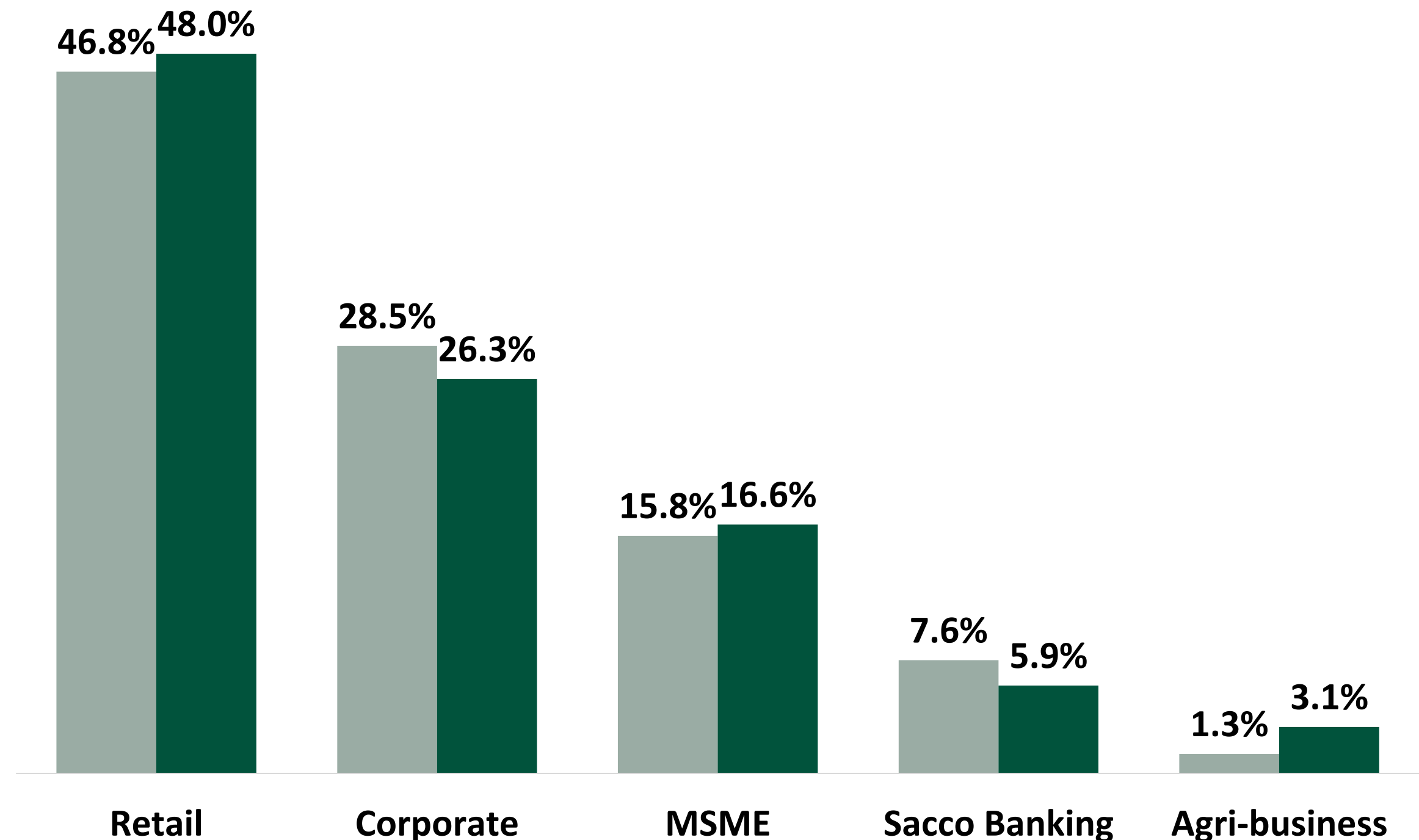
<b>Kshs. Billions</b>	<b>FY 2024</b>	<b>FY 2023</b>	<b>% Growth</b>	
<b>Total Assets</b>	743.2	671.1	10.7%	
<b>Net Loan book</b>	373.7	374.2	-0.1%	
<b>Government Securities</b>	271.6	189.0	15.1%	
<b>Total Deposits</b>	508.9	456.1	11.6%	
<b>Borrowed Funds</b>	55.4	67.3	-17.7%	
<b>Shareholder's Funds</b>	145.4	113.6	28.0%	

## 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

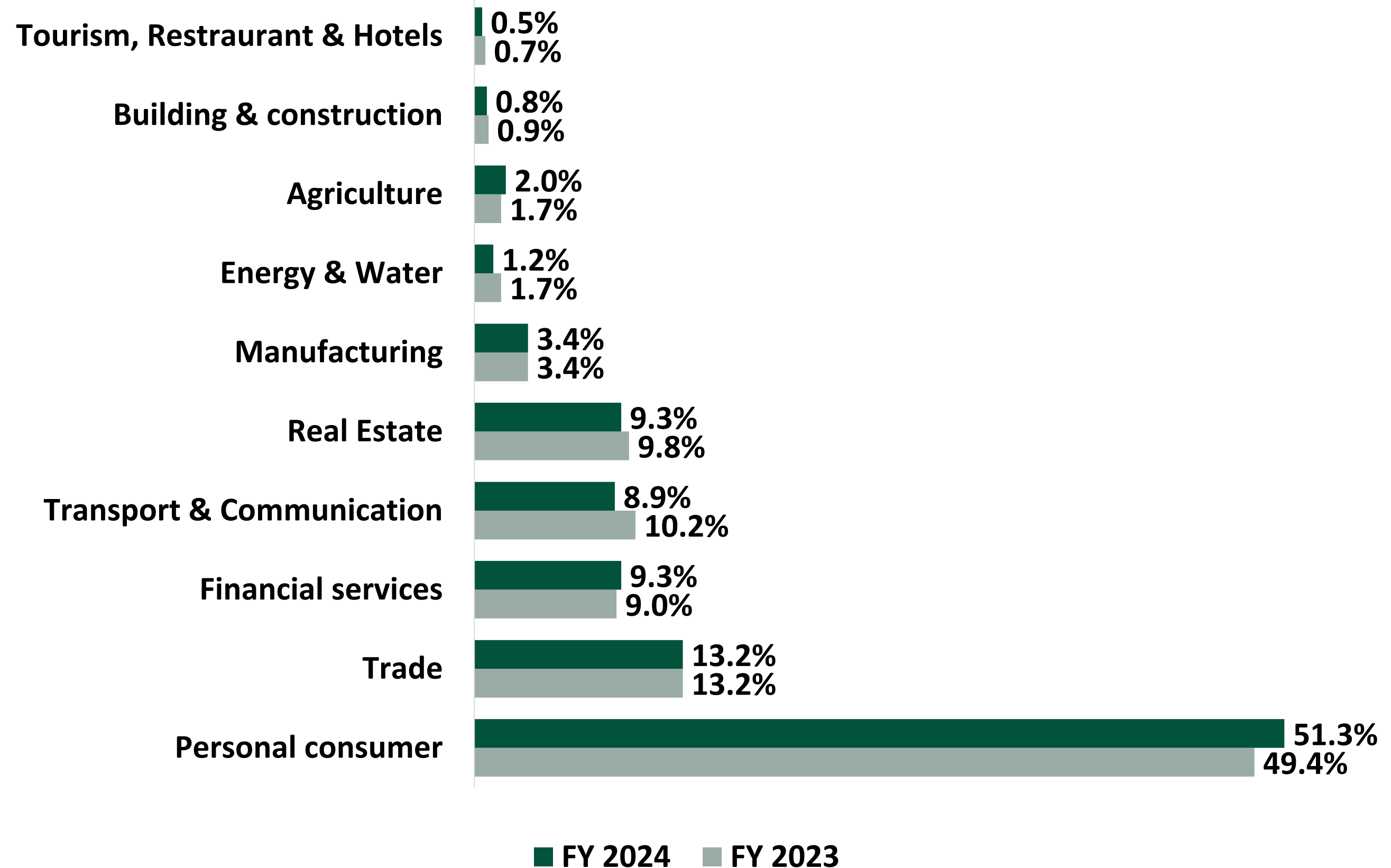
■ FY 2023 ■ FY 2024



## Diversified loan book

- Diversified across sectors
- 51.3% in Personal consumer which is performing well

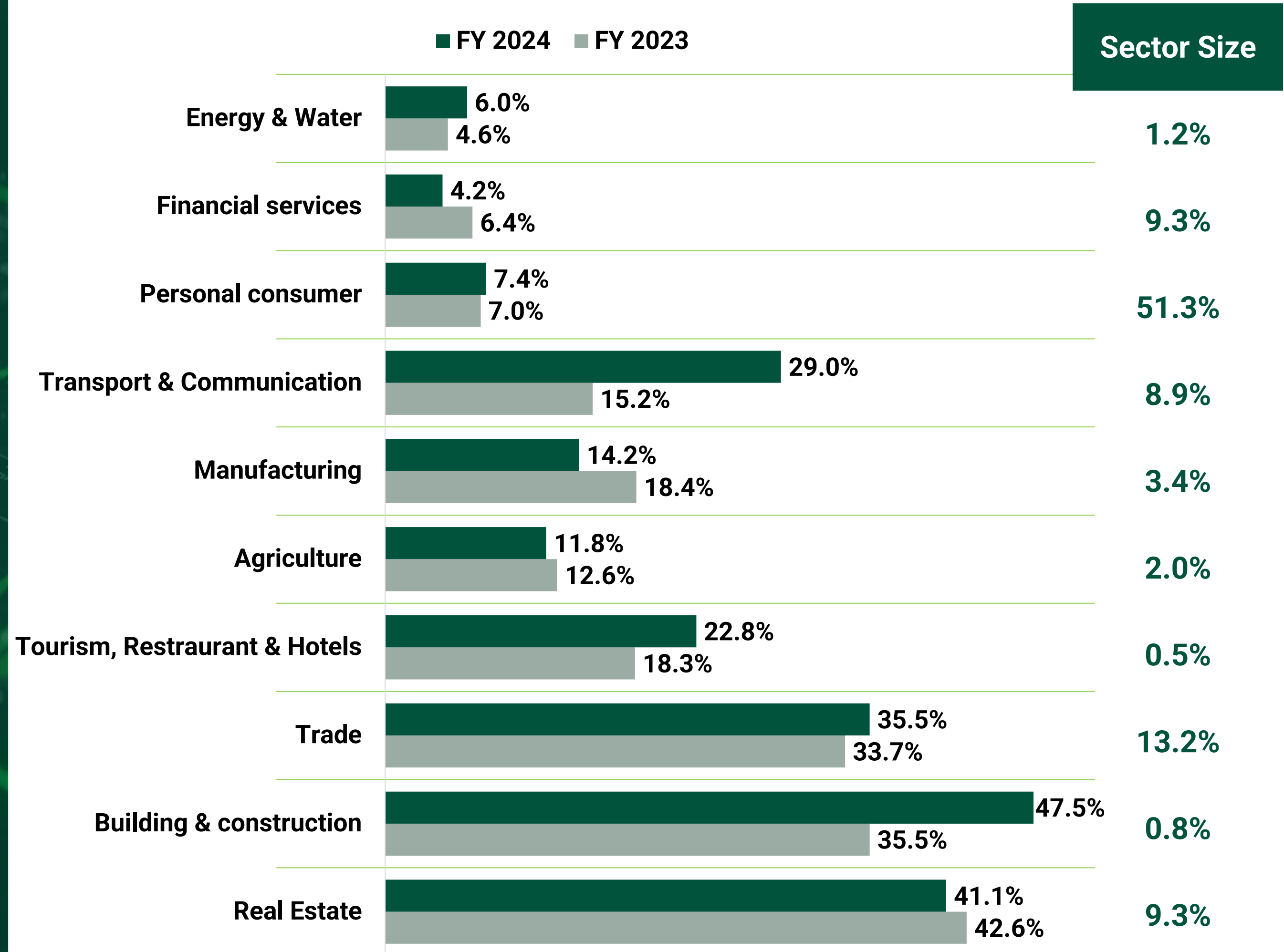
### Loan Book by Sector





# Portfolio Trends: Sector NPL

Low relative exposure in high-risk sectors

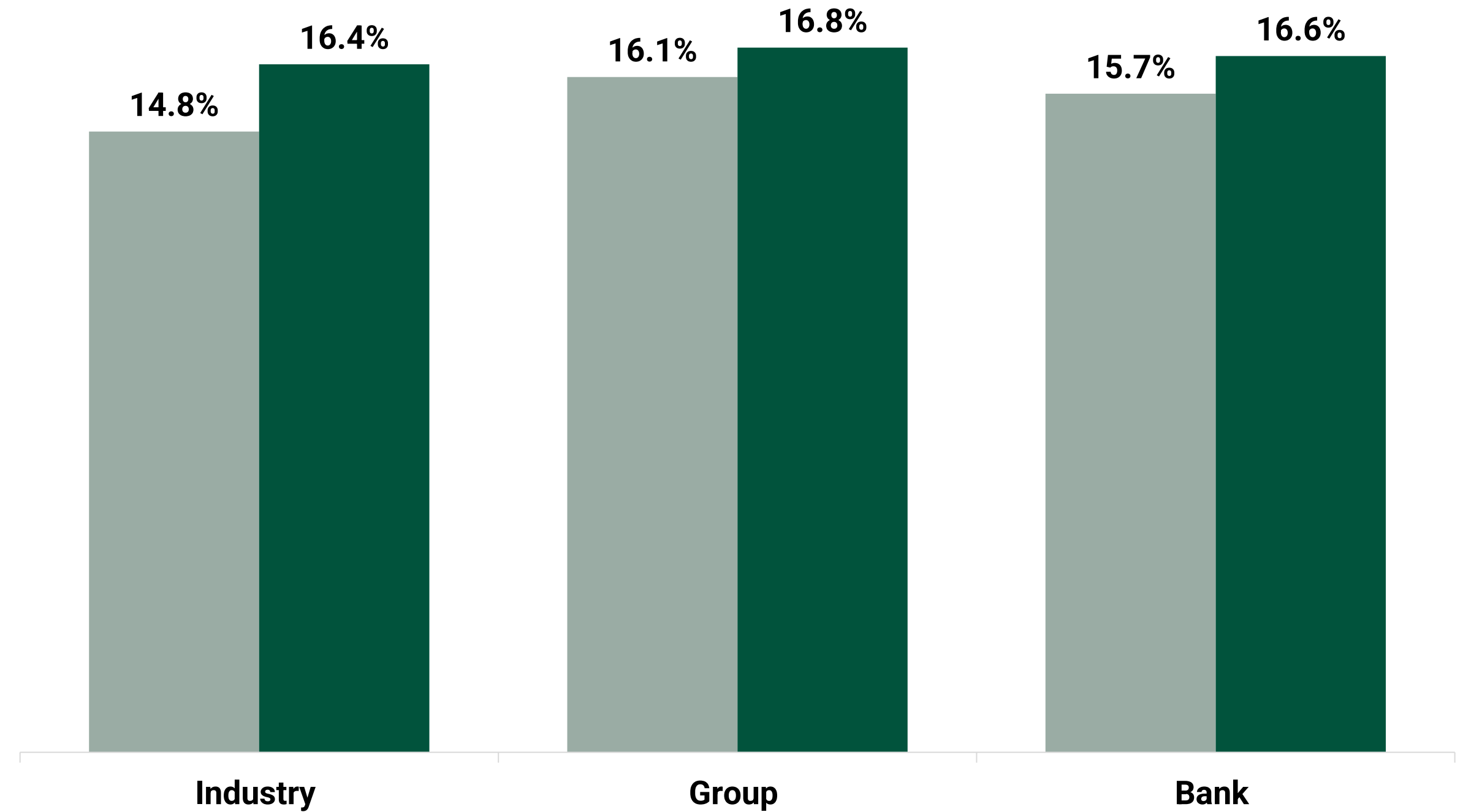


## Supporting NPL Management;

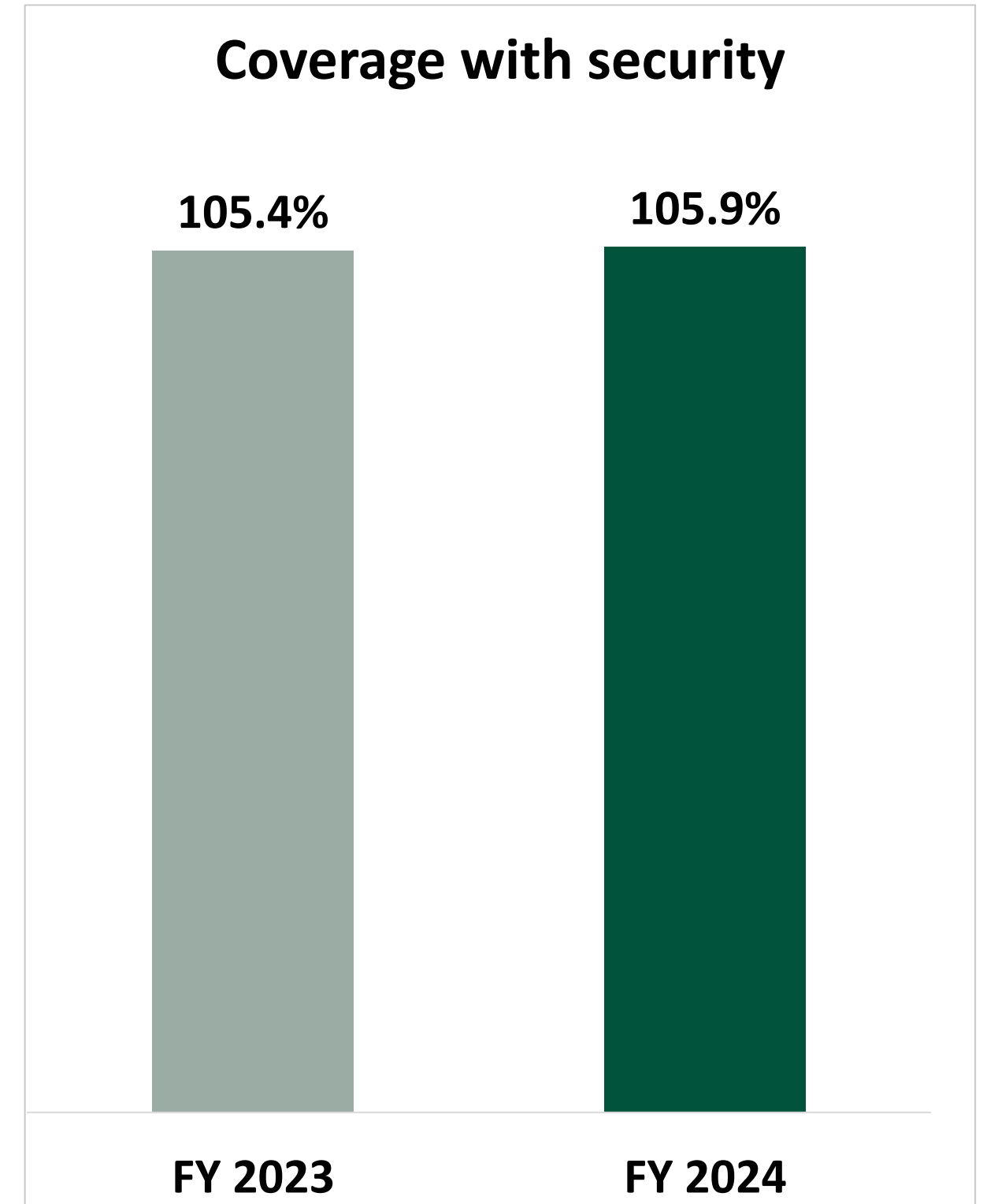
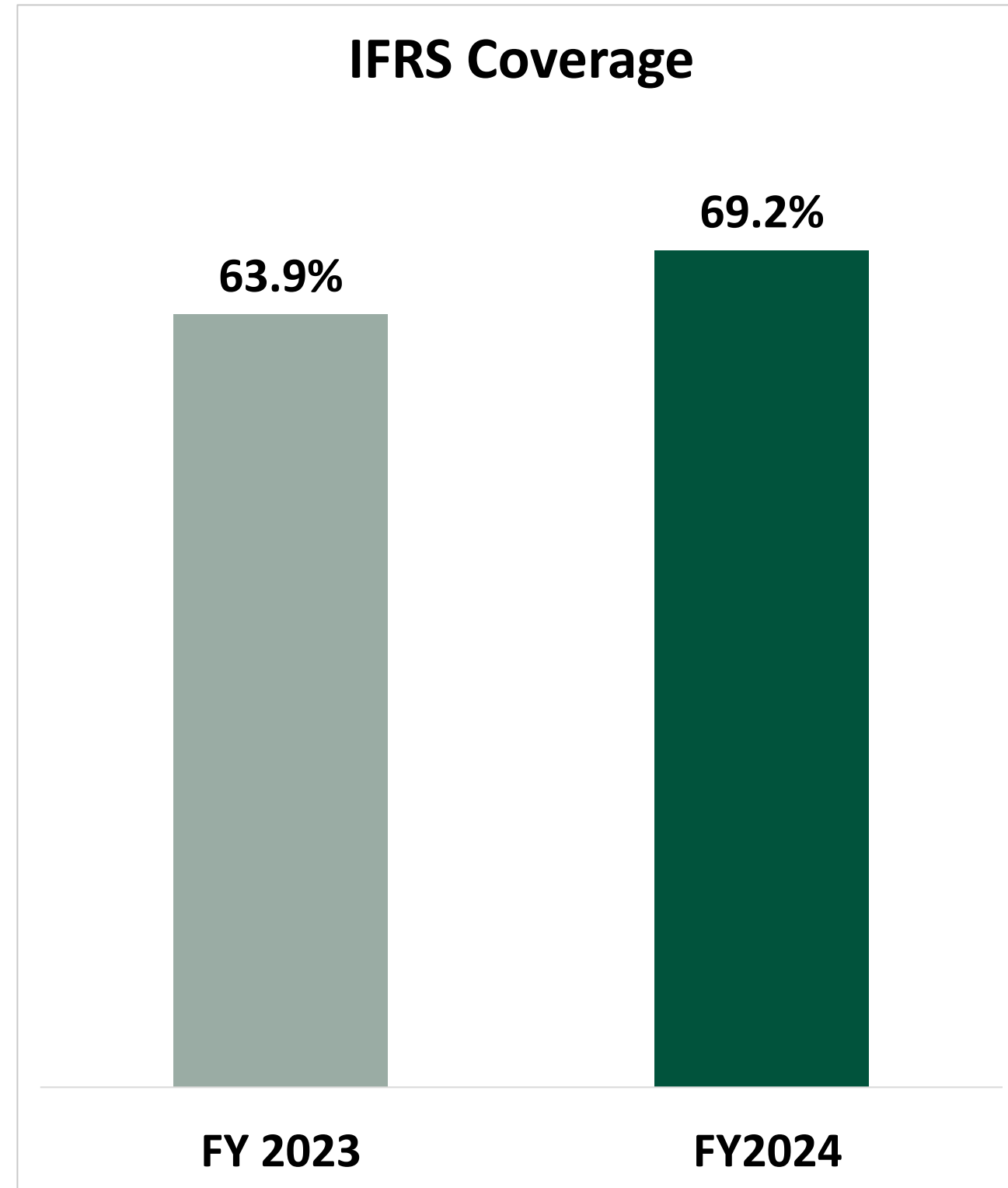
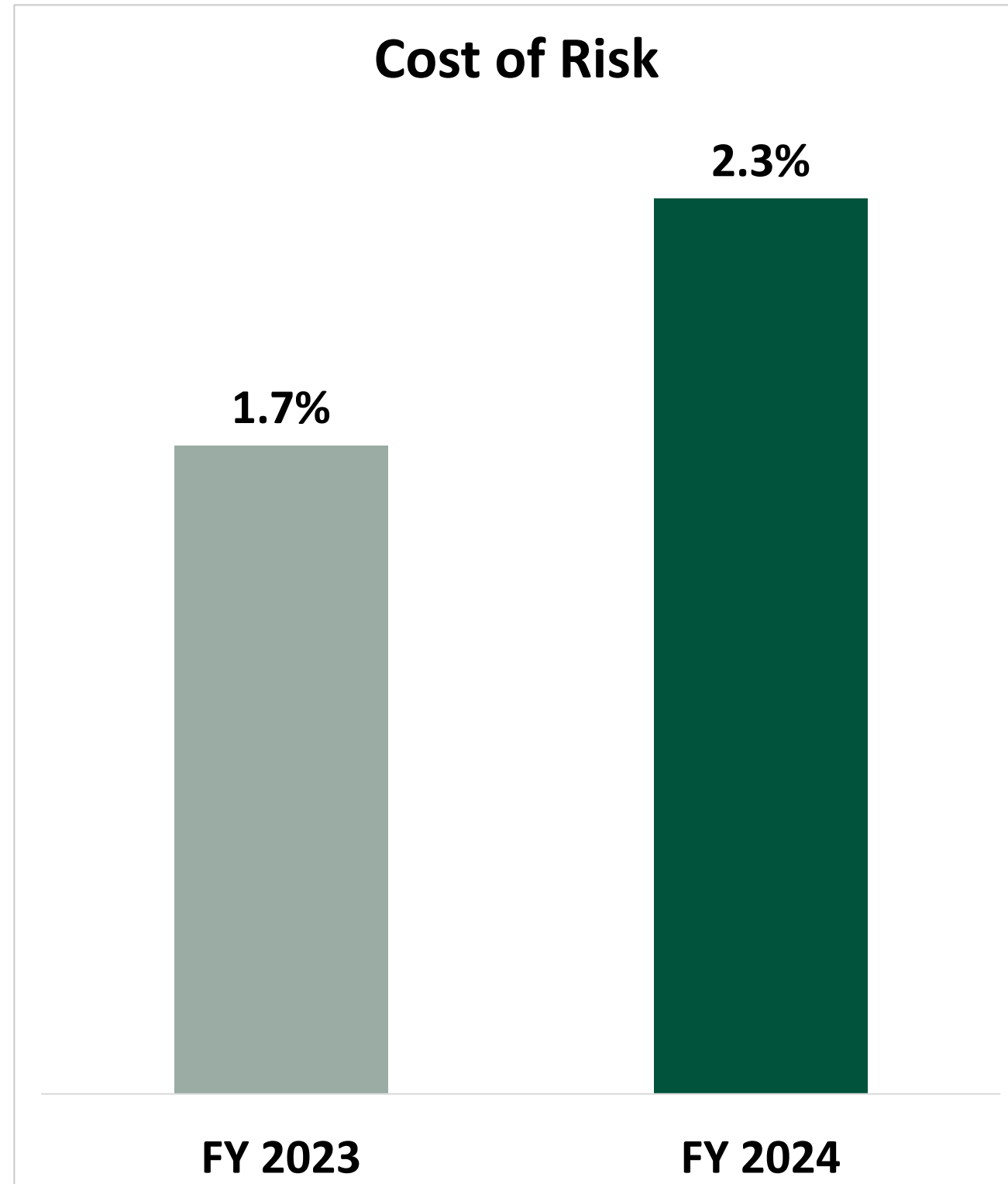
- Proactive Credit Management Strategies.
- Business Growth.
- Consumers and Businesses resilience amid tight economic environment.

### NPL Ratio

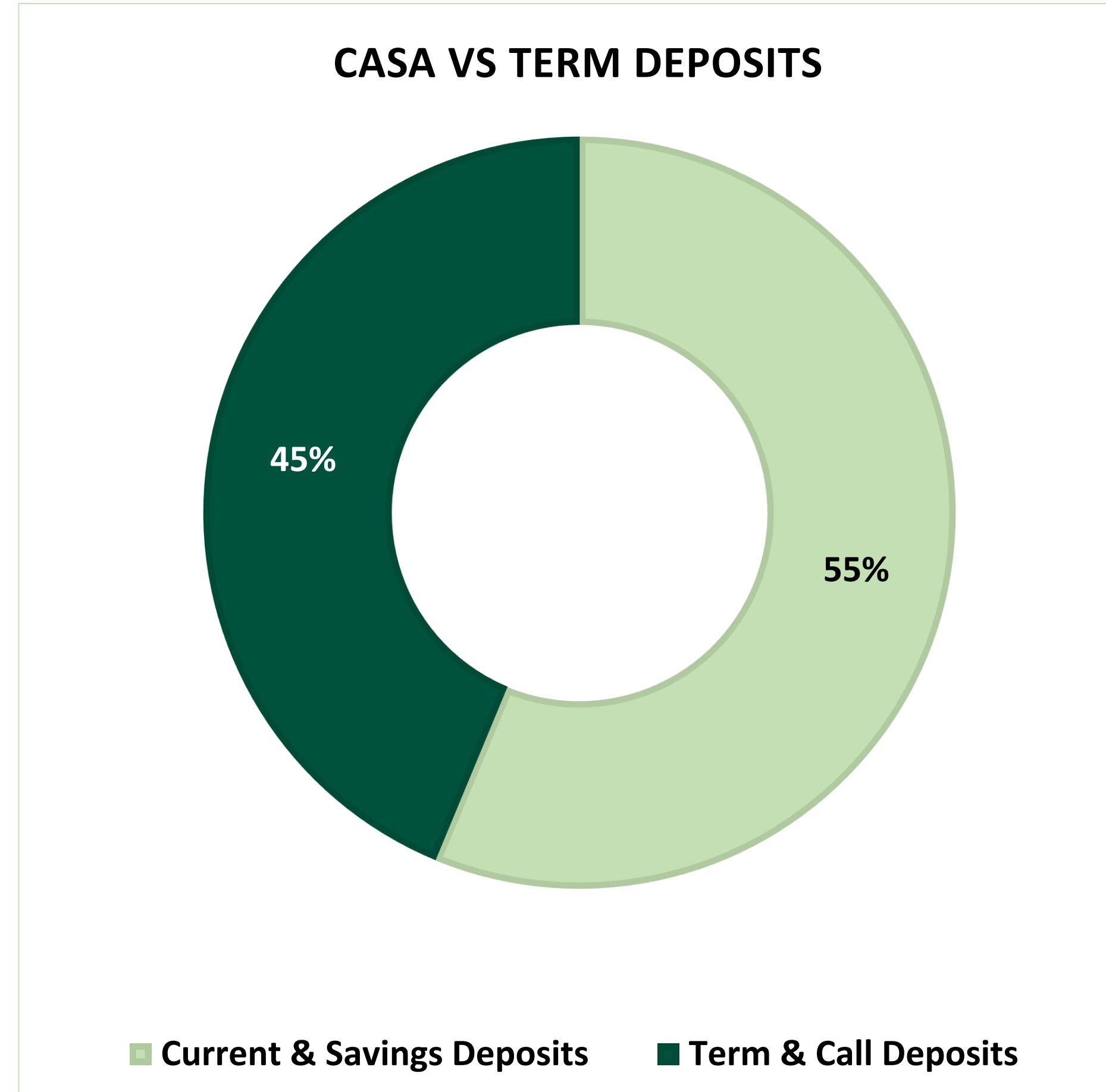
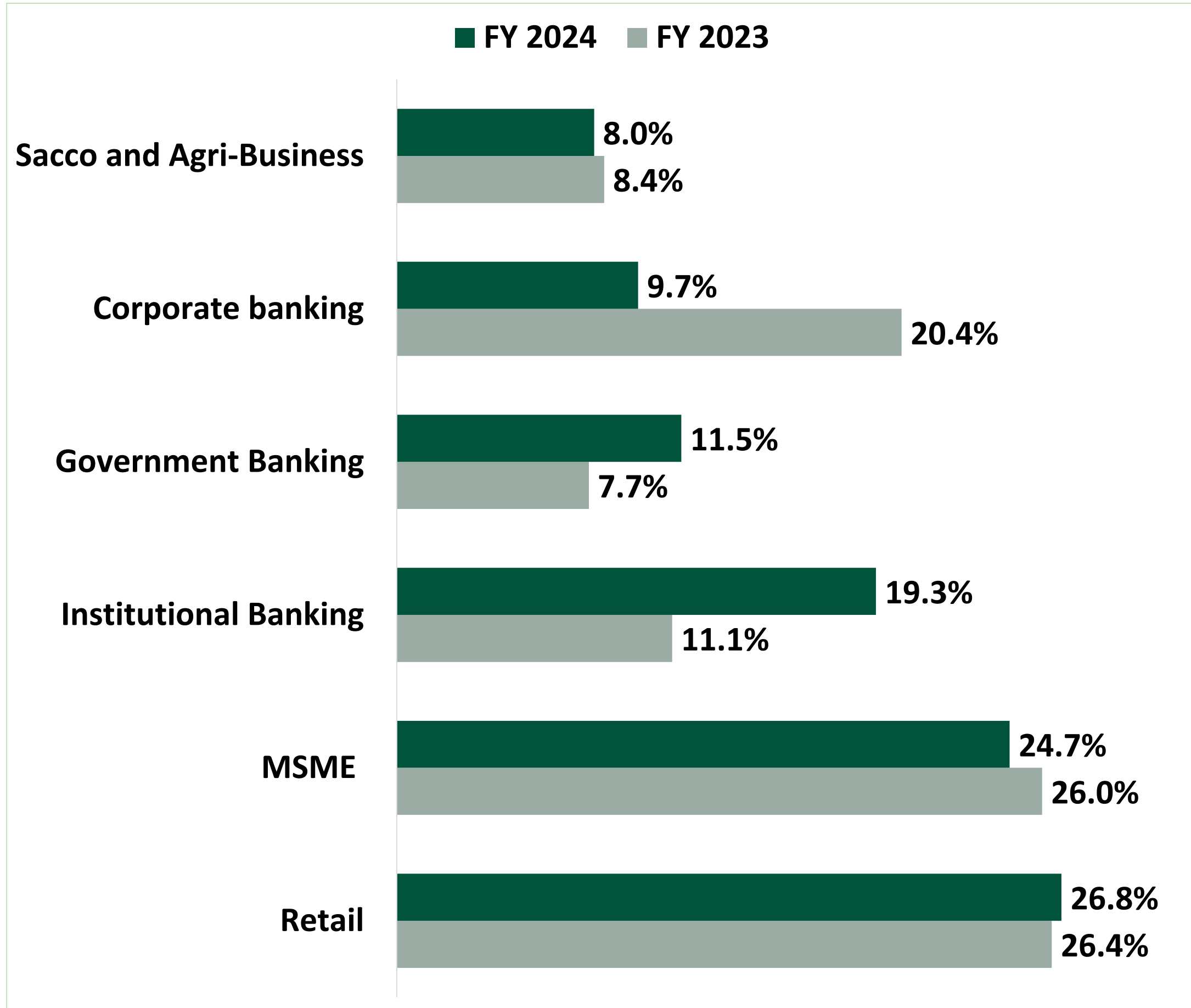
■ FY 2023 ■ FY 2024



# Cost of risk of 2.3% in FY 2024.



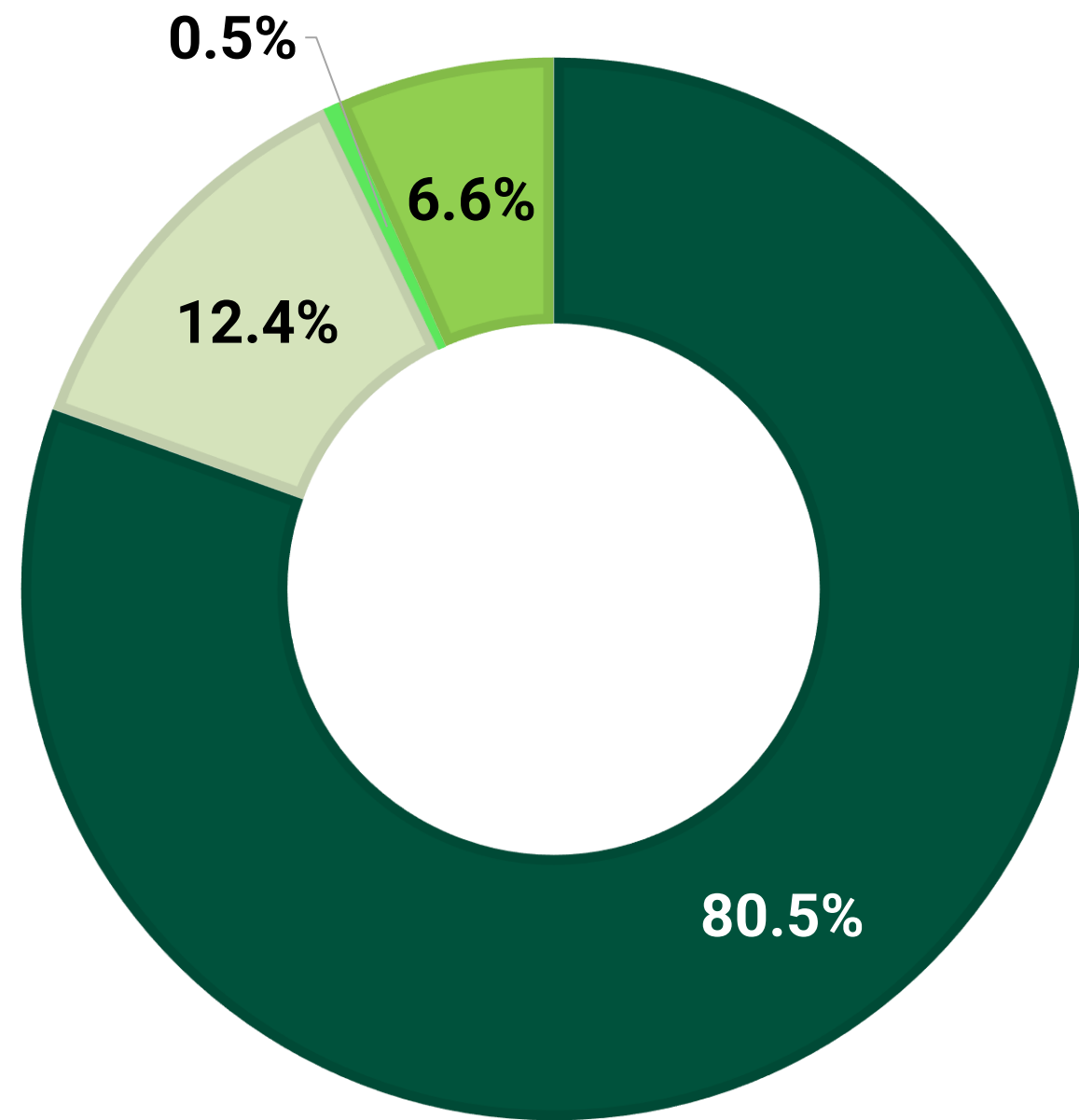
# Well-diversified Liability Portfolio



# Optimally balanced Kenya Shilling Asset & Funding Book

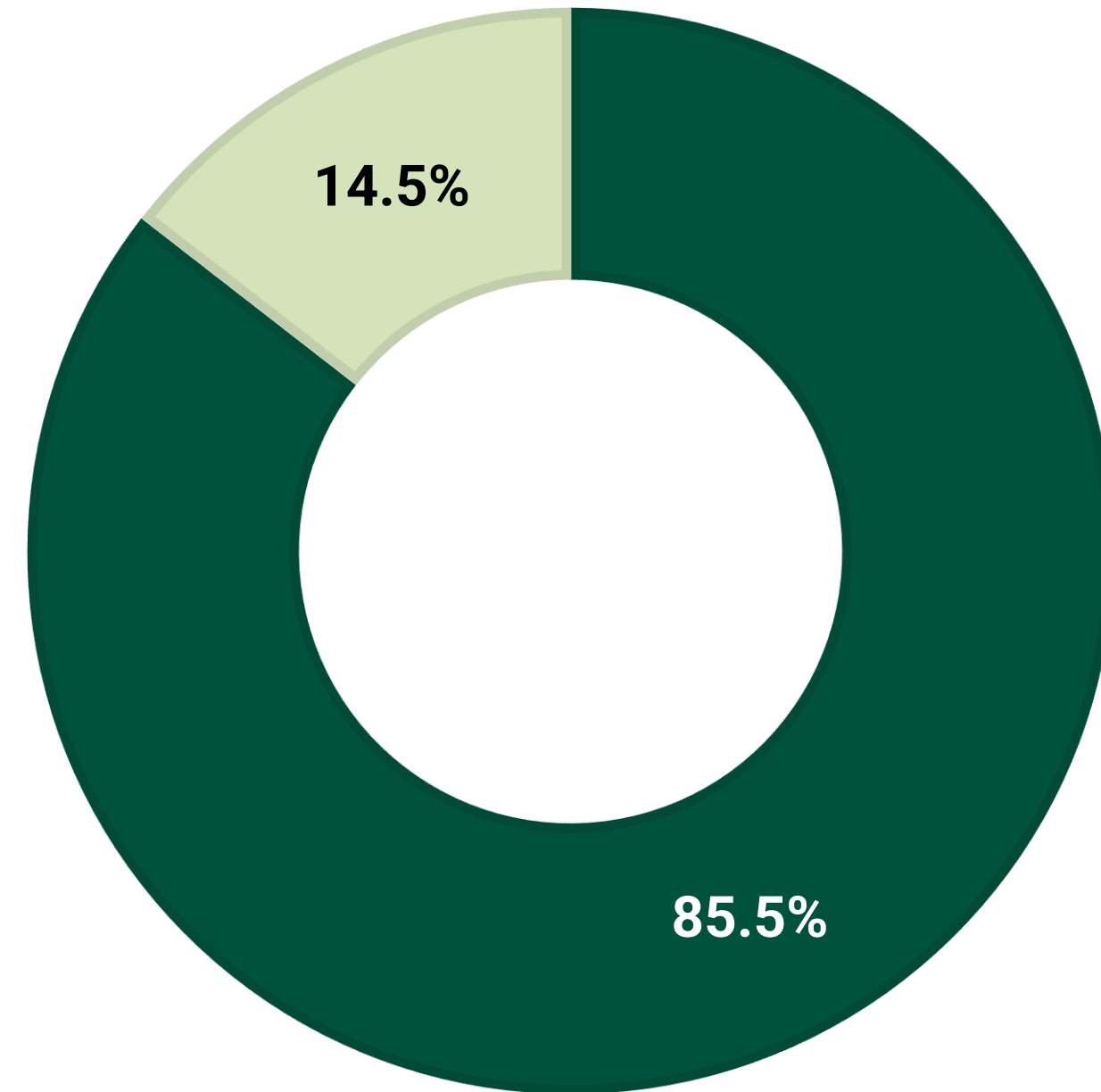
## FUNDING: LOCAL VS. FOREIGN CURRENCY

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



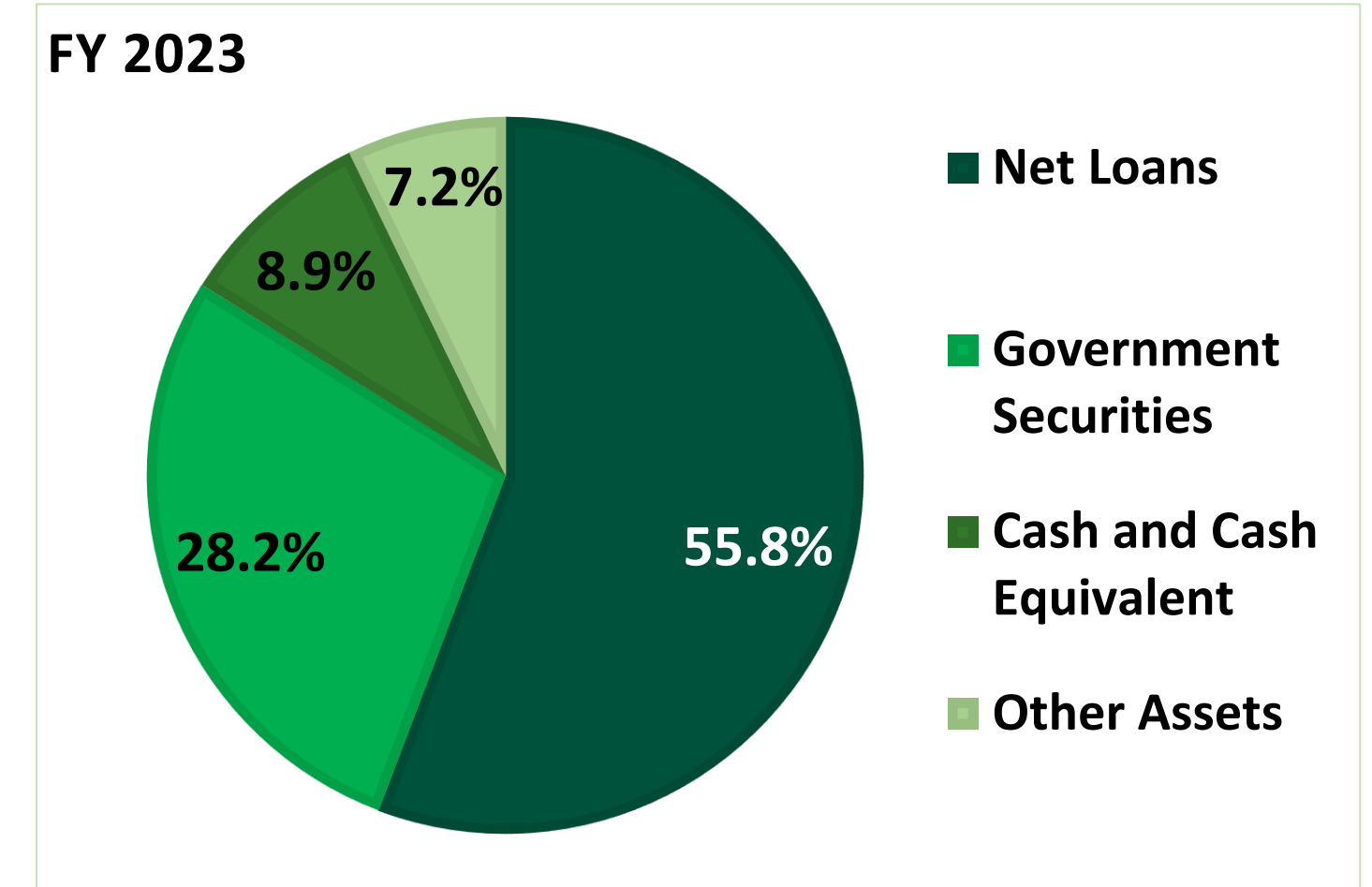
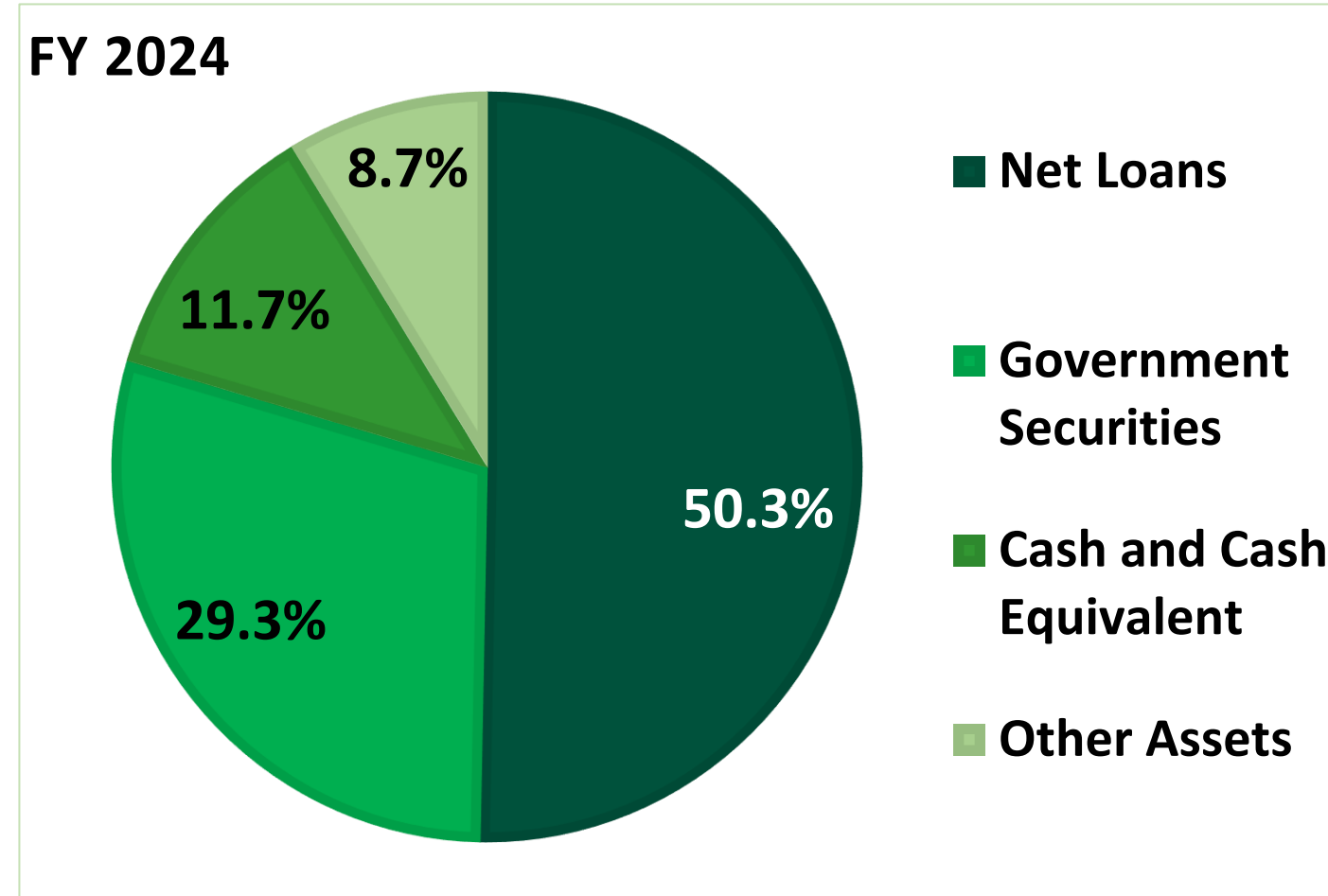
## ASSETS: LOCAL VS. FOREIGN CURRENCY

- Local Currency
- Foreign Currency

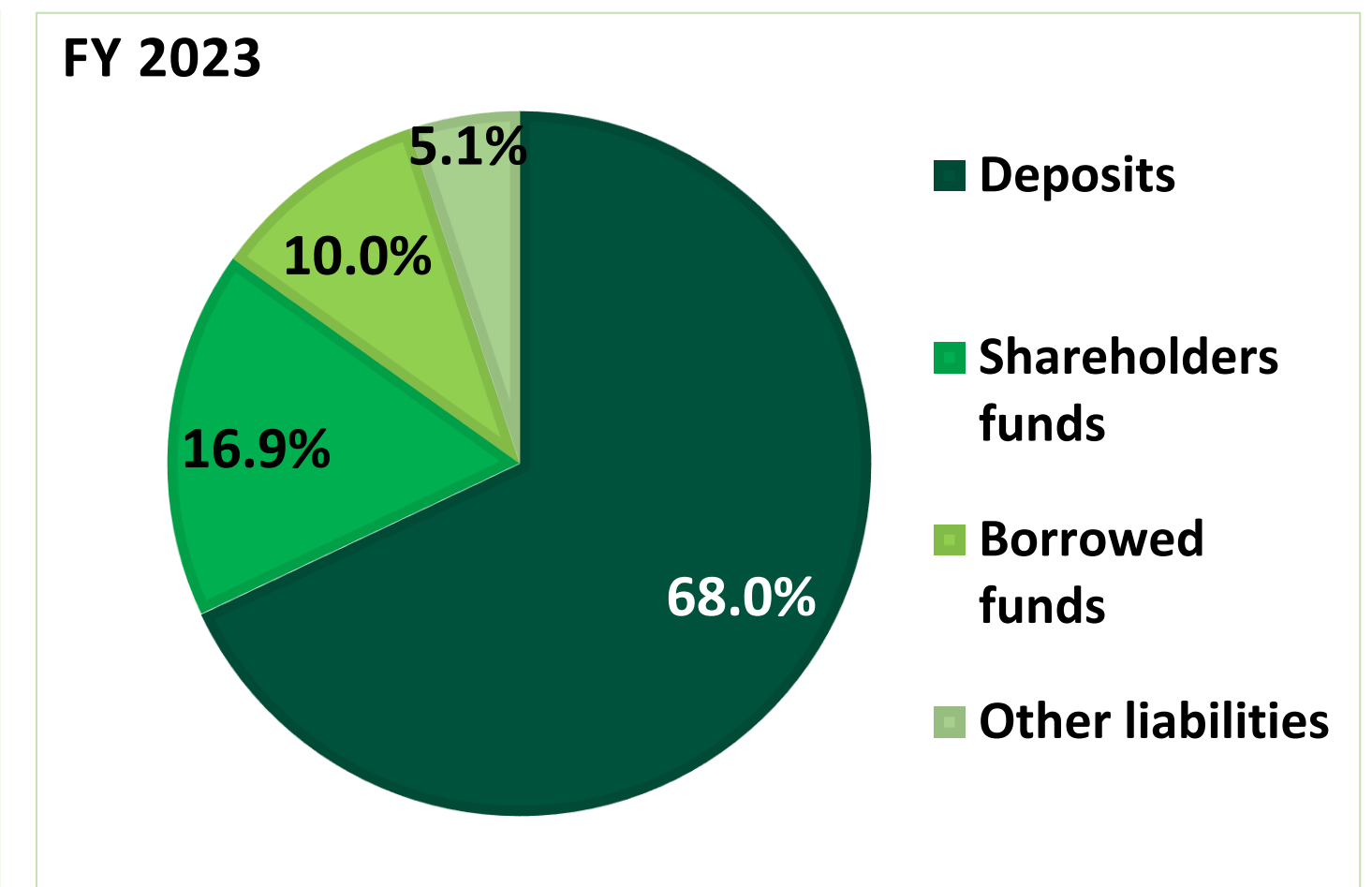
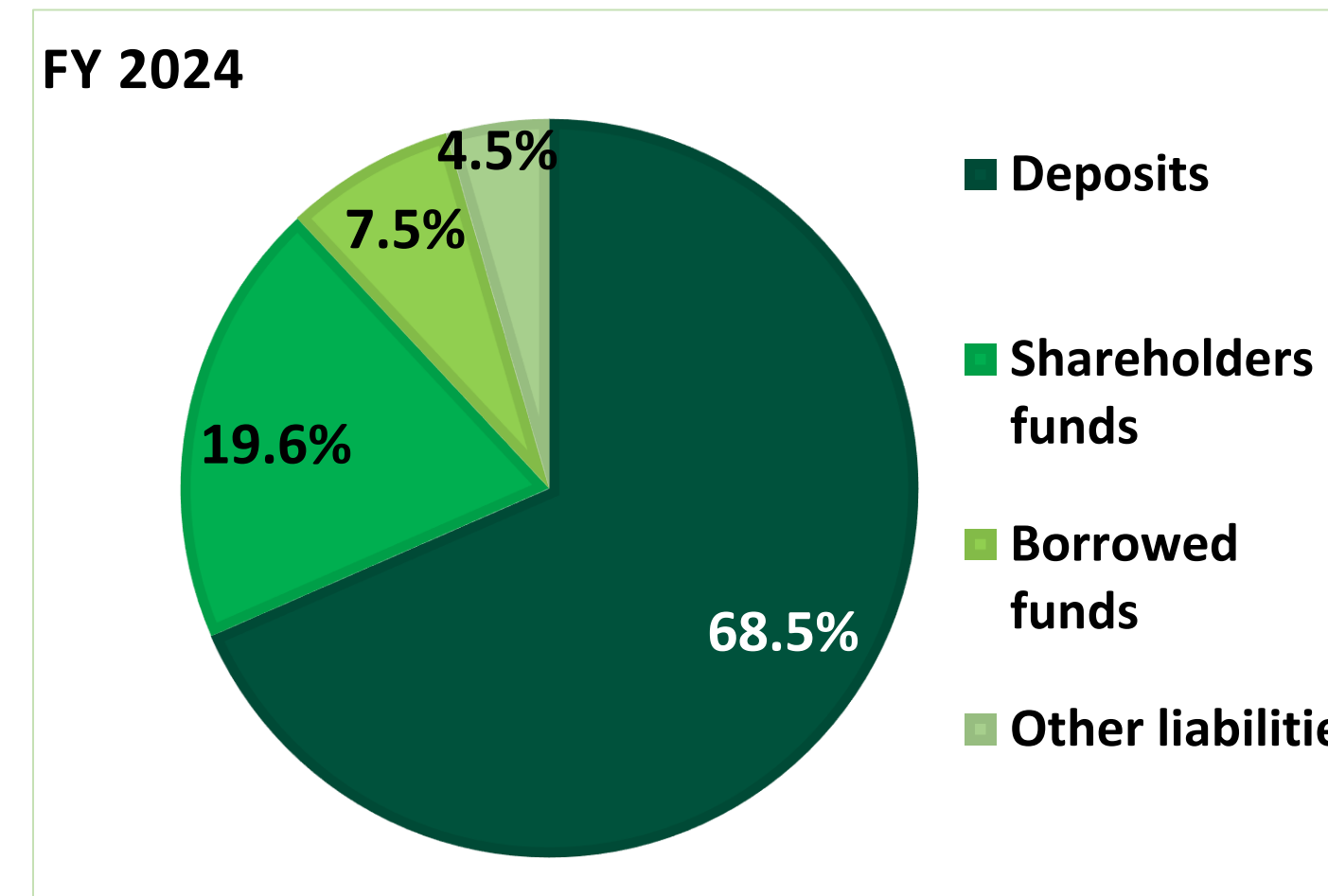


# Asset and Funding Mix

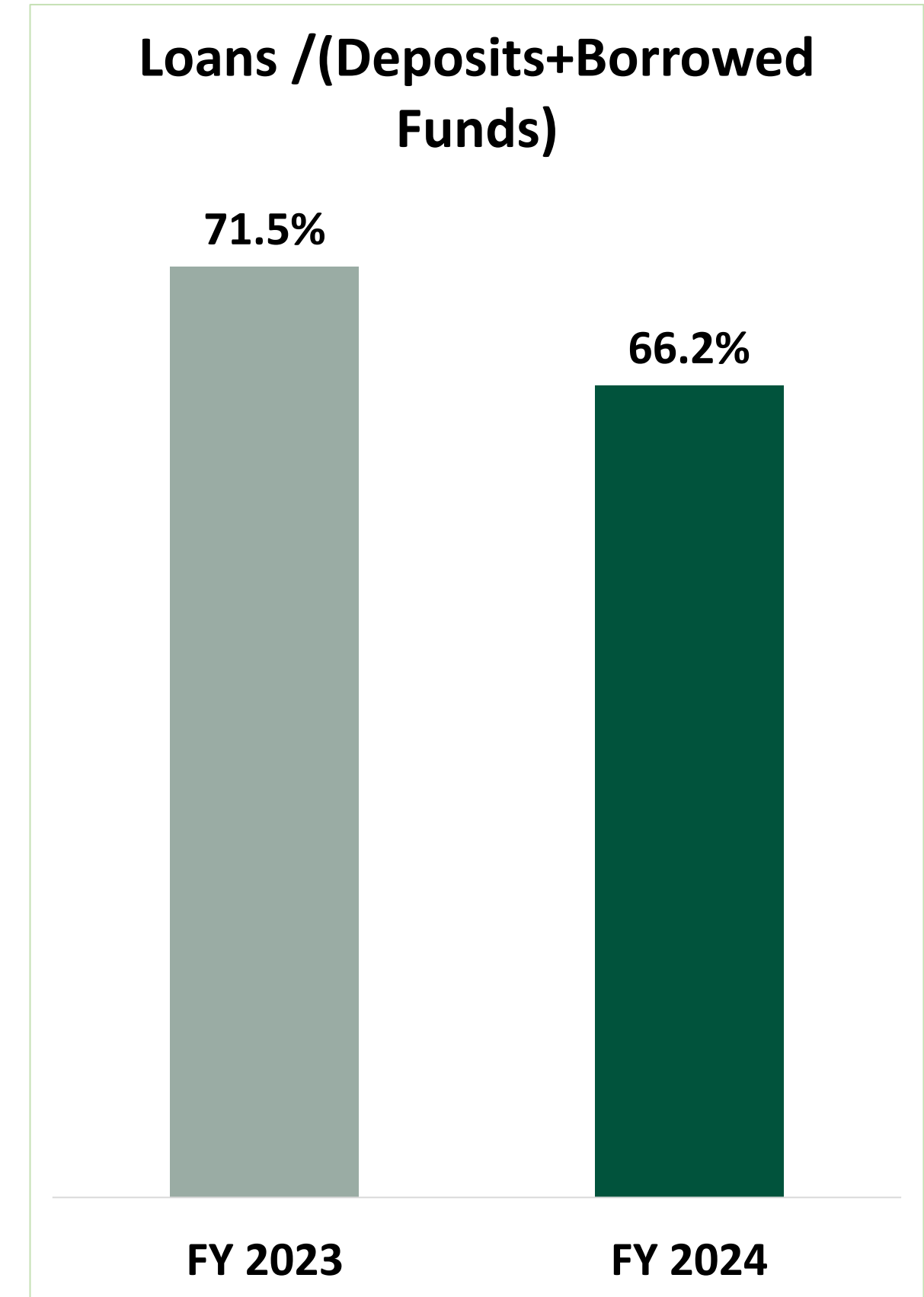
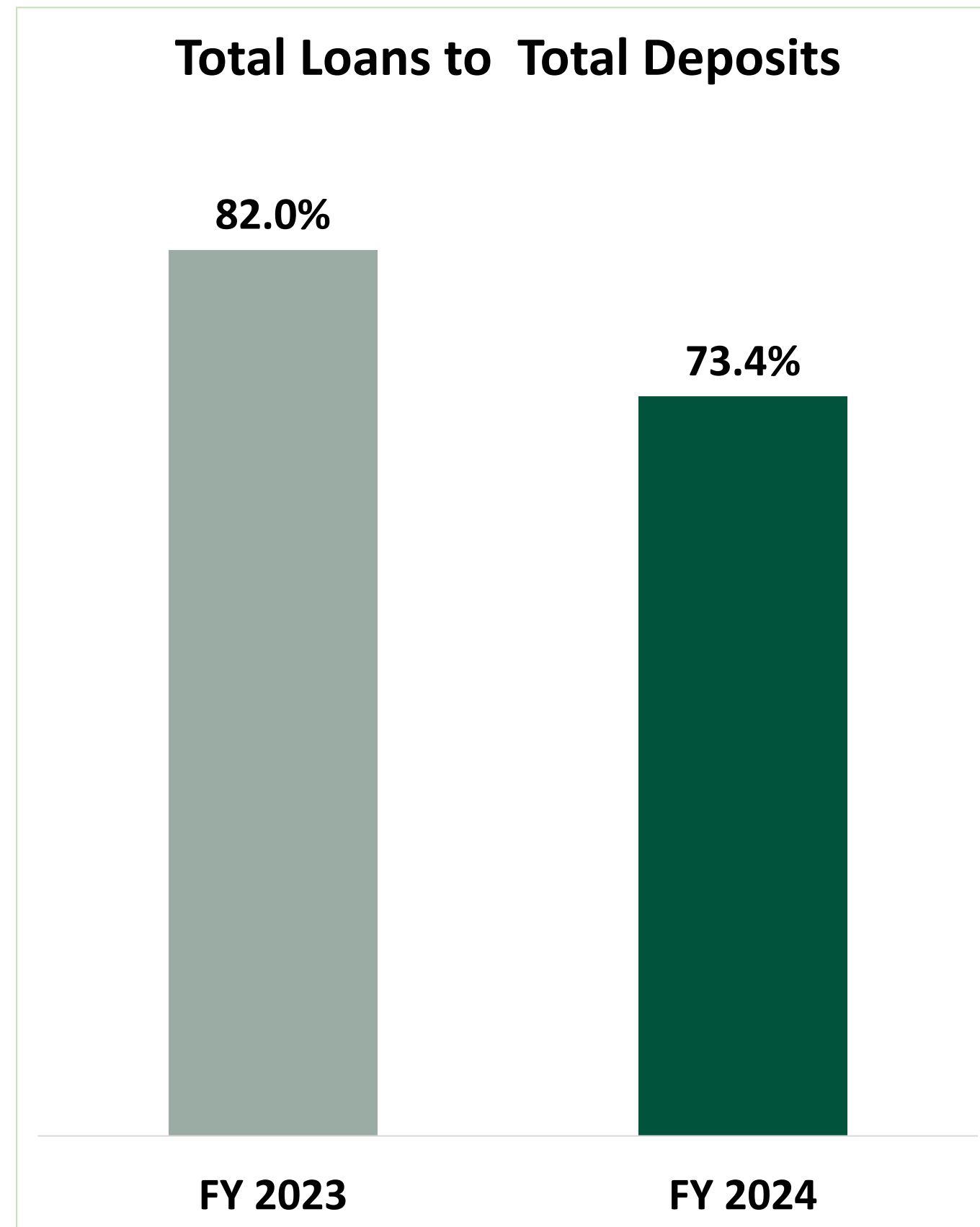
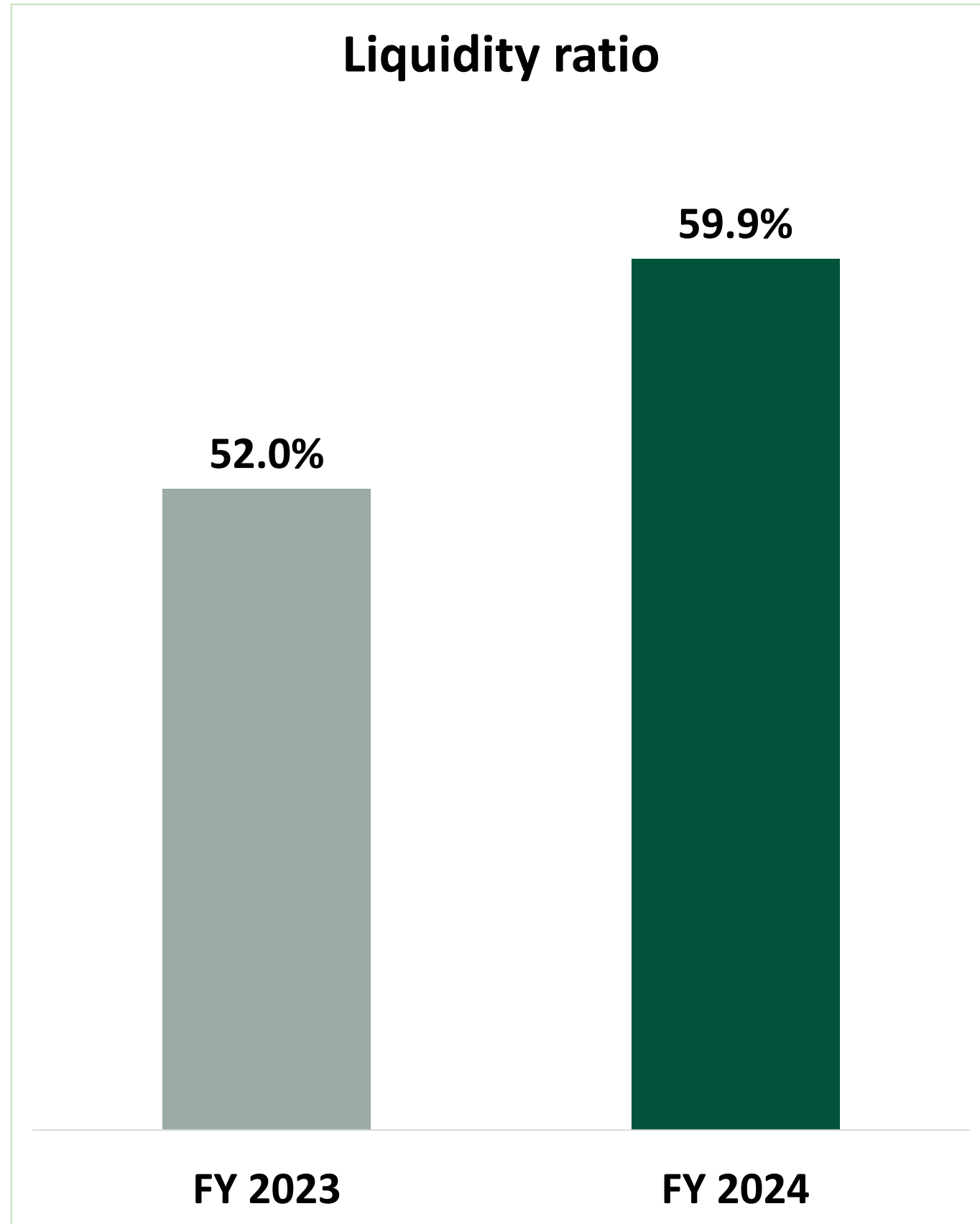
## Asset Categories



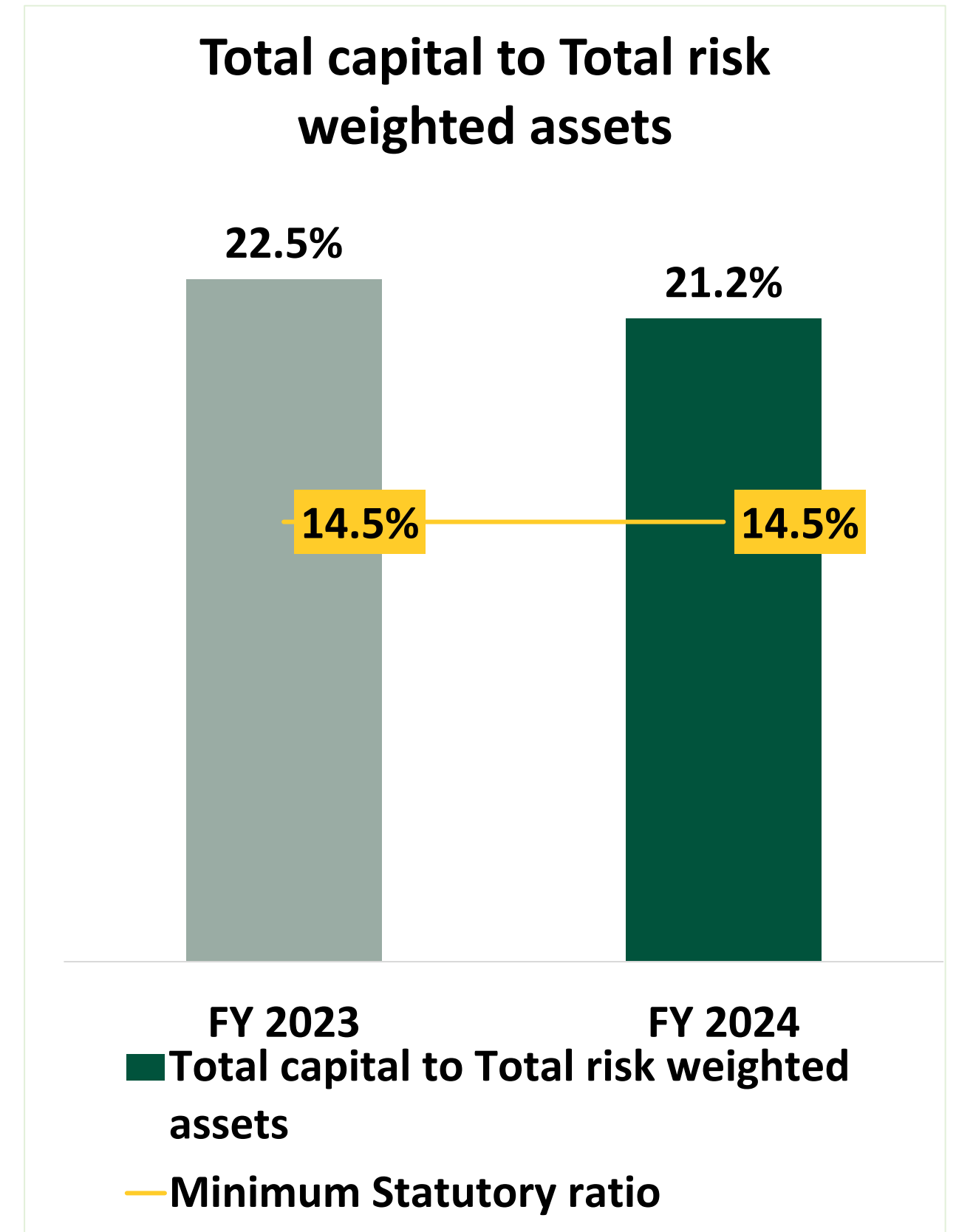
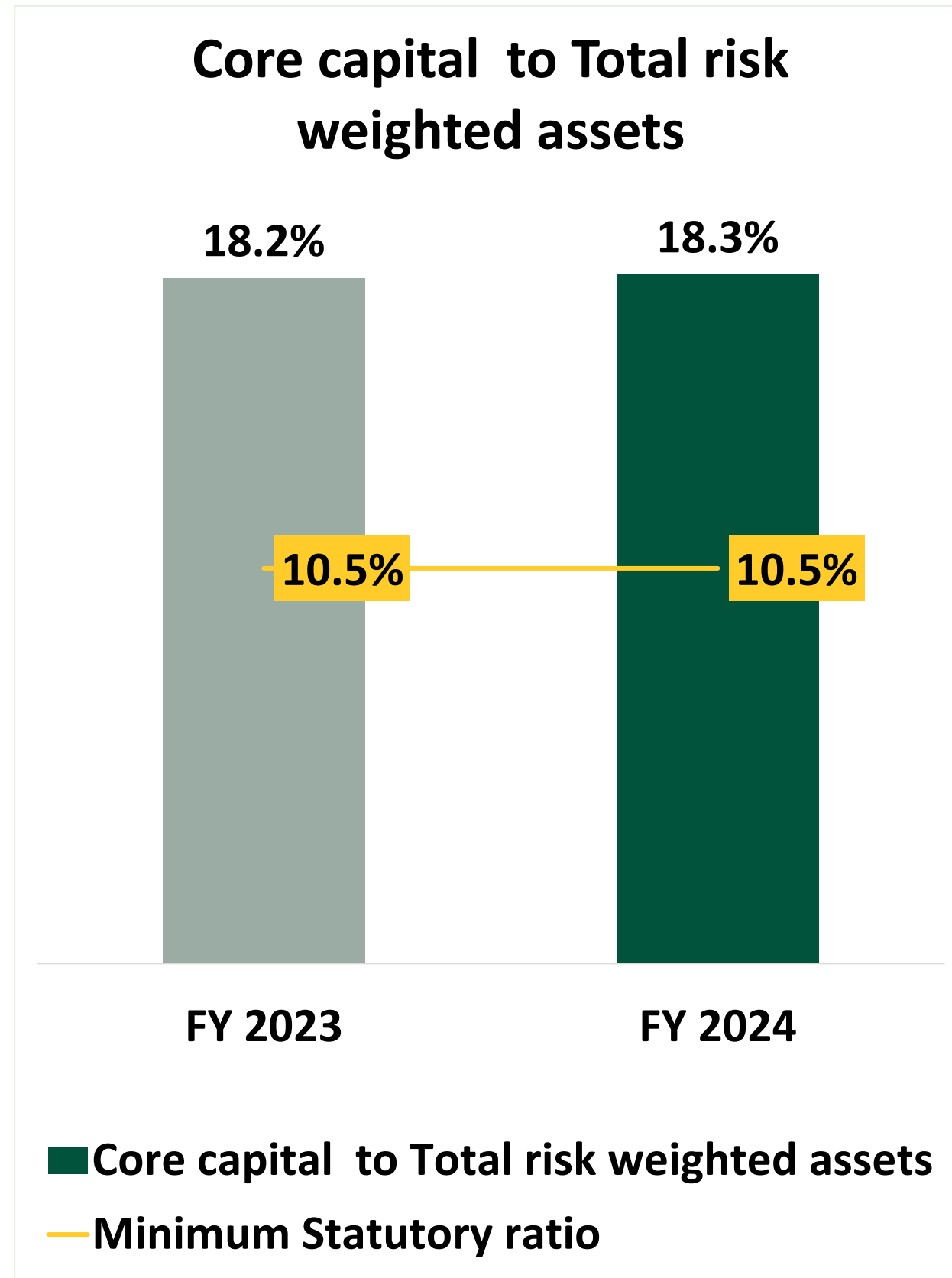
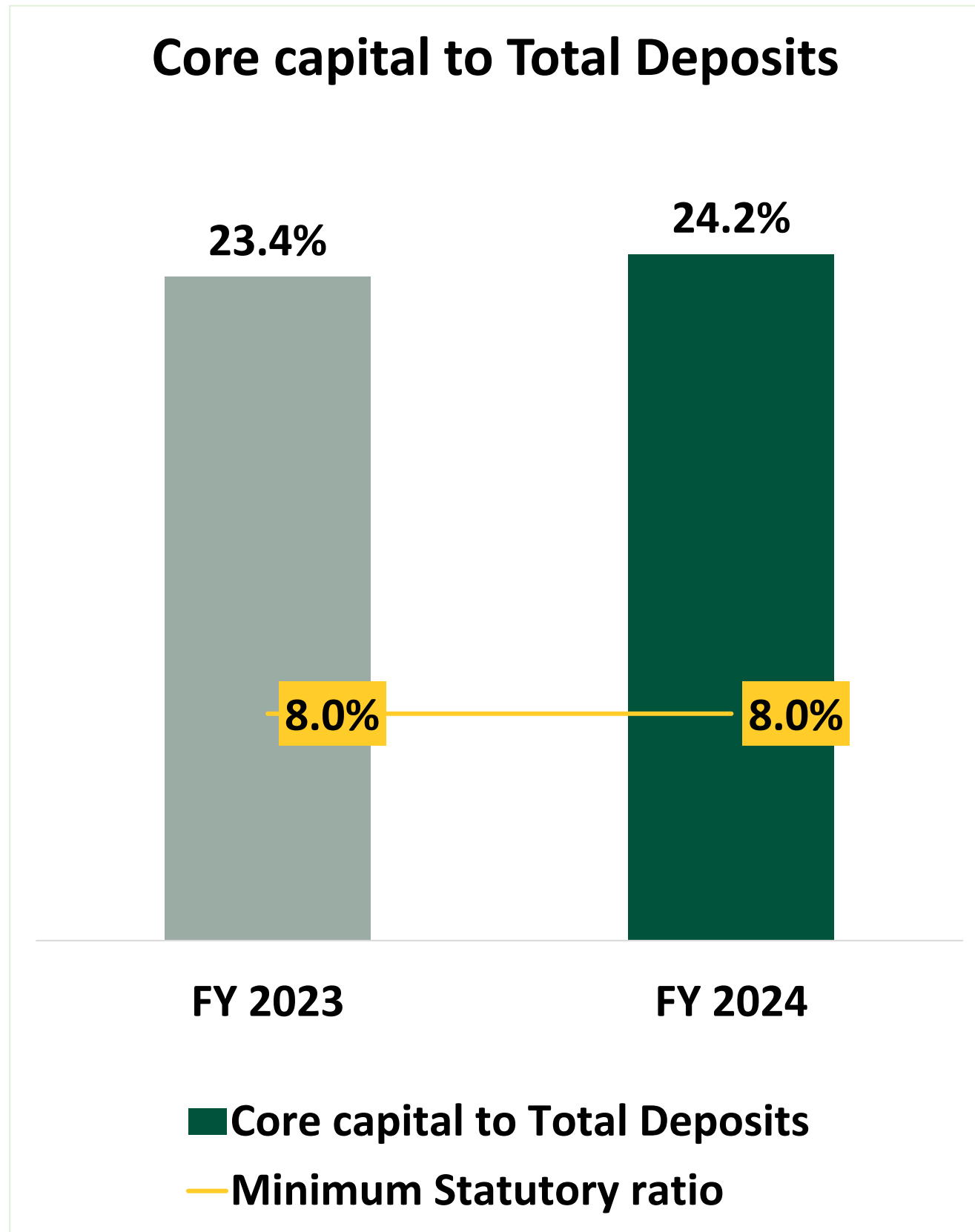
## Funding Categories



# Strong Liquidity to Support Investments



# Capital buffers for sustainable growth





Kshs. Billions	FY 2024	FY 2023	YoY Change	
Total Interest Income	86.25	69.07	24.9%	↑
Total Interest Expenses	34.73	23.84	45.7%	↑
<b>Net Interest Income</b>	<b>51.52</b>	<b>45.23</b>	<b>13.9%</b>	↑
Fees and commissions on loans and advances	11.03	12.25	-10.0%	↓
Other Fees and commissions	12.07	10.13	19.2%	↑
Foreign exchange trading income	4.97	3.18	56.4%	↑
Other income	1.05	0.90	16.6%	↑
<b>Total Operating Income</b>	<b>80.65</b>	<b>71.69</b>	<b>12.5%</b>	↑
Loan loss provision	8.66	6.01	44.2%	↑
Staff costs	18.32	16.69	9.8%	↑
Other operating expenses	19.70	16.98	16.1%	↑
<b>Total Operating expenses</b>	<b>46.69</b>	<b>39.67</b>	<b>17.7%</b>	↑
Profit before tax and exceptional items	33.96	32.02	6.1%	↑
Exceptional items-Share of profit of associate	0.82	0.35	137.9%	↑
<b>Profit Before Tax</b>	<b>34.78</b>	<b>32.36</b>	<b>7.5%</b>	↑
Income tax	9.32	9.18	1.6%	↑
<b>Profit After Tax</b>	<b>25.46</b>	<b>23.19</b>	<b>9.8%</b>	↑

# Subsidiary Contribution

	FY 2024 KShs	FY 2023 KShs	Growth KShs	Growth %
Co-operative Bank of Kenya Ltd	31,303,207	29,616,456	1,686,752	5.7%
Co-operative Bank of South Sudan Ltd	11,065	291,299	- 280,234	-96.2%
Co-opTrust Investment Services Ltd	386,445	226,021	160,423	71.0%
Co-op Bancassurance Intermediary Ltd	1,201,660	877,137	324,522	37.0%
Kingdom Securities Ltd	74,209	13,191	61,018	462.6%
Kingdom Bank Ltd	1,068,427	1,080,687	- 12,260	-1.1%
<b>Co-op Bank and Subsidiaries Total</b>	<b>34,045,012</b>	<b>32,104,792</b>	<b>1,940,221</b>	<b>6.0%</b>
Associates share of profit	735,307	259,058	476,250	184.0%
<b>Group Profit Before Tax</b>	<b>34,780,319</b>	<b>32,363,849</b>	<b>2,416,470</b>	<b>7.5%</b>
Income Tax Expense	9,323,974	9,175,482	148,492	1.6%
<b>Group Profit After Tax</b>	<b>25,456,345</b>	<b>23,188,367</b>	<b>2,267,978</b>	<b>9.8%</b>

# Key Ratios

Ratio	FY 2024	FY 2023	
RoAA	3.60%	3.63%	∨
RoAE	19.7%	21.0%	∨
EPS	4.34	3.95	∧
Ave Return of Interest Earning Assets	13.9%	12.4%	∧
NIM on Loans	8.5%	7.8%	∧
NIM on Interest Earning Assets	7.6%	7.6%	∧
CIR Group <i>(with provisions)</i>	57.9%	55.3%	∧
CIR Group <i>(without provisions)</i>	47.2%	47.0%	∧
CIR Bank <i>(with provisions)</i>	57.4%	54.4%	∧
CIR Bank <i>(without provisions)</i>	46.0%	45.9%	∧
Non-Funded to Total Operating Income	36.1%	36.9%	∨
Cost of Customer Deposits	6.13%	4.16%	∧
Cost of Funds	6.39%	4.78%	∧

## Dividend Payment

The Co-operative Bank Group continues to showcase solid financial performance.

Supported by the *2025-2029 Good to Great Corporate Strategic Plan*, the Bank will continue to pursue strategic initiatives that focus on resilience and growth in the various sectors of the economy. The Bank will continue to leverage the unique synergies in the over 15-million-member co-operative movement, that is the largest in Africa, to grow its market share.

**The Board of Directors has recommended, subject to shareholders approval at the next AGM to be held on 16th May 2025, a dividend payment of KShs. 1.50 per share (Kshs. 8.8 Billion payment).**



THANK YOU

 **CO-OPERATIVE BANK**  
We are you