



MIDDLE EAST BANK KENYA LIMITED

HEAD OFFICE AND NAIROBI BRANCH
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QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31.03.2016

I BALANCE SHEET		31 st March 2015 UNAUDITED Shs.'000'	31 st Dec 2015 AUDITED Shs.'000'	31 st March 2016 UNAUDITED Shs.'000'
A ASSETS				
1	Cash (both local and foreign)	119,320	128,218	140,444
2	Balances due from Central Bank of Kenya	252,800	277,109	277,469
3	Kenya Government and other securities held for dealing purposes	103,026	-	-
4	Financial Assets at fair value through profit and loss	-	-	-
5	Investment Securities:			
a)	Held to Maturity:			
(i)	Kenya Government securities	1,339,924	1,113,978	777,164
(ii)	Other securities	-	-	-
b)	Available for sale:			
(i)	Kenya Government securities	-	-	-
(ii)	Other securities	-	-	-
6	Deposits and balances due from local banking institutions	1,666	230	287
7	Deposits and balances due from banking institutions abroad	73,808	74,352	42,341
8	Tax recoverable	10,249	10,302	14,950
9	Loans and advances to customers (net)	3,583,862	3,731,155	3,780,109
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	187,233	183,244	181,104
16	Prepaid Lease rentals	77,064	76,339	76,098
17	Intangible assets - (computer software)	2,139	413	354
18	Deferred tax asset	28,457	31,220	31,220
19	Retirement benefit asset	-	-	-
20	Other assets	57,172	50,993	54,454
	TOTAL ASSETS	5,836,720	5,677,553	5,375,994
B LIABILITIES				
21	Balances due to Central Bank of Kenya	-	159,750	119,773
22	Customer deposits	4,179,708	4,099,420	3,701,936
23	Deposits and balances due to local banking institutions	379,985	100,019	242,703
24	Deposits and balances due to foreign banking institutions	-	-	-
25	Other money market deposits	-	-	-
26	Borrowed funds	-	-	-
27	Balances due to group companies	-	-	-
28	Tax payable	-	-	-
29	Dividends payable	-	-	-
30	Deferred tax liability	-	-	-
31	Retirement benefit liability	-	-	-
32	Other liabilities	65,155	54,902	58,936
	TOTAL LIABILITIES	4,624,848	4,414,091	4,123,348
C SHAREHOLDERS' FUNDS				
33	Paid up/Assigned capital	506,831	506,831	506,831
34	Share premium/(discount)	-	-	-
35	Revaluation reserves	-	-	-
36	Retained earnings /Accumulated losses	689,049	741,369	730,553
37	Statutory Loan Loss Reserve	10,924	10,194	10,194
38	Other Reserves	-	-	-
39	Proposed dividends	5,068	5,068	5,068
40	Capital Grants	-	-	-
	TOTAL SHAREHOLDERS' FUNDS	1,211,872	1,263,462	1,252,646
	TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	5,836,720	5,677,553	5,375,994

II STATEMENT OF COMPREHENSIVE INCOME

INTEREST INCOME				
1	Loans and advances	91,377	597,367	128,857
2	Government securities	28,463	81,949	9,366
3	Deposits and placements with banking institutions	2,333	10,392	138
4	Other Interest Income	71	455	-
	Total Interest income	122,244	690,163	138,361
INTEREST EXPENSE				
5	Customer deposits	97,489	416,926	105,458
6	Deposits and placements from banking institutions	3,060	32,578	3,051
7	Other Interest expense	461	461	1,285
	Total Interest Expense	101,010	449,965	109,794
	NET INTEREST INCOME/(LOSS)	21,234	240,198	28,567
OTHER OPERATING INCOME				
8	Fees and commissions on loans and advances	10,283	33,921	8,567
9	Other fees and commission	2,880	14,408	2,787
10	Foreign exchange trading income/(loss)	6,859	41,148	14,368
11	Dividend income	-	-	-
12	Other income	10,054	40,901	10,209
	Total Non-Interest Income	30,076	130,378	35,931
	TOTAL OPERATING INCOME	51,310	370,576	64,498
OPERATING EXPENSES				
13	Loan Loss Provision	8,007	42,704	1,164
14	Staff costs	40,202	158,102	43,442
15	Directors' emoluments	5,540	22,055	5,550
16	Rentals Charges	2,768	11,346	2,954
17	Depreciation charge on property and equipment	2,579	10,678	2,804
18	Amortization Charge	1,110	3,561	300
19	Other operating expenses	22,018	79,513	23,741
	Total Operating Expenses	82,224	327,959	79,955
	Profit/(Loss) before exceptional items	(30,914)	42,617	(15,457)
20	Exceptional items	-	-	-
	Profit/(Loss) after exceptional items	(30,914)	42,617	(15,457)
21	Current tax	(9,086)	10,546	(4,637)
22	Deferred tax	-	(2,764)	-
	Profit/(loss) after tax and exceptional items	(21,828)	34,835	(10,820)
Other Comprehensive Income				
23	Gains/ (Losses) from translating the financial statements of foreign operations	-	-	-
24	Fair value changes in available for sale financial assets	-	-	-
25	Revaluation surplus on Property, plant and equipment	-	-	-
26	Share of other comprehensive income of associates	-	-	-
27	Income tax relating to components of other comprehensive income	-	-	-
	Total Comprehensive Income for the year net of tax	(21,828)	34,835	(10,820)
	Earnings Per Share - Basic & Diluted	(0.86)	1.37	(0.43)
	Dividend Per Share - Declared		0.20	

III OTHER DISCLOSURES

1.0 Non-Performing Loans and Advances				
1.1	a) Gross non-performing loans and advances	1,169,422	1,093,395	1,148,964
1.2	b) Less: interest in suspense	160,595	101,913	156,098
	1.3 c) Total Non-Performing Loans and Advances (a-b)	1,008,827	991,482	992,866
1.4	d) Less: loan loss provision	147,708	175,631	176,361
1.5	e) Net Non-Performing Loans and Advances (c-d)	861,119	815,851	816,505
1.6	f) Discounted value of Securities	861,119	815,851	816,505
1.7	g) Net NPLs Exposure (e-f)	-	-	-
2.0 Insider Loans and Advances				
2.1	a) Directors, shareholders and associates	244,023	245,741	226,328
2.2	b) Employees	64,077	67,495	78,210
	2.3 c) Total Insider Loans and Advances and Other Facilities	308,100	313,236	304,538
3.0 Off-Balance Sheet Items				
3.1	a) Letters of credit, guarantees, acceptances	462,125	281,381	195,594
3.2	b) Forward, swaps and options	737,973	1,026,850	1,073,855
3.3	c) Other contingent liabilities	3,646	12,919	-
	3.4 d) Total Contingent Liabilities	1,203,744	1,321,150	1,269,449
4.0 Capital Strength				
4.1	a) Core capital	1,194,741	1,247,091	1,236,275
4.2	b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000
4.3	c) Excess/(Deficiency)	194,741	247,091	236,275
4.4	d) Supplementary capital	10,924	10,194	10,194
	4.5 e) Total capital (a+d)	1,205,665	1,257,285	1,246,469
4.6	f) Total risk weighted assets	3,800,938	3,793,027	3,963,722
	4.7 g) Core capital/total deposit liabilities	28.58%	30.42%	33.40%
4.8	h) Minimum Statutory Ratio	8.00%	8.00%	8.00%
4.9	i) Excess/(Deficiency)	20.58%	22.42%	25.40%
4.10	j) Core capital/total risk weighted assets	31.43%	32.88%	31.19%
4.11	k) Minimum Statutory Ratio	10.50%	10.50%	10.50%
4.12	l) Excess/(Deficiency)	20.93%	22.38%	20.69%
	4.13 m) Total capital/total risk weighted assets	31.72%	33.15%	31.45%
4.14	n) Minimum Statutory Ratio	14.50%	14.50%	14.50%
4.15	o) Excess/(Deficiency)	17.22%	18.65%	16.95%
5.0 Liquidity				
5.1	a) liquidity Ratio	36.33%	32.59%	23.77%
5.2	b) minimum statutory ratio	20.00%	20.00%	20.00%
5.3	c) Excess/(Deficiency)	16.33%	12.59%	3.77%

Message from the Directors

The financial statements are extracts from the books of the Bank and were approved by the Board of Directors on 18 April 2016. The complete set of quarterly financial statements, statutory and qualitative disclosures can be accessed on our website: www.mebkenya.com. They may also be accessed at the Bank's Head Office located at Mebank Tower, Milimani Road, Nairobi.

Dhirendra Rana
Managing Director

AAK Esmail
Chairman