

# THE CO-OPERATIVE BANK OF KENYA LIMITED

The Board of Directors is pleased to announce the Un-audited results of the Group and the Bank for the Period ended 31 March 2016

## I STATEMENT OF FINANCIAL POSITION

	GROUP			BANK		
	31-Mar-16 KSHS:'000 (Un-audited)	31-Dec-15 KSHS:'000 Audited	31-Mar-15 KSHS:'000 (Un-audited)	31-Mar-16 KSHS:'000 (Un-audited)	31-Dec-15 KSHS:'000 Audited	31-Mar-15 KSHS:'000 (Un-audited)
<b>A ASSETS</b>						
1 Cash (local and foreign)	7,978,601	9,057,746	7,939,069	7,821,957	8,880,989	7,512,572
2 Balances due from Central Bank of Kenya	21,032,758	20,397,945	28,619,246	19,545,749	18,292,656	26,801,751
3 Kenya Government and other securities held for dealing purposes	-	-	30,009	-	-	30,009
4 Financial Assets at fair value through profit and loss	148	206	509	148	149	509
5.a.a Investment Securities: Held to Maturity- Kenya Government Securities	34,286,737	36,154,555	26,560,480	34,286,737	35,999,971	26,560,480
a.b Investment Securities: Held to Maturity- Other Securities	171,327	-	169,010	-	-	-
b.a Investment Securities: Available for Sale- Kenya Government Securities	34,768,272	23,955,077	18,323,995	34,768,272	23,824,739	18,323,995
b.b Investment Securities: Available for Sale- Other Securities	4,742,767	4,816,792	4,576,593	4,742,767	4,816,792	4,576,593
6 Deposits and balances due from local banking institutions	5,538,895	9,878,262	6,180,334	5,364,839	9,770,382	6,080,860
7 Deposits and balances due from banking institutions abroad	1,916,075	4,098,975	11,343,894	1,916,075	4,098,891	11,329,272
8 Tax recoverable	-	18,380	-	-	-	-
9 Loans and advances to customers (net)	213,724,068	208,571,920	184,089,408	213,234,193	208,074,513	183,139,637
10 Balances due from banking institutions in the group	-	507,137	-	-	550,768	-
11 Investments in associates	2,186,927	2,267,230	1,996,075	755,118	755,118	755,118
12 Investments in subsidiary companies	-	-	-	2,512,920	2,207,370	1,936,199
13 Investment in joint ventures	-	-	-	-	-	-
14 Investment in properties	-	-	-	-	-	-
15 Property, plant and equipment	7,958,116	8,020,778	10,502,975	7,704,516	7,812,740	9,077,483
16 Prepaid lease rentals	36,964	36,964	37,570	36,964	36,964	37,570
17 Intangible assets	1,207,956	1,605,068	1,210,158	1,177,636	1,461,590	1,183,258
18 Deferred tax asset	615,562	886,055	618,629	609,156	876,614	609,156
19 Retirement benefit asset	-	-	-	-	-	-
20 Other assets	14,555,001	12,245,099	7,412,702	13,877,841	12,089,562	6,892,323
<b>21 TOTAL ASSETS</b>	<b>350,720,175</b>	<b>342,518,187</b>	<b>309,610,656</b>	<b>348,354,889</b>	<b>339,549,808</b>	<b>304,846,787</b>
<b>B LIABILITIES</b>						
22 Balances due to Central Bank of Kenya	-	-	-	-	-	-
23 Customer deposits	261,703,941	265,398,587	233,850,015	260,532,716	263,709,414	231,376,251
24 Deposits and balances due to local banking institutions	4,679,066	2,914,082	4,149,169	4,679,066	2,905,405	4,149,169
25 Deposits and balances due to banking institutions abroad	1,066,685	507,137	41,042	1,066,685	-	41,042
26 Other money market deposits	-	-	-	-	-	-
27 Borrowed funds	19,822,412	19,271,212	18,363,757	19,822,412	19,271,211	18,363,757
28 Balances due to banking institutions in the group	-	-	-	-	-	-
29 Tax payable	1,675,776	189,707	1,483,402	1,628,323	157,596	1,427,339
30 Dividends payable	-	-	-	-	-	-
31 Deferred tax liability	-	-	-	-	-	-
32 Retirement benefit liability	-	-	-	-	-	-
33 Other liabilities	6,857,147	4,416,895	4,493,545	5,972,386	4,195,406	3,324,893
<b>34 TOTAL LIABILITIES</b>	<b>295,805,028</b>	<b>292,697,620</b>	<b>262,380,931</b>	<b>293,701,589</b>	<b>290,239,033</b>	<b>258,682,452</b>
<b>C SHAREHOLDERS' FUNDS</b>						
35 Paid up/Assigned capital	4,889,317	4,889,317	4,889,317	4,889,317	4,889,317	4,889,317
36 Share premium/(discount)	2,889,789	2,889,789	2,889,789	2,889,789	2,889,789	2,889,789
37 Revaluation reserve	403,407	(488,797)	403,407	403,407	397,057	403,407
38 Retained earnings/ Accumulated losses	43,189,023	39,574,445	35,284,058	41,262,564	37,830,867	34,293,988
39 Statutory Loan Loss Reserve	717,844	784,381	717,844	717,844	717,844	717,844
40 Other Reserves	(1,215,801)	(1,870,841)	(5,842)	66,228	(1,842,869)	(5,842)
41 Proposed dividends	3,911,453	3,911,453	2,444,658	3,911,453	3,911,453	2,444,658
42 Capital grants	512,698	517,317	531,173	512,698	517,317	531,173
43 TOTAL SHAREHOLDERS' FUNDS	55,297,730	50,207,064	47,154,404	54,653,300	49,310,775	46,164,334
43.1 Non-Controlling Interest	(382,582)	(386,497)	75,321	-	-	-
<b>44 TOTAL LIABILITIES &amp; SHAREHOLDERS' FUNDS</b>	<b>350,720,175</b>	<b>342,518,187</b>	<b>309,610,656</b>	<b>348,354,889</b>	<b>339,549,808</b>	<b>304,846,787</b>

## II STATEMENT OF COMPREHENSIVE INCOME

	GROUP			BANK		
	31-Mar-16 KSHS:'000 (Un-audited)	31-Dec-15 KSHS:'000 Audited	31-Mar-15 KSHS:'000 (Un-audited)	31-Mar-16 KSHS:'000 (Un-audited)	31-Dec-15 KSHS:'000 Audited	31-Mar-15 KSHS:'000 (Un-audited)
<b>1.0 INTEREST INCOME</b>						
1.1 Loans and advances	8,313,117	30,039,822	6,672,634	8,294,204	29,845,776	6,644,802
1.2 Government securities	2,143,096	6,086,562	1,397,737	2,126,214	6,069,362	1,387,850
1.3 Deposits and placements with banking institutions	204,950	664,820	93,176	204,950	604,321	93,176
1.4 Other Interest Income	4,663	-	2,196	-	-	-
<b>1.5 Total Interest Income</b>	<b>10,665,826</b>	<b>36,791,204</b>	<b>8,165,743</b>	<b>10,625,368</b>	<b>36,519,458</b>	<b>8,125,828</b>
<b>2.0 INTEREST EXPENSE</b>						
2.1 Customer deposits	3,575,257	12,183,736	2,049,161	3,575,078	12,161,604	2,049,125
2.2 Deposits and placements from banking institutions	6,819	232,602	19,326	6,819	232,602	19,326
2.3 Other Interest Expenses	291,317	1,170,573	250,900	281,834	1,170,573	250,775
<b>2.4 Total Interest Expenses</b>	<b>3,873,393</b>	<b>13,586,911</b>	<b>2,319,387</b>	<b>3,863,730</b>	<b>13,564,779</b>	<b>2,319,226</b>
<b>3 NET INTEREST INCOME/(LOSS)</b>	<b>6,792,433</b>	<b>23,204,293</b>	<b>5,846,356</b>	<b>6,761,638</b>	<b>22,954,679</b>	<b>5,806,602</b>
<b>4 NON-INTEREST INCOME</b>						
4.1 Fees and commissions on loans and advances	686,664	2,339,680	622,497	686,664	2,339,680	622,497
4.2 Other Fees and commissions	1,740,340	7,162,155	1,673,535	1,475,247	6,308,056	1,447,090
4.3 Foreign exchange trading income/(loss)	498,024	3,192,469	452,684	459,662	1,880,617	353,626
4.4 Dividend income	9	69,407	-	9	69,407	-
4.5 Other income	538,713	421,775	121,461	534,304	475,679	121,461
<b>4.6 Total Non-interest income</b>	<b>3,463,750</b>	<b>13,185,486</b>	<b>2,870,177</b>	<b>3,155,886</b>	<b>11,073,438</b>	<b>2,544,674</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>10,256,183</b>	<b>36,389,778</b>	<b>8,716,533</b>	<b>9,917,524</b>	<b>34,028,117</b>	<b>8,351,275</b>
<b>6.0 OTHER OPERATING EXPENSES</b>						
6.1 Loan loss provision	625,000	2,019,295	350,000	625,000	2,007,357	350,000
6.2 Staff costs	2,180,180	8,925,220	1,888,175	2,090,002	8,408,222	1,785,101
6.3 Directors' emoluments	19,127	148,257	14,406	7,722	107,181	6,537
6.4 Rentals charges	335,280	1,395,950	319,291	313,521	1,236,484	285,186
6.5 Depreciation charge on property and equipment	473,493	1,923,609	490,583	465,170	1,795,458	450,523
6.6 Amortisation charges	103,442	434,016	89,106	100,636	378,169	87,962
6.7 Other operating expenses	1,499,208	6,543,423	1,150,396	1,413,049	6,021,880	1,057,944
6.8 Total other operating expenses	5,235,730	21,389,770	4,301,957	5,015,100	19,954,752	4,023,254
7 Profit/(Loss) before tax and exceptional items	5,020,452	15,000,008	4,414,576	4,902,424	14,073,365	4,328,022
8 Exceptional items - Early Retirement Costs	-	(1,908)	-	-	(1,908)	-
8 Exceptional items - Share of profit of associate	(80,294)	384,991	88,353	-	-	-
9 Profit/(Loss) before tax	4,940,159	15,383,092	4,502,930	4,902,424	14,071,457	4,328,022
10 Current tax	1,505,146	3,944,959	1,329,905	1,470,727	3,867,317	1,298,406
11 Deferred tax	-	(267,426)	-	-	(267,457)	-
<b>12 Profit/(loss) after tax and exceptional items</b>	<b>3,435,012</b>	<b>11,705,558</b>	<b>3,173,025</b>	<b>3,431,697</b>	<b>10,471,597</b>	<b>3,029,615</b>

## III STATEMENT OF COMPREHENSIVE INCOME

	GROUP			BANK		
	31-Mar-16 KSHS:'000 (Un-audited)	31-Dec-15 KSHS:'000 Audited	31-Mar-15 KSHS:'000 (Un-audited)	31-Mar-16 KSHS:'000 (Un-audited)	31-Dec-15 KSHS:'000 Audited	31-Mar-15 KSHS:'000 (Un-audited)
<b>13.0 OTHER COMPREHENSIVE INCOME:</b>						
13.1 Gains/(Losses) from translating the financial statements of foreign operations	-	(1,890,682)	-	-	-	-
13.2 Fair value changes in available-for-sale financial assets	1,909,096	(1,026,494)	788,219	1,909,096	(1,048,807)	788,219
13.3 Revaluation Surplus on property, Plant and Equipment	-	-	-	-	-	-
13.4 Share of other comprehensive income of associates	-	13,773	-	-	-	-
13.5 Income tax relating to components of other comprehensive income	-	-	-	-	-	-
<b>14 OTHER COMPREHENSIVE INCOME NET OF TAX</b>	<b>1,909,096</b>	<b>(2,903,403)</b>	<b>788,219</b>	<b>1,909,096</b>	<b>(1,048,807)</b>	<b>788,219</b>
<b>15 TOTAL COMPREHENSIVE INCOME</b>	<b>5,344,108</b>	<b>8,802,155</b>	<b>3,961,244</b>	<b>5,340,793</b>	<b>9,422,790</b>	<b>3,817,835</b>
Basic Earnings per share	0.70	2.31	0.65	0.70	2.14	0.62
Diluted Earnings per share	0.70	2.31	0.65	0.70	2.14	0.62
Dividend per share	-	0.80	-	-	0.80	-

## III OTHER DISCLOSURES

	GROUP			BANK		
	31-Mar-16 KSHS:'000 (Un-audited)	31-Dec-15 KSHS:'000 Audited	31-Mar-15 KSHS:'000 (Un-audited)	31-Mar-16 KSHS:'000 (Un-audited)	31-Dec-15 KSHS:'000 Audited	31-Mar-15 KSHS:'000 (Un-audited)
<b>1 NON PERFORMING LOANS AND ADVANCES</b>						
a) Gross non-performing loans and advances	8,581,586	8,189,196	7,744,033	8,581,586	8,189,196	7,744,033
Less	-	-	-	-	-	-
b) Interest in suspense	1,250,339	1,058,631	174,673	1,250,339	1,058,631	174,673
<b>c) Total Non-performing loans and advances (a-b)</b>	<b>7,331,247</b>	<b>7,130,565</b>	<b>7,569,360</b>	<b>7,331,247</b>	<b>7,130,565</b>	<b>7,569,360</b>
Less	-	-	-	-	-	-
d) Loan loss provisions	3,113,946	3,577,424	2,400,400	3,113,946	3,577,424	2,400,400
e) Net Non performing loans (c-d)	4,217,301	3,553,141	5,168,960	4,217,301	3,553,141	5,168,960
f) Discounted Value of Securities	4,217,301	3,553,141	5,168,960	4,217,301	3,553,141	5,168,960
<b>g) Net NPLs Exposure (e-f)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2 Insider loans and advances</b>						
a) Directors, shareholders and associates	299,836	302,146	242,375	299,836	302,146	242,375
b) Employees	6,634,835	6,596,839	6,713,375	6,634,835	6,596,839	6,713,375
<b>c) Total insider loans, advances and other facilities</b>	<b>6,934,671</b>	<b>6,898,985</b>	<b>6,955,750</b>	<b>6,934,671</b>	<b>6,898,985</b>	<b>6,955,750</b>
<b>3 Off-Balance Sheet Items</b>						
a) Letters of credit, guarantees, acceptances	12,748,534	12,509,752	15,527,986	12,748,534	12,509,752	15,527,986
b) Forwards, swaps and options	15,475,855	14,655,575	8,320,444	15,475,855	14,655,575	8,320,444
c) Other contingent liabilities	-	-	-	-	-	-
<b>d) Total contingent liabilities</b>	<b>28,224,389</b>	<b>27,165,327</b>	<			