

## UNAUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30 SEPTEMBER 2021

I STATEMENT OF FINANCIAL POSITION AS AT					
	30 Sep 2020 UNAUDITED Shs. '000'	31 Dec 2020 AUDITED Shs. '000'	31 Mar 2021 UNAUDITED Shs. '000'	30 Jun 2021 UNAUDITED Shs. '000'	30 Sep 2021 UNAUDITED Shs. '000'
<b>A ASSETS</b>					
1 Cash (both Local & Foreign)	53,031	57,089	74,609	79,247	94,696
2 Balances due from Central Bank of Kenya	492,415	710,484	971,868	592,989	586,080
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:	2,122,561	1,883,473	2,100,075	3,162,882	3,438,337
a. Kenya Government securities	2,122,561	1,883,473	2,100,075	3,162,882	3,438,337
b. Other securities	-	-	-	-	-
b) Available for sale:	426,879	320,865	308,610	318,605	-
a. Kenya Government securities	426,879	320,865	308,610	318,605	-
b. Other securities	-	-	-	-	-
6 Deposits and balances due from local banking institutions	247	150,235	672,444	351,214	484,662
7 Deposits and balances due from banking institutions abroad	140,874	61,161	81,125	112,238	219,686
8 Tax recoverable	-	-	-	-	-
9 Loans and advances to customers (net)	7,278,771	7,279,704	4,903,485	5,085,258	5,140,763
10 Balances due from banking institutions in the group	-	-	-	-	-
11 Investments in associates	-	-	-	-	-
12 Investments in subsidiary companies	-	-	-	-	-
13 Investments in joint ventures	-	-	-	-	-
14 Investment properties	-	-	-	-	-
15 Property and equipment	194,970	196,020	193,578	185,656	194,689
16 Prepaid lease rentals	71,754	71,513	71,272	71,030	70,789
17 Intangible assets	34,268	31,234	31,913	33,124	32,660
18 Deferred tax asset	75,306	104,967	104,967	104,967	104,967
19 Retirement benefit asset	-	-	-	-	-
20 Other assets	156,239	154,858	170,464	162,191	179,108
21 <b>TOTAL ASSETS</b>	<b>11,047,315</b>	<b>11,021,603</b>	<b>9,684,410</b>	<b>10,259,401</b>	<b>10,546,437</b>
<b>B LIABILITIES</b>					
22 Balances due to Central Bank of Kenya	-	-	-	-	-
23 Customer deposits	9,509,490	9,523,447	8,211,447	8,706,619	8,701,728
24 Deposits and balances due to local banking institutions	192,502	81,885	32,863	50,000	250,044
25 Deposits and balances due to foreign banking institutions	-	-	-	-	-
26 Other money market deposits	-	-	-	-	-
27 Borrowed funds	-	-	-	-	-
28 Balances due to banking institutions in the group	-	-	-	-	-
29 Tax payable	15,692	2,797	15,189	11,065	18,709
30 Dividends payable	-	-	-	-	-
31 Deferred tax liability	-	-	-	-	-
32 Retirement benefit liability	-	-	-	-	-
33 Other liabilities	118,597	139,136	124,101	164,580	217,931
34 <b>TOTAL LIABILITIES</b>	<b>9,836,281</b>	<b>9,747,265</b>	<b>8,383,600</b>	<b>8,932,264</b>	<b>9,188,412</b>
<b>C SHAREHOLDERS' FUNDS</b>					
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	687,470	757,502	786,457	812,407	833,787
39 Statutory loan loss reserves	12,336	12,336	12,336	12,336	17,407
40 Other Reserves	4,397	(2,331)	(4,814)	(4,437)	-
41 Proposed dividends	-	-	-	-	-
42 Capital grants	-	-	-	-	-
43 <b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>1,211,034</b>	<b>1,274,338</b>	<b>1,300,810</b>	<b>1,327,137</b>	<b>1,358,025</b>
44 Minority Interest	-	-	-	-	-
45 <b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>11,047,315</b>	<b>11,021,603</b>	<b>9,684,410</b>	<b>10,259,401</b>	<b>10,546,437</b>

III OTHER DISCLOSURES					
	30 Sep 2020 UNAUDITED Shs. '000'	31 Dec 2020 AUDITED Shs. '000'	31 Mar 2021 UNAUDITED Shs. '000'	30 Jun 2021 UNAUDITED Shs. '000'	30 Sep 2021 UNAUDITED Shs. '000'
<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>					
(a) Gross Non-performing loans and advances	806,824	790,359	513,262	516,626	522,220
(b) Less: Interest in Suspense	57,365	56,394	52,407	54,166	57,090
(c) <b>Total Non-Performing Loans and Advances (a-b)</b>	<b>749,459</b>	<b>733,965</b>	<b>460,855</b>	<b>462,460</b>	<b>465,130</b>
(d) Less: Loan Loss Provision	170,347	176,440	195,050	207,811	219,790
(e) <b>Net Non-Performing Loans and Advances(c-d)</b>	<b>579,112</b>	<b>557,525</b>	<b>265,805</b>	<b>254,649</b>	<b>245,340</b>
(f) Discounted Value of Securities	579,112	557,525	265,805	254,649	245,340
(g) <b>Net NPLs Exposure (e-f)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.0 INSIDER LOANS AND ADVANCES</b>					
(a) Directors, Shareholders and Associates	186,034	162,476	219,518	206,844	162,527
(b) Employees	84,615	82,047	96,732	107,600	106,789
(c) <b>Total Insider Loans and Advances and other facilities</b>	<b>270,649</b>	<b>244,523</b>	<b>316,250</b>	<b>314,444</b>	<b>269,316</b>
<b>3.0 OFF-BALANCE SHEET ITEMS</b>					
(a) Letters of credit, guarantees, acceptances	594,653	630,785	1,136,867	1,473,066	1,958,181
(b) Forwards, swaps and options	-	2,752	64,694	-	-
(c) Other contingent liabilities	-	-	-	26,801	11,846
(d) <b>Total Contingent Liabilities</b>	<b>594,653</b>	<b>633,537</b>	<b>1,201,561</b>	<b>1,499,867</b>	<b>1,970,027</b>
<b>4.0 CAPITAL STRENGTH</b>					
(a) Core capital	1,111,264	1,208,784	1,223,262	1,236,235	1,244,388
(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
(c) <b>Excess/(Deficiency)[a-b]</b>	<b>111,264</b>	<b>208,784</b>	<b>223,262</b>	<b>236,235</b>	<b>244,388</b>
(d) Supplementary Capital	12,336	12,336	12,336	12,336	17,407
(e) <b>Total Capital (a+d)</b>	<b>1,123,600</b>	<b>1,221,120</b>	<b>1,235,598</b>	<b>1,248,571</b>	<b>1,261,795</b>
(f) Total risk weighted assets	4,286,710	4,371,091	4,166,545	4,696,193	4,576,507
(g) <b>Core Capital/Total deposits Liabilities</b>	<b>11.7%</b>	<b>12.7%</b>	<b>14.9%</b>	<b>14.2%</b>	<b>14.3%</b>
(h) Minimum statutory Ratio	8.0%	8.0%	8.0%	8.0%	8.0%
(i) <b>Excess/(Deficiency) [g-h]</b>	<b>3.7%</b>	<b>4.7%</b>	<b>6.9%</b>	<b>6.2%</b>	<b>6.3%</b>
(j) <b>Core Capital / total risk weighted assets</b>	<b>25.9%</b>	<b>27.7%</b>	<b>29.4%</b>	<b>26.3%</b>	<b>27.2%</b>
(k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%
(l) <b>Excess (Deficiency) [j-k]</b>	<b>15.4%</b>	<b>17.2%</b>	<b>18.9%</b>	<b>15.8%</b>	<b>16.7%</b>
(m) <b>Total Capital/total risk weighted assets</b>	<b>26.2%</b>	<b>27.9%</b>	<b>29.7%</b>	<b>26.6%</b>	<b>27.6%</b>
(n) Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%	14.5%
(o) <b>Excess/(Deficiency) [m-n]</b>	<b>11.7%</b>	<b>13.4%</b>	<b>15.2%</b>	<b>12.1%</b>	<b>13.1%</b>
(p) Adjusted Core Capital/Total Deposit Liabilities*	11.7%	12.7%	14.9%	14.2%	14.3%
(q) Adjusted Core Capital/Total Risk Weighted Assets*	25.9%	27.7%	29.4%	26.3%	27.2%
(r) Adjusted Total Capital/Total Risk Weighted Assets*	26.2%	27.9%	29.7%	26.6%	27.6%
<b>5.0 LIQUIDITY</b>					
(a) <b>Liquidity Ratio</b>	<b>32.7%</b>	<b>31.5%</b>	<b>50.5%</b>	<b>52.5%</b>	<b>52.4%</b>
(b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%	20.0%
(c) <b>Excess (Deficiency) [a-b]</b>	<b>12.7%</b>	<b>11.5%</b>	<b>30.5%</b>	<b>32.5%</b>	<b>32.4%</b>

**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 statement of financial position and statement of comprehensive income 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 Banks website: [www.mebkenya.com](http://www.mebkenya.com). They may also be accessed at the Bank's Head Office located at Mebank Tower, Jakaya Kikwete Road, Nairobi.

**AAK Esmail**  
Chairman

**Isaac Mwigie**  
Managing Director

II STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED					
	30 Sep 2020 UNAUDITED Shs. '000'	31 Dec 2020 AUDITED Shs. '000'	31 Mar 2021 UNAUDITED Shs. '000'	30 Jun 2021 UNAUDITED Shs. '000'	30 Sep 2021 UNAUDITED Shs. '000'
<b>1.0 INTEREST INCOME</b>					
1.1 Loans and advances	524,556	722,749	182,002	346,917	508,820
1.2 Government securities	120,263	180,657	58,105	129,949	224,170
1.3 Deposits and placements with banking institutions	4,278	5,128	10,279	16,208	19,532
1.4 Other Interest Income	-	-	-	-	-
1.5 <b>Total interest income</b>	<b>649,097</b>	<b>908,534</b>	<b>250,386</b>	<b>493,074</b>	<b>752,522</b>
<b>2.0 INTEREST EXPENSE</b>					
2.1 Customer deposits	405,018	560,923	139,499	268,957	414,486
2.2 Deposits and placement from banking institutions	4,853	5,695	377	534	1,658
2.3 Other interest expenses	3,271	4,062	740	1,425	2,054
2.4 <b>Total interest expenses</b>	<b>413,142</b>	<b>570,680</b>	<b>140,616</b>	<b>270,916</b>	<b>418,198</b>
3.0 <b>NET INTEREST INCOME/(LOSS)</b>	<b>235,955</b>	<b>337,854</b>	<b>109,770</b>	<b>222,158</b>	<b>334,324</b>
<b>4.0 NON-INTEREST INCOME</b>					
4.1 Fees and commissions on loans and advances	113,068	131,390	22,895	44,464	74,141
4.2 Other fees and commissions	15,511	23,256	7,066	14,425	21,134
4.3 Foreign exchange trading income/(Loss)	8,942	11,870	6,805	16,127	32,096
4.4 Dividend Income	-	-	-	-	-
4.5 Other income	46,509	56,418	10,782	20,407	31,039
4.6 <b>Total Non-interest income</b>	<b>184,030</b>	<b>222,934</b>	<b>47,548</b>	<b>95,423</b>	<b>158,410</b>
5.0 <b>TOTAL OPERATING INCOME</b>	<b>419,985</b>	<b>560,788</b>	<b>157,318</b>	<b>317,581</b>	<b>492,734</b>
<b>6.0 OTHER OPERATING EXPENSES</b>					
6.1 Loan loss provision	43,079	50,482	(53)	12,593	20,501
6.2 Staff costs	141,760	194,130	52,240	105,961	166,215
6.3 Directors' emoluments	25,150	42,474	11,197	22,363	32,603
6.4 Rental charges	2,580	3,950	478	968	1,458
6.5 Depreciation charge on property and equipment	20,213	25,258	5,939	11,797	18,468
6.6 Amortisation charges	6,688	9,688	2,276	4,624	7,061
6.7 Other operating expenses	105,955	129,603	43,877	82,061	130,371
6.8 <b>Total Other Operating Expenses</b>	<b>345,425</b>	<b>455,585</b>	<b>115,954</b>	<b>240,367</b>	<b>376,677</b>
7.0 <b>Profit/(Loss) Before Tax and Exceptional Items</b>	<b>74,560</b>	<b>105,203</b>	<b>41,364</b>	<b>77,214</b>	<b>116,057</b>
8.0 Exceptional Items	-	-	-	-	-
9.0 <b>Profit/(Loss) After Exceptional Items</b>	<b>74,560</b>	<b>105,203</b>	<b>41,364</b>	<b>77,214</b>	<b>116,057</b>
10.0 Current Tax	18,640	8,911	12,409	22,309	34,701
11.0 Deferred Tax	-	(29,661)	-	-	-
12.0 <b>Profit/(Loss) After Tax and Exceptional Items</b>	<b>55,920</b>	<b>125,953</b>	<b>28,955</b>	<b>54,905</b>	<b>81,356</b>
13.0 Minority Interest	-	-	-	-	-
14.0 <b>Profit/(loss) after tax, exceptional items and Minority Interest</b>	<b>55,920</b>	<b>125,953</b>	<b>28,955</b>	<b>54,905</b>	<b>81,356</b>
15.0 <b>Other Comprehensive Income</b>					
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-	-
15.2 Fair value changes in available for sale financial assets	4,397	(2,331)	(2,483)	(2,106)	-
15.3 Revaluation surplus on Property, plant and equipment	-	-	-	-	-
15.4 Share of other comprehensive income of associates	-	-	-	-	-
15.5 Income tax relating to components of other comprehensive income	-	-	-	-	-
16.0 <b>Other Comprehensive Income for the year net of tax</b>	<b>4,397</b>	<b>(2,331)</b>	<b>(2,483)</b>	<b>(2,106)</b>	<b>-</b>
17.0 <b>Total comprehensive income for the year</b>	<b>60,317</b>	<b>123,622</b>	<b>26,472</b>	<b>52,799</b>	<b>81,356</b>
<b>18.0 EARNINGS PER SHARE- BASIC &amp; DILUT</b>					