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 September 2018

I STATEMENT OF FINANCI	AL POSITIO	N	GROUP					BANK						GROUP					BANK		
	30-Sep-18 KSHS.'000	30-Jun-18 KSHS.'000	31-Mar-18 KSHS.'000	31-Dec-17 KSHS.'000	30-Sep-17 KSHS.'000	30-Sep-18 KSHS.'000	30-Jun-18 KSHS.'000	31-Mar-18 KSHS.'000	31-Dec-17 KSHS.'000			30-Sep-18 KSHS.'000	30-Jun-18 KSHS.'000	31-Mar-18 KSHS.'000	31-Dec-17 KSHS.'000	30-Sep-17 KSHS.'000	30-Sep-18 KSHS.'000	30-Jun-18 KSHS.'000	31-Mar-18 KSHS.'000	31-Dec-17 KSHS.'000	30-Sep-17 KSHS.'000
A ASSETS	(Un-audited)	((,		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)		(Un-audited)	9 Profit/(Loss) before tax	(Un-audited) 14,645,646	(Un-audited) 9,975,837	(Un-audited) 4,898,121	Audited 16,398,638	(Un-audited) 13,737,886	(Un-audited) 13,879,249	(Un-audited) 9,445,532	(Un-audited) 4,626,912	Audited 16,502,181	(Un-audited) 13,215,655
1 Cash (local and foreign) 2 Balances due from	5,787,174	6,513,169	7,757,164	8,387,452	5,935,454	5,242,488	6,110,657	7,357,678	7,715,294		10 Current tax 11 Deferred tax	4,331,710	2,814,410	1,449,855	5,062,299 (68,726)	4,201,626	4,163,775	2,730,001	1,388,074	4,884,784 (18,134)	4,083,751
Central Bank Of Kenya 3 Kenya Government and other securities held for dealing purposes	17,535,439	16,709,620	15,392,322	15,872,744	18,165,922	17,535,439	16,709,620	15,392,322	14,826,206	16,902,535	12 Profit/(loss) after tax and exceptional items	10,313,936	7,161,427	3,448,266	11,405,065	9,536,259	9,715,474	6,715,532	3,238,838		9,131,904
4 Financial Assets at fair value through profit and loss		151	748.935	639,952	149		151	150	150	149	13.0 OTHER COMPREHENSIVE INCOME:										
5.a.a Investment Securities: Held to Maturity -			,	,							13.1 Gains/(Losses) from translating the financial statements of foreign operations	-									-
Kenya Government Securities 5.a.b Investment Securities:	51,291,702	51,716,232	49,216,079	43,983,288	46,468,771	51,135,122	51,559,860	49,059,913	43,827,326	46,312,993	13.2 Fair value changes in available - for-sale financial assets	(379,188)	(153,107)	204,346	512,969	(423,177)	856,245	1,167,033	208,346	463,219	687,380
Held to Maturity- Other Securities 5.b.a Investment Securities: Available for Sale -	-	-	-	-			-	-	-	-	 13.3 Revaluation Surplus on property, Plant and Equipment 13.4 Share of other comprehensive 	-	-	-	-	-	-	-	-	-	-
Kenya Government Securities 5.b.b Investment Securities:	31,955,850	28,468,170	25,743,082	25,256,482	21,621,128	31,922,250	28,431,370	25,702,282	25,256,482	21,578,328	income of associates 13.5 Income tax relating to component	- nts	-	-	(49,758)	-	-	-		-	-
Available for Sale- Other Securities 6 Deposits and balances due		2,944,295	3,118,066	3,442,283	3,099,261	2,564,188	2,944,295	3,118,066	3,259,183		of other comprehensive income 14 O THER COMPREHENSIVE INCOME NET OF TAX	(379,188)	(153,107)	204,346	463,211	(423,177)	856,245	1,167,033	208,346	463,219	687,380
from local banking institutions 7 Deposits and balances due from banking institutions abroad	2,870,721 13,621,313	3,397,345	718,200 15,305,843	27,382 7,702,972	910,865	1,867,703	2,500,655 8,296,135	537,298 13,945,101	61,650 7,678,182		15 TOTAL COMPREHENSIVE INCOME Basic Earnings per share	9,934,749	7,008,321	3,652,613 0.59	11,868,276	9,113,082	10,571,719	7,882,565	3,447,185 0.55	12,098,749	9,819,284
8 Tax recoverable	16,444	67,128	18,971	156,695	23,536	-	49,849	-	207,583	-	Diluted Earnings per share Dividend per share	1.76	1,22	0.59	1.99 0.80	1.63	1.66	1.14	0.55	1.98 0.80	1.56
9 Loans and advances to customers (net) 10 Balances due from banking	254,206,736	251,110,256	252,825,045	253,861,644	259,389,953	252,258,336	249,279,734	251,218,576	252,361,773	258,142,389	III OTHER DISCLOSURES			GROUP					BANK		
institutions in the group 11 Investments in associates	2,262,956	2.272.335	2.214.296	2.143.347	2.435.514	- 755,118	- 755,118	- 755,118	- 755,118	- 755,118		30-Sep-18	30-Jun-18	31-Mar-18	31-Dec-17	30-Sep-17	30-Sep-18	30-Jun-18	31-Mar-18	31-Dec-17	30-Sep-17
12 Investments in subsidiary companies			-	-	-	2,512,920	2,512,920	2,512,920	2,512,920	2,542,929	1 NON PERFORMING LOANS	(Un-audited)	(Un-audited)	(Un-audited)	KSHS.'000 Audited	KSHS.'000 (Un-audited)	KSHS.'000 (Un-audited)	(Un-audited)	(Un-audited)	KSHS.'000 Audited	KSHS.'000 (Un-audited)
13 Investment in joint ventures 14 Investment in properties	-	-	-	-	-		-	-	-	-	AND ADVANCES a) Gross non-performing										
15 Property, plant and equipment	6,886,353 36,964	6,959,656 36,964	7,138,135 36.964	7,493,574 35,742	7,637,282 37,570	6,778,205 36,964	6,795,353	7,017,605 36,964	6,811,963 35,742	7,506,703 37,570	loans and advances Less b) Interest in suspense	29,674,487 - 998.180	28,215,338 - 861.331	28,368,540 - 767,444	18,761,317 - 948.481	16,931,341 - 897,372	29,325,312 - 982,534	28,215,338 - 861,331	28,316,036 - 764,297	18,713,757 - 948,481	16,931,3 41 - 897,372
16 Prepaid lease rentals 17 Intangible assets	1,336,327	1,323,922	1,277,445	2,018,875	1,316,711	1,288,680	36,964 1,272,161	1,221,569	1,605,973	1,159,108	c) Total Non-performing loans and advances (a-b)	28,676,307	27,354,007	27,601,096	17,812,836	16,033,969	28,342,778	27,354,007			16,033,969
18 Deferred tax asset 19 Retirement benefit asset	1,104,235	1,104,235	1,107,323	967,124	1,212,222	1,081,823	1,081,823	1,084,911	1,081,823	1,195,912	Less d) Loan loss provisions	9,917,831	7,888,289	7,911,348	6,102,049	5,559,896	9,799,813	7,888,289	7,860,970	6,075,833	5,559,896
20 Other assets 21 TOTAL ASSETS	12,676,487 404,152,889	15,747,772 398,426,995	15,175,553 397,793,423	14,868,101 386,857,657	8,920,561 388,299,393	12,020,979 398,614,957	15,090,828 393,427,494	14,465,505 393,425,978	14,832,273 382,829,640	8,311,394 384,464,971	e) Net Non performing loans (c-d) f) Discounted Value of Securities	18,758,476 15,009,173	19,465,718 13,431,086	19,689,748 14,375,631	11,710,787 7,762,660	10,474,073 7,762,660	18,542,965 14,318,237	19,465,718 13,431,086	19,690,769 14,300,697	11,689,443 7,762,660	10,474,073 5,874,076
B LIABILITIES 22 Balances due to Central											g) Net NPLs Exposure (e-f) 2 Insider loans and advances	3,749,302	6,034,632	5,314,117	3,948,127	2,711,413	4,224,728	6,034,632	5,390,072	3,926,783	4,599,997
Bank Of Kenya 23 Customer deposits	296,084,279	- 296,964,959	295,883,527	3,992,240 287,371,708	- 288,964,029	- 293,838,520	294,721,240	- 294,063,823	3,992,240 285,566,236	- 287,165,775	 a) Directors, shareholders and associates b) Employees 	2,305,155 8,126,052	2,141,814 7,790,372	1,874,459 7,723,600	1,710,045 7.769.502	1,749,423 7.649.814	2,305,155 8,126,052	2,141,814 7,790,372	1,874,459 7.723.600	1,710,045 7,769,502	1,749,423 7.649.814
24 Deposits and balances due to local banking institutions	1,023,049	777,354	3,935,535	373,464	645,666	1,023,049	777,354	3,935,535	423,701	645,666	c) Total insider loans, advances and other facilities	10,431,207	9,932,186	9,598,059	9,479,547	9,399,237	10,431,207	9,932,186	9,598,059	9,479,547	9,399,237
25 Deposits and balances due to banking institutions abroad	497,395	416,421	111,410	-	580,713	497,395	416,421	111,410	-	580,713	Off-Balance Sheet Items a) Letters of credit, guarantees,										
26 Other money market deposits 27 Borrowed funds	25,981,412	20,425,852	20,654,136	21,163,814	27,989,100	25,981,412	20,425,852	20,654,136	21,163,814	27,989,100	acceptances b) Forwards, swaps and options	12,849,027 13,649,707	14,677,898 20,246,519	18,114,375 19,150,703	17,455,140 16,999,006	18,408,462 19,160,579	12,849,027 13,649,707	14,677,898 20,246,519	18,114,375 19,150,703	17,455,140 16,999,006	18,408,462 19,160,579
28 Balances due to banking institutions in the group	-	-	-	-	-	-	-	-	-	-	c) Other contingent liabilitiesd) Total contingent liabilities	26,498,734	- 34,924,418	- 37,265,077	34,454,145	37,569,041	26,498,734	34,924,418	37,265,077	34,454,145	37,569,041
29 Tax payable 30 Dividends payable	44,530	801	1,201,254	-	134,894	37,944	-	1,101,206	-	90,590	4 Capital strength a) Core capital	61,236,359	59,555,003	57,858,683	56,873,853	57,427,964	59,765,020	58,269,668	56,532,852	58,859,134	56,336,807
31 Deferred tax liability 32 Retirement benefit liability	-	-	-	-	-	-	-	-	-	-	 b) Minimum Statutory Capital c) Excess/(deficiency) d) Supplementary capital 	1,000,000 60,236,359 310,420	1,000,000 58,555,003 306,823	1,000,000 56,858,683 306,823	1,000,000 55,873,853 22,188,481	1,000,000 56,427,964 24,027,324	1,000,000 58,765,020 306.823	1,000,000 57,269,668 306,823	1,000,000 55,532,852 306,823	1,000,000 57,859,134 22,188,481	1,000,000 55,336,807 24.027,324
33 Other liabilities 34 TOTAL LIABILITIES	8,820,843 332,451,508	11,053,800 329,639,186	7,318,497 329,104,359	3,663,481 316,564,707	2,823,816 321,138,218	7,801,213 329,179,532	10,335,739 326,676,606	6,545,996 326,412,107	3,456,505 314,602,495	2,048,703 318,520,547	e) Total capital (a+d) f) Total risk weighted assets	60,546,779 371,096,943	58,861,826 374,038,036	58,165,506	79,062,334 359,980,732	81,455,288 360,148,745	60,071,843 367,782,969	58,576,491	56,839,675	81,047,615	80,364,131 360,913,526
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	5,867,180	5,867,180	 g) Core capital/total deposit liabilities h) Minimum Statutory Ratio i) Excess/(deficiency) 	8.0% 12.6%	20.0% 8.0% 12.0%	19.5% 8.0% 11.5%	20.0% 8.0% 12.0%	19.8% 8.0% 11.8%	20.2% 8.0% 12.2%	19.7% 8.0% 11.7%	19.1% 8.0% 11.1%	20.8% 8.0% 12.8%	19.5% 8.0% 11.5%
36 Share premium/(discount) 37 Revaluation reserve	1,911,925 1,241,681	1,911,925 1,241,681	1,911,925 1,227,293	1,911,925 1,296,499	1,911,925 1,256,443	1,911,925 1,227,293	1,911,925 1,227,293	1,911,925 1,227,293	1,911,925 1,227,293	1,911,925 1,256,443	j) Core capital/total risk weighted assets	16.5%	15.9%	16.3%	15.8%	15.9%	16.3%	15.7%	16.0%	16.5%	15.6%
38 Retained earnings/ Accumulated losses	62,500,219	59,404,623	55,914,361	55,329,786	58,688,130	59,731,887	56,731,944	53,255,250	53,954,407	56,102,882	 k) Minimum Statutory Ratio l) Excess/(deficiency)(j-k) m) Total capital/total risk 	10.5% 6.0%	10.5% 5.4%	10.5% 5.8%	10.5% 5.3%	10.5% 5.4%	10.5% 5.8%	10.5% 5.2%	10.5% 5.5%	10.5% 6.0%	10.5% 5.1%
39 Statutory Loan Loss Reserve 40 Other Reserves	(1,101,136)	(878,255)	(2,142,969)	718,617 (733,149)	717,844 (1,593,608)	230,631	- 541,419	(417,268)	717,844 (625,614)	717,844 (401,453)	weighted assets n) Minimum Statutory Ratio o) Excess/(deficiency)(m-n)	16.6% 14.5% 2.1%	16.0% 14.5% 1.5%	16.4% 14.5% 1.9%	22.0% 14.5% 7.5%	22.6% 14.5% 8.1%	16.3% 14.5% 1.8%	15.8% 14.5% 1.3%	16.1% 14.5% 1.6%	22.7% 14.5% 8.2%	22.3% 14.5% 7.8%
41 Proposed dividends 42 Capital grants	466,509	- 471,128	4,693,744 475,747	4,693,744 480,365	- 489,603	466,509	- 471,128	4,693,744 475,747	4,693,744 480,365	489,603	p) Adjusted Core Capital/ Total Deposit Liabilities	21.6%	21.0%	20.6%			21.3%	20.8%	20.2%		
43 TOTAL SHAREHOLDERS' FUNDS 43.1 Non-Controlling Interest	70,886,378 815.004	68,018,281 769,528	67,947,281 741,783	69,564,967 727,983	67,337,517 (176,342)		66,750,889	67,013,872	68,227,145	65,944,424	 q) Adjusted Core Capital/ Total Risk Weighted Assets r) Adjusted Total Capital/ 	17.3%	16.8%	17.2%			17.1%	16.6%	16.9%		
44 TOTAL LIABILITIES & SHAREHOLDERS' FUNDS	404,152,889	398,426,995	397,793,423	386,857,657			393,427,494	393,425,978	382,829,640	384,464,971	Total Risk Weighted Assets 5 Liquidity a) Liquidity Ratio	17.4% 41.7%	16.9% 37.7%	17.3% 38.7%	33.8%	35.0%	17.2% 40.7%	16.7% 36.9%	17.0% 38.4%	33.5%	34.2%
II STATEMENT OF COMPR	EHENSIVE	INCOME	GROUP					BANK			b) Minimum Statutory Ratio c) Excess/(deficiency)(a-b)	20.0%	20.0% 17.7%	20.0% 18.7%	20.0%	20.0% 15.0%	20.0%	20.0% 16.9%	20.0%	20.0% 13.5%	20.0%
	30-Sep-18 KSHS.'000	KSHS.'000	31-Mar-18 KSHS.'000	31-Dec-17 KSHS.'000	KSHS.'000	KSHS.'000	KSHS.'000	31-Mar-18 KSHS.'000	KSHS.'000	KSHS.'000	SUMMARY STATEMENT OF	CHANGES	IN EQUITY								
1.0 INTEREST INCOME 1.1 Loans and advances	(Un-audited)	(Un-audited)	(Un-audited)	Audited	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	Audited	(,	-		Share Revaluemium Res	ation Statutor serve Reserv		Foreign Curren Translation Reser KShs'0	ve Dividends		tributable to equity holder of the parer KShs'00	nt Intere	
1.2 Government securities	23,771,144 6,948,603	16,132,752 4,548,123	8,350,437 1,996,143	31,942,067 8,213,551	23,583,760 6,120,500	23,502,620 6,934,654	15,961,713 4,539,345	8,273,218 1,981,744	31,724,399 8,196,148	23,463,920 6,084,512	-	67,180 1,91				KSNs'0	4,693,744		69,084,603		
Deposits and placements with banking Institutions Other Interest Income	171,878 -	98,819	32,333 4,846	217,570	148,563	129,009	71,266	32,333	173,122	148,563	Profit for the year Other comprehensive income	-	- (54,	818)	(367,987)		-	10,313,936	10,313,936 (422,805		1 10,400,957 (422,805)
1.5 Total Interest Income 2.0 INTEREST EXPENSE	30,891,625	20,779,695	10,383,759	40,373,188	29,852,823	30,566,283	20,572,323	10,287,296	40,093,669	29,696,995	Realisation of revaluation surplus Net movement in revenue grants 2017- Dividends paid	-		-			(4,693,744)	(3,862,120)	(3,862,120 (4,693,744		(3,862,120) (4,693,744)
2.1 Customer deposits 2.2 Deposits and placements from	8,215,325	5,364,583	2,656,616	10,846,272	8,088,929	8,187,698	5,344,734	2,656,553	10,809,754	8,069,460	Transfers to(from) statutory reserve	- 67,180 1,91	,926 1,241,	- (718,61 681	7) - • (1,101,136)		-	718,617 62,500,219	70,419,870	-	4 71,234,874
banking institutions 2.3 Other Interest Expenses	47,721 885,239	28,406 572,795	17,849 299,791	1,196,725	912,735	47,721 885,239	28,406 572,795	17,849 291,778	1,196,725	912,735	SUMMARY STATEMENT OF	CASHFLOV	/S								
2.4 Total Interest Expenses 3 NET INTEREST INCOME/(LOSS)	9,148,286 21,743,340	5,965,784 14,813,911	2,974,255 7,409,504		9,083,805 20,769,018	9,120,658 21,445,626	5,945,934 14,626,389		12,232,701 27,860,968	9,064,337 20,632,658			naudited ept-2018	Audited 31-Dec-2017	Unau 30-Sept-						
4 NON- INTEREST INCOME 4.1 Fees and commissions on loans and advances	1,303,469	802.720	403.819	2.599.698	1,854,823	1,303,469	802.720	403.819	2.578.367	1,854,823	Net cash flows from operating activities	7	KShs'000 ,344,268	KShs'000 6,068,852	7,584						
4.2 Other Fees and commissions 4.3 Foreign exchange trading	6,588,821	4,321,378	2,154,937	7,215,713	5,993,729	5,560,140	3,677,486	1,816,890	6,056,782	5,174,236	Net cash flows used in investing activities Net cash flows from financing activities Net (decrease)/increase in cash and cash		904,597) 931,817 ,371,489	(8,327,432) 2,003,250 (255,330)	(2,947 (1,426 3,210	i,739)					
income/(loss) 4.4 Dividend income	1,750,240 83,288	1,222,313 83,287	752,784 -	2,230,910 72,876	1,540,116 72,876	1,603,398 83,288	1,128,239 83,287	718,924	1,948,921 72,876	1,387,878 72,876	Cash and cash equivalents at 1 January Cash and cash equivalents at 30 Septem	16	,381,622 753,111	16,636,952 16,381,622	16,636 19,84 7	5,952					
4.5 Other income 4.6 Total Non-interest income	850,144 10,575,962	565,417 6,995,115	204,351 3,515,892	1,372,843 13,492,040	679,145 10,140,690	801,983 9,352,277	532,053 6,223,784	198,927 3,138,560	1,438,217 12,095,163		Key Highlights										
5.0 TOTAL OPERATING INCOME 6.0 OTHER OPERATING EXPENSES	32,319,302	21,809,026	10,925,395	41,596,009	30,909,708	30,797,902	20,850,173	10,459,676	39,956,131	29,794,204	Strong group performan	nce with a Pr	ofit before 1	Tax of Kshs.	14.65 Billio	n in Q3 201	18.				
6.1 Loan loss provision 6.2 Staff costs	1,272,602 8,109,470	1,093,122 5,343,888	762,843 2,636,866	3,601,252 10,100,351	2,562,065 7,224,041	1,200,000 7,740,996	1,050,000 5,102,297	750,000 2,517,121	3,547,235 9,614,810		2. A strong balance sheet growth with an asset base of Kshs.404.15 Billion.										
6.3 Directors' emoluments 6.4 Rentals charges	119,869 1,280,814	88,272 850,524	19,918 422,282	180,790 1,518,200	103,759 1,119,352	89,031 1,192,962	63,875 790,104	8,073 392,888	129,422 1,395,356	71,955 1,044,667	Cost Management and Innovative delivery systems.										
6.5 Depreciation charge on property and equipment	1,238,152	846,584	423,068	1,951,040	1,338,472	1,225,215	840,421	419,935	1,786,069	1,328,221	4. International Recognition by the Banker Africa-East Africa Award 2018 where the bank was declared as; a) Best Retail Bank in Kenya										
6.6 Armortisation charges 6.7 Other operating expenses	397,657 5,387,039	271,301 3,480,824	134,554 1,698,691	549,914 7,425,728	379,141 4,544,086	397,221 5,073,229	263,428 3,294,515	130,821 1,613,925	499,937 6,481,120	367,331 4,327,078	b) Best SME Bank in Ker	nya	w/2								
6.8 Total other operating expenses 7 Profit/(Loss) before tax and exceptional items	17,805,603 14,513,698	9,834,512		25,327,275	17,270,916		9,445,532		23,453,950 16,502,181		c) Best Investment Instit	lulion in Ker	iyd								
8 Exceptional items-Early Retirement Costs		-10341312	.,021,112	,200,734		-	-,,,,,,,,,,	.,020,312	-,502,101	,,	The financial statements were 14th November 2018 and significant to the statement of the st			tors on	e	a C	D-U	PFR/	ATIV	E BA	NK
8 Exceptional items-Share of profit of associate	131,948	141,326	70,949	129,904	99,093		-	-	-	-	Signed: Mr. John Murugu, O	GW Chairm	an	Nirocto- C. C	BAI	NK			We are yo	ou	
											Signed: Dr. Gideon Muriuki, (cas Group	viariaging L	mector & C	EU The Co	o-operative Bar	ıк ot Kenya Ltd	is Licensed and	d Regulated by	tne Central Ba	ink of Kenya.