

Report of Independent Auditors

Notice of Annual General Meeting

REPORT ON THE FINANCIAL STATEMENTS

We have audited the consolidated and bank's financial statements of The Co-operative Bank of Kenya Limited and its subsidiaries, which comprise the statements of financial position as at 31 December, 2014 and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act and for such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free of material misstatements, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated and bank's financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated and bank's financial statements present fairly, in all material respects, the consolidated and bank's financial position of The Co-operative Bank of Kenya Limited and subsidiaries as at 31 December, 2014, and its consolidated and bank's financial performance and its consolidated and bank's cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act.

REPORT ON OTHER LEGAL REQUIREMENTS

The Kenyan Companies Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- In our opinion, proper books of account have been kept by the group and the bank, so far as appears from our examination of those books;
- The group's and the bank's statements of financial position and statements of comprehensive income are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Joseph K. Cheboror Practicing Certificate No. 1145.

Nairobi



Certified Public Accountants (Kenya)

Nairobi

31st March 2015

NOTICE IS HEREBY GIVEN that the seventh (7th) Annual General Meeting of the shareholders of THE CO-OPERATIVE BANK OF KENYA LIMITED will be held at the Bomas of Kenya Nairobi on Wednesday, 27th May 2015 at 11.00 a.m. for the transaction of the following business:

ORDINARY BUSINESS

- To read the notice convening the meeting and determine if a quorum is present.
- To receive and consider, and, if approved adopt the Audited Financial Statements of the Company for the financial year ended 31st December 2014 together with the Directors' and Auditors' report thereon.
- To approve and declare a first and final dividend of KShs. 0.50 per share in respect of the year ended 31st December 2014, to be paid to the shareholders on the register as at close of business on 28th May 2015.
- To elect Directors:
 - Mr. Julius Sitienei being a director appointed under Article 104A of the Company's Articles under which the majority and strategic shareholder of the Company, - Co-opholdings Co-operative Society Limited nominates to the Board of the Company seven (7) directors, is retiring by rotation and being eligible offers himself for re-election in accordance with Article 100 of the Company's Articles of Association. Co-opholdings Co-operative Society Limited has already nominated him for re-election.
 - In accordance with article 100 of the Company's Articles of Association, Mrs. Rose Simani is due for retirement by rotation and being eligible offers herself for re-election.
 - In accordance with article 100 of the Company's Articles of Association, Mr. Donald Kibera is due for retirement by rotation and does not offer himself for re-election.
 - Election of two additional directors under Articles 79 and 100A.
- To authorize the Board to fix the Directors' remuneration.
- To re-appoint Ernst and Young, Auditors of the Company, having expressed their willingness to continue in office and to authorize the directors to fix their remuneration.

SPECIAL BUSINESS

- To consider and, if thought fit pass the following resolution as a Special Resolution:

"That the Articles of Association of the Company be amended as follows:

 - By deleting Article 83A and replacing it with the following: -

83A. The Directors of the Company shall at all times include the Principal Secretary to the National Treasury of Kenya. The Principal Secretary may nominate an alternate from the National Treasury of Kenya, which alternate shall not at the same time be the holder of the position of director in a Company that carries on business in competition with the Company.
 - By deleting Article 108 and replacing it with the following: -

108. The Directors may elect from any amongst them, a Chairman and Vice-Chairman for their meetings and determine the period for which they are each to hold office, but if no such Chairman or Vice-Chairman is elected, or if at any meeting neither the Chairman nor the Vice-Chairman is present within thirty minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting."

ANY OTHER BUSINESS

- To transact any other business, which may be properly transacted at an Annual General Meeting.

Dated at Nairobi this 28th day of April 2015

By order of the Board,

ROSEMARY MAJALA GITHAIGA (Mrs.)

COMPANY SECRETARY

NB: In accordance with section 136 (2) of the Companies Act (Cap 486, Laws of Kenya) every member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on his behalf and the proxy need not be a member of the Company.

In accordance with Article 56A and 133 of the Company's Articles of Association the Annual report and Financial statements of the Company are available on our website www.co-opbank.co.ke and an abridged version of the financial statements has been published in the daily newspapers.