

Co-operative Bank Group Plc reported an 8.26% growth in profit before tax (PBT) from Kes. 18.16Bn in H1 2024 to Kes. 19.66Bn in H1 2025 which ended on 30<sup>th</sup> June 2025. As a result, the profit after tax (PAT) for the group increased by 8.39% from Kes. 12.99Bn in H1 2024 to Kes. 14.08Bn in H1 2025 supported by a 19.90% return on equity (ROE) as one of the bank's key performance areas.

The bank's cost to income ratio stood at 44.90% in H1 2025 seeing a 13.02% increase in the total operating expenses to Kes. 24.04Bn in H1 2025. The half year's operating income has seen a 10.86% growth from Kes. 39.23Bn in H1 2024 to 43.49Bn in H1 2025.

The lender's innovativeness in the market has seen a major growth in digital transactions with over 90% of customer transactions being migrated and taking place through digital and alternative channels such as CDMs, ATMs, USSD, over 16,000 Co-op Kwa Jirani Agents, and Mobile banking Apps and Web.

#### Income Statement

Interest income was 12.56% up from Kes. 39.80Bn in H1 2024 to Kes. 44.80Bn in H1 2025 driven by over 11.05% increase in loans and advances to customers and trading in government securities.

The group's net interest income increased by 23.13% from Kes. 23.86Bn in H1 2024 to Kes. 29.38Bn in H1 2025. The increase was further driven by a Kes. 36.4Bn loan disbursements on Mco-op Cash wallet during the first half of 2025 of which Kes. 5.70Bn was loans disbursed to MSME's.

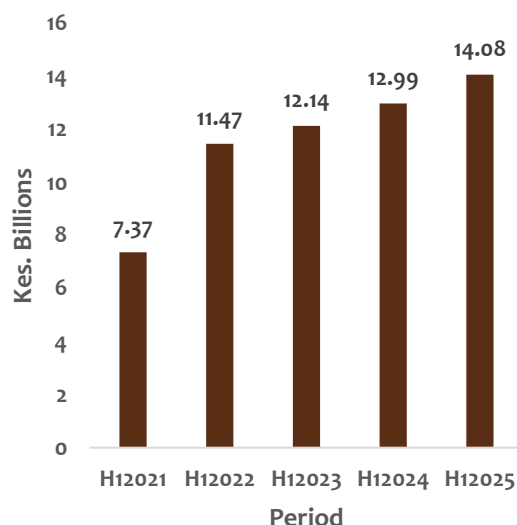
The lender's interest expenses decreased marginally by 3.26% from Kes. 15.94Bn in H1 2024 to Kes. 15.42Bn in H1 2025.

The groups operating expenses were also contained with a slight increase from Kes. 21.27Bn in H1 2024 to Kes. 24.04Bn in H1 2025. With a 4.12% increase in loans and advances to customers, the group raised its provision for loan loss by 50.67% from Kes. 3.00Bn in H1 2024 to Kes. 4.52Bn. in H1 2025.

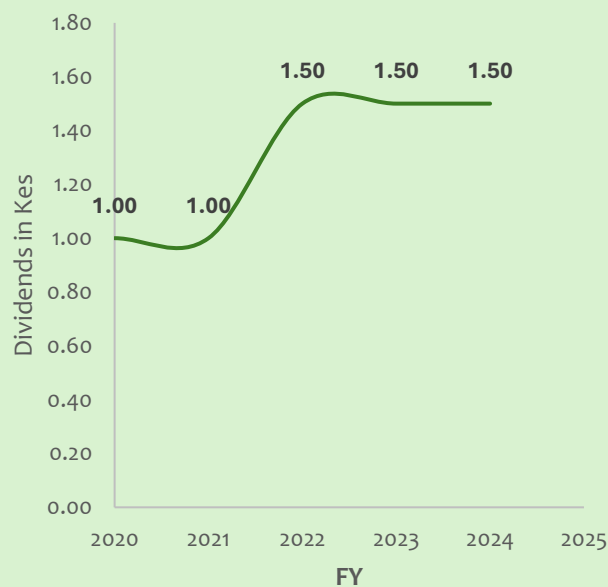
#### Balance Sheet

The bank's total assets grew by 13.25% from Kes. 716.93Bn in H1 2024 to Kes. 811.91Bn in H1 2025. The balance sheet growth was highly supported by significant increase in loans and advances to customers, and investment in government securities.

Co-opBank Grp H1 PAT



CoopBank Grp 5-Year DPS





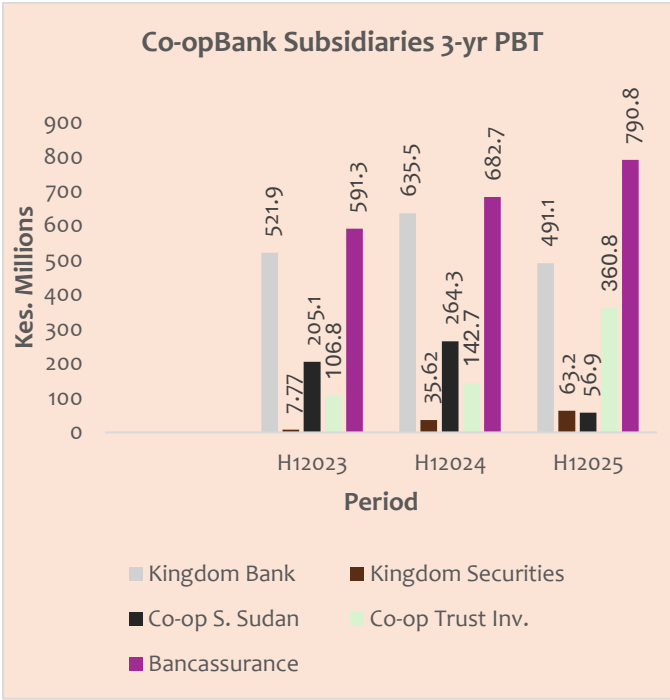
The lender’s loan book grew by 4.16% from Kes. 375.63Bn in H1 2024 to Kes. 391.26Bn in H1 2024 supported by an MSME loan portfolio that represent 17.30% of the bank’s overall portfolio.

The bank’s borrowed funds surged by 30.76% from Kes. 50.22Bn in H1 2024 to Kes. 65.67Bn in H1 2025 covering the ever-rising asset book.

Shareholders funds increased by 23.39% from Kes. 126.70Bn in H1 2024 to Kes. 156.33Bn in H1 2025 supported by Kes. 18.40Bn in retained earnings.

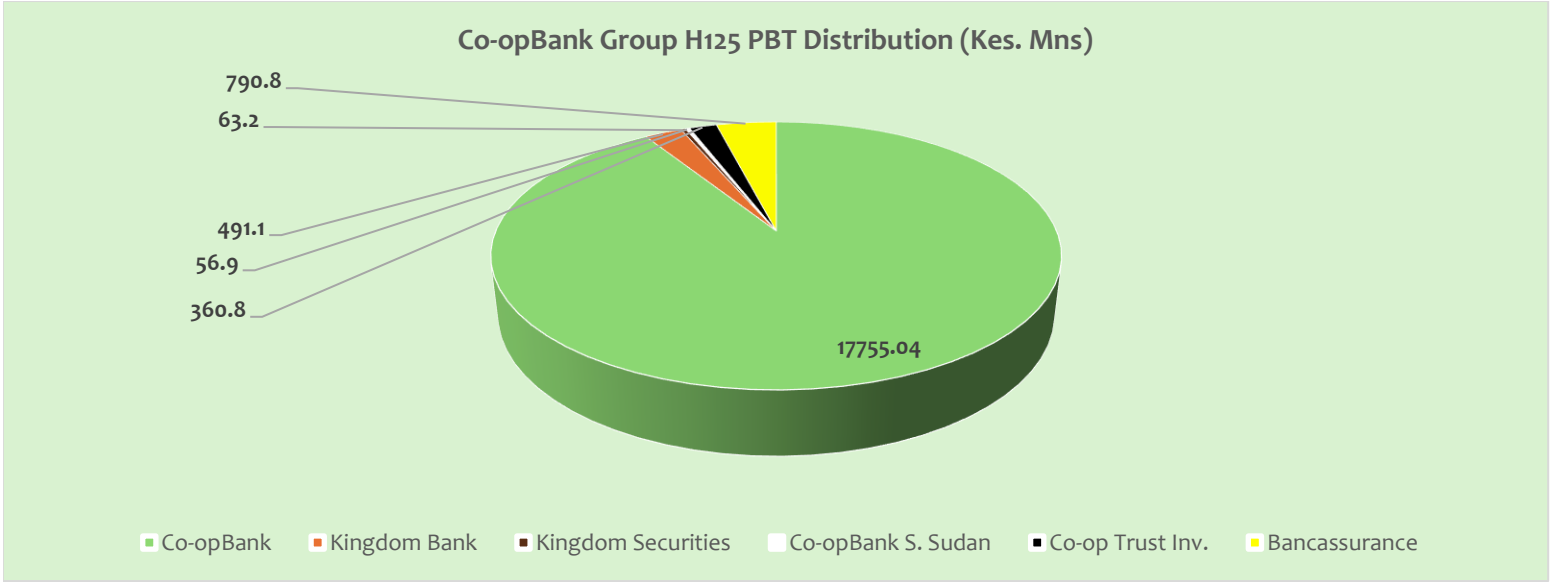
Subsidiaries

In its “Good to Great” Transformation Agenda, the group continues to post a strong financial performance beyond its core banking operations and guides its subsidiaries towards strong performances. Co-optrust Investment services pulled a 152.8% increase in PBT to Kes. 360.80Mn as Co-op Bancassurance Intermediary raised Kes. 790.80Mn during the first half of 2025. Similarly, Kingdom Bank and King Securities generated PBT’s of Kes. 491.10Mn and Kes. 63.20Mn respectively during H1 2025. After accounting for hyperinflation, Co-opbank South Sudan recorded a PBT of Kes. 56.90Mn.



Outlook

The strong performance by Co-operative Bank Group Plc in H1 2025 aligns with its strategic focus of attaining resiliency, agility and sustainable growth. With top-notch digital momentum and bottom-line stable growth for the past five years, the lender has been consistent in annual dividend payment to shareholders. In addition, the bank’s stock price has been steady for the first half of 2025 buoying between Kes. 10.10 to Kes. 18.35 per share. We recommend a BUY on the stock.



#### Income Statement (Kes. Mn)

|                            | H1 2024         | H1 2025         | % Change      |
|----------------------------|-----------------|-----------------|---------------|
| Interest income            | 39800.17        | 44798.57        | 12.56%        |
| Interest expense           | 15942.63        | 15422.25        | -3.26%        |
| <b>Net interest income</b> | <b>23857.54</b> | <b>29376.32</b> | <b>23.13%</b> |
| Other operating income     | 15374.91        | 14112.00        | -8.21%        |
| <b>Total income</b>        | <b>39232.45</b> | <b>43488.32</b> | <b>10.85%</b> |
| Operating expenses         | 21268.87        | 24037.34        | 13.02%        |
| <b>PBT</b>                 | <b>18160.99</b> | <b>19662.94</b> | <b>8.27%</b>  |
| Current tax                | 5363.46         | 5770.06         | 7.58%         |
| Deferred tax               | 193.10          | 186.50          | -3.42%        |
| <b>PAT</b>                 | <b>12990.63</b> | <b>14079.38</b> | <b>8.38%</b>  |
| EPS                        | 2.21            | 2.41            | 9.05%         |
| DPS                        | 0.00            | 0.00            | 0.00%         |

#### Balance Sheet (Mn)

|                                | H1 2024   | H1 2025   | % Change |
|--------------------------------|-----------|-----------|----------|
| Total assets                   | 716925.17 | 811905.29 | 13.25%   |
| Loans to customers             | 375629.47 | 391263.13 | 4.16%    |
| Investment Securities          | 106628.63 | 151809.81 | 42.37%   |
| Borrowed Funds                 | 50217.35  | 65671.34  | 30.77%   |
| Customer deposits              | 507391.38 | 547724.26 | 7.95%    |
| Total liabilities              | 589795.54 | 655597.11 | 11.16%   |
| Shareholders funds             | 126703.27 | 156325.06 | 23.38%   |
| Liabilities+shareholders funds | 716925.17 | 811905.29 | 13.25%   |

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Analysts' stock ratings are defined as follows:

- **Buy** – A buy rating reflects 1) An analyst has a bullish conviction on a stock 2) A 30% or greater expected return.
  - **Accumulate** – An accumulate rating reflects 1) An analyst has a lesser bullish conviction on a stock 2) Expected return falls between 10% and 30%.
  - **Hold** – A hold rating reflects 1) An analyst has a neutral conviction (lack of bullish or bearish conviction) on a stock 2) Expected return falls within the range of 5% to 10%.
  - **Speculative Buy** – A speculative buy rating reflects 1) An analyst has a bullish conviction accompanied by a substantially higher than normal risk 2) Expected return falls above 10%.
  - **Sell** – A sell rating reflects 1) An analyst has a bearish conviction on a stock 2) Expected return falls below 5%.
- \*Expected Return (ER) represents the sum of both capital appreciation and the dividend yield

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