



MIDDLE EAST BANK KENYA LIMITED

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QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30.09.2018

I BALANCE SHEET		30 th Sept 2017	31 st Dec 2017	31 st Mar 2018	30 th Jun 2018	30 th Sept 2018
		UNAUDITED	AUDITED	UNAUDITED	UNAUDITED	UNAUDITED
		Shs.'000'	Shs.'000'	Shs.'000'	Shs.'000'	Shs.'000'
A ASSETS						
1	Cash (both local and foreign)	77,077	78,680	75,003	83,552	88,350
2	Balances due from Central Bank of Kenya	238,660	731,628	341,844	214,169	278,292
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	646,486	974,075	1,148,336	1,458,117	1,750,388
(ii)	Other securities	-	-	-	-	-
b)	Available for sale:					
(i)	Kenya Government securities	-	-	-	-	-
(ii)	Other securities	-	-	-	-	-
6	Deposits and balances due from local banking institutions	327	40,307	285	142,032	1,361
7	Deposits and balances due from banking institutions abroad	92,737	49,819	437,209	289,383	213,085
8	Tax recoverable	25,173	2,780	18,292	22,074	36,862
9	Loans and advances to customers (net)	3,548,760	2,769,120	2,566,494	2,446,597	2,461,065
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	173,077	175,071	172,392	169,152	165,958
16	Prepaid Lease rentals	74,650	74,409	74,168	73,926	73,685
17	Intangible assets - (computer software)	21,394	30,316	28,553	46,654	44,214
18	Deferred tax asset	75,932	100,446	100,446	100,446	100,446
19	Retirement benefit asset	-	-	-	-	-
20	Other assets	117,850	94,385	127,126	119,382	129,954
21 TOTAL ASSETS		5,092,123	5,121,036	5,090,148	5,165,484	5,343,660
B LIABILITIES						
22	Balances due to Central Bank of Kenya	-	-	-	-	100,750
23	Customer deposits	3,838,851	3,907,675	3,922,485	4,001,367	4,101,602
24	Deposits and balances due to local banking institutions	-	-	-	-	-
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	-	-	-	5,068	-
31	Deferred tax liability	-	-	-	-	-
32	Retirement benefit liability	-	-	-	-	-
33	Other liabilities	109,852	51,508	68,697	75,655	79,637
34 TOTAL LIABILITIES		3,948,703	3,959,183	3,991,182	4,082,090	4,281,989
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	623,451	636,170	587,067	576,563	535,225
39	Statutory Loan Loss Reserve	13,138	13,784	-	-	19,615
40	Other Reserves	-	-	-	-	-
41	Proposed dividends	-	5,068	5,068	-	-
42	Capital Grants	-	-	-	-	-
43	TOTAL SHAREHOLDERS' FUNDS	1,143,420	1,161,853	1,098,966	1,083,394	1,061,671
44	Minority Interest	-	-	-	-	-
45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		5,092,123	5,121,036	5,090,148	5,165,484	5,343,660
II STATEMENT OF COMPREHENSIVE INCOME						
1.0 INTEREST INCOME						
1.1	Loans and advances	323,990	395,811	56,503	145,389	195,688
1.2	Government securities	41,531	55,556	23,226	54,519	96,570
1.3	Deposits and placements with banking institutions	2,314	4,136	2,903	5,844	6,912
1.4	Other Interest Income	-	-	-	-	-
1.5	Total Interest Income	367,835	455,503	82,632	205,752	299,170
2.0 INTEREST EXPENSE						
2.1	Customer deposits	205,378	272,659	64,378	128,824	192,010
2.2	Deposits and placements from banking institutions	2,695	2,769	84	123	156
2.3	Other Interest expense	856	856	-	-	125
2.4	Total Interest Expense	208,929	276,284	64,462	128,947	192,291
3.0 NET INTEREST INCOME/(LOSS)		158,906	179,219	18,170	76,805	106,879
4.0 OTHER OPERATING INCOME						
4.1	Fees and commissions on loans and advances	16,520	16,542	5,594	8,808	11,205
4.2	Other fees and commission	15,409	25,057	3,605	6,367	11,988
4.3	Foreign exchange trading income/(loss)	20,840	28,944	1,566	3,940	5,381
4.4	Dividend income	-	-	-	-	-
4.5	Other income	26,531	37,425	9,904	20,636	30,934
4.6 Total Non-Interest Income		77,305	107,968	20,669	39,751	59,508
5.0 TOTAL OPERATING INCOME		236,211	287,187	38,839	116,556	166,387
6.0 OPERATING EXPENSES						
6.1	Loan Loss Provision	41,023	27,270	22,566	23,038	23,155
6.2	Staff costs	143,136	183,528	42,125	83,353	125,148
6.3	Directors' emoluments	16,815	22,650	5,635	11,250	16,800
6.4	Rentals Charges	9,477	12,713	3,307	6,684	10,060
6.5	Depreciation charge on property and equipment	9,306	13,226	3,273	6,528	9,723
6.6	Amortization Charge	3,133	4,920	2,003	4,458	7,139
6.7	Other operating expenses	73,907	64,308	24,537	47,605	74,945
6.8 Total Operating Expenses		296,797	328,615	103,446	182,916	266,970
7.0 Profit/(Loss) before Tax and Exceptional items		(60,586)	(41,428)	(64,607)	(66,360)	(100,583)
8.0	Exceptional items	-	-	-	-	-
9.0	Profit/(Loss) after Exceptional items	(60,586)	(41,428)	(64,607)	(66,360)	(100,583)
10.0	Current tax	(16,961)	8,274	(15,500)	(17,500)	(30,000)
11.0	Deferred tax	-	(24,514)	-	-	-
12.0	Profit/(loss) after Tax and Exceptional items	(43,625)	(25,188)	(49,107)	(48,860)	(70,583)
13.0	Minority Interest	-	-	-	-	-
14.0	Profit/(loss) after tax, exceptional items and Minority Interest	-	-	-	-	-
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	-	-	-	-	-
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	-	-	-	-	-
17.0	Total Comprehensive Income for the year	(43,625)	(25,188)	(49,107)	(48,860)	(70,583)
18.0	Earnings Per Share - Basic & Diluted	(1.72)	(0.99)	(1.94)	(1.93)	(2.79)
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	1,531,902	1,437,922	1,460,735	1,306,509	1,302,139
b)	Less: interest in suspense	322,385	261,016	268,640	229,991	229,021
c) Total Non-Performing Loans and Advances (a-b)		1,209,517	1,176,906	1,192,095	1,076,518	1,073,118
d)	Less: loan loss provision	179,258	211,944	226,806	238,389	258,121
e) Net Non-Performing Loans and Advances (c-d)		1,030,259	964,962	965,289	838,129	814,997
f)	Discounted value of Securities	1,030,259	964,962	965,289	838,129	814,997
g)	Net NPLs Exposure (e-f)	-	-	-	-	-
2.0 Insider Loans and Advances						
a)	Directors, shareholders and associates	5,889	1,134	1,090	43,078	24,292
b)	Employees	79,125	82,190	90,855	88,260	88,099
c) Total Insider Loans and Advances and Other Facilities		85,014	83,324	91,945	131,338	112,391
3.0 Off-Balance Sheet Items						
a)	Letters of credit, guarantees, acceptances	325,669	252,109	333,270	354,100	258,827
b)	Forward, swaps and options	457,132	413,997	282,839	45,677	35,723
c)	Other contingent liabilities	-	-	-	-	-
d) Total Contingent Liabilities		782,801	666,106	616,109	399,777	294,550
4.0 Capital Strength						
a)	Core capital	1,129,390	1,143,001	1,093,898	1,059,621	1,018,283
b)	Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
c)	Excess/(Deficiency)	129,390	143,001	93,898	59,621	18,283
d)	Supplementary capital	13,138	13,784	-	-	19,615
e) Total capital (a+d)		1,142,528	1,156,785	1,093,898	1,059,621	1,037,898
f) Total risk weighted assets		3,728,914	2,717,391	2,606,265	2,497,545	2,402,860
g) Core capital/total deposit liabilities		29.42%	29.25%	27.89%	26.48%	24.83%
h)	Minimum Statutory Ratio	8.00%	8.00%	8.00%	8.00%	8.00%
i)	Excess/(Deficiency)	21.42%	21.25%	19.89%	18.48%	16.83%
j)	Core capital/total risk weighted assets	30.29%	42.06%	41.97%	42.43%	42.38%
k)	Minimum Statutory Ratio	10.50%	10.50%	10.50%	10.50%	10.50%
l)	Excess/(Deficiency)	19.79%	31.56%	31.47%	31.93%	31.88%
m) Total capital/total risk weighted assets		30.64%	42.57%	41.97%	42.43%	43.19%
n)	Minimum Statutory Ratio	14.50%	14.50%	14.50%	14.50%	14.50%
o)	Excess/(Deficiency)	16.14%	28.07%	27.47%	27.93%	28.69%
p)	Adjusted core capital/total deposit liabilities*	-	-	28.43%	27.00%	25.40%
q)	Adjusted core capital/total risk weighted assets*	-	-	42.79%	43.30%	43.30%
r)	Adjusted total capital/total risk weighted assets*	-	-	42.79%	43.30%	44.10%
5.0 Liquidity						
a)	Liquidity Ratio	27.50%	47.94%	51.06%	54.66%	54.38%
b)	minimum statutory ratio	20.00%	20.00%	20.00%	20.00%	20.00%
c)	Excess/(Deficiency)	7.50%	27.94%	31.06%	34.66%	34.38%

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 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, Millimani Road, Nairobi.

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Chairman