

QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31 MARCH 2021

I STATEMENT OF FINANCIAL POSITION	31 Mar 2020 UNAUDITED Shs.'000'	31 Dec 2020 AUDITED Shs.'000'	31 Mar 2021 UNAUDITED Shs.'000'
A ASSETS			
1 Cash (both local and foreign)	66,639	57,089	74,609
2 Balances due from Central Bank of Kenya	571,636	710,484	971,868
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	1,107,962	1,883,473	2,100,075
(ii) Other securities	-	-	-
b) Available for sale:			
(i) Kenya Government securities	-	320,865	308,610
(ii) Other securities	-	-	-
6 Deposits and balances due from local banking institutions	223,313	150,235	672,444
7 Deposits and balances due from banking institutions abroad	165,720	61,161	81,125
8 Tax recoverable	-	-	-
9 Loans and advances to customers (net)	6,257,959	7,279,704	4,903,485
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	211,758	196,020	193,578
16 Prepaid Lease rentals	72,237	71,513	71,272
17 Intangible assets - (computer software)	35,603	31,234	31,913
18 Deferred tax asset	75,306	104,967	104,967
19 Retirement benefit asset	-	-	-
20 Other assets	175,706	154,858	170,464
21 TOTAL ASSETS	8,963,839	11,021,603	9,684,410
B LIABILITIES			
22 Balances due to Central Bank of Kenya	-	-	-
23 Customer deposits	7,644,111	9,523,447	8,211,447
24 Deposits and balances due to local banking institutions	-	81,885	32,863
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	18,986	2,797	15,189
30 Dividends payable	-	-	-
31 Deferred tax liability	-	-	-
32 Retirement benefit liability	-	-	-
33 Other liabilities	117,178	139,136	124,101
34 TOTAL LIABILITIES	7,780,275	9,747,265	8,383,600
C SHAREHOLDERS' FUNDS			
35 Paid up/Assigned capital	506,831	506,831	506,831
36 Share premium/(discount)	-	-	-
37 Revaluation reserves	-	-	-
38 Retained earnings /Accumulated losses	664,329	757,502	786,457
39 Statutory Loan Loss Reserve	7,336	12,336	12,336
40 Other Reserves	-	(2,331)	(4,814)
41 Proposed dividends	5,068	-	-
42 Capital Grants	-	-	-
43 TOTAL SHAREHOLDERS' FUNDS	1,183,564	1,274,338	1,300,810
44 Minority Interest	-	-	-
45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	8,963,839	11,021,603	9,684,410

II STATEMENT OF COMPREHENSIVE INCOME

1.0 INTEREST INCOME			
1.1 Loans and advances	153,773	722,749	182,002
1.2 Government securities	25,374	180,657	58,105
1.3 Deposits and placements with banking institutions	387	5,128	10,279
1.4 Other Interest Income	-	-	-
1.5 Total Interest income	179,534	908,534	250,386
2.0 INTEREST EXPENSE			
2.1 Customer deposits	110,908	560,923	139,499
2.2 Deposits and placements from banking institutions	3,816	5,695	377
2.3 Other Interest expense	1,244	4,062	740
2.4 Total Interest Expense	115,968	570,680	140,616
3.0 NET INTEREST INCOME/(LOSS)	63,566	337,854	109,770
4.0 OTHER OPERATING INCOME			
4.1 Fees and commissions on loans and advances	60,597	131,390	22,895
4.2 Other fees and commission	3,898	23,256	7,066
4.3 Foreign exchange trading income/(loss)	4,921	11,870	6,805
4.4 Dividend income	-	-	-
4.5 Other income	21,866	56,418	10,782
4.6 Total Non-Interest Income	91,282	222,934	47,548
5.0 TOTAL OPERATING INCOME	154,848	560,788	157,318
6.0 OPERATING EXPENSES			
6.1 Loan Loss Provision	11,446	50,482	(53)
6.2 Staff costs	45,927	194,130	52,240
6.3 Directors' emoluments	9,175	42,474	11,197
6.4 Rentals Charges	1,562	3,950	478
6.5 Depreciation charge on property and equipment	7,178	25,258	5,939
6.6 Amortization Charge	2,787	9,688	2,276
6.7 Other operating expenses	37,081	129,603	43,877
6.8 Total Operating Expenses	115,156	455,585	115,954
7.0 Profit / (Loss) before Tax and Exceptional items	39,692	105,203	41,364
8.0 Exceptional items	-	-	-
9.0 Profit / (Loss) after Exceptional items	39,692	105,203	41,364
10.0 Current tax	11,915	8,911	12,409
11.0 Deferred tax	-	(29,661)	-
12.0 Profit / (Loss) after Tax and Exceptional items	27,777	125,953	28,955
13.0 Minority Interest	-	-	-
14.0 Profit / (Loss) after tax, exceptional items and Minority Interest	27,777	125,953	28,955
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)	(2,483)
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)	(2,483)
17.0 Total Comprehensive Income for the year	27,777	123,622	26,472
18.0 Earnings Per Share - Basic & Diluted	1.10	4.97	1.14
19.0 Dividend Per Share - Declared	-	-	-

III OTHER DISCLOSURES	31 Mar 2020 UNAUDITED Shs.'000'	31 Dec 2020 AUDITED Shs.'000'	31 Mar 2021 UNAUDITED Shs.'000'
1.0 Non-Performing Loans and Advances			
a) Gross non-performing loans and advances	804,902	790,359	513,262
b) Less: interest in suspense	52,733	56,394	52,407
c) Total Non-Performing Loans and Advances (a-b)	752,169	733,965	460,855
d) Less: loan loss provision	148,916	176,440	195,050
e) Net Non-Performing Loans and Advances (c-d)	603,253	557,525	265,805
f) Discounted value of Securities	603,253	557,525	265,805
g) Net NPLs Exposure (e-f)	-	-	-
2.0 Insider Loans and Advances			
a) Directors, shareholders and associates	329,049	162,476	219,518
b) Employees	81,191	82,047	96,732
c) Total Insider Loans and Advances and Other Facilities	410,240	244,523	316,250
3.0 Off-Balance Sheet Items			
a) Letters of credit, guarantees, acceptances	485,235	630,785	1,136,867
b) Forward, swaps and options	31,197	2,752	64,694
c) Other contingent liabilities	-	-	-
d) Total Contingent Liabilities	516,432	633,537	1,201,561
4.0 Capital Strength			
a) Core capital	1,102,193	1,208,784	1,223,262
b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000
c) Excess/(Deficiency)	102,193	208,784	223,262
d) Supplementary capital	7,336	12,336	12,336
e) Total capital (a+d)	1,109,529	1,221,120	1,235,598
f) Total risk weighted assets	3,881,530	4,371,091	4,166,545
g) Core capital/total deposit liabilities	14.4%	12.7%	14.9%
h) Minimum Statutory Ratio	8.0%	8.0%	8.0%
i) Excess/(Deficiency)	6.4%	4.7%	6.9%
j) Core capital/total risk weighted assets	28.4%	27.7%	29.4%
k) Minimum Statutory Ratio	10.5%	10.5%	10.5%
l) Excess/(Deficiency)	17.9%	17.2%	18.9%
m) Total capital/total risk weighted assets	28.6%	27.9%	29.7%
n) Minimum Statutory Ratio	14.5%	14.5%	14.5%
o) Excess/(Deficiency)	14.1%	13.4%	15.2%
p) Adjusted core capital/ total deposit liabilities*	14.4%	12.7%	14.9%
q) Adjusted core capital/ total risk weighted assets*	28.4%	27.7%	29.4%
r) Adjusted total capital/total risk weighted assets*	28.6%	27.9%	29.7%
5.0 Liquidity			
a) Liquidity Ratio	27.6%	31.5%	50.5%
b) minimum statutory ratio	20.0%	20.0%	20.0%
c) Excess / (Deficiency)	7.6%	11.5%	30.5%

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 financial position and statement of comprehensive income are extracts from the financial records of the Bank.

The complete set of quarterly financial statements, statutory and qualitative disclosures can be accessed on the Banks website: www.mebkenya.com

They may also be accessed at the Bank's Head Office located at Mebank Tower, Jakaya Kikwete Road, Nairobi.

AAK Esmail
Chairman

Isaak Mwiye
Managing Director



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