



MIDDLE EAST BANK KENYA LIMITED

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QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30.09.2016

I BALANCE SHEET		30th Sept	31st Dec	31st March	30th June	30th Sept
		2015	2015	2016	2016	2016
		UNAUDITED	AUDITED	UNAUDITED	UNAUDITED	UNAUDITED
		Shs.'000'	Shs.'000'	Shs.'000'	Shs.'000'	Shs.'000'
A ASSETS						
1	Cash (both local and foreign)	122,598	128,218	140,444	119,534	122,908
2	Balances due from Central Bank of Kenya	270,822	277,109	277,469	253,147	178,359
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	1,236,735	1,113,978	777,164	773,223	686,778
(ii)	Other securities	-	-	-	-	-
b)	Available for sale:					
(i)	Kenya Government securities	-	-	-	-	-
(ii)	Other securities	-	-	-	-	-
6	Deposits and balances due from local banking institutions	102,847	230	287	75,308	405
7	Deposits and balances due from banking institutions abroad	92,767	74,352	42,341	104,446	99,315
8	Tax recoverable	15,636	10,302	14,950	19,115	20,074
9	Loans and advances to customers (net)	4,092,011	3,731,155	3,780,109	3,750,554	3,756,669
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	184,656	183,244	181,104	178,602	176,513
16	Prepaid Lease rentals	76,581	76,339	76,098	75,857	75,616
17	Intangible assets - (computer software)	766	413	354	295	236
18	Deferred tax asset	41,996	31,220	31,220	31,221	31,221
19	Retirement benefit asset	-	-	-	-	-
20	Other assets	51,127	50,993	54,544	62,691	89,825
TOTAL ASSETS		6,288,542	5,677,553	5,375,994	5,443,993	5,237,919
B LIABILITIES						
21	Balances due to Central Bank of Kenya	-	159,750	119,773	200,610	-
22	Customer deposits	4,375,945	4,099,420	3,701,936	3,948,033	3,945,028
23	Deposits and balances due to local banking institutions	633,681	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	-	-	-	5,068	-
30	Deferred tax liability	-	-	-	-	-
31	Retirement benefit liability	-	-	-	-	-
32	Other liabilities	81,439	54,902	58,936	52,431	57,250
TOTAL LIABILITIES		5,091,065	4,414,091	4,123,348	4,206,142	4,002,278
C SHAREHOLDERS' FUNDS						
33	Paid up/Assigned capital.	506,831	506,831	506,831	506,831	506,831
34	Share premium/(discount)	-	-	-	-	-
35	Revaluation reserves	-	-	-	-	-
36	Retained earnings /Accumulated losses	679,722	741,369	730,553	720,826	718,616
37	Statutory Loan Loss Reserve	10,924	10,194	10,194	10,194	10,194
38	Other Reserves	-	-	-	-	-
39	Proposed dividends	-	5,068	5,068	-	-
40	Capital Grants	-	-	-	-	-
TOTAL SHAREHOLDERS' FUNDS		1,197,477	1,263,462	1,252,646	1,237,851	1,235,641
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		6,288,542	5,677,553	5,375,994	5,443,993	5,237,919
II STATEMENT OF COMPREHENSIVE INCOME						
INTEREST INCOME						
1	Loans and advances	326,264	597,367	128,857	253,500	381,518
2	Government securities.	81,803	81,949	9,366	24,450	38,822
3	Deposits and placements with banking institutions	8,856	10,392	138	549	997
4	Other Interest Income	318	455	-	-	-
Total Interest Income		417,241	690,163	138,361	278,499	421,337
INTEREST EXPENSE						
5	Customer deposits	302,135	416,926	105,458	188,980	272,916
6	Deposits and placements from banking institutions	12,273	32,578	3,051	3,353	3,414
7	Other Interest expense	461	461	1,285	16,063	16,582
Total Interest Expense		314,869	449,965	109,794	208,396	292,912
NET INTEREST INCOME/(LOSS)		102,372	240,198	28,567	70,103	128,425
OTHER OPERATING INCOME						
8	Fees and commissions on loans and advances	24,435	33,921	8,567	14,218	18,728
9	Other fees and commission	8,503	14,408	2,787	5,028	7,884
10	Foreign exchange trading income/(loss)	29,733	41,148	14,368	22,718	31,011
11	Dividend income	-	-	-	-	-
12	Other income.	29,719	40,901	10,209	20,884	32,022
Total Non-Interest Income		92,390	130,378	35,931	62,848	89,645
TOTAL OPERATING INCOME		194,762	370,576	64,498	132,951	218,070
OPERATING EXPENSES						
13	Loan Loss Provision	29,888	42,704	1,164	2,527	6,575
14	Staff costs	118,897	158,102	43,442	90,195	137,078
15	Directors' emoluments	16,580	22,055	5,550	11,070	16,590
16	Rentals Charges	8,463	11,346	2,954	5,955	8,956
17	Depreciation charge on property and equipment	7,963	10,678	2,804	5,803	8,708
18	Amortization Charge	2,966	3,561	300	601	901
19	Other operating expenses	54,699	79,513	23,741	46,138	71,757
Total Operating Expenses		239,456	327,959	79,955	162,289	250,565
Profit/(Loss) before exceptional items		(44,694)	42,617	(15,457)	(29,338)	(32,495)
Exceptional items						
Profit/(Loss) after exceptional items		(44,694)	42,617	(15,457)	(29,338)	(32,495)
21	Current tax	-	10,546	(4,637)	(8,791)	(9,738)
22	Deferred tax	(13,539)	(2,764)	-	-	-
Profit/(loss) after tax and exceptional items		(58,233)	50,393	(20,094)	(38,129)	(42,233)
Other Comprehensive Income						
Gains/ (Losses) from translating the financial statements of foreign operations		-	-	-	-	-
Fair value changes in available for sale financial assets		-	-	-	-	-
Revaluation surplus on Property, plant and equipment		-	-	-	-	-
Share of other comprehensive income of associates		-	-	-	-	-
Income tax relating to components of other comprehensive income		-	-	-	-	-
Other Comprehensive Income for the year net of tax		-	-	-	-	-
Total Comprehensive Income for the year		(58,233)	50,393	(20,094)	(38,129)	(42,233)
Earnings Per Share - Basic & Diluted		(1.23)	1.37	(0.43)	(0.81)	(0.90)
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	1,252,992	1,093,395	1,148,964	1,206,977	1,131,302
1.1 b)	Less: interest in suspense	261,066	101,913	156,098	212,016	262,695
1.3 c)	Total Non-Performing Loans and Advances (a-b)	991,926	991,482	992,866	994,961	868,607
1.4 d)	Less: loan loss provision	163,239	175,631	176,361	177,940	70,005
1.5 e)	Net Non-Performing Loans and Advances (c-d)	828,687	815,851	816,505	817,021	798,602
1.6 f)	Discounted value of Securities	828,687	815,851	816,505	817,021	798,602
1.7 g)	Net NPLs Exposure (e-f)	-	-	-	-	-
2.0 Insider Loans and Advances						
2.1 a)	Directors, shareholders and associates	258,940	245,741	226,328	217,065	219,310
2.2 b)	Employees	69,989	67,495	78,210	86,088	86,479
2.3 c)	Total Insider Loans and Advances and Other Facilities	328,929	313,236	304,538	303,153	305,789
3.0 Off-Balance Sheet Items						
3.1 a)	Letters of credit, guarantees, acceptances	288,678	281,381	195,594	208,464	223,518
3.2 b)	Forward, swaps and options	928,991	1,026,850	1,073,855	1,023,557	794,338
3.3 c)	Other contingent liabilities	29,121	12,919	-	-	-
3.4 d)	Total Contingent Liabilities	1,246,790	1,321,150	1,269,449	1,232,021	1,017,856
4.0 Capital Strength						
4.1 a)	Core capital	1,185,414	1,247,091	1,236,275	1,226,548	1,224,338
4.2 b)	Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
4.3 c)	Excess/(Deficiency)	185,414	247,091	236,275	226,548	224,338
4.4 d)	Supplementary capital	10,924	10,194	10,194	10,194	10,194
4.5 e)	Total capital (a-d)	1,196,338	1,257,285	1,246,469	1,236,742	1,234,532
4.6 f)	Total risk weighted assets	4,018,013	3,793,027	3,963,722	3,870,120	3,888,037
4.7 g)	Core capital/total deposit liabilities	27.09%	30.42%	33.40%	31.07%	31.03%
4.8 h)	Minimum Statutory Ratio	8.00%	8.00%	8.00%	8.00%	8.00%
4.9 i)	Excess/(Deficiency)	19.09%	22.42%	25.40%	23.07%	23.03%
4.10 j)	Core capital/total risk weighted assets	29.50%	32.88%	31.19%	31.69%	31.49%
4.11 k)	Minimum Statutory Ratio	10.50%	10.50%	10.50%	10.50%	10.50%
4.12 l)	Excess/(Deficiency)	19.00%	22.38%	20.69%	21.19%	20.99%
4.13 m)	Total capital/total risk weighted assets	29.77%	33.15%	31.45%	31.96%	31.75%
4.14 n)	Minimum Statutory Ratio	14.50%	14.50%	14.50%	14.50%	14.50%
4.15 o)	Excess/(Deficiency)	15.27%	18.65%	16.95%	17.46%	17.25%
5.0 Liquidity						
5.1 a)	liquidity Ratio	27.36%	32.59%	23.77%	28.64%	27.76%
5.2 b)	minimum statutory ratio	20.00%	20.00%	20.00%	20.00%	20.00%
5.3 c)	Excess/(Deficiency)	7.36%	12.59%	3.77%	8.64%	7.76%
Message from the Directors						
The financial statements are extracts from the books of the Bank.						
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.						
Signed		Dhirendra Rana Managing Director			AAK Esmail Chairman	