

# The Co-operative Bank of Kenya Limited and Subsidiaries

## ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	2015 KSh's'000	2014 KSh's'000
<b>ASSETS</b>		
Cash and balances with Central Bank of Kenya	29,455,691	24,335,332
Deposits and balances due from banks	13,977,237	12,810,858
Held-for-trading investments	206	559
Available-for-sale investments	28,771,869	21,170,478
Derivative financial instruments	621,737	191,549
Loans and advances to customers	208,571,920	179,486,355
Other assets	12,130,498	8,401,889
Held-to-maturity investments	36,154,555	24,643,526
Investment in associate	2,267,230	1,907,722
Intangible assets	1,605,069	1,712,902
Prepaid lease rentals	36,964	37,570
Property and equipment	8,020,778	10,078,698
Deferred tax asset	886,055	618,629
<b>TOTAL ASSETS</b>	<b>342,499,809</b>	<b>285,396,067</b>
<b>LIABILITIES</b>		
Deposits and balances due to banks	3,421,219	3,159,444
Customer deposits	265,398,587	217,698,323
Loans and borrowings	19,271,212	18,269,487
Tax payable	171,328	149,821
Provisions	110,191	93,570
Other liabilities	4,306,703	2,612,511
Government grants	517,317	535,792
<b>TOTAL LIABILITIES</b>	<b>293,196,557</b>	<b>242,518,948</b>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT</b>		
Share capital	4,889,317	4,889,317
Share premium	2,889,789	2,889,789
Revaluation reserve	459,414	408,074
Retained earnings	39,574,445	32,206,653
Available for sale reserve	(1,870,841)	(793,356)
Statutory reserve	784,381	718,421
Foreign currency translation reserve	(948,210)	31,444
Proposed dividends	3,911,453	2,444,658
	<b>49,689,748</b>	<b>42,795,000</b>
Non-controlling interest	(386,496)	82,119
<b>TOTAL EQUITY</b>	<b>49,303,252</b>	<b>42,877,119</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>342,499,809</b>	<b>285,396,067</b>

## ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Attributable to equity holder of the parent KSh's'000	Non-controlling interest KSh's'000	Total equity KSh's'000
<b>Balance at 1 January 2014</b>	<b>36,219,382</b>	<b>364,609</b>	<b>36,583,991</b>
Total comprehensive income:			
Profit for the year	8,265,370	(250,373)	8,014,997
Other comprehensive income	480,249	-	480,249
Reversal of Kingdom Securities NSE Seat	(74,579)	(32,117)	(106,696)
Reclassification from/(to) non-controlling interest	-	-	-
2013-Dividends paid	(2,095,422)	-	(2,095,422)
<b>Balance at 31 December 2014</b>	<b>42,795,000</b>	<b>82,119</b>	<b>42,877,119</b>
<b>Balance at 1 January 2015</b>	<b>42,795,000</b>	<b>82,119</b>	<b>42,877,119</b>
Total comprehensive income:			
Profit for the year	11,288,660	416,899	11,705,559
Other comprehensive income	(2,000,249)	(903,155)	(2,903,404)
Reversal of Kingdom Securities NSE Seat	-	-	-
Reclassification from/(to) non-controlling interest	50,996	17,641	68,636
2014-Dividends paid	(2,444,658)	-	(2,444,658)
<b>Balance at 31 December 2015</b>	<b>49,689,749</b>	<b>(386,496)</b>	<b>49,303,252</b>

The above abridged financial statements are extracts from the Bank's 2015 Annual Financial Statements. A full set of these Financial Statements will be available at our registered office at Co-operative House and online at [www.co-opbank.co.ke](http://www.co-opbank.co.ke) for inspection after approval by members at the Annual General Meeting.

The financial statements were approved by the Board of Directors on 16th March 2016 and signed on its behalf by:-

S. C. Mchiri, EBS - Group Chairman  
J.M. Riungu - Vice Chairman

Dr. G. Muriuki, MBS - Group Managing Director & CEO  
R. M. Githaiga (Mrs.) - Company Secretary

## ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 KSh's'000	2014 KSh's'000
Interest income	33,370,039	27,210,668
Interest expense	(13,586,911)	(8,076,153)
<b>NET INTEREST INCOME</b>	<b>19,783,128</b>	<b>19,134,515</b>
Fees and commission income	9,501,834	8,714,867
Fees and commission expense	(57,944)	(136,782)
<b>NET FEES AND COMMISSION INCOME</b>	<b>9,443,890</b>	<b>8,578,085</b>
Net trading income	5,412,502	3,585,374
Amortization of government grants	18,475	18,478
Other operating income	1,731,784	769,312
<b>OPERATING INCOME</b>	<b>36,389,779</b>	<b>32,085,764</b>
Net impairment losses on loans and advances	(2,019,295)	(1,175,598)
Amortization of intangible assets	(399,950)	(341,835)
Amortisation of leasehold land	(606)	(610)
Depreciation of property and equipment	(1,825,444)	(1,953,657)
Employee costs	(8,927,128)	(9,780,667)
Other operating expenses	(8,219,255)	(8,188,162)
<b>OPERATING EXPENSES</b>	<b>(21,391,678)</b>	<b>(21,440,529)</b>
<b>OPERATING PROFIT</b>	<b>14,998,101</b>	<b>10,645,235</b>
Share of profit of an associate	384,991	270,976
<b>PROFIT BEFORE TAX</b>	<b>15,383,092</b>	<b>10,916,211</b>
INCOME TAX EXPENSE	(3,677,533)	(2,901,214)
<b>PROFIT FOR THE YEAR</b>	<b>11,705,559</b>	<b>8,014,997</b>
Attributable to:		
Equity holders of the parent	11,288,769	8,265,370
Non-controlling interest	416,790	(250,373)
	<b>11,705,559</b>	<b>8,014,997</b>
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>		
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>		
Net movement on available-for-sale investments	(1,026,494)	449,865
Exchange differences on translation of a foreign operation	(1,890,682)	30,384
Other comprehensive income of an associate	(40,270)	-
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>		
Other comprehensive income of associates	54,042	-
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>	<b>(2,903,404)</b>	<b>480,249</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR NET OF INCOME TAX</b>	<b>8,802,155</b>	<b>8,495,246</b>
Attributable to:-		
Equity holders of the bank	9,288,411	8,702,569
Non-controlling interest	(486,256)	(207,323)
	<b>8,802,155</b>	<b>8,495,246</b>
Basic earnings per share (KShs)	2.31	1.69
Diluted earnings per share (KShs)	2.31	1.69
Dividend per share (KShs)	0.80	0.50

## ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 KSh's'000	2014 KSh's'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:-</b>		
Profit before tax	15,383,092	10,916,211
Cash flows from operating activities before working capital changes	21,485,408	13,051,570
Cash generated from / (used in) operating activities	23,558,606	13,559,297
Tax paid	(3,923,452)	(3,206,418)
Net cash flows from operating activities	19,635,154	10,352,879
Net cash flows used in investing activities:-	(12,439,162)	(11,805,893)
Net cash flows from financing activities	(3,178,745)	5,767,543
Net movement in cash and cash equivalents	4,017,247	4,314,529
Cash and cash equivalents at the beginning of the year	26,278,531	22,018,778
Foreign exchange gain	(927,345)	(54,776)
<b>Cash and cash equivalents at 31 December</b>	<b>29,368,433</b>	<b>26,278,531</b>

 **CO-OPERATIVE BANK**  
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The Co-operative Bank of Kenya is regulated by Central Bank of Kenya