

The Board of Directors are pleased to announce the Un-audited results of the Group and the Bank for the Period ended 30 June 2012



	GROUP				BANK			
	30-Jun-12 KSHS.'000 (Un-audited)	31-Mar-12 KSHS.'000 (Un-audited)	31-Dec-11 KSHS.'000 Audited	30-Jun-11 KSHS.'000 (Un-audited)	30-Jun-12 KSHS.'000 (Un-audited)	31-Mar-12 KSHS.'000 (Un-audited)	31-Dec-11 KSHS.'000 Audited	30-Jun-11 KSHS.'000 (Un-audited)
<b>1 BALANCE SHEET</b>								
<b>A ASSETS</b>								
1 Cash (local and foreign)	4,842,723	6,459,134	6,072,339	4,938,097	4,842,723	6,367,316	6,072,333	4,840,291
2 Balances due from Central Bank Of Kenya	11,379,723	9,767,005	8,078,710	10,266,253	11,379,723	9,767,005	8,078,710	10,266,253
3 Kenya Government securities	17,928,277	17,856,028	16,986,558	30,053,937	17,769,022	17,664,750	16,796,156	30,053,937
4 Foreign Currency Treasury bills and bonds	-	-	-	-	-	-	-	-
5 Deposits and balances due from local banking institutions	3,296,055	911,524	1,746,714	1,435,521	3,172,039	911,524	1,719,694	1,435,521
6 Deposits and balances due from banking institutions abroad	5,589,684	4,088,989	5,718,021	4,682,484	5,589,684	4,088,989	5,718,021	4,682,484
7 Government and other securities held for dealing purposes	4,819,204	4,907,779	5,219,834	4,832,698	4,819,204	4,907,779	5,218,959	4,832,698
8 Tax recoverable	5,225	-	-	-	-	-	-	-
9 Loans and advances to customers (net)	112,605,484	113,582,567	109,408,815	95,116,120	112,605,484	113,582,567	109,408,815	95,116,120
10 Investment Securities	31,029	31,029	31,029	32,129	31,029	31,029	31,029	32,129
11 Balances due from group companies	-	-	-	-	-	-	-	2,243
12 Investments in associates	1,086,324	1,149,662	1,028,160	456,403	755,118	755,118	755,118	321,052
13 Investments in subsidiary companies	-	-	-	-	240,000	240,000	280,000	280,000
14 Investment in joint ventures	-	-	-	-	-	-	-	-
15 Investment in properties	-	-	-	-	-	-	-	-
16 Property and equipment	9,474,069	9,068,054	8,683,473	6,791,579	9,466,393	9,058,067	8,672,350	6,778,683
17 Prepaid lease rentals	39,478	39,478	39,478	39,787	39,478	39,478	39,478	39,787
18 Intangible assets	581,339	600,189	613,042	547,724	323,038	346,691	359,197	293,455
19 Deferred tax asset	845,036	845,036	844,996	376	844,600	844,600	844,600	-
20 Retirement benefit asset	-	-	-	-	-	-	-	-
21 Other assets	5,176,984	4,694,221	3,840,431	5,600,051	5,091,070	4,642,748	3,775,685	5,334,512
<b>22 TOTAL ASSETS</b>	<b>177,700,634</b>	<b>174,000,697</b>	<b>168,311,601</b>	<b>164,793,158</b>	<b>176,968,606</b>	<b>173,247,662</b>	<b>167,772,389</b>	<b>164,306,920</b>
<b>B LIABILITIES</b>								
23 Balances due to Central Bank Of Kenya	-	-	-	-	-	-	-	-
24 Customer deposits	145,682,875	145,930,577	142,632,308	130,711,834	145,682,875	145,930,577	142,704,593	130,711,834
25 Deposits and balances due to local banking institutions	1,906,186	984,020	1,881,284	4,937,857	1,906,186	984,020	1,881,284	4,937,857
26 Deposits and balances due to foreign banking institutions	294	1,030	-	3,210,463	294	1,030	-	3,210,463
27 Other money market deposits	-	-	-	-	-	-	-	-
28 Borrowed funds	164,241	381,688	227,563	245,681	164,241	381,688	227,563	245,681
29 Balances due to group companies	1,630	-	-	-	-	-	2,986	-
30 Tax payable	201,020	450,240	63,702	217,743	197,920	446,637	65,054	239,262
31 Dividends payable	-	-	-	-	-	-	-	-
32 Deferred tax liability	-	-	-	278,843	-	-	-	278,843
33 Retirement benefit liability	-	-	-	-	-	-	-	-
34 Other liabilities	3,624,497	2,126,866	1,960,125	5,112,804	3,538,548	2,042,742	1,919,291	5,015,797
<b>35 Total liabilities</b>	<b>151,580,743</b>	<b>149,874,421</b>	<b>146,764,980</b>	<b>144,715,225</b>	<b>151,490,063</b>	<b>149,786,693</b>	<b>146,800,771</b>	<b>144,639,736</b>
<b>C SHAREHOLDERS' EQUITY</b>								
36 Paid up/assigned capital	4,190,844	3,492,370	3,492,370	3,492,370	4,190,844	3,492,370	3,492,370	3,492,370
37 Share premium/(discount)	3,588,262	4,286,736	4,286,736	4,286,736	3,588,262	4,286,736	4,286,736	4,286,736
38 Revaluation reserve	369,514	369,514	369,514	476,833	339,526	339,526	339,526	346,783
39 Retained earnings/ Accumulated losses	17,061,897	13,665,949	11,075,778	10,886,411	16,568,994	13,149,361	10,654,898	10,730,955
40 Statutory Loan Loss Reserve	205,978	205,978	205,978	204,954	205,978	205,978	205,978	204,954
41 Proposed dividends	-	1,396,948	1,396,948	-	-	1,396,948	1,396,948	-
42 Capital grants	584,939	590,051	595,163	605,386	584,939	590,051	595,163	605,386
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>26,001,433</b>	<b>24,007,545</b>	<b>21,422,487</b>	<b>19,952,690</b>	<b>25,478,542</b>	<b>23,460,969</b>	<b>20,971,618</b>	<b>19,667,184</b>
43.1 Non-Controlling Interest	118,459	118,731	124,134	125,243	-	-	-	-
<b>44 TOTAL LIABILITIES &amp; SHAREHOLDERS' FUNDS</b>	<b>177,700,635</b>	<b>174,000,697</b>	<b>168,311,601</b>	<b>164,793,159</b>	<b>176,968,606</b>	<b>173,247,662</b>	<b>167,772,389</b>	<b>164,306,920</b>

II PROFIT AND LOSS ACCOUNTS	GROUP				BANK			
	30-Jun-12	31-Mar-12	31-Dec-11	30-Jun-11	30-Jun-12	31-Mar-12	31-Dec-11	30-Jun-11
	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	11,070,906	5,608,896	13,292,373	6,021,301	11,070,906	5,608,896	13,292,373	6,021,301
1.2 Government securities	1,174,796	454,741	3,005,299	1,240,346	1,162,461	448,477	2,988,616	1,240,346
1.3 Deposits and placements with banking Institutions	752,468	15,956	93,044	15,262	752,468	15,956	93,044	15,262
1.4 Other Interest Income	-	-	-	7,323	-	-	-	929
1.5 Total Interest Income	12,998,171	6,079,593	16,390,715	7,284,232	12,985,835	6,073,330	16,374,032	7,277,838
2.0 INTEREST EXPENSE								
2.1 Customer deposits	4,501,958	2,374,823	3,851,297	1,255,935	4,501,958	2,374,823	3,851,297	1,255,935
2.2 Deposits and placements from banking institutions	322,166	140,258	457,079	73,216	322,166	140,258	457,079	73,216
2.3 Other Interest Expenses	729,357	67,217	197,538	-	729,357	67,217	197,538	-
2.4 Total Interest Expenses	5,553,481	2,582,298	4,505,915	1,329,151	5,553,481	2,582,298	4,505,915	1,329,151
3.0 NET INTEREST INCOME/(LOSS)	7,444,690	3,497,296	11,884,801	5,955,081	7,432,354	3,491,032	11,868,118	5,948,687
4.0 NON- OPERATING INCOME								
4.1 Fees and commissions on loans and advances	525,537	195,762	1,432,047	195,793	525,537	195,762	1,432,047	195,793
4.2 Other Fees and commissions	2,301,429	1,169,495	4,133,611	2,329,250	2,195,721	1,121,387	3,875,935	2,204,298
4.3 Foreign exchange trading income/(loss)	618,622	303,328	1,013,213	534,834	618,622	303,328	1,013,213	534,834
4.4 Dividend income	52,127	-	20,325	19,855	52,127	-	20,325	19,855
4.5 Other income	539,971	432,992	(148,145)	296,479	539,971	432,992	(138,813)	267,358
4.6 Total Non-interest income	4,037,686	2,101,576	6,451,051	3,376,211	3,931,978	2,053,468	6,202,708	3,222,138
5.0 TOTAL OPERATING INCOME	11,482,376	5,598,872	18,335,851	9,331,292	11,364,332	5,544,500	18,070,825	9,170,825
6.0 OTHER OPERATING EXPENSES								
6.1 Loan loss provision	498,003	250,001	709,903	402,574	498,003	250,001	709,903	402,574
6.2 Staff costs	3,066,664	1,449,164	5,511,355	2,549,525	3,020,719	1,426,711	5,418,058	2,524,967
6.3 Directors' emoluments	46,365	11,537	100,472	43,597	37,093	7,145	81,551	35,711
6.4 Rentals charges	374,441	186,766	692,363	264,502	370,111	184,654	683,501	264,502
6.5 Depreciation charge on property and equipment	454,598	311,271	1,120,187	582,225	452,153	309,756	1,116,023	581,138
6.6 Amortisation charges	63,663	32,104	119,099	56,787	63,269	31,907	117,323	56,393
6.7 Other operating expenses	2,082,235	1,012,669	3,873,854	1,377,171	2,050,484	999,016	3,776,698	1,313,505
6.8 Total other operating expenses	6,585,969	3,253,513	12,127,233	5,276,381	6,491,832	3,209,191	11,903,057	5,178,790
7.0 Profit/(Loss) before tax and exceptional items	4,896,407	2,345,359	6,208,618	4,054,911	4,872,500	2,335,309	6,167,769	3,992,034
8.0 Exceptional items-Share of profit of associate	110,291	121,502	153,943	90,196	-	-	-	-
9.0 Profit/(Loss) before tax	5,006,698	2,466,862	6,362,562	4,145,107	4,872,500	2,335,309	6,167,769	3,992,034
10 Current tax	983,647	510,300	1,206,870	839,624	974,500	505,107	1,188,370	823,446
11 Deferred tax	-	-	(206,910)	-	-	-	(206,944)	-
12 Profit/(loss) after tax and exceptional items	4,023,051	1,956,562	5,362,602	3,305,483	3,898,000	1,830,203	5,186,343	3,168,588
13 Minority interest share	(2,321)	(2,849)	5,390	7,063	-	-	-	-
14 Profit/(loss) after tax, exceptional items and minority int	4,025,372	1,959,411	5,357,212	3,298,420	3,898,000	1,830,203	5,186,343	3,168,588
Earnings per share	0.96	0.56	1.54	0.95	0.93	0.52	1.49	0.91
Dividend per share	-	-	0.40	-	-	-	0.40	-

III OTHER DISCLOSURES

	GROUP				BANK			
	30-Jun-12 KSHS.'000 (Un-audited)	31-Mar-12 KSHS.'000 (Un-audited)	31-Dec-11 KSHS.'000 Audited	30-Jun-11 KSHS.'000 (Un-audited)	30-Jun-12 KSHS.'000 (Un-audited)	31-Mar-12 KSHS.'000 (Un-audited)	31-Dec-11 KSHS.'000 Audited	30-Jun-11 KSHS.'000 (Un-audited)
<b>I. NON PERFORMING LOANS AND ADVANCES</b>								
a) Gross non-performing loans and advances	5,995,030	5,659,678	5,207,834	5,091,026	5,995,030	5,659,678	5,207,834	5,091,026
Less								
b) Interest in suspense	867,364	833,177	1,070,677	1,051,930	867,364	833,177	1,070,677	1,051,930
c) Total Non-performing loans (a-b)	5,127,666	4,826,501	4,137,157	4,039,096	5,127,666	4,826,501	4,137,157	4,039,096
Less								
d) Loan loss provisions	2,977,520	2,752,372	2,393,782	2,584,975	2,977,520	2,752,372	2,393,782	2,584,975
e) Net Non-performing loans (c-d)	2,150,146	2,074,129	1,743,375	1,454,121	2,150,146	2,074,129	1,743,375	1,454,121
f) Realizable Value of Securities	2,150,146	1,985,795	2,291,098	2,506,593	2,150,146	1,985,795	2,291,098	2,506,593
g) Net NPLs Exposure (e-f)	-	88,334	-	1,052,472	-	88,334	-	1,052,472
<b>2. Insider loans and advances</b>								
a) Directors, Shareholders and associates	150,366	147,308	150,036	132,739	150,366	147,308	150,036	132,739
b) Employees	5,189,096	5,054,685	4,777,870	4,396,664	5,189,096	5,054,685	4,777,870	4,396,664
c) Total insider loans, Advances and Other Facilities	5,339,462	5,201,993	4,927,906	4,529,403	5,339,462	5,201,993	4,927,906	4,529,403
<b>3. Off-Balance Sheet Items</b>								
a) Letters of credit, guarantees, acceptances	14,510,212	13,294,541	14,962,504	13,636,482	14,510,212	13,294,541	14,962,504	13,636,482
b) Other contingent liabilities	-	-	-	-	-	-	-	-
c) Total contingent liabilities	14,510,212	13,294,541	14,962,504	13,636,482	14,510,212	13,294,541	14,962,504	13,636,482
<b>4. Capital strength</b>								
a) Core capital					24,100,326	23,069,848	22,103,269	17,515,414
b) Minimum Statutory Capital					700,000	700,000	700,000	500,000
c) Excess/( deficiency)					23,400,326	22,369,848	21,403,269	17,015,414
d) Supplementary capital					455,100	472,547	518,422	537,330
e) Total capital (a+d)					24,555,426	23,542,395	22,621,691	18,052,744
f) Total risk weighted assets					139,561,802	141,027,102	137,792,005	120,072,748
g) Core capital/total deposit liabilities					16.3%	15.7%	15.3%	13.3%
h) Minimum Statutory Ratio					8.0%	8.0%	8.0%	8.0%
i) Excess/( deficiency)					8.3%	7.7%	7.3%	5.3%
j) Core capital/total risk weighted assets					17.3%	16.4%	16.0%	14.6%
k) Minimum Statutory Ratio					8.0%	8.0%	8.0%	8.0%
l) Excess/( deficiency)(j-k)					9.3%	8.4%	8.0%	6.6%
m) Total capital/total risk weighted assets					17.6%	16.7%	16.4%	15.0%
n) Minimum Statutory Ratio					12.0%	12.0%	12.0%	12.0%
o) Excess/( deficiency)(m-n)					5.6%	4.7%	4.4%	3.0%
<b>4. Liquidity</b>								
a) Liquidity Ratio					28.1%	25.6%	27.2%	37.9%
b) Minimum Statutory Ratio					20.0%	20.0%	20.0%	20.0%
c) Excess/( deficiency)(a-b)					8.1%	5.6%	7.2%	17.9%

The above are extracts of the financial statements and records of the institution.

Signed: S C Muchiri, EBS  
Group Chairman

Signed:

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

**CO-OPERATIVE BANK OF KENYA LIMITED**  
**GROUP CASH FLOW STATEMENT**

	30-Jun-12	31-Dec-11
	Kshs'000	Kshs'000
<b>a. CASH FLOWS FOR THE PERIOD TO 30TH JUNE 2012</b>		
Cash generated from / (used in) operations	5,556,009	(5,604,969)
Taxation Paid	(1,125,345)	(1,287,217)
<b>Net cash generated from / (used in) operating activities</b>	<b>4,430,664</b>	<b>(6,892,186)</b>
<b>b. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(1,342,208)	(3,477,625)
Purchase of intangible assets	(26,874)	(116,323)
Purchase of other investments	-	9,316,977
Proceeds from disposal of property and equipment	-	9,589
<b>Net cash used in investing activities</b>	<b>(1,369,082)</b>	<b>5,732,618</b>
<b>c. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(1,396,948)	(1,396,948)
Loans received	-	122,000
Loans repaid	-	(32,993)
<b>Net cash used in financing activities</b>	<b>(1,396,948)</b>	<b>(1,307,941)</b>
<b>INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,789,979</b>	<b>(1,180,292)</b>
<b>CASH AND CASH EQUIVALENTS AS AT 1ST JANUARY</b>	<b>14,708,942</b>	<b>15,793,370</b>
Foreign Exchange Gain	567,148	95,864
<b>CASH AND CASH EQUIVALENTS</b>	<b>18,066,069</b>	<b>14,708,942</b>

THE CO-OPERATIVE BANK OF KENYA LIMITED AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2012

	Share Capital		Share Revaluation Reserve		Statutory Reserve		Fair value Reserve		Proposed Dividends		Retained Earnings		Attributable to equity holder of the company		Non-controlling interest		Total equity
	Share Capital	Premium	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Dividends	Earnings	Equity holder of the company	Non-controlling interest	Total equity				
<b>Balance at 1 January 2012</b>	3,492,370	4,286,736	369,514	205,978	(3,066,163)	1,396,948	14,141,941	20,827,324	124,134	20,951,457							
Total comprehensive income:																	
<i>Profit for the year</i>	-	-	-	-	-	-	4,023,051	4,023,051	(5,675)	4,017,376							
<i>Other comprehensive income</i>	-	-	-	-	1,948,856	-	1,948,856	1,948,856	-	1,948,856							
Reversal through income statement	-	-	-	-	-	-	-	-	-	-							
Bonus shares issued from Share Premium	698,474	(698,474)	-	-	-	-	-	-	-	-							
Realisation of revaluation surplus	-	-	-	-	-	-	-	-	-	-							
Deferred tax on realisation of revaluation surplus	-	-	-	-	-	-	-	-	-	-							
Net movement in revenue grants for the year	-	-	-	-	-	-	14,212	14,212	-	14,212							
Transfers to revenue reserve	-	-	-	-	-	-	-	-	-	-							
2011-Dividends paid	-	-	-	-	-	(1,396,948)	(1,396,948)	(1,396,948)	-	(1,396,948)							
Proposed dividends	-	-	-	-	-	-	-	-	-	-							
<b>Balance at 31 December 2012</b>	<b>4,190,844</b>	<b>3,588,262</b>	<b>369,514</b>	<b>205,978</b>	<b>(1,117,307)</b>	<b>-</b>	<b>18,179,204</b>	<b>25,416,494</b>	<b>118,459</b>	<b>25,534,953</b>							