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Macroeconomic Update

**Economic Growth**

- GDP expanded by 4.1% in 1Q2014.
- Growth was boosted by trade, manufacturing and consumer spending.
- Looking ahead, 2H2014 growth will be driven by manufacturing, trade services and government spending on various infrastructure and power projects.
- Insecurity and erratic weather conditions are the major contributing factors to the slide in GDP.
- The successful euro bond issue is expected to reduce the participation of the government in the domestic borrowing market, thus avail more funds to the private sector to borrow.
Interest Rates Stable

- Interest rates have been stable. However, lending rates have remained sticky downwards whenever CBR is lowered.

- KBRR was thus introduced to increase this transmission mechanism.

- KBRR and the successful euro bond will not lead to automatic fall in lending rates because inflationary pressure may rise while the government still plans to borrow KES 190.8 Billion from the domestic market.

- Commercial banks thus continue to earn interest rate spreads of close to 10%. 

*Source: CBK*
Macroeconomic Update

Rate of inflation has been within the upper band government target in 1H2014.

Inflation Rate Stable

- Inflationary pressure was mainly from food and cost of electricity. The government has increased allocation to power generation and thus in the long term power prices are expected to fall.
- Some food prices in the global market, for example wheat have started falling and thus we do not expect high imported inflation.
- Rate of inflation has been within the upper band government target in 1H2014.
- Inflation rate for the 1H2014 was an average of 6.90%.
Macroeconomic Update

The local currency has been relatively stable.

- It has traded at an average of KES 86.90 to the USD in H2014.
- The country’s foreign exchange reserves which are worth 4.29 months of import cover as at end of June 2014 have held the KES at a narrow oscillating range.

Looking ahead, we expect the KES to remain in the same range for the remaining part of 2014.
The Co-operative Bank of Kenya

A RICH HERITAGE, A CONFIDENT FUTURE
Pillars of our strategic growth
### Pillars Of Our Strategic Growth

- A powerful brand
- Strong transaction income base
- Strong risk management framework
- Robust technology & service delivery channels
- Strong investment in human capital
- Successful financial deepening & business diversification
- Heavy investments for future growth
- Strong & sustainable partnerships with Development Partners
- Social investment that inspires self reliance
- Strong capital base
Successful financial deepening & business diversification

Associates:
- CIC

Corporate & Institutional Banking

Retail Banking

Co-operatives Banking

Subsidiaries:
- Co-opTrust
- Kingdom Securities Ltd
- Co-op Consultancy & Ins. Agency
- Co-op Bank Foundation

Regional Expansion
- Co-op Bank of South Sudan
We deliver a diversified product offering

To cover Retail (SME, Micro Credit and personal Banking), Co-operatives, Corporate, Agribusiness, Mortgage and Asset Finance & Has linkages with all sectors of the economy - Financial, Agriculture, building and construction, Trade, Tourism and hotels, Energy, Transport and Communication, real estate, Manufacturing and personal households.

A diversified product offering increases the bank’s coverage and fulfillment of customer needs, boosting wallet size growth.

Successfully build an account base of over 4.6 Million customer accounts

Excellent cross selling opportunities with a customer base of over 4.6 million accounts; 76% with only 1 account

Linkages with Saccos expands this mass retail base, boosting sales retail offerings; Sacco link.

26% stake in CIC Insurance Group
Remarkable growth in account numbers

Account numbers, thousands

Number of Customer accounts

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>1,200</td>
</tr>
<tr>
<td>2010</td>
<td>1,600</td>
</tr>
<tr>
<td>2011</td>
<td>2,300</td>
</tr>
<tr>
<td>2012</td>
<td>3,200</td>
</tr>
<tr>
<td>2013</td>
<td>4,100</td>
</tr>
<tr>
<td>Jun-14</td>
<td>4,600</td>
</tr>
</tbody>
</table>

Number of borrowers, thousands

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>125</td>
</tr>
<tr>
<td>2010</td>
<td>150</td>
</tr>
<tr>
<td>2011</td>
<td>248</td>
</tr>
<tr>
<td>2012</td>
<td>259</td>
</tr>
<tr>
<td>2013</td>
<td>349</td>
</tr>
<tr>
<td>Jun-14</td>
<td>425</td>
</tr>
</tbody>
</table>

Strong growth in borrowing customer numbers continues to boost asset growth and the bottom line
2. Strong Transaction Income Base

- **Built a vast capability to drive non-funded commissions**
- **Agency Banking over 7,400 live sites, 15,000 by close of 2014**
- **Forex income of Kes. 0.92B in Q2 - 2014**
- **Branch network, 137 and growing**
- **Sacco Link Customers — 681,414**
- **Subsidiaries businesses**
- **ATMs, over 559**

**Strong growth in commissions as customers enjoy convenient access via the service outlets of their choice.**
Tuta ku-sort!

Need insurance? Don't stress. Just visit any Co-op Bank branch.
3. STRONG RISK MANAGEMENT FRAMEWORK

- Proactively managed our NPL
- High level of Governance; Risk & Finance Committee of the Board.

A robust credit management framework
- Enforcement of prudent credit risk management policy
- Well diversified portfolio
- Adequate provisioning policy

A sound risk & compliance framework
A well-diversified asset portfolio

Loan Distribution in Kshs Billions

- Sacco: 23,845.89; 14%
- Agribiz: 3,309.79; 2%
- Corporate: 41,135.58; 24%
- Mortgage: 15,503.27; 9%
- Micro-credit: 4,307.73; 3%
- Asset Fin.: 7,345.61; 4%
- SME: 14,753.49; 9%
- Personal, Card and other retail: 59,886.62; 35%

- Asset portfolio diversification
- Sacco
- Agribiz
- Corporate
- Mortgage
- Micro-credit
- Asset Fin.
- Personal, Card and other retail
- SME
4. Robust technology and service delivery channels

- Sustained investment in world-class technologies and service channels to optimize operational efficiency while providing unrivalled service.

- Banking on the latest Bank Fusion Universal Banking (BFUB) core banking platform from Misys with a world-class support structure with the following:
  - Latest 6 IBM P7 series servers
  - Tier 3 Data centre
  - Fiber connection
  - MPLS technology on data movement between head office and branches.

- Investment in specialized systems: Opics (Treasury System) and Trade Innovation for Trade Finance.
Robust technology and service delivery channels

- Strong focus on our county banking strategy

- Continued focus on developing innovative ways to optimize operational efficiency while providing unrivalled service
5. Strong Investment In Human Capital

- The Bank is undoubtedly an employer of choice in the industry.
- We have a clear and functional organization and leadership structure.
- We have enshrined a performance-based culture and the Balanced Score Card system.
- We have a vibrant workforce with a good mix of age and skill sets.
- Runs own Leadership & Management Centre; center of excellence in banking training.
- Includes training for Sacco's management.
Co-op Bank is the face of Kenya. We embody the legacy of a successful enterprise by indigenous Kenyans, represented by the Co-operative movement.

Our brand speaks to the character of the Kenyan people, as engrained in our tagline ‘we are you’ and BoD Declaration of the ‘Kingdom Bank’

We are a successful African story, being the number one Co-operative Bank in Africa

A reputable Board of Directors; A track record of a most successful business and operational restructuring from a huge Kes 2.3Bn loss in Year 2001
Awards

In the concluded quarter, Coop Bank was recognized with two top international banking awards by the *International Banker* magazine, in their *2014 Africa and Middle East Banking Awards*. The awards are:-

**Bank CEO of the Year – Africa**, awarded to Dr. Gideon Muriuki, Group CEO

**Best Innovation in Retail Banking**, awarded to the Co-operative Bank of Kenya
Co-op Bank wins both National & International recognition

BANKING AWARDS 2014
[EAST AFRICA EDITION]

This Certificate is Awarded to
CO-OPERATIVE BANK OF KENYA

for emerging Winner

Category

BEST BANK IN MICRO - FINANCE

Presented by
Think Business
Knowledge for a competitive edge

Chief Judge
Judging Process Partner
Chairman

Sponsors:

Samsung

Safaricom

Nation Media Group

Strathmore Business School

Deloitte

Infortrak
While granting the awards, the *International Banker* issued a rousing citation that is not only pleasant to behold, but also one which gives a ringing endorsement to our strategy.

During the 2014 East African Banking Awards, the Kingdom bank beat other contestants in East Africa to scoop and two other key awards:–

i. Beast Bank in Retail Banking

i. Best Bank in Micro-Finance
The East African Awards came only days after the *International Banker* awards that recognized the Group CEO as the Best Bank CEO in Africa, and the bank as Best in Retail Banking in Kenya, the above awards are a resounding re-affirmation of our claim to be Market Leader in retail banking in East Africa.
World Recognition

BANKING AWARDS 2014
[EAST AFRICA EDITION]

This Certificate is Awarded to
CO-OPERATIVE BANK

for emerging

BEST BANK IN RETAIL BANKING

Sponsors:

ExCLUSIVE MEDIA PARTNER

Knowledge Partner

Judging Process Partner

Research Partner

Sponsors:

Samsung

Nation Media Group

SOS

Stratmore Business School

Deloitte

Infotrak
7. Strong capital base

Growing Shareholders Equity

Kshs. in Billions

2009: 16
2010: 21
2011: 21
2012: 29
2013: 36
Jun-14: 40
7. Strong capital base

- Steady and consistent growth in shareholders equity
- Ability to **double** our deposit base within statutory requirements
- Ability to lend more than Kshs 10 B to a single customer
- Capital retention strategy to grow business.
  - Progressive dividend payout as our earnings grow
  - Long term plan of deepening shareholder value
  - Affordable means of funding growth
• Progressive dividend payout as our earnings grow

• Critical focus of deepening shareholders value
8. Strong And Sustainable Partnerships With Development Partners

Leveraged on our strong balance sheet to secure long-term debt from developmental partners for over 20 billion as hereunder:

- IFC US$ 60 million (Kshs.5.1 billion)
- EIB Euro 70 million (Kshs.8 billion)
- AFD US$ 36 million (Kshs.3.14 billion)

Under negotiation: DEG US$ 52.5 million (Kshs.4.51 billion)
Strong And Sustainable Partnerships With Development Partners

- Senior debt has enhanced asset-liability match
- Mitigated our shilling exposure
- Diversified our asset portfolio
- Expanded our client base to export-led sectors
- Boosted our competitive position on account of affordable lending rates
Social investment philosophy: empower institutions and individuals so that in future they don’t need to be helped again.

Board of Directors went out of its way to incorporate a full consultancy company - Coop Consultancy Services - with 20 consultants to support Sacco’s and related community benefit institutions.

Capacity building for Sacco’s making them more competitive.

Carried out over 500 mandates in 3 years.

Supports Sacco’s to establish FOSA’s
Co-op Bank Foundation:

- One of the main pillars of the Co-op Bank Social Responsibility program
- Currently the program has 1,730 needy but bright children who we are paying their tuition, meals and accommodation and fees.
- In the current financial year we spent over Kes.110 Million on this venture

The bank will have sponsored in 4 years, over 2,800 needy but bright students to pursue Secondary, University & College education.
9. Social Investment That Inspires Self Reliance

• Supported the establishment of Kenya Co-operative Coffee Exporters Ltd to help coffee farmers maximize return on their business and take greater control of the coffee value chain.

• Our social investment has greatly boosted our corporate image and brand visibility.
10. Heavy Investments for future revenue growth

- In line with the County Governance Structure, we have opened over 60 branches in the last 3 years;
  - Leveraging on these branches to be key banker to most of the county governments.
  - A good number will contribute positively to our profits from this year.

- South Sudan operations: we opened our doors for customers from September 2013. This strategic joint venture (Co-op bank 51% / GOSS 49%), is expected to contribute to our profits from this year.

- The unique joint venture guarantees quick turnaround of our business.
Replace your old card today with our new more secure chip card

We are migrating all our ATMs, Debit and Credit cards from magnetic strip technology to the new Chip and PIN technology. The new Chip and PIN cards will reduce the risk of fraud and safeguard your personal details. This is an industry wide shift and will allow you to transact with peace of mind at any ATM or point of sale. We will be issuing you the new cards soon. Contact Diagnosis Banking at diagnosisbanking@coopbank.co.ke or call 254-020-3276972 for your new card today.

*Please note your current card will soon be disabled. Terms and conditions apply

Co-operative Bank
We are you

Margaret Cheo (Bendibung)
Co-op Bank Kariobangi Student

"Co-op Bank Foundation will in four years help another 2,800 needy students like myself secure a brighter future"
Financial Performance Update
## A Growing Bank

<table>
<thead>
<tr>
<th></th>
<th>June 30th 2014</th>
<th>Dec. 31st 2013</th>
<th>June 30th 2013</th>
<th>% Change (Year on Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>266.7</td>
<td>231.2</td>
<td>225.3</td>
<td>18%</td>
</tr>
<tr>
<td>Loan book (NET)</td>
<td>165.8</td>
<td>137.1</td>
<td>124.9</td>
<td>33%</td>
</tr>
<tr>
<td>Government securities</td>
<td>41</td>
<td>33.6</td>
<td>34.4</td>
<td>19%</td>
</tr>
<tr>
<td>Total Deposits</td>
<td>203.3</td>
<td>181.2</td>
<td>178.7</td>
<td>14%</td>
</tr>
<tr>
<td>Number of Customers (Millions)</td>
<td>4.6</td>
<td>4.1</td>
<td>3.5</td>
<td>31%</td>
</tr>
<tr>
<td>Branch Network</td>
<td>137</td>
<td>135</td>
<td>125</td>
<td>10%</td>
</tr>
</tbody>
</table>
Optimal Investment in earning assets

Balance sheet: Asset distribution

- **Net loans & Advances:**
  - Amount: 165,759,035
  - Percentage: 62%

- **Securities & investments:**
  - Amount: 47,431,733
  - Percentage: 18%

- **Cash & short-term funds:**
  - Amount: 31,721,856
  - Percentage: 12%

- **Property & equipment:**
  - Amount: 9,932,424
  - Percentage: 4%

- **Others:**
  - Amount: 11,827,637
  - Percentage: 4%

Color Legend:
- Blue: Net loans & Advances
- Red: Securities & investments
- Green: Cash & short-term funds
- Purple: Property & equipment
- Cyan: Others
<table>
<thead>
<tr>
<th>KES Billions (except for Earnings per share)</th>
<th>June 30, 2014 (Unaudited)</th>
<th>Dec 31, 2013 (Audited)</th>
<th>June 30, 2013 (Unaudited)</th>
<th>% Change (Year on Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income</td>
<td>13.65</td>
<td>24.54</td>
<td>11.74</td>
<td>16%</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>3.72</td>
<td>5.92</td>
<td>2.88</td>
<td>29%</td>
</tr>
<tr>
<td>Net Interest Income</td>
<td>9.93</td>
<td>19.63</td>
<td>8.86</td>
<td>12%</td>
</tr>
<tr>
<td>Fees &amp; Commissions</td>
<td>1.03</td>
<td>1.94</td>
<td>0.87</td>
<td>18%</td>
</tr>
<tr>
<td>Forex Income</td>
<td>0.92</td>
<td>1.47</td>
<td>0.67</td>
<td>37%</td>
</tr>
<tr>
<td>Total Income</td>
<td>16.17</td>
<td>27.89</td>
<td>13.36</td>
<td>21%</td>
</tr>
<tr>
<td>Loan Loss Provision</td>
<td>0.4</td>
<td>0.78</td>
<td>0.5</td>
<td>-20%</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>9.44</td>
<td>17.38</td>
<td>7.61</td>
<td>24%</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>6.76</td>
<td>10.87</td>
<td>5.87</td>
<td>15%</td>
</tr>
<tr>
<td>Profit After Tax</td>
<td>4.72</td>
<td>9.11</td>
<td>4.71</td>
<td>0%</td>
</tr>
<tr>
<td>Earnings per Share</td>
<td>1.93</td>
<td>2.17</td>
<td>2.25</td>
<td>14.2%</td>
</tr>
</tbody>
</table>
## Strong Balance Sheet ratios

<table>
<thead>
<tr>
<th></th>
<th>Q2-2014</th>
<th>Q2-2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Capital / Total Deposits</td>
<td>17.1%</td>
<td>18.2%</td>
</tr>
<tr>
<td>NPL / Total Loans</td>
<td>4.1%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Total Capital / Total Risk Weighted Asset</td>
<td>20.0%</td>
<td>21.1%</td>
</tr>
<tr>
<td>Liquidity</td>
<td>33.1%</td>
<td>39.3%</td>
</tr>
<tr>
<td>Loans to Deposits</td>
<td>82.6%</td>
<td>72.3%</td>
</tr>
</tbody>
</table>
Strong Balance Sheet Growth

Kshs in Billions

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Assets</th>
<th>Customer Deposits</th>
<th>Net Loans &amp; Advances</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>62.3</td>
<td>110.6</td>
<td>92.5</td>
</tr>
<tr>
<td>2010</td>
<td>86.6</td>
<td>129.2</td>
<td>109.4</td>
</tr>
<tr>
<td>2011</td>
<td>154.3</td>
<td>144.5</td>
<td>119.1</td>
</tr>
<tr>
<td>2012</td>
<td>168.3</td>
<td>163.1</td>
<td>200.6</td>
</tr>
<tr>
<td>2013</td>
<td>231.5</td>
<td>181.2</td>
<td>165.8</td>
</tr>
<tr>
<td>Jun-14</td>
<td>266.7</td>
<td></td>
<td>203.3</td>
</tr>
<tr>
<td></td>
<td>Q2 - 2014</td>
<td>Q1 - 2014</td>
<td>Q4 - 2013</td>
</tr>
<tr>
<td>----------------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td>Normal</td>
<td>154,647,450</td>
<td>142,256,688</td>
<td>132,546,365</td>
</tr>
<tr>
<td>Watch</td>
<td>8,520,405</td>
<td>8,579,963</td>
<td>6,976,031</td>
</tr>
<tr>
<td>Substandard</td>
<td>2,739,398</td>
<td>2,999,170</td>
<td>2,127,743</td>
</tr>
<tr>
<td>Doubtful</td>
<td>3,092,341</td>
<td>2,717,177</td>
<td>2,791,828</td>
</tr>
<tr>
<td>Loss</td>
<td>1,088,387</td>
<td>1,130,699</td>
<td>1,183,892</td>
</tr>
<tr>
<td>TOTAL</td>
<td>170,087,981</td>
<td>157,683,697</td>
<td>145,625,859</td>
</tr>
<tr>
<td>NPL Amount</td>
<td>6,920,126</td>
<td>6,847,046</td>
<td>6,103,463</td>
</tr>
<tr>
<td>NPL %</td>
<td>4.1%</td>
<td>4.3%</td>
<td>4.2%</td>
</tr>
</tbody>
</table>
The gross loan book has grown at a relatively high rate whilst maintaining Par at stable levels, below 4.5%.

Our key strength has been on ensuring an error proof appraisal system.

Upon approval and disbursement, our loan monitoring process is also very consistent – providing early signs that prompt early action.
### NPL by Business Segment (Kshs Millions)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q3 - 2013</th>
<th>Q1 - 2014</th>
<th>Q2 - 2014</th>
<th>Lending Book</th>
<th>Closing NPL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail NPL</td>
<td>1,728</td>
<td>1,735</td>
<td>2,630</td>
<td>39,744</td>
<td>6.6%</td>
</tr>
<tr>
<td>Sacco Banking</td>
<td>1,110</td>
<td>1,051</td>
<td>758</td>
<td>27,156</td>
<td>2.8%</td>
</tr>
<tr>
<td>Corporate NPL</td>
<td>357</td>
<td>1,695</td>
<td>964</td>
<td>41,136</td>
<td>2.3%</td>
</tr>
<tr>
<td>Mortgage NPL</td>
<td>747</td>
<td>140</td>
<td>489</td>
<td>15,503</td>
<td>3.2%</td>
</tr>
<tr>
<td>Check Off NPL</td>
<td>2,162</td>
<td>2,226</td>
<td>2,080</td>
<td>46,549</td>
<td>4.5%</td>
</tr>
<tr>
<td><strong>Total NPL</strong></td>
<td><strong>6,104</strong></td>
<td><strong>6,847</strong></td>
<td><strong>6,921</strong></td>
<td><strong>170,088</strong></td>
<td></td>
</tr>
</tbody>
</table>
## Sectorial Concentration (Kshs Millions)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Sector Value</th>
<th>NPL Value</th>
<th>NPL%</th>
<th>exposure %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural</td>
<td>7,422.37</td>
<td>491.04</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Building And Construction</td>
<td>2,909.33</td>
<td>90.01</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>Energy And Water</td>
<td>8,390.59</td>
<td>15.18</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Financial Services</td>
<td>28,473.92</td>
<td>450.82</td>
<td>2%</td>
<td>7%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>7,762.50</td>
<td>20.19</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Mining And Quarrying</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Personal Household</td>
<td>59,312.12</td>
<td>2,975.90</td>
<td>5%</td>
<td>43%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>16,895.55</td>
<td>140.87</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Tourism, Restaurant And Hotels</td>
<td>1,383.71</td>
<td>656.44</td>
<td>47%</td>
<td>9%</td>
</tr>
<tr>
<td>Trade</td>
<td>28,360.37</td>
<td>1,936.38</td>
<td>7%</td>
<td>28%</td>
</tr>
<tr>
<td>Transport</td>
<td>9,177.52</td>
<td>143.30</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>170,087.98</strong></td>
<td><strong>6,920.13</strong></td>
<td><strong>100%</strong></td>
<td></td>
</tr>
</tbody>
</table>
Sustainable Profitability

Profit before Tax

Kshs. In Billions

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit before Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>3.74</td>
</tr>
<tr>
<td>2010</td>
<td>5.77</td>
</tr>
<tr>
<td>2011</td>
<td>6.36</td>
</tr>
<tr>
<td>2012</td>
<td>9.98</td>
</tr>
<tr>
<td>2013</td>
<td>10.87</td>
</tr>
<tr>
<td>Jun-14</td>
<td>6.76</td>
</tr>
<tr>
<td>Metric</td>
<td>Q2-2014</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>---------</td>
</tr>
<tr>
<td>Cost to Income (Absolute)</td>
<td>58.4%</td>
</tr>
<tr>
<td>Cost to Income</td>
<td>55.9%</td>
</tr>
<tr>
<td>Average Return on Equity</td>
<td>25.60%</td>
</tr>
<tr>
<td>Non-Funded to Total Income</td>
<td>38.60%</td>
</tr>
<tr>
<td>FX to Non-Funded income</td>
<td>14.80%</td>
</tr>
<tr>
<td>Average Return on assets</td>
<td>3.83%</td>
</tr>
<tr>
<td>Net Interest Margin</td>
<td>8.8%</td>
</tr>
<tr>
<td>Effective Corporate Tax Rate</td>
<td>30%</td>
</tr>
</tbody>
</table>
We are pleased with the strong balance sheet and P&L growth with the Profit before tax of Ksh. 6.8B for the 2\textsuperscript{nd} quarter 2014 representing a 15 % growth over the 2013 PBT of Kes. 5.9B

With the major investment in the branch network, ICT infrastructure and new operations in South Sudan, we expect the growth momentum to be sustained and better profitability in 2014
Thank you for your continued support.

God bless you.
THANK YOU

CO-OPERATIVE BANK
We are you