



MIDDLE EAST BANK KENYA LIMITED

HEAD OFFICE AND NAIROBI BRANCH
Mebank Tower, Milimani Road
P.O. Box 47387, Nairobi, Kenya
Tel: 2723120 / 22

MOMBASA BRANCH - Nkrumah Road
Tel: 041-2319069
INDUSTRIAL AREA - Butere Road
Tel: 020-650158

Eldoret Branch - Tarita Centre
Ronald Ngala Street
Tel. 254-053-2030917/13/23/35

QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30.09.2020

	30 Sep 2020 UNAUDITED Shs.'000'	31 Dec 2019 AUDITED Shs.'000'	31 Mar 2020 UNAUDITED Shs.'000'	30 Jun 2020 UNAUDITED Shs.'000'	30 Sep 2020 UNAUDITED Shs.'000'
I STATEMENT OF FINANCIAL POSITION					
A ASSETS					
1 Cash (both local and foreign)	58,122	58,569	66,639	55,339	53,031
2 Balances due from Central Bank of Kenya	552,693	462,528	571,636	557,735	492,415
3 Kenya Government and other securities held for dealing purposes	-	-	-	-	-
4 Financial Assets at fair value through profit and loss	-	-	-	-	-
5 Investment Securities:					
a) Held to Maturity:					
i) Kenya Government securities	1,091,104	1,172,971	1,107,962	1,727,156	2,122,561
ii) Other securities	1,091,104	1,172,971	1,107,962	1,727,156	2,122,561
b) Available for sale:					
i) Kenya Government securities	-	-	-	-	426,879
ii) Other securities	-	-	-	-	426,879
6 Deposits and balances due from local banking institutions	103,040	51	223,313	100,270	247
7 Deposits and balances due from banking institutions abroad	241,431	286,243	165,720	145,992	140,874
8 Tax recoverable	-	-	-	-	-
9 Loans and advances to customers (net)	4,306,844	5,964,756	6,257,959	6,958,079	7,278,771
10 Balances due from banking institutions in the group	-	-	-	-	-
11 Investments in associates	-	-	-	-	-
12 Investments in subsidiary companies	-	-	-	-	-
13 Investment in joint ventures	-	-	-	-	-
14 Investment properties	-	-	-	-	-
15 Property and equipment	200,917	200,739	211,758	209,402	194,970
16 Prepaid Lease rentals	72,720	72,478	72,237	71,996	71,754
17 Intangible assets - (computer software)	38,831	36,010	35,603	33,915	34,268
18 Deferred tax asset	113,059	75,306	75,306	75,306	75,306
19 Retirement benefit asset	-	-	-	-	-
20 Other assets	-	-	-	-	-
21 TOTAL ASSETS	6,913,684	8,466,284	8,963,839	10,187,423	11,047,315
B LIABILITIES					
22 Balances due to Central Bank of Kenya	-	-	-	-	-
23 Customer deposits	5,546,575	6,837,845	7,644,111	8,867,677	9,509,490
24 Deposits and balances due to local banking institutions	-	300,000	-	-	192,502
25 Deposits and balances due to foreign banking institutions	-	-	-	-	-
26 Other money market deposits	-	-	-	-	-
27 Borrowed funds	-	-	-	-	-
28 Balances due to group companies	-	-	-	-	-
29 Tax payable	-	-	-	-	-
30 Dividends payable	21,734	7,084	18,986	11,955	15,692
31 Deferred tax liability	-	-	-	-	-
32 Retirement benefit liability	-	-	-	-	-
33 Other liabilities	124,703	165,571	117,178	116,440	118,597
34 TOTAL LIABILITIES	5,693,012	7,310,500	7,780,275	8,996,072	9,836,281
C SHAREHOLDERS' FUNDS					
35 Paid up/Assigned capital	506,831	506,831	506,831	506,831	506,831
36 Share premium/(discount)	-	-	-	-	-
37 Revaluation reserves	-	-	-	-	-
38 Retained earnings /Accumulated losses	611,772	636,428	664,329	672,116	687,470
39 Statutory Loan Loss Reserve	102,069	7,457	7,336	7,336	12,336
40 Other Reserves	-	-	-	-	4,397
41 Proposed dividends	-	5,068	5,068	5,068	-
42 Capital Grants	-	-	-	-	-
43 TOTAL SHAREHOLDERS' FUNDS	1,220,672	1,155,784	1,183,564	1,191,351	1,211,034
44 Minority Interest	-	-	-	-	-
45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	6,913,684	8,466,284	8,963,839	10,187,423	11,047,315
II STATEMENT OF COMPREHENSIVE INCOME					
1.0 INTEREST INCOME					
1.1 Loans and advances	315,627	521,010	153,773	337,834	524,556
1.2 Government securities	94,196	121,110	25,374	64,169	120,263
1.3 Deposits and placements with banking institutions	8,203	10,572	387	2,298	4,278
1.4 Other Interest Income	-	-	-	-	-
1.5 Total Interest Income	418,026	652,692	179,534	404,301	649,097
2.0 INTEREST EXPENSE					
2.1 Customer deposits	223,470	317,037	110,908	251,716	405,018
2.2 Deposits and placements from banking institutions	112	1,052	3,316	4,092	4,853
2.3 Other Interest expense	3,087	3,591	1,244	2,351	3,271
2.4 Total Interest Expense	226,669	321,680	115,968	258,159	413,142
3.0 NET INTEREST INCOME/(LOSS)	191,357	331,012	63,566	146,142	235,955
4.0 OTHER OPERATING INCOME					
4.1 Fees and commissions on loans and advances	81,633	115,720	60,597	77,609	113,068
4.2 Other fees and commission	23,409	15,582	3,898	9,249	15,511
4.3 Foreign exchange trading income/(loss)	7,945	12,700	4,921	7,487	8,942
4.4 Dividend income	-	-	-	-	-
4.5 Other income	35,171	51,652	21,866	33,389	46,509
4.6 Total Non-Interest Income	148,158	195,654	91,282	127,734	184,030
5.0 TOTAL OPERATING INCOME	339,515	526,666	154,848	273,876	419,985
6.0 OPERATING EXPENSES					
6.1 Loan Loss Provision	9,944	104,409	11,446	27,529	43,079
6.2 SIA costs	130,611	182,693	45,927	89,190	141,760
6.3 Directors' emoluments	4,510	32,653	9,175	16,490	25,150
6.4 Rentals Charges	4,759	8,584	1,562	2,892	2,580
6.5 Depreciation charge on property and equipment	16,498	21,375	7,178	15,431	20,213
6.6 Amortization Charge	8,668	11,730	2,787	3,028	6,688
6.7 Other operating expenses	64,515	105,593	37,081	72,011	105,955
6.8 Total Operating Expenses	239,505	467,037	115,156	226,571	345,425
7.0 Profit / (Loss) before Tax and Exceptional Items	100,010	59,629	39,692	47,305	74,560
8.0 Exceptional Items	-	-	-	-	-
9.0 Profit / (Loss) after Exceptional Items	100,010	59,629	39,692	47,305	74,560
10.0 Current tax	29,910	17,986	11,915	11,740	18,640
11.0 Deferred tax	-	38,029	-	-	-
12.0 Profit / (loss) after Tax and Exceptional Items	70,100	3,614	27,777	35,565	55,920
13.0 Minority Interest	-	-	-	-	-
14.0 Profit / (loss) after tax, exceptional items and Minority Interest	70,100	3,614	27,777	35,565	55,920
15.0 Other Comprehensive Income					
15.1 Gains/ (Losses) from translating the financial statements of foreign operations	-	-	-	-	-
15.2 Fair value changes in available for sale financial assets	-	-	-	-	-
15.3 Revaluation surplus on Property, plant and equipment	-	-	-	-	4,397
15.4 Share of other comprehensive income of associates	-	-	-	-	-
15.5 Income tax relating to components of other comprehensive income	-	-	-	-	-
16.0 Other Comprehensive Income for the year net of tax	-	-	-	-	4,397
17.0 Total Comprehensive Income for the year	70,100	3,614	27,777	35,565	60,317
18.0 Earnings Per Share - Basic & Diluted	2.77	0.14	1.10	1.40	2.21
19.0 Dividend Per Share - Declared	-	0.20	-	-	-
III OTHER DISCLOSURES					
1.0 Non-Performing Loans and Advances					
a) Gross non-performing loans and advances	1,333,052	869,702	804,902	803,324	806,824
b) Less: Interest in suspense	248,590	50,307	52,733	55,728	57,345
c) Total Non-Performing Loans and Advances (a-b)	1,084,462	819,395	752,169	747,596	749,479
d) Less: loan loss provision	261,381	137,555	148,916	152,897	170,347
e) Net Non-Performing Loans and Advances (c-d)	823,081	681,840	603,253	594,699	579,112
f) Discounted value of Securities	823,081	681,840	603,253	594,699	579,112
g) Net NPLs Exposure (e-f)	-	-	-	-	-
2.0 Insider Loans and Advances					
a) Directors, shareholders and associates	176,052	324,471	329,049	308,295	186,034
b) Employees	83,350	93,260	81,191	82,292	84,615
c) Total Insider Loans and Advances and Other Facilities	259,402	417,731	410,240	390,587	270,649
3.0 Off-Balance Sheet Items					
a) Letters of credit, guarantees, acceptances	667,579	724,590	485,235	536,243	594,653
b) Forward, swaps and options	17,998	376,078	31,197	44,299	-
c) Other contingent liabilities	-	-	-	-	-
d) Total Contingent Liabilities	685,577	1,100,668	516,432	580,542	594,653
4.0 Capital Strength					
a) Core capital	1,020,228	1,086,257	1,102,193	1,106,087	1,111,264
b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
c) Excess/(Deficiency)	20,228	86,257	102,193	106,087	111,264
d) Supplementary capital	102,069	7,457	7,336	7,336	12,336
e) Total capital (a+d)	1,122,297	1,093,714	1,109,529	1,113,423	1,123,600
f) Total risk weighted assets	3,028,189	3,506,605	3,881,530	4,060,175	4,286,710
g) Core capital/total deposit liabilities	18.59%	15.89%	14.42%	12.47%	11.69%
h) Minimum Statutory Ratio	8.00%	8.00%	8.00%	8.00%	8.00%
i) Excess/(Deficiency)	10.39%	7.89%	6.42%	4.47%	3.69%
j) Core capital/total risk weighted assets	33.69%	30.98%	28.40%	27.24%	25.92%
k) Minimum Statutory Ratio	10.50%	10.50%	10.50%	10.50%	10.50%
l) Excess/(Deficiency)	23.19%	20.48%	17.90%	16.74%	15.42%
m) Total capital/total risk weighted assets	37.06%	31.19%	28.58%	27.42%	26.21%
n) Minimum Statutory Ratio	14.50%	14.50%	14.50%	14.50%	14.50%
o) Excess/(Deficiency)	22.56%	16.69%	14.08%	12.92%	11.71%
p) Adjusted core capital/ total deposit liabilities*	18.43%	15.90%	14.40%	12.50%	11.69%
q) Adjusted core capital/total risk weighted assets*	33.75%	31.00%	28.40%	27.30%	25.93%
r) Adjusted total capital/total risk weighted assets*	37.12%	31.20%	28.60%	27.40%	26.22%
5.0 Liquidity					
a) Liquidity Ratio	36.95%	24.21%	27.60%	29.20%	32.70%
b) minimum statutory ratio	20.00%	20.00%	20.00%	20.00%	20.00%
c) Excess /(Deficiency)	16.95%	4.21%	7.60%	9.20%	12.70%

Notes

* 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 IFRS 9.

The above financial statements are extracts from the financial records of the Bank.

The complete set of quarterly financial statements, statutory and qualitative disclosures can be accessed on the Bank's website: www.mebkenya.com

They may also be accessed at the our Head Office located at Mebank Tower, Milimani Road, Nairobi.

AAK Esmail
Chairman

Isaac Mwirigi
Managing Director