



KENYA POLICE SACCO SOCIETY LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 KShs '000	2017 KShs '000
Interest on loans and advances	4,265,193	3,414,820
Interest expense	(1,765,709)	(1,515,983)
NET INTEREST INCOME	2,499,484	1,898,837
Net fees and commissions	171,012	130,367
Other operating income	139,479	310,708
Personnel expenses	(379,380)	(326,659)
General and administrative expenses	(505,805)	(445,658)
Depreciation and amortisation	(64,842)	(67,128)
(Provision)/credit for loan loss	(21,110)	90,818
Other operating expenses	(77,297)	(50,892)
PROFIT BEFORE INCOME TAX	1,761,541	1,540,393
Income tax expense	(73,890)	(57,297)
PROFIT FOR THE YEAR	1,687,651	1,483,096
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified subsequently to profit or loss;		
Net gains on revaluation of available for sale equity instruments	-	10,579
Items that will not be reclassified subsequently to profit or loss;		
Net loss on equity instruments designated at fair value through other comprehensive income	(120,777)	-
Revaluation of land and buildings	166,272	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,733,146	1,493,675

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	2018 KShs '000	2017 KShs '000
ASSETS		
Cash and cash equivalents	583,796	1,111,183
Other receivables	1,763,822	848,248
Loans to members	24,074,678	20,010,658
Due from related party	20,755	12,472
Restricted cash	165,000	105,000
Quoted investments	113,653	108,551
Unquoted investments	1,187,950	1,297,914
Intangible assets	10,492	8,212
Property and equipment	1,031,978	733,545
Income tax recoverable	470	-
Deferred tax	1,527	1,129
TOTAL ASSETS	28,954,121	24,236,912
LIABILITIES		
Withdrawable members' deposits	1,688,496	1,448,507
Other payables	311,651	403,543
Borrowings	258,333	270,833
Interest payable	1,782,956	1,519,848
Due to related party	82	404
Income tax payable	-	24,403
Members' deposits	17,086,130	14,627,768
TOTAL LIABILITIES	21,127,648	18,295,306
EQUITY		
Share capital	1,673,080	1,294,339
Statutory reserve	1,158,909	821,379
Retained earnings	1,562,929	1,203,801
Fair value reserve	603,426	724,203
Credit risk reserve	105,445	105,892
Other reserves	2,271,954	1,571,954
Revaluation reserve	166,272	-
Proposed dividend	284,458	220,038
TOTAL EQUITY	7,826,473	5,941,606
TOTAL LIABILITIES AND EQUITY	28,954,121	24,236,912



The financial statements were audited by Ernst & Young LLP. They were approved and authorized for issue by the Board of Directors on 12th February 2019 and were signed on its behalf by:

David S. Mategwa, OGW
National Chairman

Jeremiah Lekoken
Honorary Secretary

Amos Tingos
National Treasurer

KEY RATIOS

CAPITAL ADEQUACY RATIOS

	2018	2017
Core capital/Total assets	23%	21%
Core capital/Members' deposits	40%	34%
Institutional capital/Total assets	18%	15%

LIQUIDITY RATIOS (15% Regulatory requirement)

Liquid assets/total deposits and short term liabilities	15%	33%
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OPERATING EFFICIENCY/LOAN QUALITY RATIOS

Total expenses/Total revenue	62%	60%
Interest on member deposits/Total revenue	37%	34%
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)	2.6%	3.1%
External borrowing/Total assets	0.9%	1.1%

The Annual Delegates Meeting will be held on Wednesday 6th March 2019 at the Intercontinental Hotel Nairobi starting 7.30am



KENYA POLICE SACCO SOCIETY LTD is ISO 9001:2015 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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Ronald Ngala Street
Tel: 0709 825 530

KISII BRANCH

Mocha Place, 2nd Floor Opp.
Nakumatt Kisii
Tel: 0709 825 590

MERU BRANCH

Solco Plaza, Ground Floor
Moi Avenue, Next to Kobil Petrol Station
Tel: 0709 825 551

NYERI BRANCH

Kasturi Plaza, 1st Floor
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