The Board of Directors is pleased to announce the Audited results of the Group and the Bank for the Period ended 31 December 2022

I STATEMENT OF FINANCIAL POSITION

		GROUP		KINGDOM BANK		CO-OP BANK	
		31-Dec-22 KSHS.'000 Audited	31-Dec-21 KSHS.'000 Audited	31-Dec-22 KSHS.'000 Audited	31-Dec-21 KSHS.'000 Audited	31-Dec-22 KSHS.'000 Audited	31-Dec-21 KSHS.'000 Audited
A	**ASSETS**						
1	Cash (local and foreign)	9,011,687	9,043,810	332,958	320,089	7,802,190	8,120,024
2	Balances due from Central Bank Of Kenya	19,094,602	21,784,667	686,559	329,114	16,505,270	19,391,126
3	Kenya Government and other securities held for dealing purposes						
4	Financial Assets at Fair Value through profit and loss(FVTPL)	-	-			-	-
5.a.a	Investment Securities: Held at Amortised Cost-Kenya Government Securities	73,317,138	76,223,893	7,583,296	294,557	65,733,842	75,929,336
a.b	Investment Securities: Held at Amortised Cost-Other Securities	-	-			-	-
b.a	Investment Securities: Fair Value through other comprehensive income(-FVOCI)Kenya Government Securities	99,963,950	107,837,175	16,582,711	23,356,065	83,381,239	84,481,110
b.b	Investment Securities: Fair Value through other comprehensive income(FVOCI)-Other Securities	1,871,681	1,701,775			1,795,981	1,614,880
6	Deposits and balances due from local banking institutions	6,945,131	1,901,445	19,088	248,804	3,796,376	288,848
7	Deposits and balances due from banking institutions abroad	3,027,129	6,634,528	4,862	69,712	3,040,487	6,681,238
8	Tax recoverable	330,854		109	109	326,217	-
9	Loans and advances to customers (net)	339,390,039	310,195,297	6,205,715	4,432,541	331,323,038	304,584,437
10	Balances due from banking institutions in the group	-	-			-	-
11	Investments in associates	2,483,303	2,146,675	12,640	13,215	706,444	706,444
12	Investments in subsidiary companies	-	-	6,039	1,139	3,884,925	3,884,925
13	Investment in joint ventures	-	-	-	-	-	-
14	Investment in properties	-	-		-	-	-
15	Property, plant and equipment	9,287,971	10,288,503	1,002,571	978,750	7,939,447	8,506,362
16	Prepaid lease rentals	32,693	33,303			32,693	33,303
17	Intangible assets	5,987,191	5,828,335	91,277	29,965	2,539,611	2,442,970
18	Deferred tax asset	6,044,575	5,360,047	351,903	225,506	5,643,960	5,080,346
19	Retirement benefit asset	-	-			-	-
20	Other assets	30,409,775	20,792,531	1,780,167	1,391,102	27,630,771	18,641,390
21	**TOTAL ASSETS**	**607,197,718**	**579,771,985**	**34,659,895**	**31,690,666**	**562,082,490**	**540,386,740**
B	**LIABILITIES**						
22	Balances due to Central Bank Of Kenya	-	-	1,419,804	1,734,856	-	-
23	Customer deposits	423,802,668	407,725,765	9,641,403	6,380,193	410,187,854	398,686,293
24	Deposits and balances due to local banking institutions	1,087,501	792,102			981,637	754,572
25	Deposits and balances due to banking institutions abroad	-	-			-	-
26	Other money market deposits	-	-			-	-
27	Borrowed funds	48,102,072	42,914,622	21,429,882	21,213,996	24,884,464	20,144,729
28	Balances due to banking institutions in the group	-	-			-	-
29	Tax payable		903,763	-	-	-	907,798
30	Dividends payable	-	-			-	-
31	Deferred tax liability	-	-			-	-
32	Retirement benefit liability	-	-			-	-
33	Other liabilities	26,258,295	26,689,802	351,134	477,529	24,768,174	24,973,828
34	**TOTAL LIABILITIES**	**499,250,536**	**479,026,054**	**32,842,223**	**29,806,575**	**460,822,129**	**445,467,220**
C	**SHAREHOLDERS' FUNDS**						
35	Paid up/Assigned capital	5,867,180	5,867,180	1,867,947	1,867,947	5,867,180	5,867,180
36	Share premium/(discount)	1,911,925	1,911,925	3,087,449	3,087,449	1,911,925	1,911,925
37	Revaluation reserve	1,655,718	1,401,443	-	-	1,470,573	1,281,592
38	Retained earnings/ Accumulated losses	97,685,796	84,225,180	(2,151,804)	(3,772,019)	90,218,038	79,383,183
39	Statutory Loan Loss Reserve	67,286	624,079	-	690,045	-	-
40	Other Reserves	(8,698,411)	(81,009)	(985,920)	10,669	(7,396,113)	201,997
41	Proposed dividends	8,800,770	5,867,180	-	-	8,800,770	5,867,180
42	Capital grants	387,987	406,463			387,987	406,463
43	TOTAL SHAREHOLDERS' FUNDS	107,678,252	100,222,441	1,817,672	1,884,091	101,260,360	94,919,520
43.1	Non-Controlling Interest	268,930	523,490			-	-
44	**TOTAL LIABILITIES & SHAREHOLDERS' FUNDS**	**607,197,718**	**579,771,985**	**34,659,895**	**31,690,666**	**562,082,490**	**540,386,740**

II STATEMENT OF COMPREHENSIVE INCOME

		31-Dec-22 KSHS.'000 Audited	31-Dec-21 KSHS.'000 Audited	31-Dec-22 KSHS.'000 Audited	31-Dec-21 KSHS.'000 Audited	31-Dec-22 KSHS.'000 Audited	31-Dec-21 KSHS.'000 Audited
1.0	**INTEREST INCOME**						
1.1	Loans and advances	40,406,912	36,508,393	407,797	507,488	39,782,411	35,861,391
1.2	Government securities	20,868,011	18,728,870	2,868,338	2,630,661	17,999,673	16,098,210
1.3	Deposits and placements with banking Institutions	471,201	410,882	8,024	20,104	242,747	284,986
1.4	Other Interest Income	-	-	1,306		-	-
1.5	**Total Interest Income**	**61,746,124**	**55,648,145**	**3,285,466**	**3,158,253**	**58,024,831**	**52,244,587**
2.0	**INTEREST EXPENSE**						
2.1	Customer deposits	14,409,155	13,330,376	572,774	400,584	13,831,926	12,923,127
2.2	Deposits and placements from banking institutions	428,934	189,705	2,748	716	426,186	188,990
2.3	Other Interest Expenses	1,383,093	1,091,150	22,769	39,024	1,327,316	1,040,747
2.4	**Total Interest Expenses**	**16,221,183**	**14,611,231**	**598,291**	**440,324**	**15,585,429**	**14,152,864**
3.0	**NET INTEREST INCOME/(LOSS)**	45,524,941	41,036,913	2,687,174	2,717,929	42,439,402	38,091,723
4.0	**NON- INTEREST INCOME**						
4.1	Fees and commissions on loans and advances	7,516,297	5,421,033	85,148	18,635	6,997,676	5,055,563
4.2	Other Fees and commissions	12,563,042	9,812,650	107,983	95,298	10,825,331	8,396,993
4.3	Foreign exchange trading income/(loss)	4,717,290	2,849,297	43,394	5,544	4,551,793	2,703,646
4.4	Dividend income	1,444	1,444			1,444	847
4.5	Other income	931,861	1,311,929	71,648	(30,473)	521,382	1,163,512
4.6	Total Non-interest income	**25,729,934**	**19,396,354**	**308,172**	**89,004**	**22,897,626**	**17,320,561**
5.0	**TOTAL OPERATING INCOME**	**71,254,875**	**60,433,268**	**2,995,347**	**2,806,933**	**65,337,029**	**55,412,284**
6.0	**OTHER OPERATING EXPENSES**						
6.1	Loan loss provision	8,676,736	7,929,256	462,981	168,053	8,091,695	7,499,998
6.2	Staff costs	14,782,534	13,322,738	507,646	303,107	13,647,798	12,435,592
6.3	Directors' emoluments	235,729	199,329	8,787	7,539	177,448	144,027
6.4	Rentals charges	888,039	1,009,559	41,759	35,471	820,111	899,231
6.5	Depreciation charge on property and equipment	2,356,828	2,698,275	45,486	51,825	2,186,526	2,359,591
6.6	Amortisation charges	805,835	782,850	26,446	10,893	771,253	737,993
6.7	Other operating expenses	14,498,092	12,147,979	1,098,468	1,717,605	12,770,455	10,010,524
6.8	Total other operating expenses	**42,243,793**	**38,089,985**	**2,191,574**	**2,294,492**	**38,465,287**	**34,086,957**
7	Profit/(Loss) before tax and exceptional items	29,011,082	22,343,283	803,773	512,441	26,871,741	21,325,328
8	Exceptional items-Early Retirement Costs	-	-			-	-
8.1	Exceptional items-Share of profit of associate	416,141	305,579			-	-
9	Profit/(Loss) before tax	**29,427,223**	**22,648,862**	**803,773**	**512,441**	**26,871,741**	**21,325,328**
10	Current tax	8,296,906	7,221,238	-	14,648	7,880,725	6,824,650
11	Deferred tax	(907,851)	(1,116,278)	(126,396)	-	(644,606)	(1,097,586)
12	Profit/(loss) after tax and exceptional items	**22,038,168**	**16,543,902**	**930,169**	**497,793**	**19,635,622**	**15,598,264**
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	(8,605,319)	(559,225)	(996,589)	(104,228)	(7,598,110)	(405,484)
13.3	Revaluation Surplus on property, Plant and Equipment	188,981				188,981	
13.4	Share of other comprehensive income of associates	(176,954)	4,050			-	-
13.5	Income tax relating to components of other comprehensive income	-	-			-	-
14	**OTHER COMPREHENSIVE INCOME NET OF TAX**	**(8,593,292)**	**(555,175)**	**(996,589)**	**(104,228)**	**(7,409,129)**	**(405,484)**
15	**TOTAL COMPREHENSIVE INCOME**	**13,444,876**	**15,988,727**	**(66,420)**	**393,565**	**12,226,494**	**15,192,780**
	Basic Earnings per share	3.72	2.85			3.35	2.66
	Diluted Earnings per share	3.72	2.85			3.35	2.66
	Dividend per share	1.50	1.00			1.50	1.00

III OTHER DISCLOSURES

		GROUP 31-Dec-22 KSHS.'000 Audited	GROUP 31-Dec-21 KSHS.'000 Audited	KINGDOM BANK 31-Dec-22 KSHS.'000 Audited	KINGDOM BANK 31-Dec-21 KSHS.'000 Audited	CO-OP BANK 31-Dec-22 KSHS.'000 Audited	CO-OP BANK 31-Dec-21 KSHS.'000 Audited
1	**NON PERFORMING LOANS AND ADVANCES**						
a)	Gross non-performing loans and advances	52,332,306	49,730,992	4,511,773	6,014,872	47,479,845	43,311,818
	Less						
b)	Interest in suspense	5,685,557	6,338,967	1,082,430	1,695,674	4,552,693	4,587,040
c)	Total Non-performing loans and advances (a-b)	46,646,749	43,392,025	3,429,343	4,319,198	42,927,152	38,724,778
	Less						
d)	Loan loss provisions	28,408,618	24,791,016	1,866,317	2,675,806	26,328,854	21,940,149
e)	Net Non performing loans (c-d)	18,238,131	18,601,009	1,563,026	1,643,392	16,598,298	16,784,629
f)	Discounted Value of Securities	20,731,822	18,224,344	1,587,093	1,483,202	18,926,949	16,236,700
g)	**Net NPLs Exposure (e-f)**	**(2,493,691)**	**376,665**	**(24,067)**	**160,190**	**(2,328,651)**	**547,929**
2	**INSIDER LOANS AND ADVANCES**						
a)	Directors, shareholders and associates	6,679,296	7,710,169	-	-	6,679,296	7,710,169
b)	Employees	12,353,751	11,827,617	149,424	92,192	12,204,327	11,735,425
c)	**Total insider loans, advances and other facilities**	**19,033,046**	**19,537,786**	**149,424**	**92,192**	**18,883,622**	**19,445,594**
3	**OFF-BALANCE SHEET ITEMS**						
a)	Letters of credit,guarantees, acceptances	40,013,222	47,661,057	367,528	561,266	39,645,694	47,099,791
b)	Forwards, swaps and options	10,073,270	9,921,834	1,304,970	1,203,500	8,768,300	8,718,334
c)	Other contingent liabilities	-	-			-	-
d)	**Total contingent liabilities**	**50,086,492**	**57,582,891**	**1,672,498**	**1,764,766**	**48,413,994**	**55,818,125**
4	**CAPITAL STRENGTH**						
a)	Core capital	92,869,389	80,111,777	2,451,690	1,051,430	89,090,841	78,843,481
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)	91,869,389	79,111,777	1,451,690	51,430	88,090,841	77,843,481
d)	Supplementary capital	5,965,737	7,828,878	-	690,045	5,919,451	7,108,870
e)	Total capital	98,835,126	87,940,654	2,451,690	1,741,475	95,010,292	85,952,351
f)	Total risk weighted assets	549,314,332	512,136,254	10,239,032	7,058,339	539,577,102	502,186,291
g)	Core capital/total deposit liabilities	21.9%	19.6%	25.4%	16.5%	21.7%	19.7%
h)	Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
i)	Excess/(deficiency)	13.9%	11.6%	17.4%	8.5%	13.7%	11.7%
j)	Core capital/total risk weighted assets	16.9%	15.6%	23.9%	14.9%	16.5%	15.7%
k)	Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
l)	Excess/(deficiency)(j-k)	6.4%	5.1%	13.4%	4.4%	6.0%	5.2%
m)	Total capital/total risk weighted assets	18.0%	17.2%	23.9%	24.7%	17.6%	17.1%
n)	Minimum Statutory Ratio	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%
o)	Excess/(deficiency)(m-n)	3.5%	2.7%	9.4%	10.2%	3.1%	2.6%
p)	Adjusted Core Capital/Total Deposit Liabilities	21.9%	16.0%			21.7%	16.1%
q)	Adjusted Core Capital/Total Risk Weighted Assets	16.9%	12.8%			16.5%	12.8%
r)	Adjusted Total Capital/Total Risk Weighted Assets	18.0%	14.3%			17.6%	14.2%
5	**LIQUIDITY**						
a)	Liquidity Ratio	48.3%	53.8%	246.7%	358.8%	41.9%	47.6%
b)	Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
c)	Excess/ (deficiency)(a-b)	28.3%	33.8%	226.7%	338.8%	21.9%	27.6%

*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.

DIVIDENDS:

The Board of Directors recommend to the Members at the forthcoming Annual General Meeting the payment of a first and final dividend for the year 2022 of Kshs.1.50 per ordinary share held (2021-Kshs.1.00) to be paid on or about 9th June 2023 to the shareholders registered on the Bank's register at the close of business on 24th May 2023.The register will remain closed for one day on 25th May 2023 for the preparation of the dividend warrants.

ANNUAL GENERAL MEETING:

A 'virtual' General Meeting will be held on 19th May, 2023 as per the separate notice to be issued.

MESSAGE FROM THE DIRECTORS:

The above Consolidated Statement of Comprehensive Income and Statement of Financial Position are extracts from the Bank's Financial Statements which have been audited by Ernst & Young LLP. A full set of these Financial Statements will be available at our registered office at Co-operative House and online at www.co-opbank.co.ke for inspection after approval by members at the Annual General Meeting.

Awarded Overall Number 1 Bank in Customer Satisfaction

The financial statements were approved by the Board of Directors on 15th March 2023 and signed on its behalf by:

Signed: Mr. John Murugu, OGW
Chairman

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

CO OPERATIVE BANK
We are you

The Co-operative Bank is regulated by the Central Bank of Kenya