

The Co-operative Bank of Kenya Limited

The Board of Directors of The Co-operative Bank of Kenya Limited are pleased to announce the Un-audited results of the Group and the Bank for the Half-Year Period ended 30 June 2009



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

| | GROUP | | | | BANK | | | |
|--|---|---|------------------------------------|------------------------------------|---|---|------------------------------------|------------------------------------|
| | 30-Jun-09 KSHS. '000 (Un-audited) | 31-Mar-09 KSHS. '000 (Un-audited) | 31-Dec-08 KSHS. '000 Audited | 30-Jun-08 KSHS. '000 Audited | 30-Jun-09 KSHS. '000 (Un-audited) | 31-Mar-09 KSHS. '000 (Un-audited) | 31-Dec-08 KSHS. '000 Audited | 30-Jun-08 KSHS. '000 Audited |
| I BALANCE SHEET | | | | | | | | |
| A ASSETS | | | | | | | | |
| 1 Cash (local and foreign) | 2,817,118 | 2,531,583 | 3,340,086 | 2,048,397 | 2,817,118 | 2,531,583 | 3,340,086 | 2,048,397 |
| 2 Balances due from Central Bank of Kenya | 4,564,115 | 3,413,984 | 3,172,598 | 3,281,133 | 4,564,115 | 3,413,984 | 3,172,598 | 3,281,133 |
| 3 Kenya Government securities | 11,998,748 | 12,083,925 | 9,131,520 | 7,894,573 | 11,998,748 | 12,083,925 | 9,131,520 | 7,894,573 |
| 4 Foreign Currency Treasury bills and bonds | - | - | - | - | - | - | - | - |
| 5 Deposits and balances due from local banking institutions | - | - | 220,000 | 1,850,000 | - | - | 220,000 | 1,850,000 |
| 6 Deposits and balances due from banking institutions abroad | 2,273,629 | 3,723,801 | 2,763,683 | 3,232,246 | 2,273,629 | 3,723,801 | 2,763,683 | 3,232,246 |
| 7 Government and other securities held for dealing purposes | 3,939,544 | 3,330,883 | 3,725,518 | 3,159,616 | 3,869,819 | 3,328,234 | 3,722,869 | 3,092,318 |
| 8 Tax recoverable | - | - | - | 27,731 | - | - | - | 25,323 |
| 9 Loans and advances to customers (net) | 56,677,272 | 55,475,776 | 53,293,245 | 43,404,264 | 56,684,205 | 55,476,106 | 53,293,245 | 43,410,557 |
| 10 Investment Securities | 55,719 | 55,719 | 55,719 | 36,819 | 55,719 | 55,719 | 55,719 | 36,819 |
| 11 Balances due from group companies | - | - | - | - | - | - | - | 1,943 |
| 12 Investments in associates | - | - | - | - | - | - | - | - |
| 13 Investments in subsidiary companies | - | - | - | - | 100,000 | 100,000 | 100,000 | 100,000 |
| 14 Investment in joint ventures | - | - | - | - | - | - | - | - |
| 15 Investment in properties | - | - | - | - | - | - | - | - |
| 16 Property and equipment | 4,634,174 | 4,320,349 | 4,052,624 | 3,412,266 | 4,625,373 | 4,314,845 | 4,047,126 | 3,407,634 |
| 17 Prepaid lease rentals | 41,013 | 41,165 | 41,317 | 41,622 | 41,013 | 41,165 | 41,317 | 41,622 |
| 18 Intangible assets | 223,807 | 235,508 | 249,285 | 175,472 | 220,785 | 232,289 | 245,868 | 171,662 |
| 19 Deferred tax asset | 69,936 | 69,935 | 69,935 | 62,922 | 69,426 | 69,425 | 69,425 | 63,393 |
| 20 Retirement benefit asset | - | - | - | - | - | - | - | - |
| 21 Other assets | 5,407,856 | 4,444,751 | 3,755,026 | 3,446,574 | 5,376,120 | 4,404,091 | 3,714,148 | 3,360,626 |
| 22 TOTAL ASSETS | 92,702,931 | 89,727,379 | 83,870,556 | 72,073,635 | 92,696,070 | 89,775,167 | 83,917,604 | 72,018,246 |
| B LIABILITIES | | | | | | | | |
| 23 Balances due to Central Bank of Kenya | - | - | - | - | - | - | - | - |
| 24 Customer deposits | 74,205,539 | 71,858,454 | 65,853,725 | 59,066,266 | 74,220,526 | 71,936,361 | 65,934,453 | 59,071,671 |
| 25 Deposits and balances due to local banking institutions | 992,292 | 506,981 | 1,225,427 | 3,288,319 | 992,292 | 506,981 | 1,225,427 | 3,288,319 |
| 26 Deposits and balances due to foreign banking institutions | - | - | - | 267,544 | - | - | - | 267,544 |
| 27 Other money market deposits | - | - | - | 30,000 | - | - | - | 30,000 |
| 28 Borrowed funds | 434,090 | 216,968 | 303,193 | 45,658 | 434,090 | 216,968 | 303,193 | 45,658 |
| 29 Balances due to group companies | - | - | - | - | - | - | - | 3,799 |
| 30 Tax payable | 158,874 | 259,439 | 133,790 | - | 160,898 | 258,728 | 133,493 | - |
| 31 Dividends payable | - | - | - | - | - | - | - | - |
| 32 Deferred tax liability | - | - | - | - | - | - | - | - |
| 33 Retirement benefit liability | - | - | - | - | - | - | - | - |
| 34 Other liabilities | 2,200,793 | 2,151,437 | 2,360,580 | 1,834,420 | 2,236,666 | 2,185,488 | 2,387,308 | 1,825,666 |
| 35 TOTAL LIABILITIES | 77,991,588 | 74,993,279 | 69,876,715 | 64,532,207 | 78,044,472 | 75,104,526 | 69,983,874 | 64,532,655 |
| C SHAREHOLDERS' EQUITY | | | | | | | | |
| 36 Paid up/assigned capital | 3,492,370 | 3,492,370 | 3,492,370 | 2,933,090 | 3,492,370 | 3,492,370 | 3,492,370 | 2,933,090 |
| 37 Share premium/(discount) | 4,286,735 | 4,286,735 | 4,286,735 | - | 4,286,735 | 4,286,735 | 4,286,735 | - |
| 38 Revaluation reserve | 361,296 | 361,296 | 359,943 | 305,044 | 361,296 | 361,296 | 359,943 | 305,177 |
| 39 Retained earnings/ Accumulated losses | 5,713,954 | 5,382,362 | 4,253,642 | 3,636,565 | 5,654,209 | 5,318,903 | 4,193,531 | 3,580,595 |
| 40 Statutory Loan Loss Reserve | 210,707 | 210,707 | 595,409 | - | 210,707 | 210,707 | 595,409 | - |
| 41 Proposed dividends | - | 349,237 | 349,237 | - | - | 349,237 | 349,237 | - |
| 42 Capital grants | 646,281 | 651,393 | 656,505 | 666,729 | 646,281 | 651,393 | 656,505 | 666,729 |
| 42 TOTAL SHAREHOLDERS' FUNDS | 14,711,343 | 14,734,100 | 13,993,841 | 7,541,428 | 14,651,598 | 14,670,641 | 13,933,730 | 7,485,591 |
| 43 TOTAL LIABILITIES & SHAREHOLDERS' FUNDS | 92,702,931 | 83,870,556 | 83,870,556 | 72,073,635 | 92,696,070 | 89,775,167 | 83,917,604 | 72,018,246 |
| II PROFIT AND LOSS ACCOUNTS | | | | | | | | |
| 1.0 INTEREST INCOME | | | | | | | | |
| 1.1 Loans and advances | 3,543,045 | 1,810,694 | 5,869,019 | 2,620,641 | 3,543,045 | 1,810,694 | 5,869,019 | 2,620,641 |
| 1.2 Government securities | 579,539 | 243,357 | 1,227,857 | 625,763 | 578,795 | 243,314 | 1,220,494 | 621,746 |
| 1.3 Deposits and placements with banking institutions | 8,447 | 3,923 | 36,258 | 6,454 | 8,447 | 3,923 | 36,258 | 6,454 |
| 1.4 Other Interest Income | 23,224 | 12,427 | 291,513 | 29,852 | 22,714 | 12,427 | 291,513 | 29,853 |
| 1.5 Total Interest Income | 4,154,255 | 2,070,401 | 7,424,647 | 3,282,710 | 4,153,001 | 2,070,358 | 7,417,284 | 3,278,694 |
| 2.0 INTEREST EXPENSE | | | | | | | | |
| 2.1 Customer deposits | 989,473 | 494,090 | 1,530,165 | 665,735 | 989,473 | 494,090 | 1,530,165 | 665,735 |
| 2.2 Deposits and placements from banking institutions | 20,241 | 9,978 | 159,081 | 105,221 | 20,241 | 9,978 | 159,081 | 105,221 |
| 2.3 Other Interest Expenses | 29,137 | 2,305 | 39,510 | 14,804 | 29,137 | 2,305 | 39,510 | 14,804 |
| 2.4 Total Interest Expenses | 1,038,851 | 506,373 | 1,728,756 | 785,760 | 1,038,851 | 506,373 | 1,728,756 | 785,760 |
| 3.0 NET INTEREST INCOME/(LOSS) | 3,115,404 | 1,564,028 | 5,695,891 | 2,496,950 | 3,114,150 | 1,563,985 | 5,688,528 | 2,492,934 |
| 4.0 NON- OPERATING INCOME | | | | | | | | |
| 4.1 Fees and commissions on loans and advances | 286,430 | 128,196 | 524,377 | 280,029 | 286,430 | 128,196 | 524,377 | 280,029 |
| 4.2 Other Fees and commissions | 1,300,902 | 641,177 | 2,694,722 | 1,242,754 | 1,266,434 | 622,696 | 2,610,513 | 1,202,276 |
| 4.3 Foreign exchange trading income/(loss) | 169,005 | 83,789 | 493,581 | 284,458 | 169,005 | 83,789 | 493,581 | 284,458 |
| 4.4 Dividend income | - | - | - | - | - | - | - | - |
| 4.5 Other income | 286,384 | 135,901 | 241,802 | 413,739 | 275,737 | 128,353 | 237,542 | 412,315 |
| 4.6 Total Non-interest income | 2,042,721 | 989,063 | 3,954,482 | 2,220,980 | 1,997,606 | 963,034 | 3,866,013 | 2,179,078 |
| 5.0 TOTAL OPERATING INCOME | 5,158,125 | 2,553,091 | 9,650,373 | 4,717,930 | 5,111,756 | 2,527,019 | 9,554,541 | 4,672,012 |
| 6.0 OTHER OPERATING EXPENSES | | | | | | | | |
| 6.1 Loan loss provision | 200,520 | 100,520 | 403,262 | 300,253 | 200,520 | 100,520 | 403,262 | 300,253 |
| 6.2 Staff costs | 1,628,469 | 789,859 | 2,933,547 | 1,406,044 | 1,606,400 | 778,779 | 2,903,461 | 1,387,323 |
| 6.3 Directors' emoluments | 32,536 | 13,959 | 70,789 | 30,626 | 28,069 | 11,816 | 57,127 | 26,018 |
| 6.4 Rentals charges | 200,862 | 86,569 | 342,396 | 172,078 | 199,820 | 86,049 | 340,314 | 171,036 |
| 6.5 Depreciation charge on property and equipment | 268,608 | 129,262 | 425,419 | 179,154 | 267,586 | 128,798 | 423,889 | 178,490 |
| 6.6 Amortisation charges | 38,269 | 18,760 | 58,492 | 26,439 | 37,875 | 18,563 | 57,966 | 26,308 |
| 6.7 Other operating expenses | 846,186 | 375,455 | 2,057,649 | 928,042 | 829,386 | 367,583 | 2,031,542 | 919,067 |
| 6.8 Total other operating expenses | 3,215,450 | 1,514,384 | 6,291,554 | 3,042,636 | 3,169,656 | 1,492,108 | 6,217,561 | 3,008,495 |
| 7.0 Profit/(Loss) before tax and exceptional items | 1,942,675 | 1,038,707 | 3,358,819 | 1,675,294 | 1,942,100 | 1,034,911 | 3,336,980 | 1,663,517 |
| 8.0 Exceptional items | - | - | - | - | - | - | - | - |
| 9.0 Profit/(Loss) before tax | 1,942,675 | 1,038,707 | 3,358,819 | 1,675,294 | 1,942,100 | 1,034,911 | 3,336,980 | 1,663,517 |
| 10 Current tax | (486,410) | (259,176) | (1,037,496) | (478,055) | (485,469) | (258,728) | (1,030,747) | (474,617) |
| 11 Deferred tax | - | - | 52,315 | 44,646 | - | - | 51,775 | 45,087 |
| 12 Profit/(loss) after tax and exceptional items | 1,456,265 | 779,531 | 2,373,638 | 1,241,885 | 1,456,631 | 776,183 | 2,358,008 | 1,233,987 |

| | GROUP | | | | BANK | | | |
|---|---|---|------------------------------------|------------------------------------|---|---|------------------------------------|------------------------------------|
| | 30-Jun-09 KSHS. '000 (Un-audited) | 31-Mar-09 KSHS. '000 (Un-audited) | 31-Dec-08 KSHS. '000 Audited | 30-Jun-08 KSHS. '000 Audited | 30-Jun-09 KSHS. '000 (Un-audited) | 31-Mar-09 KSHS. '000 (Un-audited) | 31-Dec-08 KSHS. '000 Audited | 30-Jun-08 KSHS. '000 Audited |
| III OTHER DISCLOSURES | | | | | | | | |
| 1. NON PERFORMING LOANS & ADVANCES | | | | | | | | |
| a) Gross non-performing loans and advances | 8,967,283 | 9,140,018 | 9,433,591 | 8,841,424 | 8,967,283 | 9,140,018 | 9,433,591 | 8,841,424 |
| Less: | | | | | | | | |
| b) Interest in suspense | 2,691,863 | 2,841,231 | 2,828,162 | 2,793,890 | 2,691,863 | 2,841,231 | 2,828,162 | 2,793,890 |
| c) Total non-performing loans (a-b) | 6,275,420 | 6,298,787 | 6,605,429 | 6,047,534 | 6,275,420 | 6,298,787 | 6,605,429 | 6,047,534 |
| Less: | | | | | | | | |
| d) Loan loss provisions | 4,264,118 | 4,623,620 | 4,296,093 | 4,174,177 | 4,264,118 | 4,623,620 | 4,296,093 | 4,174,177 |
| e) Net non-performing loans (c-d) | 2,011,302 | 1,675,167 | 2,309,336 | 1,873,357 | 2,011,302 | 1,675,167 | 2,309,336 | 1,873,357 |
| f) Realizable Value of Securities | 1,825,691 | 1,675,167 | 2,118,081 | 1,873,357 | 1,825,691 | 1,675,167 | 2,118,081 | 1,873,357 |
| g) Net NPLs Exposure (e-f) | 185,611 | - | 191,255 | - | 185,611 | - | 191,255 | - |
| 2. Insider loans and advances | | | | | | | | |
| a) Directors, Shareholders and Associates | 138,321 | 141,754 | 148,834 | 143,739 | 138,321 | 141,754 | 148,834 | 143,739 |
| b) Employees | 2,963,421 | 2,797,839 | 2,575,090 | 2,081,214 | 2,963,421 | 2,797,839 | 2,575,090 | 2,081,214 |
| c) Total insider loans, advances and Other Facilities | 3,101,742 | 2,939,593 | 2,723,924 | 2,224,953 | 3,101,742 | 2,939,593 | 2,723,924 | 2,224,953 |
| 3. Off-Balance Sheet Items | | | | | | | | |
| a) Letters of credit, guarantees, acceptances | 4,785,149 | 4,412,365 | 5,135,206 | 3,873,443 | 4,785,149 | 4,412,365 | 5,135,206 | 3,873,443 |
| b) Other contingent liabilities | - | - | - | - | - | - | - | - |
| c) Total contingent liabilities | 4,785,149 | 4,412,365 | 5,135,206 | 3,873,443 | 4,785,149 | 4,4 | | |