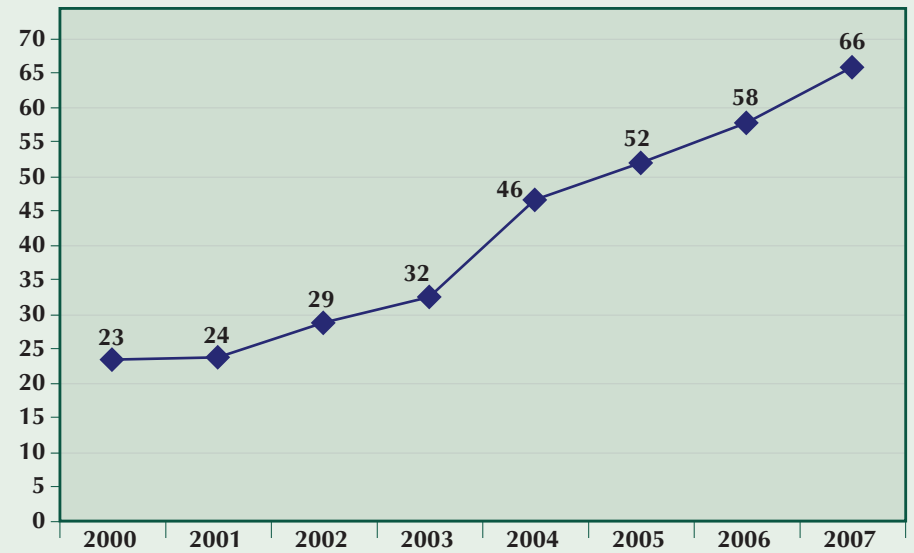


# The Board of Directors of The Co-operative Bank of Kenya Limited are pleased to announce the audited results of the Group and the Bank for the year ended 31 December 2007.

	GROUP		BANK	
	Dec '07 KSHS. '000	Dec '06 KSHS. '000	Dec '07 KSHS. '000	Dec '06 KSHS. '000
<b>I BALANCE SHEET</b>				
<b>A ASSETS</b>				
1 Cash (local and foreign)	2,405,929	2,196,647	2,405,929	2,196,647
2 Balances due from Central Bank Of Kenya	3,619,337	3,084,409	3,619,337	3,084,409
3 Kenya Government securities	9,666,552	13,246,944	9,666,552	13,221,313
4 Foreign Currency Treasury bills and bonds	-	-	-	-
5 Deposits and balances due from local banking institutions	34,719	287,840	34,719	287,840
6 Deposits and balances due from banking institutions abroad	1,738,699	3,150,601	1,738,699	3,150,601
7 Government and other securities held for dealing purposes	3,278,530	2,114,438	3,208,908	2,103,637
8 Tax recoverable	-	-	-	-
9 Loans and advances to customers (net)	38,429,473	28,421,353	38,432,703	28,421,622
10 Investment Securities	36,819	38,099	36,819	38,099
11 Balances due from group companies	-	-	-	-
12 Investments in associates	-	-	-	-
13 Investments in subsidiary companies	-	-	100,000	100,000
14 Investment in joint ventures	-	-	-	-
15 Investment in properties	-	-	-	-
16 Property and equipment	3,107,229	2,793,787	3,102,932	2,789,957
17 Prepaid lease rentals	41,933	42,591	41,933	42,592
18 Intangible assets	156,335	141,534	156,335	141,534
19 Deferred tax asset	17,620	152,988	17,650	152,839
20 Retirement benefit asset	-	-	-	-
21 Other assets	3,175,730	2,366,385	3,134,337	2,336,643
<b>22 TOTAL ASSETS</b>	<b>65,708,905</b>	<b>58,037,616</b>	<b>65,696,853</b>	<b>58,067,733</b>
<b>B LIABILITIES</b>				
23 Balances due to Central Bank Of Kenya	-	-	-	-
24 Customer deposits	54,775,390	48,182,587	54,775,390	48,200,693
25 Deposits and balances due to local banking institutions	1,422,611	2,279,053	1,422,611	2,279,053
26 Deposits and balances due to foreign banking institutions	-	-	-	-
27 Other money market deposits	-	-	-	-
28 Borrowed funds	45,658	338,286	45,658	338,286
29 Balances due to group companies	-	-	1,250	3,328
30 Tax payable	233,951	334,754	234,067	330,607
31 Dividends payable	-	-	-	-
32 Deferred tax liability	-	-	-	-
33 Retirement benefit liability	-	-	-	-
34 Other liabilities	2,375,803	1,683,769	2,410,471	1,721,265
<b>35 Total liabilities</b>	<b>58,853,413</b>	<b>52,818,449</b>	<b>58,889,447</b>	<b>52,873,232</b>
<b>C SHAREHOLDERS' EQUITY</b>				
36 Paid up/assigned capital	2,856,450	2,660,363	2,856,450	2,660,363
37 Share premium/(discount)	-	-	-	-
38 Revaluation reserve	306,720	309,761	306,706	309,761
39 Retained earnings/ Accumulated losses	2,402,152	1,033,924	2,354,080	1,009,258
40 Statutory Loan Loss Reserve	384,701	384,701	384,701	384,701
41 Proposed dividends	228,516	133,018	228,516	133,018
42 Capital grants	676,953	697,400	676,953	697,400
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>6,855,492</b>	<b>5,219,167</b>	<b>6,807,406</b>	<b>5,194,501</b>
<b>44 TOTAL LIABILITIES &amp; SHAREHOLDERS' FUNDS</b>	<b>65,708,905</b>	<b>58,037,616</b>	<b>65,696,853</b>	<b>58,067,733</b>
<b>II PROFIT AND LOSS ACCOUNTS</b>				
<b>1.0 INTEREST INCOME</b>				
1.1 Loans and advances	4,085,719	3,083,775	4,085,719	3,083,775
1.2 Government securities	1,290,586	1,228,790	1,285,849	1,225,543
1.3 Deposits and placements with banking institutions	37,373	32,503	37,373	32,503
1.4 Other Interest Income	106,147	72,664	105,381	72,590
<b>1.5 Total Interest Income</b>	<b>5,519,825</b>	<b>4,417,732</b>	<b>5,514,322</b>	<b>4,414,411</b>
<b>2.0 INTEREST EXPENSE</b>				
2.1 Customer deposits	889,908	1,004,206	889,908	1,004,206
2.2 Deposits and placements from banking institutions	61,764	57,202	61,764	57,202
2.3 Other Interest Expenses	48,760	17,441	48,760	17,441
<b>2.4 Total Interest Expense</b>	<b>1,000,432</b>	<b>1,078,849</b>	<b>1,000,432</b>	<b>1,078,849</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>4,519,393</b>	<b>3,338,883</b>	<b>4,513,890</b>	<b>3,335,562</b>
<b>4.0 NON-OPERATING INCOME</b>				
4.1 Fees and commissions on loans and advances	509,831	186,926	509,831	186,926
4.2 Other Fees and commissions	2,399,296	2,339,799	2,337,171	2,289,405
4.3 Foreign exchange trading income/(loss)	414,221	299,110	414,221	299,110
4.4 Dividend income	-	-	-	-
4.5 Other income	433,114	752,244	421,559	746,052
<b>4.6 Total Non-interest income</b>	<b>3,756,462</b>	<b>3,578,079</b>	<b>3,682,782</b>	<b>3,521,493</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>8,275,855</b>	<b>6,916,962</b>	<b>8,196,672</b>	<b>6,857,055</b>
<b>6.0 OTHER OPERATING EXPENSES</b>				
6.1 Loan loss provision	699,891	1,424,644	699,891	1,424,644
6.2 Staff costs	2,419,776	2,097,348	2,394,659	2,080,811
6.3 Directors' emoluments	55,678	55,773	48,074	47,711
6.4 Rentals charges	196,207	182,080	194,124	180,172
6.5 Depreciation charge on property and equipment	332,854	281,018	331,675	280,348
6.6 Amortisation charges	56,337	66,511	56,337	66,511
6.7 Other operating expenses	2,196,588	1,553,588	2,184,251	1,543,427
<b>6.8 Total other operating expenses</b>	<b>5,957,331</b>	<b>5,660,962</b>	<b>5,909,011</b>	<b>5,623,624</b>
7.0 Profit/(Loss) before tax and exceptional items	2,318,524	1,256,000	2,287,661	1,233,431
8.0 Exceptional items	-	-	-	-
<b>9.0 Profit/(Loss) before tax</b>	<b>2,318,524</b>	<b>1,256,000</b>	<b>2,287,661</b>	<b>1,233,431</b>
10 Current tax	(632,241)	(314,910)	(625,074)	(307,519)
11 Deferred tax	(136,678)	(74,578)	(136,499)	(74,287)
<b>12 Profit/(loss) after tax and exceptional items</b>	<b>1,549,605</b>	<b>866,512</b>	<b>1,526,088</b>	<b>851,625</b>
<b>III OTHER DISCLOSURES</b>				
<b>A ASSETS</b>				
<b>1. NON PERFORMING LOANS AND ADVANCES</b>				
a) <b>Gross non-performing loans and advances</b>	<b>8,725,712</b>	<b>17,476,718</b>	<b>8,725,712</b>	<b>17,476,718</b>
Less				
b) Interest in suspense	2,795,015	7,990,607	2,795,015	7,990,607
c) <b>Total Non-performing loans (a-b)</b>	<b>5,930,697</b>	<b>9,486,111</b>	<b>5,930,697</b>	<b>9,486,111</b>
Less				
d) Loan loss provisions	4,075,665	7,483,002	4,075,665	7,483,002
e) Net Non performing loans (c-d)	1,855,032	2,003,109	1,855,032	2,003,109
f) Realizable Value of Securities	1,855,032	2,003,109	1,855,032	2,003,109
g) <b>Net NPLs Exposure (e-f)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. Insider loans and advances</b>				
a) Directors, Shareholders and associates	128,847	63,789	128,847	63,789
b) Employees	1,769,491	1,512,306	1,769,491	1,512,306
c) <b>Total insider loans, Advances and Other Facilities</b>	<b>1,898,338</b>	<b>1,576,095</b>	<b>1,898,338</b>	<b>1,576,095</b>
<b>3. Off-Balance Sheet Items</b>				
a) Letters of credit, guarantees, acceptances	2,083,413	3,472,713	2,083,413	3,472,713
b) Other contingent liabilities	-	-	-	-
c) <b>Total contingent liabilities</b>	<b>2,083,413</b>	<b>3,472,713</b>	<b>2,083,413</b>	<b>3,472,713</b>
<b>4. Capital strength</b>				
a) Core capital	-	-	5,881,761	4,360,556
b) Minimum Statutory Capital	-	-	250,000	250,000
c) Excess/(Deficiency)	-	-	5,631,761	4,110,556
d) Supplementary capital	-	-	122,336	415,727
e) Total capital (a+d)	-	-	6,004,097	4,776,283
f) Total risk weighted assets	-	-	41,369,150	32,798,837
g) Core capital/total deposit liabilities	-	-	10.5%	9.0%
h) Minimum Statutory Ratio	-	-	8.0%	8.0%
i) Excess/(Deficiency)	-	-	2.5%	1.0%
j) Core capital/total risk weighted assets	-	-	14.3%	13.3%
k) Minimum Statutory Ratio	-	-	8.0%	8.0%
l) Excess/(Deficiency)(j-k)	-	-	6.3%	5.3%
m) Total capital/total risk weighted assets	-	-	14.5%	14.6%
n) Minimum Statutory Ratio	-	-	12.0%	12.0%
o) Excess/(Deficiency)(m-n)	-	-	2.5%	2.6%
<b>5. Liquidity</b>				
a) Liquidity Ratio	-	-	33.5%	41.4%
b) Minimum Statutory Ratio	-	-	20.0%	20.0%
c) Excess/(Deficiency)(a-b)	-	-	13.5%	21.4%

Growth in Total Assets in billions



Growth in Customer deposits in billions



Growth in Profit before tax in billions



The above are extracts of the audited financial statements and records of the institution.

Signed: S C Muchiri, EBS  
Chairman

Signed: G M Muriuki, OGW  
Managing Director

**CO-OPERATIVE**  
**BANK OF KENYA**  
*We are you*

Co-operative House, Haile Selassie Avenue, P.O. Box 48231-00100  
Tel 3276000 NAIROBI. Website: www.co-opbank.co.ke