



MIDDLE EAST BANK KENYA LIMITED

HEAD OFFICE AND NAIROBI BRANCH
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QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30.06.2020

I BALANCE SHEET		30th June 2019	31st Dec 2019	31st March 2020	30th June 2020
		UNAUDITED	AUDITED	UNAUDITED	UNAUDITED
		Shs.'000'	Shs.'000'	Shs.'000'	Shs.'000'
A ASSETS					
1	Cash (both local and foreign)	79,501	58,569	66,639	55,339
2	Balances due from Central Bank of Kenya	383,076	462,528	571,636	557,735
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	1,180,682	1,172,971	1,107,962	1,727,156
(ii)	Other securities	-	-	-	-
b)	Available for sale:				
(i)	Kenya Government securities	-	-	-	-
(ii)	Other securities	-	-	-	-
6	Deposits and balances due from local banking institutions	2,940	51	223,313	100,270
7	Deposits and balances due from banking institutions abroad	226,099	286,243	165,720	145,992
8	Tax recoverable	-	-	-	-
9	Loans and advances to customers (net)	4,171,142	5,964,756	6,257,959	6,958,079
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	205,188	200,739	211,758	209,402
16	Prepaid Lease rentals	72,961	72,478	72,237	71,996
17	Intangible assets - (computer software)	40,879	36,010	35,603	33,915
18	Deferred tax asset	113,060	75,306	75,306	75,306
19	Retirement benefit asset	-	-	-	-
20	Other assets	131,481	136,633	175,706	252,233
21	TOTAL ASSETS	6,607,009	8,466,284	8,963,839	10,187,423
B LIABILITIES					
22	Balances due to Central Bank of Kenya	-	-	-	-
23	Customer deposits	5,258,747	6,837,845	7,644,111	8,867,677
24	Deposits and balances due to local banking institutions	-	300,000	-	-
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	18,600	7,084	18,986	11,955
30	Dividends payable	-	-	-	-
31	Deferred tax liability	-	-	-	-
32	Retirement benefit liability	-	-	-	-
33	Other liabilities	111,340	165,571	117,178	116,440
34	TOTAL LIABILITIES	5,388,687	7,310,500	7,780,275	8,996,072
C SHAREHOLDERS' FUNDS					
35	Paid up/Assigned capital	506,831	506,831	506,831	506,831
36	Share premium/(discount)	-	-	-	-
37	Revaluation reserves	-	-	-	-
38	Retained earnings /Accumulated losses	610,222	636,428	664,329	672,116
39	Statutory Loan Loss Reserve	101,269	7,457	7,336	7,336
40	Other Reserves	-	-	-	-
41	Proposed dividends	-	5,068	5,068	5,068
42	Capital Grants	-	-	-	-
43	TOTAL SHAREHOLDERS' FUNDS	1,218,322	1,155,784	1,183,564	1,191,351
44	Minority Interest	-	-	-	-
45	TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	6,607,009	8,466,284	8,963,839	10,187,423
II STATEMENT OF COMPREHENSIVE INCOME					
1.0 INTEREST INCOME					
1.1	Loans and advances	210,791	521,010	153,773	337,834
1.2	Government securities	68,767	121,110	25,374	64,169
1.3	Deposits and placements with banking institutions	3,768	10,572	387	2,298
1.4	Other Interest Income	-	-	-	-
1.5	Total Interest income	283,326	652,692	179,534	404,301
2.0 INTEREST EXPENSE					
2.1	Customer deposits	135,681	317,037	110,908	251,716
2.2	Deposits and placements from banking institutions	92	1,052	3,816	4,092
2.3	Other Interest expense	1,963	3,591	1,244	2,351
2.4	Total Interest Expense	137,736	321,680	115,968	258,159
3.0 NET INTEREST INCOME/(LOSS)		145,590	331,012	63,566	146,142
4.0 OTHER OPERATING INCOME					
4.1	Fees and commissions on loans and advances	59,929	115,720	60,597	77,609
4.2	Other fees and commission	7,950	15,582	3,898	9,249
4.3	Foreign exchange trading income/(loss)	3,985	12,700	4,921	7,487
4.4	Dividend income	-	-	-	-
4.5	Other income	22,754	51,652	21,866	33,389
4.6	Total Non-Interest Income	94,618	195,654	91,282	127,734
5.0 TOTAL OPERATING INCOME		240,208	526,666	154,848	273,876
6.0 OPERATING EXPENSES					
6.1	Loan Loss Provision	4,074	104,409	11,446	27,529
6.2	Staff costs	85,371	182,693	45,927	89,190
6.3	Directors' emoluments	3,460	32,653	9,175	16,490
6.4	Rentals Charges	3,170	8,584	1,562	2,892
6.5	Depreciation charge on property and equipment	10,644	21,375	7,178	15,431
6.6	Amortization Charge	5,595	11,730	2,787	3,028
6.7	Other operating expenses	36,094	105,593	37,081	72,011
6.8	Total Operating Expenses	148,408	467,037	115,156	226,571
7.0 Profit/(Loss) before Tax and Exceptional Items		91,800	59,629	39,692	47,305
8.0	Exceptional items	-	-	-	-
9.0 Profit/(Loss) after Exceptional Items		91,800	59,629	39,692	47,305
10.0	Current tax	24,050	17,986	11,915	11,740
11.0	Deferred tax	-	38,029	-	-
12.0	Profit/(loss) after Tax and Exceptional Items	67,750	3,614	27,777	35,565
13.0	Minority Interest	-	-	-	-
14.0 Profit/(loss) after tax, exceptional items and Minority Interest		67,750	3,614	27,777	35,565
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		67,750	3,614	27,777	35,565
18.0 Earnings Per Share - Basic & Diluted		2.67	0.14	1.10	1.40
19.0 Dividend Per Share - Declared		-	-	-	-
III OTHER DISCLOSURES					
1.0 Non-Performing Loans and Advances					
a)	Gross non-performing loans and advances	1,331,012	869,702	804,902	803,324
b)	Less: interest in suspense	245,703	50,307	52,733	55,728
c)	Total Non-Performing Loans and Advances (a-b)	1,085,309	819,395	752,169	747,596
d)	Less: loan loss provision	257,306	137,555	148,916	152,897
e)	Net Non-Performing Loans and Advances (c-d)	828,003	681,840	603,253	594,699
f)	Discounted value of Securities	828,003	681,840	603,253	594,699
g)	Net NPLs Exposure (e-f)	-	-	-	-
2.0 Insider Loans and Advances					
a)	Directors, shareholders and associates	990	324,471	329,049	308,295
b)	Employees	84,322	93,260	81,191	82,292
c)	Total Insider Loans and Advances and Other Facilities	85,312	417,731	410,240	390,587
3.0 Off-Balance Sheet Items					
a)	Letters of credit, guarantees, acceptances	277,076	724,590	485,235	536,243
b)	Forward, swaps and options	20,828	376,078	31,197	44,299
c)	Other contingent liabilities	-	-	-	-
d)	Total Contingent Liabilities	297,904	1,100,668	516,432	580,542
4.0 Capital Strength					
a)	Core capital	1,018,431	1,086,257	1,102,193	1,106,087
b)	Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
c)	Excess/(Deficiency)	18,431	86,257	102,193	106,087
d)	Supplementary capital	101,269	7,457	7,336	7,336
e)	Total capital (a+d)	1,119,700	1,093,714	1,109,529	1,113,423
f)	Total risk weighted assets	2,762,974	3,506,605	3,881,530	4,060,175
g)	Core capital/total deposit liabilities	19.37%	15.89%	14.42%	12.47%
h)	Minimum Statutory Ratio	8.00%	8.00%	8.00%	8.00%
i)	Excess/(Deficiency)	11.37%	7.89%	6.42%	4.47%
j)	Core capital/total risk weighted assets	36.86%	30.98%	28.40%	27.24%
k)	Minimum Statutory Ratio	10.50%	10.50%	10.50%	10.50%
l)	Excess/(Deficiency)	26.36%	20.48%	17.90%	16.74%
m)	Total capital/total risk weighted assets	40.53%	31.19%	28.58%	27.42%
n)	Minimum Statutory Ratio	14.50%	14.50%	14.50%	14.50%
o)	Excess/(Deficiency)	26.03%	16.69%	14.08%	12.92%
p)	Adjusted core capital/total deposit liabilities*	19.42%	15.90%	14.40%	12.50%
q)	Adjusted core capital/total risk weighted assets*	36.96%	31.00%	28.40%	27.30%
r)	Adjusted total capital/total risk weighted assets*	40.63%	31.20%	28.60%	27.40%
5.0 Liquidity					
a)	Liquidity Ratio	35.65%	24.21%	27.60%	29.20%
b)	minimum statutory ratio	20.00%	20.00%	20.00%	20.00%
c)	Excess/(Deficiency)	15.65%	4.21%	7.60%	9.20%

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, Milimani Road, Nairobi.

Isaac Mwine
Managing Director

AAK Esmail
Chairman