



MIDDLE EAST BANK KENYA LIMITED

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AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31 DECEMBER 2020

I STATEMENT OF FINANCIAL POSITION		31 Dec 2019 AUDITED Shs.'000'	31 Dec 2020 AUDITED Shs.'000'
A ASSETS			
1 Cash (both local and foreign)		58,569	57,089
2 Balances due from Central Bank of Kenya		462,528	710,484
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		1,172,971	1,883,473
(ii) Other securities		-	-
b) Available for sale:		-	-
(i) Kenya Government securities		-	320,865
(ii) Other securities		-	-
6 Deposits and balances due from local banking institutions		51	150,235
7 Deposits and balances due from banking institutions abroad		286,243	61,161
8 Tax recoverable		-	-
9 Loans and advances to customers (net)		5,964,756	7,279,704
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		200,739	196,020
16 Prepaid Lease rentals		72,478	71,513
17 Intangible assets - (computer software)		36,010	31,234
18 Deferred tax asset		75,306	104,967
19 Retirement benefit asset		-	-
20 Other assets		136,633	154,858
21 TOTAL ASSETS		8,466,284	11,021,603
B LIABILITIES			
22 Balances due to Central Bank of Kenya		-	-
23 Customer deposits		6,837,845	9,523,447
24 Deposits and balances due to local banking institutions		300,000	81,885
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		7,084	2,797
30 Dividends payable		-	-
31 Deferred tax liability		-	-
32 Retirement benefit liability		-	-
33 Other liabilities		165,571	139,136
34 TOTAL LIABILITIES		7,310,500	9,747,265
C SHAREHOLDERS' FUNDS			
35 Paid up/Assigned capital		506,831	506,831
36 Share premium/(discount)		-	-
37 Revaluation reserves		-	-
38 Retained earnings /Accumulated losses		636,428	757,502
39 Statutory Loan Loss Reserve		7,457	12,336
40 Other Reserves		-	(2,331)
41 Proposed dividends		5,068	-
42 Capital Grants		-	-
43 TOTAL SHAREHOLDERS' FUNDS		1,155,784	1,274,338
44 Minority Interest		-	-
45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		8,466,284	11,021,603

II STATEMENT OF COMPREHENSIVE INCOME		31 Dec 2019 AUDITED Shs.'000'	31 Dec 2020 AUDITED Shs.'000'
1.0 INTEREST INCOME			
1.1 Loans and advances		521,010	722,749
1.2 Government securities		121,110	180,657
1.3 Deposits and placements with banking institutions		10,572	5,128
1.4 Other Interest Income		-	-
1.5 Total Interest income		652,692	908,534
2.0 INTEREST EXPENSE			
2.1 Customer deposits		317,037	560,923
2.2 Deposits and placements from banking institutions		1,052	5,695
2.3 Other Interest expense		3,591	4,062
2.4 Total Interest Expense		321,680	570,680
3.0 NET INTEREST INCOME/(LOSS)		331,012	337,854
4.0 OTHER OPERATING INCOME			
4.1 Fees and commissions on loans and advances		115,720	131,390
4.2 Other fees and commission		15,582	23,256
4.3 Foreign exchange trading income/(loss)		12,700	11,870
4.4 Dividend income		-	-
4.5 Other income		51,652	56,418
4.6 Total Non-Interest Income		195,654	222,934
5.0 TOTAL OPERATING INCOME		526,666	560,788
6.0 OPERATING EXPENSES			
6.1 Loan Loss Provision		104,409	50,482
6.2 Staff costs		182,693	194,130
6.3 Directors' emoluments		32,653	42,474
6.4 Rentals Charges		8,584	3,950
6.5 Depreciation charge on property and equipment		21,375	25,258
6.6 Amortization Charge		11,730	9,688
6.7 Other operating expenses		105,593	129,603
6.8 Total Operating Expenses		467,037	455,585
7.0 Profit / (Loss) before Tax and Exceptional items		59,629	105,203
8.0 Exceptional items		-	-
9.0 Profit / (Loss) after Exceptional items		59,629	105,203
10.0 Current tax		17,986	8,911
11.0 Deferred tax		38,029	(29,661)
12.0 Profit / (loss) after Tax and Exceptional items		3,614	125,953
13.0 Minority Interest		-	-
14.0 Profit / (loss) after tax, exceptional items and Minority Interest		3,614	125,953
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		-	(2,331)
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		-	(2,331)
17.0 Total Comprehensive Income for the year		3,614	123,622
18.0 Earnings Per Share - Basic & Diluted		0.14	4.97
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		869,702	790,359
b) Less: interest in suspense		50,307	56,394
c) Total Non-Performing Loans and Advances (a-b)		819,395	733,965
d) Less: loan loss provision		137,555	176,440
e) Net Non-Performing Loans and Advances (c-d)		681,840	557,525
f) Discounted value of Securities		681,840	557,525
g) Net NPLs Exposure (e-f)		-	-
2.0 Insider Loans and Advances			
a) Directors, shareholders and associates		324,471	162,476
b) Employees		93,260	82,047
c) Total Insider Loans and Advances and Other Facilities		417,731	244,523
3.0 Off-Balance Sheet Items			
a) Letters of credit, guarantees, acceptances		724,590	630,785
b) Forward, swaps and options		376,078	2,752
c) Other contingent liabilities		-	-
d) Total Contingent Liabilities		1,100,668	633,537
4.0 Capital Strength			
a) Core capital		1,086,257	1,208,784
b) Minimum Statutory Capital		1,000,000	1,000,000
c) Excess/(Deficiency)		86,257	208,784
d) Supplementary capital		7,457	12,336
e) Total capital (a+d)		1,093,714	1,221,120
f) Total risk weighted assets		3,506,605	4,371,091
g) Core capital/total deposit liabilities		15.9%	12.7%
h) Minimum Statutory Ratio		8.0%	8.0%
i) Excess/(Deficiency)		7.9%	4.7%
j) Core capital/total risk weighted assets		31.0%	27.7%
k) Minimum Statutory Ratio		10.5%	10.5%
l) Excess/(Deficiency)		20.5%	17.2%
m) Total capital/total risk weighted assets		31.2%	27.9%
n) Minimum Statutory Ratio		14.5%	14.5%
o) Excess/(Deficiency)		16.7%	13.4%
p) Adjusted core capital/ total deposit liabilities*		15.9%	12.7%
q) Adjusted core capital/ total risk weighted assets*		31.0%	27.7%
r) Adjusted total capital/total risk weighted assets*		31.20%	27.9%
5.0 Liquidity			
a) Liquidity Ratio		24.2%	31.5%
b) minimum statutory ratio		20.00%	20.00%
c) Excess / (Deficiency)		4.2%	11.5%

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 above statement of comprehensive income and statement of financial position are extracts from the Banks financial statements which have been audited by PricewaterhouseCoopers and have received an unqualified opinion.

The complete set of 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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Celebrating
40 years
of solid banking in Kenya

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