



# KENYA POLICE SACCO SOCIETY LIMITED

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 Shs '000	Restated 2016 Shs '000
Interest on loans and advances	3,414,820	2,904,186
Interest expense	(1,515,983)	(1,359,191)
Net interest income	1,898,837	1,544,995
Net fees and commissions	130,367	91,135
Other operating income	310,708	130,245
Administrative expenses	(839,445)	(654,002)
Credit (provision) for loan loss	90,818	(102,492)
Other operating expenses	(50,892)	(26,575)
Profit before income tax	1,540,393	983,306
Income tax expense	(57,297)	(18,651)
<b>Profit for the year</b>	<b>1,483,096</b>	<b>964,655</b>
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss;</i>		
Gain/(Loss) on revaluation of available for sale financial assets	10,579	(128,558)
<b>Total comprehensive income for the year</b>	<b>1,493,675</b>	<b>836,097</b>

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	31 December 2017 Shs '000	Restated 31 December 2016 Shs '000	Restated 31 December 2015 Shs '000
<b>ASSETS</b>			
Cash and cash equivalents	1,111,183	867,635	923,259
Restricted cash	105,000	45,000	-
Other receivables	848,248	662,452	674,771
Due from related party	12,472	11,828	10,398
Loans to members	20,010,658	16,428,439	13,983,433
Quoted investments	108,551	108,015	110,293
Unquoted investments	1,297,914	1,061,823	1,188,102
Intangible assets	8,212	24,152	15,178
Property and equipment	733,545	804,228	630,583
Income tax recoverable	-	10,823	-
Deferred tax	1,129	-	-
<b>TOTAL ASSETS</b>	<b>24,236,912</b>	<b>20,024,395</b>	<b>17,536,017</b>
<b>LIABILITIES</b>			
Members' deposits	14,627,768	12,485,266	10,872,610
Withdrawable members' deposits	1,448,507	1,177,793	935,764
Other payables	403,543	308,441	451,890
Borrowings	270,833	350,000	795,833
Interest payable	1,519,848	1,311,300	990,097
Due to related party	404	56,870	6,990
Income tax payable	24,403	-	14,084
<b>TOTAL LIABILITIES</b>	<b>18,295,306</b>	<b>15,689,670</b>	<b>14,067,268</b>
<b>EQUITY</b>			
Share Capital	1,294,339	1,009,515	837,311
Statutory reserve	821,379	524,760	391,864
Retained earnings	1,203,801	843,254	383,113
Fair value reserve	724,203	713,624	871,954
Credit risk reserve	105,892	-	-
Other reserves	1,571,954	1,071,954	842,182
Proposed dividend	220,038	171,618	142,325
<b>TOTAL EQUITY</b>	<b>5,941,606</b>	<b>4,334,725</b>	<b>3,468,749</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>24,236,912</b>	<b>20,024,395</b>	<b>17,536,017</b>



The financial statements were audited by PricewaterhouseCoopers CPA. They were approved and authorized for issue by the board of directors on 18th February 2018 and were signed on its behalf by:

National Chairman

Hon. Secretary

National Treasurer

## KEY RATIOS

	2017	2016
<b>CAPITAL ADEQUACY RATIOS</b>		
Core capital/Total assets	25%	22%
Core capital/Members' deposits	41%	35%
Institutional capital/Total assets	19%	17%
<b>LIQUIDITY RATIOS</b> (15% Regulatory requirement)		
Liquid assets/total deposits & short term liabilities	33%	29%
<b>OPERATING EFFICIENCY/LOAN QUALITY RATIOS</b>		
Total expenses/Total revenue	60%	69%
Interest on member deposits/Total revenue	34%	40%
Interest rate on member's deposits	10.5%	10.5%
Dividend rate on members share capital	17%	17%
Total delinquency loans/Gross loan portfolio (SASRA based)	3.1%	2.1%
External Borrowing/Total Assets	1.1%	1.7%

The Annual Delegates Meeting will be held on Thursday 15th March 2018 at Sarova Panafric Hotel, Nairobi starting 7.30am.



**KENYA POLICE SACCO SOCIETY LTD IS ISO 9001:2008 CERTIFIED**  
and holds a Global Credit Rating (GCR) of BB+(KE) and B(KE) in the long run and short run respectively



Regulated by SASRA

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### NYERI BRANCH

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