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 2020

I STATEMENT OF FINANCIAL POSITION			GROUP		BANK		
	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Dec-19	31-Mar-19	
A ASSETS	KSHS:'000	KSHS:'000	KSHS:'000	KSHS.'000	KSHS:000	KSHS.'000	
1 Cash (local and foreign)	(Un-audited) 7,447,833	Audited 8,959,634	(Un-audited) 6,125,220	(Un-audited) 6,587,152	Audited 8,258,224	(Un-audited) 5,687,933	
 2 Balances due from Central Bank Of Kenya 3 Kenya Government and other securities 	24,937,266	20,069,039	19,572,813	24,937,266	17,135,079	19,572,813	
held for dealing purposes	-		-	-		-	
4 Financial Assets at Fair Value through profit and loss (FVTPL)	-	-	1,069,155	_	-	-	
5.a.a Investment Securities: Held at Amortised	71 061 600	76 071 525		71 700 560	76 710 661	70 001 001	
Cost- Kenya Government Securities a.b Investment Securities: Held at Amortised	71,861,680	76,871,525	71,145,373	71,709,569	76,719,661	70,991,001	
Cost- Other Securities b.a Investment Securities: Fair Value through	-	-	-	-	-	-	
other comprehensive income (-FVOCI)	44.011.400	40.021.155	22 701 122	42 002 000	40.001.155	22 7 40 052	
Kenya Government Securities b.b Investment Securities: Fair Value through	44,011,409	40,931,155	32,781,133	43,993,809	40,931,155	32,749,853	
other comprehensive income(FVOCI)-	1,277,395	1,385,285	2,182,188	1,277,395	1,277,395	2,182,188	
6 Deposits and balances due from local							
banking institutions 7 Deposits and balances due from banking	7,611,298	2,587,663	348,810	5,748,711	346,404	181,411	
institutions abroad 8 Tax recoverable	11,672,930 16,594	7,122,084 16,739	14,836,157 15,787	7,987,509	7,679,913	12,323,109	
9 Loans and advances to customers (net)	276,173,145	266,712,696	251,628,561	274,780,327	265,332,776	249,798,926	
10 Balances due from banking institutions in the group	-	-	-	_	_	-	
11 Investments in associates	1,976,576	2,098,354	2,181,456	706,444	706,444	955,118	
12 Investments in subsidiary companies 13 Investment in joint ventures	-	-	-	2,512,920	2,512,920	2,512,920	
14 Investment in properties	-	-	-	-	-	-	
15 Property, plant and equipment 16 Prepaid lease rentals	9,419,809 34,370	11,421,236 34.522	5,867,870 35,232	9,231,565 34,370	10,519,106 34,522	5,722,128 35,232	
17 Intangible assets	3,228,287	2,708,018	2,370,465	3,194,899	2,242,641	2,330,401	
18 Deferred tax asset 19 Retirement benefit asset	3,312,587	3,214,888	3,195,079	3,275,430	3,275,430	3,129,344	
20 Other assets 21 TOTAL ASSETS	7,428,454	12,876,106	12,318,962	6,850,261	12,644,802	11,826,102	
B LIABILITIES	470,409,633	457,008,940	425,674,260	402,827,020	449,010,472	419,998,477	
22 Balances due to Central Bank Of Kenya 23 Customer deposits	339,566,516	- 332,823,917	317,770,079	- 335,974,045	- 329,378,392	- 315,177,831	
24 Deposits and balances due to local							
banking institutions 25 Deposits and balances due to banking	1,308,385	176,975	1,586,886	1,308,385	734,804	1,586,886	
institutions abroad	402,399	-	564,556	402,399	-	564,556	
26 Other money market deposits 27 Borrowed funds	- 27,404,525	- 26,424,266	- 23,731,554	- 27,404,525	- 26,424,266	- 23,731,554	
28 Balances due to banking institutions in the group	_	_	_	_	_	-	
29 Tax payable	1,560,342	41,092	1,790,242	1,477,291	29,805	1,735,946	
30 Dividends payable 31 Deferred tax liability	-	-	-	-	-	-	
32 Retirement benefit liability	-	-	-	-	-	-	
33 Other liabilities 34 TOTAL LIABILITIES	16,622,465 386,864,632	16,685,807 376,152,056	6,056,246 351,499,563	15,679,855 382,246,499	15,961,221 372,528,487	5,183,307 347,980,079	
C SHAREHOLDERS' FUNDS							
35 Paid up/Assigned capital 36 Share premium/(discount)	5,867,180 1,911,925	5,867,180 1,911,925	5,867,180 1,911,925	5,867,180 1,911,925	5,867,180 1,911,925	5,867,180 1,911,925	
37 Revaluation reserve	1,351,679 66,936,740	1,388,931	1,198,143 58,534,408	1,351,679	1,351,679	1,198,143	
38 Retained earnings/Accumulated losses 39 Statutory Loan Loss Reserve	1,757,475	62,402,380 1,639,892	935,514	63,440,174 1,757,475	60,096,268 1,603,621	55,742,221 935,514	
40 Other Reserves 41 Proposed dividends	(2,119,592) 5,867,180	(185,720) 5,867,180	(1,968,141) 5,867,180	(53,282) 5,867,180	(53,282) 5,867,180	38,963 5,867,180	
42 Capital grants	438,795	443,414	457,271	438,795	443,414	457,271	
43 TOTAL SHAREHOLDERS' FUNDS 43.1 Non-Controlling Interest	82,011,382 1,533,618	79,335,183 1,521,708	72,803,481 1,371,216	80,581,126	77,087,985	72,018,398	
44 TOTAL LIABILITIES & SHAREHOLDERS' FUNDS			425,674,260	462 927 626		410 009 477	
II STATEMENT OF COMPREHENSIVE INCO		437,008,940	423,074,200 GROUP	402,027,020	449,010,472 BANK	415,550,477	
	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Dec-19	31-Mar-19	
	KSHS.'000 (Un-audited)	KSHS.'000 Audited	KSHS.'000 (Un-audited)	KSHS.'000 (Un-audited)	KSHS.'000 Audited	KSHS:'000 (Un-audited)	
1.0 INTEREST INCOME	, í						
1.1 Loans and advances 1.2 Government securities	7,550,820 2,870,983	31,778,944 11,354,128	7,177,059 2,785,925	7,495,095 2,864,793	31,512,218 11,331,331	7,091,982 2,762,316	
1.3 Deposits and placements with							
banking Institutions 1.1 Other Interest Income	117,330 457	506,406	118,856 4,597	84,786	414,183	118,856	
1.5 Total Interest Income	10,539,590	43,639,479	10,086,438	10,444,674	43,257,731	9,973,154	
2.0 INTEREST EXPENSE 2.1 Customer deposits	2,628,228	10,661,045	2,765,763	2,628,116	10,621,407	2,765,621	
2.2 Deposits and placements from							
banking institutions 2.3 Other Interest Expenses	10,157 382,705	110,551 1,564,552	3,178 389,725	10,157 377,926	110,551 1,564,552	3,178 380,982	
2.4 Total Interest Expenses	3,021,090	12,336,147	3,158,665	3,016,199	12,296,510	3,149,781	
3 NET INTEREST INCOME/(LOSS) 4 NON- INTEREST INCOME	7,518,500	31,303,331	6,927,772	7,428,475	30,961,222	6,823,373	
4.1 Fees and commissions on	617706	2 2 2 0 6 4 0	F 4 2 0 2 4	617706	2 177 270	542.024	
loans and advances 4.2 Other Fees and commissions	617,786 3,768,266	3,228,648 9,588,986	542,034 2,877,061	617,786 3,339,300	3,177,370 8,139,026	542,034 2,458,056	
4.3 Foreign exchange trading income/(loss)	504,098	2,148,844	637,826	462,954	1,933,761	596,073	
4.4 Dividend income 4.5 Other income	133 93,359	86,755 2,103,429	- 131,792	- 76,156	86,755 2,029,739	- 116,401	
4.6 Total Non-interest income	4,983,642	17,156,662	4,188,712	4,496,196	15,366,652	3,712,564	
5.0 TOTAL OPERATING INCOME 6.0 OTHER OPERATING EXPENSES	12,502,142	48,459,993	11,116,485	11,924,671	46,327,874	10,535,937	
6.1 Loan loss provision	900,000	2,539,071	501,454	900,000	2,459,898	494,992	
6.2 Staff costs 6.3 Directors' emoluments	3,480,566 19,171	12,374,217 201,701	2,783,907 17,198	3,339,801 6,900	11,847,149 150,487	2,647,650 5,583	
6.4 Rentals charges	216,048	721,910	430,220	186,340	707,561	395,176	
6.5 Depreciation charge on property and equipment	641,504	2,645,291	342,726	633,376	2,482,465	336,383	
6.6 Armortisation charges	169,509	595,085	110,545	168,186	568,654	106,592	
6.7 Other operating expenses 6.8 Total other operating expenses	1,836,025 7,262,824	8,717,000 27,794,275	1,837,847 6,023,896	1,744,823 6,979,425	7,785,594 26,001,809	1,740,857 5,727,232	
7 Profit/(Loss) before tax and exceptional items	5,239,319	20,665,718	5,092,588	4,945,246	20,326,064	4,808,705	
8 Exceptional items-Early Retirement Costs	-	20,000,718	J,UJZ,D00 -	+,5+5,240	- 20,520,004	-,000,705 -	
8 Exceptional items-Share of profit of associate 9 Profit/(Loss) before tax		40,035 20,705,753	19,981 5,112,569	4,945,246	- 20,326,064	4,808,705	
10 Current tax	<u>5,117,673</u> 1,528,934	6,547,494	1,513,460	4,945,246	6,282,523	4,808,705	
11 Deferred tax 12 Profit/(loss) after tax and		(152,988)	-	-	(211,887)	-	
12 Profit/(loss) after tax and exceptional items	3,588,739	14,311,247	3,599,109	3,497,760	14,255,428	3,366,094	

II STATEMENT OF COMPREHENSIVE INCOME		GROUP	BANK			
	31-Mar-20 KSHS.'000 (Un-audited)	31-Dec-19 KSHS.'000 Audited	31-Mar-19 KSHS.'000 (Un-audited)	31-Mar-20 KSHS.'000 (Un-audited)	31-Dec-19 KSHS.'000 Audited	31-Mar-19 KSHS.'000 (Un-audited)
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 13.3 Revaluation Surplus on property,	(3,840)	225,020	338,305	-	245,660	337,905
Plant and Equipment 13.4 Share of other comprehensive	-	153,536	-	-	153,536	-
income of associates	-	39,886	-	-	-	-
13.5 Income tax relating to components of other comprehensive income	-	-	-	-	-	-
14 OTHER COMPREHENSIVE INCOME NET OF TAX	(3,840)	418,442	338,305	_	399,196	337,905
15 TOTAL COMPREHENSIVE INCOME Basic Earnings per share	3,584,899 0.61	14,729,689 2.48	3,937,414 0.61	3,497,760 0.60	14,654,623 2.43	3,703,999 0.57
Diluted Earnings per share Dividend per share	0.61	2.48 2.48 1.00	0.61	0.60	2.43 2.43 1.00	0.57
III OTHER DISCLOSURES			GROUP		BANK	
	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Dec-19	31-Mar-19
	KSHS.'000 (Un-audited)	KSHS.'000 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	31,825,017	31,618,456	29,728,495	31,317,040	31,155,503	29,235,436
Less b) Interest in suspense	- 5,480,834	5,103,895	- 4,627,035	5,392,524	5,033,184	4,597,934
c) Total Non-performing loans and advances (a-b) Less	26,344,183	26,514,561	25,101,460	25,924,516	26,122,319	24,637,502
d) Loan loss provisions	11,949,149	11,262,003	10,883,876	11,834,307	11,150,017	10,739,296
e) Net Non performing loans (c-d)f) Discounted Value of Securities	14,395,034 11,741,545	15,252,558 15,252,558	14,217,584 13,146,665	14,090,209 11,741,545	14,972,302 14,972,302	13,898,206 13,146,665
g) Net NPLs Exposure (e-f)	2,653,489	- 15,252,556	1,070,919	2,348,664	14,972,302	751,541
2 Insider loans and advances	_,,		.,,	_,,		
 a) Directors, shareholders and associates b) Employees 	6,163,789 9,169,647	6,454,598 9,117,557	2,308,869 8,586,542	6,163,789 9,169,647	6,454,598 9,117,557	2,308,869 8,585,223
c) Total insider loans, advances and other facilities	15,333,436	15,572,155	10,895,411	15,333,436	15,572,155	
3 Off-Balance Sheet Items	-,,	-,- ,	-,,	-,,	-,- ,	.,,.
a) Letters of credit,guarantees, acceptancesb) Forwards, swaps and options	26,030,595 12,649,488	25,276,943 6,812,807	27,016,781 11,375,243	26,030,595 12,649,488	25,276,943 6,812,807	27,016,781 11,375,243
c) Other contingent liabilitiesd) Total contingent liabilities	- 38,680,082	- 32,089,750	- 38,392,024	- 38,680,082	- 32,089,750	- 38,392,024
4 Capital strength	50,000,002	52,005,750	30,332,024	30,000,002	52,005,750	30,332,024
a) Core capital	68,929,354	67,310,007	60,838,573	64,360,845	62,770,438	56,893,286
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)d) Supplementary capital	67,929,354 2,095,395	66,310,007 1,987,124	59,838,573 1,235,050	63,360,845 2,095,395	61,770,438 1,941,541	55,893,286 1,235,050
e) Total capital	71,024,750	69,297,131	62,073,623	66,456,240	64,711,979	58,128,337
f) Total risk weighted assets	440,653,750		390,473,465	437,351,505	410,346,536	388,172,273
 g) Core capital/total deposit liabilities h) Minimum Statutory Ratio 	20.2% 8.0%	20.2% 8.0%	19.0% 8.0%	19.1% 8.0%	19.0% 8.0%	17.9% 8.0%
i) Excess/(deficiency)	12.2%	12.2%	11.0%	11.1%	11.0%	9.9%
j) Core capital/total risk weighted assets	15.6%	16.3%	15.6%	14.7%	15.3%	14.7%
k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
 I) Excess/(deficiency)(j-k) m) Total capital/total risk weighted assets 	5.1% 16.1%	5.8% 16.8%	5.1% 15.9%	4.2% 15.2%	4.8% 15.8%	4.2% 15.0%
n) Minimum Statutory Ratio	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%
o) Excess/(deficiency)(m-n)	1.6%	2.3%	1.4%	0.7%	1.3%	0.5%
 p) Adjusted Core Capital/Total Deposit Liabilities A directed Core Capital/Total Direct 	20.0%	20.2%	19.7%	18.9%	19.0%	18.6%
 q) Adjusted Core Capital/Total Risk Weighted Assets r) Adjusted Total Capital/Total Rick 	15.5%	16.3%	16.1%	14.6%	15.3%	15.2%
 r) Adjusted Total Capital/Total Risk Weighted Assets 5 Liquidity 	15.9%	16.8%	16.5%	15.1%	15.8%	15.5%
a) Liquidity Ratio	49.0%	46.2%	45.2%	47.5%	44.8%	44.7%
						20.0%
b) Minimum Statutory Ratio c) Excess/ (deficiency)(a-b)	20.0% 29.0%	20.0%	20.0%	20.0%	20.0% 24.8%	20.0%

*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.

Key Highlights

- 1. Strong group performance with a Profit Before Tax of Kshs.5.12 Billion in Q1 2020.
- 2. A strong balance sheet growth with an asset base of Kshs.470.41 Billion.
- 3. Key gains from continued implementation of the 'Soaring Eagle' Transformation Agenda focusing on improved operational efficiencies;

- Cost Management and Innovative delivery systems.

4. The Bank has restructured a total of Kshs.15.3B loans in response to COVID-19.

The financial statements were approved by the Directors on 20th May 2020 and signed on its behalf by:



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

