



# MIDDLE EAST BANK KENYA LIMITED

**HEAD OFFICE AND NAIROBI BRANCH**  
MEbank Tower, Millimani Road  
P.O. Box 47387, Nairobi, Kenya  
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Tel: 041-2319069  
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Tel. 254-053-2030917/13/23/35

## QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31.03.2019

I BALANCE SHEET	31 <sup>st</sup> March 2018	31 <sup>st</sup> Dec 2018	31 <sup>st</sup> March 2019
	UNAUDITED Shs:'000'	AUDITED Shs:'000'	UNAUDITED Shs:'000'
<b>A ASSETS</b>			
1 Cash (both local and foreign)	75,003	99,401	76,363
2 Balances due from Central Bank of Kenya	341,844	254,502	457,737
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	1,148,336	1,467,979	1,532,813
(ii) Other securities	-	-	-
b) Available for sale:			
(i) Kenya Government securities	-	-	-
(ii) Other securities	-	-	-
6 Deposits and balances due from local banking institutions	285	52,800	99,437
7 Deposits and balances due from banking institutions abroad	437,209	448,254	194,583
8 Tax recoverable	18,292	-	-
9 Loans and advances to customers (net)	2,566,494	2,560,398	2,754,795
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	172,392	165,150	179,437
16 Prepaid Lease rentals	74,168	73,444	73,202
17 Intangible assets - (computer software)	28,553	41,775	39,336
18 Deferred tax asset	100,446	113,060	113,060
19 Retirement benefit asset	-	-	-
20 Other assets	127,126	84,101	99,761
<b>21 TOTAL ASSETS</b>	<b>5,090,148</b>	<b>5,360,864</b>	<b>5,620,524</b>
<b>B LIABILITIES</b>			
22 Balances due to Central Bank of Kenya	-	-	-
23 Customer deposits	3,922,485	4,146,661	4,336,332
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	-	714	16,502
30 Dividends payable	-	-	-
31 Deferred tax liability	-	-	-
32 Retirement benefit liability	-	-	-
33 Other liabilities	68,697	55,611	75,199
<b>34 TOTAL LIABILITIES</b>	<b>3,991,182</b>	<b>4,202,986</b>	<b>4,428,033</b>
<b>C SHAREHOLDERS' FUNDS</b>			
35 Paid up/Assigned capital	506,831	506,831	506,831
36 Share premium/(discount)	-	-	-
37 Revaluation reserves	-	-	-
38 Retained earnings/Accumulated losses	587,067	557,258	589,097
39 Statutory Loan Loss Reserve	-	88,721	91,495
40 Other Reserves	-	-	-
41 Proposed dividends	5,068	5,068	5,068
42 Capital Grants	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>1,098,966</b>	<b>1,157,878</b>	<b>1,192,491</b>
44 Minority Interest	-	-	-
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>5,090,148</b>	<b>5,360,864</b>	<b>5,620,524</b>

II STATEMENT OF COMPREHENSIVE INCOME			
<b>1.0 INTEREST INCOME</b>			
1.1 Loans and advances	56,503	355,865	128,158
1.2 Government securities	23,226	136,928	33,671
1.3 Deposits and placements with banking institutions	2,903	7,988	2,342
1.4 Other Interest Income	-	-	-
<b>1.5 Total Interest Income</b>	<b>82,632</b>	<b>500,781</b>	<b>164,171</b>
<b>2.0 INTEREST EXPENSE</b>			
2.1 Customer deposits	64,378	256,408	60,464
2.2 Deposits and placements from banking institutions	84	302	6
2.3 Other Interest expense	3,507	175	452
2.4 Total Interest Expense	64,462	256,885	60,922
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>18,170</b>	<b>243,896</b>	<b>103,249</b>
<b>4.0 OTHER OPERATING INCOME</b>			
4.1 Fees and commissions on loans and advances	5,594	16,137	15,416
4.2 Other fees and commission	3,605	17,567	3,481
4.3 Foreign exchange trading income/(loss)	1,566	7,238	1,426
4.4 Dividend income	-	-	-
4.5 Other income	9,904	43,836	10,941
<b>4.6 Total Non-Interest Income</b>	<b>20,669</b>	<b>84,778</b>	<b>31,264</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>38,839</b>	<b>328,674</b>	<b>134,513</b>
<b>6.0 OPERATING EXPENSES</b>			
6.1 Loan Loss Provision	22,566	(5,822)	669
6.2 Staff costs	42,125	166,733	41,881
6.3 Directors' emoluments	5,635	22,500	2,350
6.4 Rentals Charges	3,507	13,437	1,514
6.5 Depreciation charge on property and equipment	3,273	13,022	3,882
6.6 Amortization Charge	2,003	9,819	2,680
6.7 Other operating expenses	24,537	108,473	28,740
<b>6.8 Total Operating Expenses</b>	<b>103,446</b>	<b>328,162</b>	<b>81,916</b>
7.0 Profit/(Loss) before Tax and Exceptional items	(64,607)	512	52,597
8.0 Exceptional items	-	-	-
9.0 Profit/(Loss) after Exceptional items	(64,607)	512	52,597
10.0 Current tax	(15,500)	9,864	15,800
11.0 Deferred tax	-	(11,963)	-
12.0 Profit/(loss) after Tax and Exceptional items	(49,107)	2,611	36,797
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	-	-	-
<b>17.0 Total Comprehensive Income for the year</b>	<b>(49,107)</b>	<b>2,611</b>	<b>36,797</b>
<b>18.0 Earnings Per Share - Basic &amp; Diluted</b>	<b>(1.94)</b>	<b>0.10</b>	<b>1.45</b>
<b>19.0 Dividend Per Share - Declared</b>		<b>0.20</b>	

III OTHER DISCLOSURES			
<b>1.0 Non-Performing Loans and Advances</b>			
a) Gross non-performing loans and advances	1,460,735	1,227,094	1,216,886
b) Less: interest in suspense	268,640	247,821	244,101
<b>c) Total Non-Performing Loans and Advances (a-b)</b>	<b>1,192,095</b>	<b>979,273</b>	<b>972,785</b>
d) Less: loan loss provision	226,806	255,924	255,109
e) Net Non-Performing Loans and Advances (c-d)	965,289	723,349	717,676
f) Discounted value of Securities	965,289	723,349	717,676
g) Net NPLs Exposure (e-f)	-	-	-
<b>2.0 Insider Loans and Advances</b>			
a) Directors, shareholders and associates	1,090	14,407	33,729
b) Employees	90,855	86,029	87,217
<b>c) Total Insider Loans and Advances and Other Facilities</b>	<b>91,945</b>	<b>100,436</b>	<b>120,946</b>
<b>3.0 Off-Balance Sheet Items</b>			
a) Letters of credit, guarantees, acceptances	333,270	269,517	271,736
b) Forward, swaps and options	282,839	-	22,136
c) Other contingent liabilities	-	-	-
<b>d) Total Contingent Liabilities</b>	<b>616,109</b>	<b>269,517</b>	<b>293,872</b>
<b>4.0 Capital Strength</b>			
a) Core capital	1,093,898	1,023,539	1,004,197
b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000
c) Excess/(Deficiency)	93,898	23,539	4,197
d) Supplementary capital	-	88,721	91,495
e) Total capital (a+d)	1,093,898	1,112,260	1,095,692
f) Total risk weighted assets	2,606,265	2,475,148	2,418,601
g) Core capital/total deposit liabilities	27.89%	24.68%	23.16%
h) Minimum Statutory Ratio	8.00%	8.00%	8.00%
i) Excess/(Deficiency)	19.89%	16.68%	15.16%
j) Core capital/total risk weighted assets	41.97%	41.35%	41.52%
k) Minimum Statutory Ratio	10.50%	10.50%	10.50%
l) Excess/(Deficiency)	31.47%	30.85%	31.02%
m) Total capital/total risk weighted assets	41.97%	44.94%	45.30%
n) Minimum Statutory Ratio	14.50%	14.50%	14.50%
o) Excess/(Deficiency)	27.47%	30.44%	30.80%
p) Adjusted core capital/ total deposit liabilities*	28.43%	24.70%	23.24%
q) Adjusted core capital/ total risk weighted assets*	42.79%	41.40%	41.67%
r) Adjusted total capital/total risk weighted assets*	42.79%	44.90%	45.46%
<b>5.0 Liquidity</b>			
a) Liquidity Ratio	51.06%	56.08%	54.51%
b) Minimum statutory ratio	20.00%	20.00%	20.00%
c) Excess/(Deficiency)	31.06%	36.08%	34.51%

**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](http://www.mebkenya.com). They may also be accessed at the Bank's Head Office located at Mebank Tower, Millimani Road, Nairobi.

**Thomas Mulwa**  
Director

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Chairman