

The Board of Directors of are pleased to announce the Un-audited results of the Group and the Bank for the Period ended 30 June 2011



	GROUP			BANK				
	30-Jun-11 KSHS.'000 (Un-audited)	31-Mar-11 KSHS.'000 (Un-audited)	31-Dec-10 KSHS.'000 Audited	30-Jun-10 KSHS.'000 (Un-audited)	30-Jun-11 KSHS.'000 (Un-audited)	31-Mar-11 KSHS.'000 (Un-audited)	31-Dec-10 KSHS.'000 Audited	30-Jun-10 KSHS.'000 (Un-audited)
<b>1 BALANCE SHEET</b>								
<b>A ASSETS</b>								
1 Cash (local and foreign)	4,938,097	4,807,994	5,298,211	3,634,264	4,840,291	4,615,148	5,298,211	3,634,264
2 Balances due from Central Bank Of Kenya	10,266,253	10,398,955	8,735,266	9,795,933	10,266,253	10,398,955	8,735,266	9,795,933
3 Kenya Government securities	30,053,937	11,192,513	30,328,966	24,046,950	30,053,937	11,093,322	30,327,210	24,046,950
4 Foreign Currency Treasury bills and bonds	-	-	-	-	-	-	-	-
5 Deposits and balances due from local banking institutions	1,435,521	3,894,770	1,958,487	2,111,602	1,435,521	3,894,770	1,887,890	2,072,493
6 Deposits and balances due from banking institutions abroad	4,682,484	8,614,320	4,783,367	6,277,241	4,682,484	8,614,320	4,783,367	6,277,241
7 Government and other securities held for dealing purposes	4,832,698	24,888,678	4,030,262	5,775,689	4,832,698	24,888,678	3,938,876	5,637,673
8 Tax recoverable	-	-	-	-	-	-	-	-
9 Loans and advances to customers (net)	95,116,120	91,512,500	86,618,311	70,029,048	95,116,120	91,512,500	86,618,311	70,040,602
10 Investment Securities	32,129	32,129	32,129	54,319	32,129	32,129	32,129	54,319
11 Balances due from group companies	-	-	-	-	-	-	-	-
12 Investments in associates	456,403	121,090	256,441	-	-	-	21,245	-
13 Investments in subsidiary companies	-	-	-	-	321,052	121,090	121,090	-
14 Investment in joint ventures	-	-	-	-	280,000	280,000	280,000	250,000
15 Investment in properties	-	-	-	-	-	-	-	-
16 Property and equipment	6,791,579	6,444,047	6,355,794	5,993,947	6,778,683	6,434,577	6,345,695	5,970,646
17 Prepaid lease rentals	39,787	39,938	40,091	40,401	39,787	39,938	40,091	40,401
18 Intangible assets	547,724	567,877	586,939	551,312	293,455	307,860	333,422	295,704
19 Deferred tax asset	376	376	-	79,610	-	-	-	78,644
20 Retirement benefit asset	-	-	-	-	-	-	-	-
21 Other assets	5,600,052	6,937,729	5,315,727	5,167,127	5,334,512	6,870,883	5,220,730	5,127,849
22 <b>TOTAL ASSETS</b>	<b>164,793,159</b>	<b>169,452,916</b>	<b>154,339,991</b>	<b>133,557,444</b>	<b>164,306,920</b>	<b>169,104,170</b>	<b>153,983,533</b>	<b>133,322,718</b>
<b>B LIABILITIES</b>								
23 Balances due to Central Bank Of Kenya	-	-	2,699,244	-	-	-	2,699,244	-
24 Customer deposits	130,711,834	135,954,244	123,878,422	109,651,330	130,711,834	135,954,244	124,012,039	109,747,538
25 Deposits and balances due to local banking institutions	4,937,857	2,302,228	2,649,047	997,016	4,937,857	2,302,228	2,649,047	997,016
26 Deposits and balances due to foreign banking institutions	3,210,463	-	-	628,832	3,210,463	-	-	628,832
27 Other money market deposits	-	-	-	-	-	-	-	-
28 Borrowed funds	245,681	4,560,740	138,556	203,974	245,681	4,560,740	138,556	203,974
29 Balances due to group companies	-	-	-	-	-	-	-	-
30 Tax payable	217,743	583,050	175,582	69,130	239,262	572,385	171,120	70,142
31 Dividends payable	-	-	-	-	-	-	-	-
32 Deferred tax liability	278,843	132,939	134,177	-	278,843	132,939	132,940	-
33 Retirement benefit liability	-	-	-	-	-	-	-	-
34 Other liabilities	5,112,804	3,818,375	4,068,854	4,021,322	5,015,797	3,775,823	3,960,712	3,920,353
35 <b>Total liabilities</b>	<b>144,715,225</b>	<b>147,351,576</b>	<b>133,743,882</b>	<b>115,571,605</b>	<b>144,639,736</b>	<b>147,298,359</b>	<b>133,781,080</b>	<b>115,567,855</b>
<b>C SHAREHOLDERS' EQUITY</b>								
36 Paid up/assigned capital	3,492,370	3,492,370	3,492,370	3,492,370	3,492,370	3,492,370	3,492,370	3,492,370
37 Share premium/(discount)	4,286,736	4,286,736	4,286,736	4,286,736	4,286,736	4,286,736	4,286,736	4,286,736
38 Revaluation reserve	476,833	476,833	376,771	366,836	346,783	346,783	346,783	354,039
39 Retained earnings/ Accumulated losses	10,886,411	11,492,724	10,103,975	8,898,384	10,730,955	11,464,114	9,859,051	8,792,866
40 Statutory Loan Loss Reserve	204,954	204,954	204,954	203,019	204,954	204,954	204,954	203,019
41 Proposed dividends	-	1,396,948	1,396,948	-	-	1,396,948	1,396,948	-
42 Capital grants	605,386	613,906	615,611	625,833	605,386	613,906	615,611	625,833
43 <b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>19,952,690</b>	<b>21,964,471</b>	<b>20,477,365</b>	<b>17,873,177</b>	<b>19,667,184</b>	<b>21,805,811</b>	<b>20,202,453</b>	<b>17,754,863</b>
43.1 Non-Controlling Interest	125,243	136,869	118,744	112,662	-	-	-	-
44 <b>TOTAL LIABILITIES &amp; SHAREHOLDERS' FUNDS</b>	<b>164,793,159</b>	<b>169,452,916</b>	<b>154,339,991</b>	<b>133,557,444</b>	<b>164,306,920</b>	<b>169,104,170</b>	<b>153,983,533</b>	<b>133,322,718</b>

The Board of Directors are pleased to announce the Un-audited results of the Group and the Bank for the Period ended 30 June 2011



II PROFIT AND LOSS ACCOUNTS

	GROUP			BANK				
	30-Jun-11 KSHS.'000 (Un-audited)	31-Mar-11 KSHS.'000 (Un-audited)	31-Dec-10 KSHS.'000 Audited	30-Jun-10 KSHS.'000 (Un-audited)	30-Jun-11 KSHS.'000 (Un-audited)	31-Mar-11 KSHS.'000 (Un-audited)	31-Dec-10 KSHS.'000 Audited	30-Jun-10 KSHS.'000 (Un-audited)
<b>1.0 INTEREST INCOME</b>								
1.1 Loans and advances	6,021,301	2,920,566	9,274,912	4,454,736	6,021,301	2,920,566	9,274,912	4,454,736
1.2 Government securities	1,240,346	530,422	2,519,198	1,074,143	1,240,346	528,600	2,509,559	1,068,014
1.3 Deposits and placements with banking Institutions	15,262	5,090	32,636	10,278	15,262	5,090	31,723	10,278
1.4 Other Interest Income	7,323	503	-	224	929	503	-	224
1.5 Total Interest Income	7,284,232	3,456,581	11,826,746	5,539,382	7,277,838	3,454,759	11,816,194	5,533,253
<b>2.0 INTEREST EXPENSE</b>								
2.1 Customer deposits	1,255,935	569,117	2,414,470	1,411,852	1,255,935	569,117	2,414,470	1,411,852
2.2 Deposits and placements from banking institutions	73,216	36,701	83,769	36,461	73,216	36,701	83,768	36,461
2.3 Other Interest Expenses	-	-	139,893	23,387	-	-	139,893	23,387
2.4 Total Interest Expenses	1,329,151	605,818	2,638,132	1,471,699	1,329,151	605,818	2,638,131	1,471,699
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	5,955,081	2,850,763	9,188,614	4,067,683	5,948,687	2,848,941	9,178,063	4,061,554
<b>4.0 NON- OPERATING INCOME</b>								
4.1 Fees and commissions on loans and advances	195,793	82,696	908,281	424,605	195,793	82,696	908,280	424,605
4.2 Other Fees and commissions	2,329,250	1,167,372	3,476,237	1,745,171	2,204,298	1,097,212	3,271,660	1,663,418
4.3 Foreign exchange trading income/(loss)	534,834	275,461	621,201	371,636	534,834	275,461	621,200	371,636
4.4 Dividend income	19,855	-	6,563	-	19,855	-	6,563	-
4.5 Other income	296,479	208,543	1,471,019	400,497	267,358	196,440	1,417,782	351,372
4.6 Total Non-interest income	3,376,211	1,734,072	6,483,301	2,941,909	3,222,138	1,651,809	6,225,485	2,811,031
<b>5.0 TOTAL OPERATING INCOME</b>	9,331,292	4,584,835	15,671,914	7,009,592	9,170,825	4,500,750	15,403,548	6,872,585
<b>6.0 OTHER OPERATING EXPENSES</b>								
6.1 Loan loss provision	402,574	200,000	798,666	400,000	402,574	200,000	798,666	400,000
6.2 Staff costs	2,549,525	1,257,653	4,493,620	2,108,839	2,524,967	1,240,418	4,417,583	2,071,781
6.3 Directors' emoluments	43,597	11,248	89,887	38,544	35,711	8,853	71,619	29,119
6.4 Rentals charges	264,502	151,051	551,904	259,315	264,502	151,051	545,761	257,256
6.5 Depreciation charge on property and equipment	582,225	256,269	853,251	371,787	581,138	254,626	849,551	368,816
6.6 Amortisation charges	56,787	27,891	97,434	43,861	56,393	27,694	96,140	43,467
6.7 Other operating expenses	1,377,171	632,470	3,144,511	876,393	1,313,505	611,781	3,065,200	854,129
6.8 Total other operating expenses	5,276,381	2,536,582	10,029,273	4,098,739	5,178,790	2,494,423	9,844,520	4,024,568
7.0 Profit/(Loss) before tax and exceptional items	4,054,911	2,048,253	5,642,641	2,910,854	3,992,034	2,006,327	5,559,028	2,848,017
8.0 Exceptional items-Share of profit of associate	90,196	-	129,977	-	-	-	-	-
9.0 Profit/(Loss) before tax	4,145,107	2,048,253	5,772,618	2,910,854	3,992,034	2,006,327	5,559,028	2,848,017
10 Current tax	839,624	407,511	1,045,792	572,341	823,446	401,265	1,034,219	569,603
11 Deferred tax	-	-	146,128	-	-	-	145,578	-
12 Profit/(loss) after tax and exceptional items	3,305,483	1,640,742	4,580,698	2,338,512	3,168,588	1,605,062	4,379,231	2,278,414
13 Minority interest share	-	-	-	-	-	-	-	-
14 Profit/(loss) after tax, exceptional items and minority interest	3,305,483	1,640,742	4,580,698	2,338,512	3,168,588	1,605,062	4,379,231	2,278,414
Earnings per share	0.95	0.47	1.31	0.67	0.91	0.46	1.25	0.65

The Board of Directors are pleased to announce the Un-audited results of the Group and the Bank for the Period ended 30 June 2011



III OTHER DISCLOSURES

	GROUP			BANK				
	30-Jun-11 KSHS.'000 (Un-audited)	31-Mar-11 KSHS.'000 (Un-audited)	31-Dec-10 KSHS.'000 Audited	30-Jun-10 KSHS.'000 (Un-audited)	30-Jun-11 KSHS.'000 (Un-audited)	31-Mar-11 KSHS.'000 (Un-audited)	31-Dec-10 KSHS.'000 Audited	30-Jun-10 KSHS.'000 (Un-audited)
<b>1. NON PERFORMING LOANS AND ADVANCES</b>								
a) Gross non-performing loans and advances	5,091,026	4,985,934	4,902,764	5,777,960	5,091,026	4,985,934	4,902,764	5,777,960
Less								
b) Interest in suspense	1,051,930	1,058,262	1,086,219	1,207,267	1,051,930	1,058,262	1,086,219	1,207,267
c) Total Non-performing loans (a-b)	4,039,096	3,927,672	3,816,545	4,570,693	4,039,096	3,927,672	3,816,545	4,570,693
Less								
d) Loan loss provisions	2,584,975	2,647,703	2,343,320	2,872,875	2,584,975	2,647,703	2,343,320	2,872,875
e) Net Non performing loans (c-d)	1,454,121	1,279,969	1,473,225	1,697,818	1,454,121	1,279,969	1,473,225	1,697,818
f) Realizable Value of Securities	2,506,593	1,279,800	1,299,876	1,697,818	2,506,593	1,279,800	1,299,876	1,697,818
g) Net NPLs Exposure (e-f)	1,052,472	(169)	(173,349)	-	1,052,472	(169)	(173,349)	-
<b>2. Insider loans and advances</b>								
a) Directors, Shareholders and associates	132,739	146,852	152,102	126,308	132,739	146,852	152,102	126,308
b) Employees	4,396,664	4,256,339	4,116,202	4,010,179	4,396,664	4,256,339	4,116,202	4,010,179
c) Total insider loans, Advances and Other Facilities	4,529,403	4,403,191	4,268,304	4,136,487	4,529,403	4,403,191	4,268,304	4,136,487
<b>3. Off-Balance Sheet Items</b>								
a) Letters of credit, guarantees, acceptances	13,636,482	13,112,696	15,718,941	15,310,574	13,636,482	13,112,696	15,718,941	15,310,574
b) Other contingent liabilities	-	-	-	-	-	-	-	-
c) Total contingent liabilities	13,636,482	13,112,696	15,718,941	15,310,574	13,636,482	13,112,696	15,718,941	15,310,574
<b>4. Capital strength</b>								
a) Core capital					17,515,414	19,051,375	17,971,296	16,053,978
b) Minimum Statutory Capital					500,000	500,000	500,000	350,000
c) Excess/( deficiency)					17,015,414	18,551,375	17,471,296	15,703,978
d) Supplementary capital					537,330	552,205	430,205	495,503
e) Total capital (a+d)					18,052,744	19,603,580	18,401,501	16,549,481
f) Total risk weighted assets					120,072,748	115,180,610	111,233,493	96,682,188
g) Core capital/total deposit liabilities					13.3%	14.0%	14.4%	14.5%
h) Minimum Statutory Ratio					8.0%	8.0%	8.0%	8.0%
i) Excess/( deficiency)					5.3%	6.0%	6.4%	6.5%
j) Core capital/total risk weighted assets					14.6%	16.5%	16.2%	16.6%
k) Minimum Statutory Ratio					8.0%	8.0%	8.0%	8.0%
l) Excess/( deficiency)(j-k)					6.6%	8.5%	8.2%	8.6%
m) Total capital/total risk weighted assets					15.0%	17.0%	16.5%	17.1%
n) Minimum Statutory Ratio					12.0%	12.0%	12.0%	12.0%
o) Excess/( deficiency)(m-n)					3.0%	5.0%	4.5%	5.1%
<b>4. Liquidity</b>								
a) Liquidity Ratio					37.9%	40.2%	39.4%	42.8%
b) Minimum Statutory Ratio					20.0%	20.0%	20.0%	20.0%
c) Excess/( deficiency)(a-b)					17.9%	20.2%	19.4%	22.8%

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

Signed: S C Muchiri, EBS  
Group Chairman

Signed: G M Muriuki, OGW  
Group Managing Director & CEO

## **CO-OPERATIVE BANK OF KENYA LIMITED**

	<b>30-Jun-11</b>	<b>31-Dec-10</b>
	<b>Kshs'000</b>	<b>Kshs'000</b>
<b>a. CASH FLOWS FOR THE PERIOD TO 30TH JUNE 2011</b>		
Cash generated from / (used in) operations	8,450,698	13,958,159
Taxation Paid	(730,265)	(980,723)
<b>Net cash generated from / (used in) operating activities</b>	<b>7,720,433</b>	<b>12,977,436</b>
<b>b. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(961,716)	(1,602,903)
Purchase of intangible assets	(16,121)	(142,591)
Purchase of other investments	-	(100,000)
Proceeds from disposal of property and equipment	-	32,625
<b>Net cash used in investing activities</b>	<b>(977,837)</b>	<b>(1,812,869)</b>
<b>c. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(1,396,968)	(698,474)
Loans received	-	-
Loans repaid	-	(70,271)
<b>Net cash used in financing activities</b>	<b>(1,396,968)</b>	<b>(768,745)</b>
<b>INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>5,345,628</b>	<b>10,949,845</b>
<b>CASH AND CASH EQUIVALENTS AS AT 1ST JANUARY</b>	<b>25,650,222</b>	<b>14,700,377</b>
<b>CASH AND CASH EQUIVALENTS</b>	<b>30,995,850</b>	<b>25,650,222</b>

THE CO-OPERATIVE BANK OF KENYA LIMITED AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2011

	Share Capital KShs'000	Share Premium KShs'000	Revaluation		Statutory		Fair value		Proposed Dividends KShs'000	Retained Earnings KShs'000	Attributable to equity holders of the Bank KShs'000	Non-controlling interest KShs'000	Total equity KShs'000
			Reserve KShs'000	Reserve KShs'000	Reserve KShs'000	Reserve KShs'000							
Balance at 1 January 2011	3,492,370	4,286,736	346,782	204,954	282,369	1,396,948	9,851,595	19,861,754	118,744	19,980,499			
Total comprehensive income													
Profit for the year	-	-	-	-	-	-	3,305,483	3,305,483	6,499	3,311,982			
Other comprehensive income	-	-	-	-	-	-	-	-	-	-			
Share of other comprehensive income in associat	-	-	-	-	-	-	-	-	-	-			
Fair value of financial instruments	-	-	-	-	(2,389,269)	-	-	(2,389,269)	-	(2,389,269)			
Realisation of revaluation surplus	-	-	130,051	-	-	-	-	130,051	-	130,051			
Deferred tax on realisation of revaluation surplus	-	-	-	-	-	-	-	-	-	-			
Prior year deferred tax	-	-	-	-	-	-	-	-	-	-			
Net movement in revenue grants for the year	-	-	-	-	-	-	441,619	441,619	-	441,619			
Transfers to statutory reserve	-	-	-	-	-	-	-	-	-	-			
Dividends paid	-	-	-	-	-	(1,396,948)	-	(1,396,948)	-	(1,396,948)			
Proposed dividends	-	-	-	-	-	-	-	-	-	-			
Balance at 30 June 2011	3,492,370	4,286,736	476,833	204,954	(2,106,900)	-	13,598,697	19,952,690	125,243	20,077,934			