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 2017

I STATEMENT OF FINANCIAL POSITION

		GROUP			BANK		
		31 - Mar - 17 KSHS.'000 (Un-audited)	31 - Dec - 16 KSHS.'000 Audited	31 - Mar - 16 KSHS.'000 (Un-audited)	31 - Mar - 17 KSHS.'000 (Un-audited)	31 - Dec - 16 KSHS.'000 Audited	31 - Mar - 16 KSHS.'000 (Un-audited)
A	**ASSETS**						
1	Cash (local and foreign)	7,467,860	8,432,988	7,978,601	7,232,448	8,119,618	7,821,957
2	Balances due from Central Bank Of Kenya	23,252,709	17,249,716	21,032,758	22,027,930	16,338,102	19,545,749
3	Kenya Government and other securities held for dealing purposes	-		-	-		-
4	Financial Assets at fair value through profit and loss	32	147	148	32	147	148
5.a.a	Investment Securities: Held to Maturity - Kenya Government Securities	39,280,826	37,158,762	34,458,063	39,098,214	37,003,530	34,286,737
a.b	Investment Securities: Held to Maturity - Other Securities	-	-	-	-	-	-
b.a	Investment Securities: Available for Sale - Kenya Government Securities	21,257,278	20,675,540	34,768,272	21,257,278	20,675,540	34,768,272
b.b	Investment Securities: Available for Sale - Other Securities	3,831,113	4,082,606	4,742,767	3,831,113	3,949,256	4,742,767
6	Deposits and balances due from local banking institutions	4,010,253	703,530	5,538,895	3,603,715	703,530	5,364,839
7	Deposits and balances due from banking institutions abroad	9,152,658	4,313,773	1,916,075	9,152,658	4,656,363	1,916,075
8	Tax recoverable	-	27,674	-	-	-	-
9	Loans and advances to customers (net)	245,858,224	236,935,564	213,724,068	245,288,658	236,398,405	213,234,193
10	Balances due from banking institutions in the group	-	-	-	-	352,068	-
11	Investments in associates	2,420,849	2,409,297	2,186,927	755,118	755,118	755,118
12	Investments in subsidiary companies	-	-	-	2,542,929	2,512,920	2,512,920
13	Investment in joint ventures	-	-	-	-	-	-
14	Investment in properties	-	-	-	-	-	-
15	Property, plant and equipment	8,267,979	8,308,698	7,958,116	8,091,269	7,817,715	7,704,516
16	Prepaid lease rentals	36,964	36,352	36,964	36,964	36,352	36,964
17	Intangible assets	1,278,308	1,713,117	1,207,956	1,249,429	1,410,156	1,177,636
18	Deferred tax asset	1,068,879	1,067,507	615,562	1,051,197	1,051,197	609,156
19	Retirement benefit asset	-	-	-	-	-	-
20	Other assets	11,278,494	8,740,981	14,555,001	10,799,249	8,217,742	13,877,841
21	**TOTAL ASSETS**	378,462,425	351,856,250	350,720,175	376,018,201	349,997,760	348,354,889
B	**LIABILITIES**						
22	Balances due to Central Bank Of Kenya		-		-	-	-
23	Customer deposits	279,846,932	260,153,437	261,703,941	278,719,052	259,471,749	260,532,716
24	Deposits and balances due to local banking institutions	1,744,393	3,411,977	4,679,066	1,744,393	3,402,893	4,679,066
25	DepositAs and balances due to banking institutions abroad	25,461	-	1,066,685	25,461	-	1,066,685
26	Other money market deposits	-	-	-	-	-	-
27	Borrowed funds	24,276,912	19,813,260	19,822,412	24,276,912	19,813,260	19,822,412
28	Balances due to banking institutions in the group	-	-	-	-	-	-
29	Tax payable	2,530,612	1,248,698	1,675,776	2,486,240	1,248,698	1,628,323
30	Dividends payable	-	-	-	-	-	-
31	Deferred tax liability	-	-	-	-	-	-
32	Retirement benefit liability	-	-	-	-	-	-
33	Other liabilities	6,426,199	6,109,913	6,857,147	5,693,378	6,015,329	5,972,386
34	**TOTAL LIABILITIES**	314,850,509	290,737,285	295,805,028	312,945,437	289,951,928	293,701,589
C	**SHAREHOLDERS' FUNDS**						
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	1,256,443	1,338,103	403,407	1,256,443	1,256,443	403,407
38	Retained earnings/ Accumulated losses	52,428,182	48,208,633	43,189,023	50,131,044	46,970,978	41,262,564
39	Statutory Loan Loss Reserve	717,844	736,418	717,844	717,844	717,844	717,844
40	Other Reserves	(2,759,798)	(1,158,031)	(1,215,801)	(1,217,348)	(1,088,833)	66,228
41	Proposed dividends	3,911,453	3,911,453	3,911,453	3,911,453	3,911,453	3,911,453
42	Capital grants	494,222	498,841	512,698	494,222	498,841	512,698
43	**TOTAL SHAREHOLDERS' FUNDS**	63,827,452	61,314,523	55,297,730	63,072,764	60,045,832	54,653,300
43.1	Non - Controlling Interest	(215,536)	(195,558)	(382,582)	-	-	-
44	**TOTAL LIABILITIES & SHAREHOLDERS' FUNDS**	378,462,425	351,856,250	350,720,175	376,018,201	349,997,760	348,354,889

II STATEMENT OF COMPREHENSIVE INCOME

		GROUP			BANK		
		31 - Mar - 17 KSHS.'000 (Un-audited)	31 - Dec - 16 KSHS.'000 Audited	31 - Mar - 16 KSHS.'000 (Un-audited)	31 - Mar - 17 KSHS.'000 (Un-audited)	31 - Dec - 16 KSHS.'000 Audited	31 - Mar - 16 KSHS.'000 (Un-audited)
1.0	**INTEREST INCOME**						
1.1	Loans and advances	7,672,772	33,378,181	8,313,117	7,647,370	33,261,095	8,294,204
1.2	Government securities	1,760,027	8,495,221	2,143,096	1,750,907	8,478,549	2,126,214
1.3	Deposits and placements with banking Institutions	82,103	391,319	204,950	82,103	356,476	204,950
1.1	Other Interest Income	2,695	-	4,663	-	-	-
1.5	Total Interest Income	9,517,597	42,264,721	10,665,826	9,480,380	42,096,119	10,625,368
2.0	**INTEREST EXPENSE**						
2.1	Customer deposits	2,499,393	11,658,414	3,575,257	2,499,391	11,617,358	3,575,078
2.2	Deposits and placements from banking institutions	12,456	117,980	6,819	12,456	117,980	6,819
2.3	Other Interest Expenses	319,457	991,905	291,317	311,080	991,905	281,834
2.4	Total Interest Expenses	2,831,307	12,768,300	3,873,393	2,822,928	12,727,244	3,863,730
3	**NET INTEREST INCOME/(LOSS)**	6,686,290	29,496,421	6,792,433	6,657,452	29,368,876	6,761,638
4	**NON - INTEREST INCOME**						
4.1	Fees and commissions on loans and advances	676,386	2,330,859	686,664	676,386	2,330,859	686,664
4.2	Other Fees and commissions	1,894,736	7,456,650	1,740,340	1,641,237	6,487,220	1,475,247
4.3	Foreign exchange trading income/ (loss)	560,271	1,804,344	498,024	529,497	1,603,807	459,662
4.4	Dividend income	-	73,001	9	-	73,001	9
4.5	Other income	257,204	1,109,655	538,713	254,093	1,147,434	534,304
4.6	Total Non - interest income	3,388,598	12,774,510	3,463,750	3,101,214	11,642,323	3,155,886
5.0	**TOTAL OPERATING INCOME**	10,074,888	42,270,931	10,256,183	9,758,666	41,011,198	9,917,524
6.0	**OTHER OPERATING EXPENSES**						
6.1	Loan loss provision	750,000	2,599,671	625,000	750,000	2,594,567	625,000
6.2	Staff costs	2,332,091	9,399,704	2,180,180	2,239,856	8,941,049	2,090,002
6.3	Directors' emoluments	17,832	163,742	19,127	7,120	115,861	7,722
6.4	Rentals charges	356,685	1,462,440	335,280	330,643	1,363,794	313,521
6.5	Depreciation charge on property and equipment	444,943	1,936,699	473,493	441,644	1,834,722	465,170
6.6	Armortisation charges	121,978	486,117	103,442	119,166	447,983	100,636

II STATEMENT OF COMPREHENSIVE INCOME

		GROUP			BANK		
		31 - Mar - 17 KSHS.'000 (Un-audited)	31 - Dec - 16 KSHS.'000 Audited	31 - Mar - 16 KSHS.'000 (Un-audited)	31 - Mar - 17 KSHS.'000 (Un-audited)	31 - Dec - 16 KSHS.'000 Audited	31 - Mar - 16 KSHS.'000 (Un-audited)
6.7	Other operating expenses	1,552,820	8,592,834	1,499,208	1,471,444	7,689,080	1,413,049
6.8	Total other operating expenses	5,576,350	24,641,207	5,235,730	5,359,873	22,987,056	5,015,100
7	Profit/(Loss) before tax and exceptional items	4,498,538	17,629,724	5,020,452	4,398,793	18,024,143	4,902,424
8	Exceptional items - Early Retirement Costs	-	(3,738)	-	-	(3,738)	-
8	Exceptional items - Share of profit of associate	11,552	97,546	(80,294)	-	-	-
9	Profit/(Loss) before tax	4,510,091	17,723,532	4,940,159	4,398,793	18,020,405	4,902,424
10	Current tax	1,282,237	5,595,665	1,505,146	1,238,727	5,511,732	1,470,727
11	Deferred tax	-	(548,342)	-	-	(542,891)	-
12	Profit/(loss) after tax and exceptional items	3,227,854	12,676,210	3,435,012	3,160,066	13,051,564	3,431,697
13.0	**OTHER COMPREHENSIVE INCOME:**						
13.1	Gains/(Losses) from translating the financial statements of foreign operations	-	1,859,238	-	-	-	-
13.2	Fair value changes in available - for - sale financial assets	(131,715)	708,015	1,909,096	(128,515)	754,035	1,909,096
13.3	Revaluation Surplus on property, Plant and Equipment	-	1,227,694	-	-	1,227,694	-
13.4	Share of other comprehensive income of associates	-	7,776	-	-	-	-
13.5	Income tax relating to components of other comprehensive income	-	(368,308)	-	-	(368,308)	-
14	**OTHER COMPREHENSIVE INCOME NET OF TAX**	(131,715)	3,434,415	1,909,096	(128,515)	1,613,421	1,909,096
15	**TOTAL COMPREHENSIVE INCOME**	3,096,140	16,110,625	5,344,108	3,031,551	14,664,986	5,340,793
	Basic Earnings per share	0.66	2.64	0.70	0.65	2.67	0.70
	Diluted Earnings per share	0.66	2.20	0.70	0.65	2.22	0.70
	Dividend per share	-	0.80	-	-	0.80	-

III OTHER DISCLOSURES

		GROUP			BANK		
		31 - Mar - 17 KSHS.'000 (Un-audited)	31 - Dec - 16 KSHS.'000 Audited	31 - Mar - 16 KSHS.'000 (Un-audited)	31 - Mar - 17 KSHS.'000 (Un-audited)	31 - Dec - 16 KSHS.'000 Audited	31 - Mar - 16 KSHS.'000 (Un-audited)
1	**NON PERFORMING LOANS AND ADVANCES**						
a)	Gross non - performing loans and advances	11,234,835	11,274,174	8,581,586	11,234,835	11,273,048	8,581,586
	Less	-		-			
b)	Interest in suspense	946,488	1,128,934	1,250,339	946,488	1,128,934	1,250,339
c)	Total Non - performing loans and advances (a - b)	10,288,347	10,145,240	7,331,247	10,288,347	10,144,114	7,331,247
	Less	-		-			
d)	Loan loss provisions	3,527,216	3,868,538	3,113,946	3,527,216	3,867,412	3,113,946
e)	Net Non performing loans (c - d)	6,761,131	6,276,702	4,217,301	6,761,131	6,276,702	4,217,301
f)	Discounted Value of SecuritiWes	6,761,131	6,276,702	4,217,301	6,761,131	6,276,702	4,217,301
g)	**Net NPLs Exposure (e - f)**	-	-	-	-	-	-
2	**Insider loans and advances**						
a)	Directors, shareholders and associates	2,008,981	1,320,278	299,836	2,008,981	1,320,278	299,836
b)	Employees	7,770,310	7,681,221	6,634,835	7,770,310	7,681,221	6,634,835
c)	**Total insider loans, advances and other facilities**	9,779,291	9,001,499	6,934,671	9,779,291	9,001,499	6,934,671
3	**Off - Balance Sheet Items**						
a)	Letters of credit,guarantees, acceptances	11,593,258	12,465,919	12,748,534	11,593,258	12,465,919	12,748,534
b)	Forwards, swaps and options	12,476,170	6,913,880	15,475,855	12,476,170	6,913,880	15,475,855
c)	Other contingent liabilities	-	-	-	-	-	-
d)	**Total contingent liabilities**	24,069,428	19,379,799	28,224,389	24,069,428	19,379,799	28,224,389
	Capital strength						
a)	Core capital	55,737,300	51,382,064	46,881,244	53,500,222	51,924,808	44,956,442
b)	Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
c)	Excess/(deficiency)	54,737,300	50,382,064	45,881,244	52,500,222	50,924,808	43,956,442
d)	Supplementary capital	25,308,867	20,880,527	19,141,109	25,308,867	20,845,215	19,141,109
e)	Total capital	81,046,167	72,262,591	66,022,352	78,809,089	72,770,022	64,097,551
f)	Total risk weighted assets	327,391,376	318,532,396	304,952,392	328,021,814	319,614,654	303,957,229
g)	Core capital/total deposit liabilities	19.8%	19.7%	17.5%	19.1%	20.0%	16.9%
h)	Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
i)	Excess/(deficiency)	9.3%	9.2%	7.0%	8.6%	9.5%	6.4%
j)	Core capital/total risk weighted assets	17.0%	16.1%	15.4%	16.3%	16.2%	14.8%
k)	Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
l)	Excess/(deficiency)(j - k)	6.5%	5.6%	4.9%	5.8%	5.7%	4.3%
m)	Total capital/total risk weighted assets	24.8%	22.7%	21.7%	24.0%	22.8%	21.1%
n)	Minimum Statutory Ratio	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%
o)	Excess/(deficiency)(m - n)	10.3%	8.2%	7.2%	9.5%	8.3%	6.6%
5	**Liquidity**						
a)	Liquidity Ratio	38.2%	33.7%	39.0%	37.6%	33.2%	38.5%
b)	Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
c)	Excess/ (deficiency)(a - b)	18.2%	13.7%	19.0%	17.6%	13.2%	18.5%

Key Highlights

- Strong group performance with a Profit Before Tax of Kshs 4.5 Billion for Quarter 1 2017.
- A strong balance sheet growth with an asset base of Kshs 378.5 Billion, an 8% growth over the same period last year.
- Growing customer base to 6.39 million account holders.
- Strong Shareholders funds growth to Khs 63.8 Billion, a 15.4% growth.
- Key gains from continued implementation of the "Soaring Eagle" Transforming Agenda focusing on improved operational efficiencies, cost management and innovative customer delivery systems.

The financial statements were approved by the Directors on 17th May 2017 and signed on its behalf by:

Signed:
S C Muchiri, EBS
Group Chairman

Signed:
Dr.G. Muriuki, MBS
Group Managing Director & CEO

CO-OPERATIVE BANK
We are you

Co-operative Bank of Kenya Limited is Regulated by Central Bank of Kenya