

The Board of Directors are pleased to announce the Un-audited results of the Group and the Bank for the Period ended 30 June 2018

I	STATEMENT OF FINANCIAL POSITION	GROUP				BANK			
		30-Jun-18 KSHS,'000 (Un-audited)	31-Mar-18 KSHS,'000 (Un-audited)	31-Dec-17 KSHS,'000 Audited	30-Jun-17 KSHS,'000 (Un-audited)	30-Jun-18 KSHS,'000 (Un-audited)	31-Mar-18 KSHS,'000 (Un-audited)	31-Dec-17 KSHS,'000 Audited	30-Jun-17 KSHS,'000 (Un-audited)
A	ASSETS								
1	Cash (local and foreign)	6,513,169	7,757,164	8,387,452	8,174,243	6,110,657	7,357,678	7,715,294	7,775,593
2	Balances due from Central Bank Of Kenya	16,709,620	15,392,322	15,872,744	13,620,350	16,709,620	15,392,322	14,826,206	12,471,077
3	Kenya Government and other securities held for dealing purposes	-	-	-	-	-	-	-	-
4	Financial Assets at fair value through profit and loss	151	748,935	639,952	149	151	150	150	149
5.a.a	Investment Securities: Held to Maturity- Kenya Government Securities	51,716,232	49,216,079	43,983,288	47,617,600	51,559,860	49,059,913	43,827,326	47,584,800
5.a.b	Investment Securities: Held to Maturity- Other Securities	-	-	-	-	-	-	-	-
5.b.a	Investment Securities: Available for Sale- Kenya Government Securities	28,468,170	25,743,082	25,256,482	22,899,779	28,431,370	25,702,282	25,256,482	22,899,779
5.b.b	Investment Securities: Available for Sale- Other Securities	2,944,295	3,118,066	3,442,283	3,682,426	2,944,295	3,118,066	3,259,183	3,682,426
6	Deposits and balances due from local banking institutions	3,397,345	718,200	27,382	1,361,661	2,500,655	537,298	61,650	822,104
7	Deposits and balances due from banking institutions abroad	10,055,747	15,305,843	7,702,972	9,924,564	8,296,135	13,945,101	7,678,182	9,742,677
8	Tax recoverable	67,128	18,971	156,695	491,755	49,849	-	207,583	478,620
9	Loans and advances to customers (net)	251,110,256	252,825,045	253,861,644	252,612,566	249,279,734	251,218,576	252,361,773	251,722,643
10	Balances due from banking institutions in the group	-	-	-	-	-	-	-	-
11	Investments in associates	2,272,335	2,214,296	2,143,347	2,440,272	755,118	755,118	755,118	755,118
12	Investments in subsidiary companies	-	-	-	-	2,512,920	2,512,920	2,512,920	2,542,929
13	Investment in joint ventures	-	-	-	-	-	-	-	-
14	Investment in properties	-	-	-	-	-	-	-	-
15	Property, plant and equipment	6,959,656	7,138,135	7,493,574	8,305,024	6,795,353	7,017,605	6,811,963	7,981,132
16	Prepaid lease rentals	36,964	36,964	35,742	36,964	36,964	36,964	35,742	36,964
17	Intangible assets	1,323,922	1,277,445	2,018,875	1,167,426	1,272,161	1,221,569	1,605,973	1,138,858
18	Deferred tax asset	1,104,235	1,107,323	967,124	1,067,507	1,081,823	1,084,911	1,081,823	1,051,197
19	Retirement benefit asset	-	-	-	-	-	-	-	-
20	Other assets	15,747,772	15,175,553	14,868,101	9,924,008	15,090,828	14,465,505	14,832,273	9,400,792
21	TOTAL ASSETS	398,426,995	397,793,423	386,857,657	383,326,294	393,427,494	393,425,978	382,829,640	380,086,859
B	LIABILITIES								
22	Balances due to Central Bank Of Kenya	-	-	3,992,240	-	-	-	3,992,240	-
23	Customer deposits	296,964,959	295,883,527	287,371,708	285,753,364	294,721,240	294,063,823	285,566,236	284,076,973
24	Deposits and balances due to local banking institutions	2,777,354	3,935,535	373,464	1,098,386	2,777,354	3,935,535	423,701	1,098,386
25	Deposits and balances due to banking institutions abroad	416,421	111,410	-	309,211	416,421	111,410	-	309,211
26	Other money market deposits	-	-	-	-	-	-	-	-
27	Borrowed funds	18,425,852	20,654,136	21,163,814	24,341,096	18,425,852	20,654,136	21,163,814	24,341,096
28	Balances due to banking institutions in the group	-	-	-	-	-	-	-	-
29	Tax payable	801	1,201,254	-	16,157	-	1,101,206	-	-
30	Dividends payable	-	-	-	-	-	-	-	-
31	Deferred tax liability	-	-	-	-	-	-	-	-
32	Retirement benefit liability	-	-	-	-	-	-	-	-
33	Other liabilities	11,053,800	7,318,497	3,663,481	7,527,055	10,335,739	6,545,996	3,456,505	6,858,687
34	TOTAL LIABILITIES	329,639,186	329,104,359	316,564,707	319,045,270	326,676,606	326,412,107	314,602,495	316,684,354
C	SHAREHOLDERS' FUNDS								
35	Paid up/Assigned capital	5,867,180	5,867,180	5,867,180	5,867,180	5,867,180	5,867,180	5,867,180	5,867,180
36	Share premium/(discount)	1,911,925	1,911,925	1,911,925	1,911,925	1,911,925	1,911,925	1,911,925	1,911,925
37	Revaluation reserve	1,241,681	1,227,293	1,296,499	1,256,443	1,227,293	1,227,293	1,227,293	1,256,443
38	Retained earnings/ Accumulated losses	59,404,623	55,914,361	55,329,786	55,805,547	56,731,944	53,255,250	53,954,407	53,343,267
39	Statutory Loan Loss Reserve	-	-	718,617	717,844	-	-	717,844	717,844
40	Other Reserves	(878,255)	(2,142,969)	(733,149)	(1,570,997)	541,419	(417,268)	(625,614)	(183,757)
41	Proposed dividends	-	4,693,744	4,693,744	-	-	4,693,744	4,693,744	-
42	Capital grants	471,128	475,747	480,365	489,603	471,128	475,747	480,365	489,603
43	TOTAL SHAREHOLDERS' FUNDS	68,018,281	67,947,281	69,564,967	64,477,546	66,750,889	67,013,872	68,227,145	63,402,505
43.1	Non-Controlling Interest	769,528	741,783	727,983	(196,522)	-	-	-	-
44	TOTAL LIABILITIES & SHAREHOLDERS' FUNDS	398,426,995	397,793,423	386,857,657	383,326,294	393,427,494	393,425,978	382,829,640	380,086,859

II	STATEMENT OF COMPREHENSIVE INCOME	GROUP				BANK			
		30-Jun-18	31-Mar-18	31-Dec-17	30-Jun-17	30-Jun-18	31-Mar-18	31-Dec-17	30-Jun-17
		KSHS.'000 (Un-audited)	KSHS.'000 (Un-audited)	KSHS.'000 Audited	KSHS.'000 (Un-audited)	KSHS.'000 (Un-audited)	KSHS.'000 (Un-audited)	KSHS.'000 Audited	KSHS.'000 (Un-audited)
1.0	INTEREST INCOME								
1.1	Loans and advances	16,132,752	8,350,437	31,942,067	15,264,759	15,961,713	8,273,218	31,724,399	
1.2	Government securities	4,548,123	1,996,143	8,213,551	3,872,374	4,539,345	1,981,744	8,196,148	
1.3	Deposits and placements with banking Institutions	98,819	32,333	217,570	120,698	71,266	32,333	173,122	
1.1	Other Interest Income	-	4,846	-	-	-	-	-	
1.5	Total Interest Income	20,779,695	10,383,759	40,373,188	19,257,831	20,572,323	10,287,296	40,093,669	
2.0	INTEREST EXPENSE								
2.1	Customer deposits	5,364,583	2,656,616	10,846,272	5,215,888	5,344,734	2,656,553	10,809,754	
2.2	Deposits and placements from banking institutions	28,406	17,849	226,222	21,060	28,406	17,849	226,222	
2.3	Other Interest Expenses	572,795	299,791	1,196,725	602,674	572,795	291,778	1,196,725	
2.4	Total Interest Expenses	5,965,784	2,974,255	12,269,219	5,839,621	5,945,934	2,966,180	12,232,701	
3	NET INTEREST INCOME/(LOSS)	14,813,911	7,409,504	28,103,969	13,418,210	14,626,389	7,321,116	27,860,968	
4	NON- INTEREST INCOME								
4.1	Fees and commissions on loans and advances	802,720	403,819	2,599,698	1,370,040	802,720	403,819	2,578,367	
4.2	Other Fees and commissions	4,321,378	2,154,937	7,215,713	3,892,773	3,677,486	1,816,890	6,056,782	
4.3	Foreign exchange trading income/(loss)	1,222,313	752,784	2,230,910	1,243,602	1,128,239	718,924	1,948,921	
4.4	Dividend income	83,287	-	72,876	72,876	83,287	-	72,876	
4.5	Other income	565,417	204,351	1,372,843	526,854	532,053	198,927	1,438,217	
4.6	Total Non-interest income	6,995,115	3,515,892	13,425,040	7,106,144	6,223,784	3,138,560	12,095,163	
5.0	TOTAL OPERATING INCOME	21,809,026	10,925,395	41,596,009	20,524,354	20,850,173	10,459,676	39,956,131	
6.0	OTHER OPERATING EXPENSES								
6.1	Loan loss provision	1,093,122	762,843	3,601,252	1,509,311	1,050,000	750,000	3,547,235	
6.2	Staff costs	5,343,888	2,636,866	10,100,351	4,728,822	5,102,297	2,517,121	9,614,810	
6.3	Directors' emoluments	88,272	19,918	180,790	86,938	63,875	8,073	129,422	
6.4	Rentals charges	850,524	422,282	1,518,200	720,467	790,104	392,888	1,395,356	
6.5	Depreciation charge on property and equipment	846,584	423,068	1,951,040	894,320	840,421	419,935	1,786,069	
6.6	Armortisation charges	271,301	134,554	549,914	248,044	263,428	130,821	499,937	
6.7	Other operating expenses	3,480,824	1,698,691	7,425,728	3,159,331	3,294,515	1,613,925	6,481,120	
6.8	Total other operating expenses	11,974,515	6,098,223	25,327,275	11,347,233	11,404,640	5,832,764	23,453,950	
7	Profit/(Loss) before tax and exceptional items	9,834,512	4,827,172	16,268,734	9,177,121	9,445,532	4,626,912	16,502,181	
8	Exceptional items-Early Retirement Costs	141,326	70,949	129,904	92,299	-	-	-	
8	Exceptional items-Share of profit of associate	-	-	-	-	-	-	-	
9	Profit/(Loss) before tax	9,975,837	4,898,121	16,398,638	9,269,421	9,445,532	4,626,912	16,502,181	
10	Current tax	2,835,677	1,449,855	5,062,299	2,632,009	2,730,001	1,388,074	4,884,784	
11	Deferred tax	-	-	(68,726)	-	-	-	(18,134)	
12	Profit/(loss) after tax and exceptional items	7,140,160	3,448,266	11,405,065	6,637,412	6,715,532	3,238,838	11,635,530	
13.0	OTHER COMPREHENSIVE INCOME:								
13.1	Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-	-	-	-	
13.2	Fair value changes in available-for-sale financial assets	(153,107)	204,346	512,969	(416,166)	1,167,033	208,346	463,219	
13.3	Revaluation Surplus on property, Plant and Equipment	-	-	-	-	-	-	-	
13.4	Share of other comprehensive income of associates	-	-	(49,758)	-	-	-	-	
13.5	Income tax relating to components of other comprehensive income	-	-	-	-	-	-	-	
14	OTHER COMPREHENSIVE INCOME NET OF TAX	(153,107)	204,346	463,211	(416,166)	1,167,033	208,346	463,219	
15	TOTAL COMPREHENSIVE INCOME	6,987,053	3,652,613	11,868,276	6,221,246	7,882,565	3,447,185	12,098,749	
	Basic Earnings per share	1.22	0.59	1.99	1.13	1.14	0.55	1.98	
	Diluted Earnings per share	1.22	0.59	1.99	1.13	1.14	0.55	1.98	
	Dividend per share	-	-	0.80	-	-	-	0.80	

III	OTHER DISCLOSURES	GROUP				BANK			
		30-Jun-18	31-Mar-18	31-Dec-17	30-Jun-17	30-Jun-18	31-Mar-18	31-Dec-17	30-Jun-17
		KSHS,'000 (Un-audited)	KSHS,'000 (Un-audited)	KSHS,'000 Audited	KSHS,'000 (Un-audited)	KSHS,'000 (Un-audited)	KSHS,'000 (Un-audited)	KSHS,'000 Audited	KSHS,'000 (Un-audited)
1	NON PERFORMING LOANS AND ADVANCES								
a)	Gross non-performing loans and advances	28,215,338	28,368,540	18,761,317	12,222,665	28,215,338	28,316,036	18,713,757	12,222,665
	Less								
b)	Interest in suspense	861,331	767,444	948,481	971,548	861,331	764,297	948,481	971,548
c)	Total Non-performing loans and advances (a-b)	27,354,007	27,601,096	17,812,836	11,251,117	27,354,007	27,551,739	17,765,276	11,251,117
	Less								
d)	Loan loss provisions	7,888,289	7,911,348	6,102,049	4,492,687	7,888,289	7,860,970	6,075,833	4,492,687
e)	Net Non performing loans (c-d)	19,465,718	19,689,748	11,710,787	6,758,430	19,465,718	19,690,769	11,689,443	6,758,430
f)	Discounted Value of Securities	13,431,086	14,375,631	7,762,660	6,758,430	13,431,086	14,300,697	7,762,660	6,758,430
g)	Net NPLs Exposure (e-f)	6,034,632	5,314,117	3,948,127	-	6,034,632	5,390,072	3,926,783	-
2	Insider loans and advances								
a)	Directors, shareholders and associates	2,141,814	1,874,459	1,710,045	1,762,155	2,141,814	1,874,459	1,710,045	1,762,155
b)	Employees	7,790,372	7,723,600	7,769,502	7,516,023	7,790,372	7,723,600	7,769,502	7,516,023
c)	Total insider loans, advances and other facilities	9,932,186	9,598,059	9,479,547	9,278,178	9,932,186	9,598,059	9,479,547	9,278,178
3	Off-Balance Sheet Items								
a)	Letters of credit, guarantees, acceptances	14,677,898	18,114,375	17,455,140	17,096,230	14,677,898	18,114,375	17,455,140	17,096,230
b)	Forwards, swaps and options	20,246,519	19,150,703	16,999,006	13,716,121	20,246,519	19,150,703	16,999,006	13,716,121
c)	Other contingent liabilities	-	-	-	-	-	-	-	-
d)	Total contingent liabilities	34,924,418	37,265,077	34,454,145	30,812,351	34,924,418	37,265,077	34,454,145	30,812,351
	Capital strength								
a)	Core capital	59,555,003	57,858,683	56,873,853	55,948,943	58,269,668	56,532,852	58,859,134	55,101,714
b)	Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
c)	Excess/(deficiency)	58,555,003	56,858,683	55,873,853	54,948,943	57,269,668	55,532,852	57,859,134	54,101,714
d)	Supplementary capital	306,823	306,823	22,188,481	24,123,051	306,823	306,823	22,188,481	24,123,051
e)	Total capital (a+d)	59,861,826	58,165,506	79,062,334	80,071,995	58,576,491	56,839,675	81,047,615	79,224,766
f)	Total risk weighted assets	374,038,036	354,973,671	359,980,732	351,116,221	370,855,009	352,500,442	357,310,063	349,271,280
g)	Core capital/total deposit liabilities	20.0%	19.5%	20.0%	19.48%	19.7%	19.1%	20.8%	19.3%
h)	Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
i)	Excess/(deficiency)	12.0%	11.5%	12.0%	11.5%	11.7%	11.1%	12.8%	11.3%
j)	Core capital/total risk weighted assets	15.9%	16.3%	15.8%	15.93%	15.7%	16.0%	16.5%	15.8%
k)	Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
l)	Excess/(deficiency)(j-k)	5.4%	5.8%	5.3%	5.43%	5.2%	5.5%	6.0%	5.3%
m)	Total capital/total risk weighted assets	16.0%	16.4%	22.0%	22.80%	15.8%	16.1%	22.7%	22.7%
n)	Minimum Statutory Ratio	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%
o)	Excess/(deficiency)(m-n)	1.5%	1.9%	7.5%	8.30%	1.3%	1.6%	8.2%	8.2%
p)	Adjusted Core Capital/Total Deposit Liabilities	21.0%	20.6%			20.8%	20.2%		
q)	Adjusted Core Capital/Total Risk Weighted Assets	16.8%	17.2%			16.6%	16.9%		
r)	Adjusted Total Capital/Total Risk Weighted Assets	16.9%	17.3%			16.7%	17.0%		
5	Liquidity								
a)	Liquidity Ratio	37.7%	38.7%	33.8%	35.3%	36.9%	38.4%	33.5%	34.7%
b)	Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
c)	Excess/(deficiency)(a-b)	17.7%	18.7%	13.8%	15.3%	16.9%	18.4%	13.5%	14.7%

The financial statements were approved by the Directors on 15th August 2018 and signed on its behalf by:

Signed: John Murugu, OGW
Chairman

Signed:

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

CO-OPERATIVE BANK OF KENYA LIMITED										
SUMMARY STATEMENT OF CHANGES IN EQUITY										
	Share Capital KShs'000	Share Premium KShs'000	Revaluation Reserve KShs'000	Statutory Reserve KShs'000	Fair Value Reserve KShs'000	Proposed Dividends KShs'000	Retained Earnings KShs'000	Attributable to equity holder of the parent KShs'000	Non-Controlling Interest KShs'000	Total Equity KShs'000
Balance at 1 January 2018	5,867,180	1,911,926	1,296,499	718,617	(733,149)	4,693,744	55,329,786	69,084,603	727,983	69,812,586
Total comprehensive income	-	-	-	-	-	-	7,140,160	7,140,160	41,545	7,181,705
Profit for the year	-	-	-	-	(145,106)	-	-	(199,924)	-	(199,924)
Other comprehensive income	-	-	(54,818)	-	-	-	-	-	-	-
Realisation of revaluation surplus	-	-	-	-	-	-	(3,783,941)	(3,783,941)	-	(3,783,941)
Net movement in revenue grants	-	-	-	-	-	(4,693,744)	-	(4,693,744)	-	(4,693,744)
2017- Dividends paid	-	-	-	-	-	-	718,617	-	-	718,617
Transfers to/(from) statutory reserve	-	-	-	(718,617)	-	-	-	-	-	-
Balance at 30 June 2018	5,867,180	1,911,926	1,241,681	-	(878,255)	-	59,404,623	67,547,155	769,528	68,316,682

CO-OPERATIVE BANK OF KENYA LIMITED			
SUMMARY STATEMENT OF CASHFLOWS			
	Unaudited	Audited	Unaudited
	30-June-2018	30-Dec-2017	30-June-2017
	<u>KShs'000</u>	<u>KShs'000</u>	<u>KShs'000</u>
Net cash flows from operating activities	9,951,690	6,068,852	3,808,101
Net cash flows used in investing activities	(685,902)	(8,327,432)	(2,655,379)
Net cash flows from financing activities	(6,560,215)	2,003,250	(1,426,739)
Net (decrease)/increase in cash and cash equivalents	2,705,574	(255,330)	(274,017)
Cash and cash equivalents at 1 January	16,381,622	16,636,952	16,636,952
Cash and cash equivalents at period end	19,087,196	16,381,622	16,362,935