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 30 June 2019

STATEMENT	OF FINANCIAL	POSITION

				ROUP			BANK		
		30-Jun-19 KSHS.'000 (Un-audited)		KSHS.'000	30-Jun-18 KSHS.'000 (Un-audited)	30-Jun-19 KSHS.'000 (Un-audited)	31-Mar-19 KSHS.'000 (Un-audited)	31-Dec-18 KSHS.'000 Audited	30-Jun-18 KSHS.'000 (Un-audited)
١	ASSETS								,
	Cash (local and foreign) Balances due from	6,190,519	6,125,220	9,809,390	6,513,169	5,722,451	5,687,933	9,064,099	6,110,657
	Central Bank Of Kenya	28,357,486	19,572,813	22,669,211	16,709,620	28,357,486	19,572,813	20,820,071	16,709,620
	Kenya Government and	.,,		, ,	.,,	.,,	.,.,	.,.	.,,
	other securities held for								
ı	dealing purposes	-	-	-	-	-	-	-	-
	Financial Assets at fair value through profit and loss	_	1,069,155	_	151	_	_	_	151
.a.a	Investment Securities:		1,003,133		.5.				.5.
	Held at amortised cost-Kenya								
	Government Securities	63,795,154	71,145,373	49,701,030	51,716,232	63,640,557	70,991,001	49,544,242	51,559,860
a.b.	Investment Securities: Held at amortised cost- Other Securities					_	_		
.b.a	Investment Securities: Fair Value								
	through OCI- Kenya Government								
	Securities	31,175,951	32,781,133	30,572,358	28,468,170	31,147,551	32,749,853	30,572,358	28,431,370
b.b.b	Investment Securities: Fair Value	2.024.202	2 102 100	2 555 201	2.044.205	2.024.202	2 102 100	2 426 271	2.044.205
5	through OCI- Other Securities Deposits and balances due from	2,024,282	2,182,188	2,555,201	2,944,295	2,024,282	2,182,188	2,426,271	2,944,295
	local banking institutions	4,006,174	348,810	7,879,632	3,397,345	2,704,251	181,411	6,997,990	2,500,655
7	Deposits and balances due from								
	banking institutions abroad	12,748,269	14,836,157	10,202,016	10,055,747	10,289,821	12,323,109	10,598,377	8,296,135
3	Tax recoverable Loans and advances to	273,514	15,787	18,173	67,128	257,339	-	-	49,849
9	customers (net)	257,563,635	251,628,561	245,410,302	251,110,256	255,814,491	249,798,926	243,546,383	249 279 734
10	Balances due from banking	237,303,033	231,020,301	243,410,302	231,110,230	233,014,431	243,730,320	243,340,303	243,213,134
	institutions in the group	-	-	-	-	-	-	-	-
1	Investments in associates	2,121,436	2,181,456	2,161,475	2,272,335	939,560	955,118	755,118	755,118
2	Investments in subsidiary companies Investment in joint ventures	-	-	-	-	2,512,920	2,512,920	2,512,920	2,512,920
4	Investment in properties	-	-	-	-	-	_	-	-
5	Property, plant and equipment	5,406,955	5,867,870	6,614,048	6,959,656	5,256,119	5,722,128	5,971,546	6,795,353
6	Prepaid lease rentals	36,964	35,232	35,132	36,964	36,964	35,232	35,132	36,964
17	Intangible assets	2,503,759	2,370,465	2,497,243	1,323,922	2,467,991	2,330,401	2,093,951	1,272,161
8	Deferred tax asset Retirement benefit asset	3,195,079	3,195,079	2,944,937	1,104,235	3,129,344	3,129,344	3,129,344	1,081,823
20	Other assets	10,192,061	12,318,962	20,343,067	15,747,772	9,556,530	11,826,102	20,235,823	15,090,828
21	TOTAL ASSETS		425,674,260			423,857,656			393,427,494
3	LIABILITIES								
22	Balances due to								
23	Central Bank Of Kenya Customer deposits	323,599,694	317,770,079	306,117,046	296,964,959	321,191,201	315 177831	303,753,161	294,721,240
	Deposits and balances due to	323,333,034	317,770,073	300,117,040	230,304,333	321,131,201	313,177,031	303,733,101	234,721,240
	local banking institutions	1,416,171	1,586,886	443,260	2,777,354	1,416,171	1,586,886	839,621	2,777,354
5	Deposits and balances due to								
26	banking institutions abroad Other money market deposits	78,297	564,556	-	416,421	78,297	564,556	-	416,421
27	Borrowed funds	21,465,132	23,731,554	23,949,611	18,425,852	21,465,132	23,731,554	23,949,611	18,425,852
28	Balances due to banking	,,,			,,	,,,			, ,
	institutions in the group	-	-	-	-	-	-	-	-
29	Tax payable	5,355	1,790,242	321,453	801	-	1,735,946	294,555	-
0	Dividends payable Deferred tax liability	-	-	-	-		-	-	-
32	Retirement benefit liability		-	-	-			-	-
3	Other liabilities	10,633,798	6,056,246	11,364,739	11,053,800	9,554,853	5,183,307	11,147,659	10,335,739
4	TOTAL LIABILITIES	357,198,447	351,499,563	342,196,110	329,639,186	353,705,654	347,980,079	339,984,607	326,676,606
: 35	SHAREHOLDERS' FUNDS 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
16	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
7	Revaluation reserve	1,212,531	1,198,143	1,292,736	1,241,681	1,198,143	1,198,143	1,198,143	1,227,293
8	Retained earnings/								
_	Accumulated losses	62,226,613	58,534,408	53,976,280	59,404,623	59,434,539	55,742,221	52,376,127	56,731,944
9	Statutory Loan Loss Reserve Other Reserves	935,514	935,514	1,013,587	(070 255)	935,514	935,514	935,514	- E41.410
40 41	Proposed dividends	(1,600,119)	(1,968,141) 5,867,180	(526,771) 5,867,180	(878,255)	352,048	38,963 5,867,180	(298,942) 5,867,180	541,419 -
12	Capital grants	452,652	457,271	461,890	471,128	452,652	457,271	461,890	471,128
13	TOTAL SHAREHOLDERS' FUNDS	71,006,297	72,803,481	69,864,008	68,018,281	70,152,002	72,018,398	68,319,018	66,750,889
	Non-Controlling Interest	1,386,490	1,371,216	1,353,098	769,528	-	-	-	-
14	TOTAL LIABILITIES & SHAREHOLDERS' FUNDS	420 501 225	425 674 260	412 412 215	200 426 005	422 0F7 CEC	410 000 477	408,303,625	202 427 404
		743,331,433	743,074,400						

П	STATEMENT OF COMPREHENSIVE INCOME											
			GF	OUP			BANK					
		30-Jun-19	31-Mar-19	31-Dec-18	30-Jun-18	30-Jun-19	31-Mar-19	31-Dec-18	30-Jun-18			
		KSHS.'000	KSHS.'000	KSHS.'000	KSHS.'000	KSHS.'000	KSHS.'000	KSHS.'000	KSHS.'000			
		(Un-audited)	(Un-audited)	Audited	(Un-audited)	(Un-audited)	(Un-audited)	Audited	(Un-audited)			
1.0	INTEREST INCOME											
1.1	Loans and advances	14,671,366	7,177,059	32,946,490	16,132,752	14,501,989	7,091,982	32,597,365	15,961,713			
1.2	Government securities	5,532,914	2,785,925	9,789,407	4,548,123	5,521,962	2,762,316	9,769,263	4,539,345			
1.3	Deposits and placements with											
	banking Institutions	221,168	118,856	288,966	98,819	183,874	118,856	218,057	71,266			
1.1	Other Interest Income Total Interest Income		4,597	42.024.052	-							
		20,425,448	10,086,438	43,024,863	20,779,695	20,207,826	9,973,154	42,584,684	20,572,323			
2.0	INTEREST EXPENSE											
2.1	Customer deposits	5,355,826	2,765,763	10,890,477	5,364,583	5,334,818	2,765,621	10,851,097	5,344,734			
2.2	Deposits and placements from											
2.2	banking institutions	20,973	3,178	133,813	28,406	20,973	3,178	133,813	28,406			
2.3	Other Interest Expenses	794,881	389,725	1,215,825	572,795	794,881	380,982	1,215,825	572,795			
2.4	Total Interest Expenses	6,171,680	3,158,665	12,240,115	5,965,784	6,150,672	3,149,781	12,200,735	5,945,934			
3	NET INTEREST INCOME/(LOSS)	14,253,768	6,927,772	30,784,748	14,813,911	14,057,154	6,823,373	30,383,949	14,626,389			
4	NON- INTEREST INCOME											
4.1	Fees and commissions on loans											
	and advances	1,069,094	542,034	575,852	802,720	1,069,094	542,034	575,852	802,720			
4.2	Other Fees and commissions	6,005,175	2,877,061	8,941,686	4,321,378	5,221,354	2,458,056	7,569,878	3,677,486			
4.3	Foreign exchange trading											
	income/(loss)	952,441	637,826	2,284,887	1,222,313	845,484	596,073	2,052,864	1,128,239			
4.4	Dividend income	86,757	-	83,288	83,287	86,757	-	83,288	83,287			
4.5	Other income	638,041	131,792	1,007,790	565,417	610,115	116,401	879,936	532,053			
4.6	Total Non-interest income	8,751,509	4,188,712	12,893,502	6,995,115	7,832,804	3,712,564	11,161,817	6,223,784			
5.0	TOTAL OPERATING INCOME	23,005,277	11,116,485	43,678,250	21,809,026	21,889,958	10,535,937	41,545,767	20,850,173			
6.0	OTHER OPERATING EXPENSES	1 101 163	501.454	1 040 730	1 002 122	1 150 035	404.003	1 025 212	1.050.000			
6.1	Loan loss provision Staff costs	1,181,163	501,454 2,783,907	1,840,728 11,449,964	1,093,122 5,343,888	1,159,835	494,992 2,647,650	1,825,313 10,953,108	1,050,000			
6.3	Directors' emoluments	5,707,042 97,317	2,783,907 17,198	198,843	5,343,888 88,272	5,426,681 73,196	2,647,650 5,583	150,169	5,102,297 63,875			
6.4	Rentals charges	884,807	430,220	1,711,800	850,524	816,438	395,176	1,602,542	790,104			
6.5	Depreciation charge on property	004,007	430,220	1,711,000	030,324	010,430	393,170	1,002,342	750,104			
0.5	and equipment	699,480	342,726	1,817,946	846,584	686,646	336,383	1,612,198	840,421			
6.6	Armortisation charges	260,192	110,545	562,938	271,301	252,286	106,592	489,001	263,428			
6.7	Other operating expenses	3,765,406	1,837,847	8,110,316	3,480,824	3,547,433	1,740,857	7,326,679	3,294,515			
6.8	Total other operating expenses	12,595,406	6,023,896	25,692,535	11,974,515	11,962,514	5,727,232	23,959,011	11,404,640			
7	Profit/(Loss) before tax and	,,	-,,		,,	,,	-,,		,,			
	exceptional items	10,409,871	5,092,588	17,985,715	9,834,512	9,927,444	4,808,705	17,586,756	9,445,532			
8	Exceptional items-Early	.,,	.,,	,,	.,,		, ,	,,	-, -,			
	Retirement Costs		-	-		-	-	-	-			
8	Exceptional items-Share											
	of profit of associate	26,736	19,981	171,416	141,326	-	-	-	-			
9	Profit/(Loss) before tax	10,436,607	5,112,569	18,157,131	9,975,837	9,927,444	4,808,705	17,586,756	9,445,532			
10	Current tax	2,967,127	1,513,460	5,943,318	2,835,677	2,869,032	1,442,612	5,688,303	2,730,001			
11	Deferred tax	-	-	(518,673)	-	-	-	(510,622)	-			
12	Profit/(loss) after tax											
	and exceptional items	7,469,480	3,599,109	12,732,487	7,140,160	7,058,411	3,366,094	12,409,075	6,715,532			
	OTHER COMPREHENSIVE INCOME:											
13.1	Gains/(Losses) from translating the											
	financial statements of foreign											
	operations	-	-	-		-	-	-	-			

		GR	OUP			BANK			
	30-Jun-19 KSHS.'000	31-Mar-19 KSHS,'000	31-Dec-18	30-Jun-18 KSHS,'000	30-Jun-19 KSHS.'000	31-Mar-19 KSHS.'000	31-Dec-18	30-Jun-18 KSHS.'000	
	(Un-audited)	(Un-audited)	KSHS.'000 Audited			(Un-audited)	KSHS.'000 Audited	(Un-audited)	
	(On-addited)	(Oil-auditeu)	Audited	(Oli-auditeu)	(Oil-auditeu)	(Oil-auditeu)	Auditeu	(Oil-auditeu)	
13.4 Share of other comprehensive									
income of associates	-	-	(39,609)	-	-	-	-	-	
13.5 Income tax relating to components									
of other comprehensive income 14 OTHER COMPREHENSIVE	-	-	-	-	-	-	-	-	
INCOME NET OF TAX	365,542	338,305	214.260	(153,107)	650,990	337.905	326,672	1,167,033	
	,- :-		,	(100)101)	,		,	.,,	
15 TOTAL COMPREHENSIVE INCOME	7,835,022	3,937,414	12,946,747	6,987,053	7,709,402	3,703,999	12,735,747	7,882,565	
Basic Earnings per share	1.27	0.61	2.18	1.22	1.20	0.57	2.11	1.14	
Diluted Earnings per share	1.27	0.61	2.18	1.22	1.20	0.57	2.11	1.14	
Dividend per share	-	-	1.00	-	-	-	1.00	-	
III OTHER DISCLOSURES	GROUP BANK								

	Dividend per share	-	-	1.00	-	-	-	1.00	-		
Ш	OTHER DISCLOSURES		GR	OUP		BANK					
		30-Jun-19 KSHS.'000 (Un-audited)	31-Mar-19 KSHS.'000 (Un-audited)	31-Dec-18 KSHS.'000 Audited	30-Jun-18 KSHS.'000 (Un-audited)	30-Jun-19 KSHS.'000 (Un-audited)	31-Mar-19 KSHS.'000 (Un-audited)	31-Dec-18 KSHS.'000 Audited	30-Jun-18 KSHS.'000 (Un-audited)		
1	NON PERFORMING LOANS AND ADVANCES										
a)	Gross non-performing loans and advances Less	30,555,911	29,728,495	29,401,544	28,215,338	29,978,457	29,235,436	28,952,802	28,215,338		
b)	Interest in suspense	4,827,378	4,627,035	4,199,519	861,331	4,786,363	4,597,934	4,199,519	861,331		
c)	Total Non-performing loans and advances (a-b) Less	25,728,533	25,101,460	25,202,025	27,354,007	25,192,094	24,637,502	24,753,283	27,354,007		
d) e)	Loan loss provisions Net Non performing loans (c-d)	10,869,058	10,883,876 14,217,584	9,945,260 15,256,765	7,888,289 19,465,718	10,709,961	10,739,296 13,898,206	9,820,074	7,888,289 19,465,718		
f)	Discounted Value of Securities	14,859,476 14,705,464	13,146,665	13,797,738	13,431,086	14,482,133 14,705,464	13,898,206	14,933,209 13,797,738	13,431,086		
g)	Net NPLs Exposure (e-f)	154,012	1,070,919	1,459,027	6,034,632	(223,331)	751,541	1,135,471	6,034,632		
2	Insider loans and advances										
a)	Directors, shareholders and associates	2,398,569	2,308,869	2,396,946	2,141,814	2,398,569	2,308,869	2,396,946	2,141,814		
b)	Employees	8,841,656	8,586,542	8,425,634	7,790,372	8,841,656	8,585,223	8,425,634	7,790,372		
c)	Total insider loans, advances and other facilities	11,240,225	10,895,411	10,822,580	9,932,186	11,240,225	10,894,092	10,822,580	9,932,186		
3	Off-Balance Sheet Items										
a)	Letters of credit,guarantees,										
b)	acceptances Forwards, swaps and options	23,478,406 13,817,777	27,016,781	19,633,909 8,425,708	14,677,898 20,246,519	23,478,406	27,016,781 11,375,243	19,633,909	14,677,898		
c)	Other contingent liabilities	13,017,777	11,375,243	0,423,700	20,240,319	13,817,777	11,373,243	8,425,708	20,246,519		
d)	Total contingent liabilities	37,296,183	38,392,024	28,059,617	34,924,418	37,296,183	38,392,024	28,059,617	34,924,418		
	Capital strength										
a)	Core capital	62,794,794	60,838,573	59,272,338	59,555,003	58,734,826	56,893,286	55,214,858	58,269,668		
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) d)	Excess/(deficiency) Supplementary capital	61,794,794 1,238,647	59,838,573 1,235,050	58,272,338 1,336,771	58,555,003 306,823	57,734,826 1,235,050	55,893,286 1,235,050	54,214,858 1,235,050	57,269,668 306,823		
e)	Total capital (a+d)	63,033,441	62,073,623	60,609,109	58,861,826	59,969,877	58,128,337	56,449,909	58,576,491		
f)	Total risk weighted assets	392,420,664	390,473,465	370,529,016	374,038,036	389,919,445	388,172,273	367,430,410	370,855,009		
g)	Core capital/total deposit liabilities	19.3%	19.0%	19.3%	19.97%	18.2%	17.9%	18.1%	19.7%		
h)	Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%		
i) j)	Excess/(deficiency) Core capital/total risk weighted assets	11.3% 16.0%	11.0% 15.6%	11.3% 16.0%	12.0% 15.92%	10.2% 15.1%	9.9% 14.7%	10.1% 15.0%	11.7% 15.7%		
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)	5.5%	5.1%	5.5%	5.42%	4.6%	4.2%	4.5%	5.2%		
m)	Total capital/total risk weighted asset	s 16.3%	15.9%	16.4%	16.00%	15.4%	15.0%	15.4%	15.8%		
n)	Minimum Statutory Ratio	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%		
0)	Excess/(deficiency)(m-n)	1.8%	1.4%	1.9%	1.50%	0.9%	0.5%	0.9%	1.3%		
p)	Adjusted Core Capital/Total Deposit Liabilities*	19.8%	19.7%	20.3%	21.04%	18.7%	18.6%	19.1%	20.8%		
q)	Adjusted Core Capital/Total Risk	19.8%	19.7%	20.3%	∠1.04%	10.7%	10.0%	19.1%	20.090		
	Weighted Assets*	16.4%	16.1%	16.8%	16.77%	15.5%	15.2%	15.8%	16.6%		
r)	Adjusted Total Capital/Total Risk	16 70	16.50	17.20	16.050	15.00	15.50	16.30	16 70		
5	Weighted Assets* Liquidity	16.7%	16.5%	17.2%	16.85%	15.8%	15.5%	16.2%	16.7%		
a)	Liquidity Ratio	44.6%	45.2%	41.1%	37.7%	43.5%	44.7%	41.5%	36.9%		
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)	24.6%	25.2%	21.1%	17.7%	23.5%	24.7%	21.5%	16.9%		

*The adjusted capital ratios include the expected credit loss provisions added back to capital in line with the CBK guidance note issued in April 2018 on implementation of IFRS9.

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	the parent		Total Equity KShs'000
Balance at 1 January 2019	5,867,180	1,911,926	1,292,736	1,013,587	(438,162)	5,867,180	53,976,280	69,402,118	1,353,097	70,755,215
Total comprehensive income										
Profit for the year	-	-	-	-	-	-	7,469,480	7,469,480	33,393	7,502,873
Other comprehensive income	-	-	(80,205)	-	(1,161,957)	-	-	(1,153,553)	-	(1,153,553)
Realisation of revaluation surplus	-	-	-	-	-	-	-	-	-	-
Net movement in revenue grants	-	-	-	-	-	-	702,780	702,780	-	702,780
2018- Dividends paid	-	-	-	-	-	(5,867,180)	-	(5,867,180)	-	(5,867,180)
Transfers to(from) statutory reserve	-	-	-	(78,073)	-	-	78,073	-	-	-
Balance at 30 June 2019	5,867,180	1,911,926	1,212,531	935,514	(1,600,119)	-	62,226,613	70,553,645	1,386,490	71,940,136

SUMMARY STATEMENT OF CASHFLOWS

	30-June-2019 KShs'000	31-Dec.2018 KShs'000	30-June-2018 KShs'000	
et cash flows from operating activities	24,996,038	31,917,527	9,951,690	
et cash flows used in investing activities	(17,186,643)	(10,568,318)	(685,902)	
et cash flows from financing activities	(8,837,390)	(5,618,143)	(6,560,215)	
et (decrease)/increase in cash and cash quivalents	(1,027,995)	15,731,066	2,705,574	
ash and cash equivalents at 1 January	32,112,688	16,381,622	16,381,622	
ash and cash equivalents at period end	31,084,693	32,112,688	19,087,196	

Key Highlights

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 1. Strong group performance with a Profit before Tax of Kshs. 10.44 Billion in Q2 2019.

 2. A strong balance sheet growth with an asset base of Kshs. 429.59 Billion.

 3. Key gains from continued implementation of the "Soaring Eagle" Transformation Agenda Innovative delivery systems.

 4. The Bank was recognised both locally and internationally with below awards.

 2018 International Finance Awards
 Best Retail Bank Kenya

 Banker Africa- East Africa Awards
 Best Retail Bank (Kenya), Best SME Bank(Kenya), Best Investment Institution (Kenya)

 African Banking Awards
 Best Bank in Kenya, Best product launch- MCo-op Cash v4.0 update

 Annual Energy Management Awards: Kenya Association of Manufacturers
 Best Bank in Sustainable Finance in Kenya 2019

The financial statements were approved by the Directors on 21st August 2019 and signed on its behalf by:



Signed: Mr. John Murugu, OGW Chairman Signed: Dr. Gideon Muriuki, CBS, MBS Group Managing Director & CEO