



MIDDLE EAST BANK KENYA LIMITED

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AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31 DECEMBER 2022

I STATEMENT OF FINANCIAL POSITION AS AT		31 Dec 2021 AUDITED Shs.'000'	31 Dec 2022 AUDITED Shs.'000'	III OTHER DISCLOSURES AS AT		31 Dec 2021 AUDITED Shs.'000'	31 Dec 2022 AUDITED Shs.'000'
A ASSETS				1.0 Non-Performing Loans and Advances			
1 Cash (both local and foreign)		111,701	173,127	a) Gross non-performing loans and advances		523,556	420,688
2 Balances due from Central Bank of Kenya		637,380	881,458	b) Less: interest in suspense		59,333	61,910
3 Kenya Government and other securities held for dealing purposes		-	-	c) Total Non-Performing Loans and Advances (a-b)		464,223	358,778
4 Financial Assets at fair value through profit and loss		-	-	d) Less: loan loss provision		231,490	281,273
5 Investment Securities:		-	-	e) Net Non-Performing Loans and Advances (c-d)		232,733	77,505
a) Held to Maturity:		3,360,211	4,422,569	f) Discounted value of Securities		232,733	77,505
(i) Kenya Government securities		3,360,211	4,422,569	g) Net NPLs Exposure (e-f)		-	-
(ii) Other securities		-	-				
b) Available for sale:		-	-	2.0 Insider Loans and Advances			
(i) Kenya Government securities		-	-	a) Directors, shareholders and associates		191,461	488,596
(ii) Other securities		-	-	b) Employees		123,506	158,089
6 Deposits and balances due from local banking institutions		34,219	603,510	c) Total Insider Loans and Advances and Other Facilities		314,967	646,685
7 Deposits and balances due from banking institutions abroad		929,686	491,461				
8 Tax recoverable		-	-	3.0 Off-Balance Sheet Items			
9 Loans and advances to customers (net)		5,573,095	5,788,334	a) Letters of credit, guarantees, acceptances		2,084,306	2,031,315
10 Balances due from banking institutions in the group		-	-	b) Forward, swaps and options		-	-
11 Investments in associates		-	-	c) Other contingent liabilities		2,264	2,649
12 Investments in subsidiary companies		-	-	d) Total Contingent Liabilities		2,086,570	2,033,964
13 Investment in joint ventures		-	-				
14 Investment properties		-	-	4.0 Capital Strength			
15 Property and equipment		193,074	197,006	a) Core capital		1,310,619	1,693,030
16 Prepaid Lease rentals		70,548	69,583	b) Minimum Statutory Capital		1,000,000	1,000,000
17 Intangible assets - (computer software)		30,464	30,450	c) Excess/(Deficiency)		310,619	693,030
18 Deferred tax asset		131,957	146,389	d) Supplementary capital		23,407	65,527
19 Retirement benefit asset		-	-	e) Total capital (a+d)		1,334,026	1,758,557
20 Other assets		114,041	158,301	f) Total risk weighted assets		5,128,138	6,277,369
21 TOTAL ASSETS		11,186,376	12,962,188	g) Core capital/total deposit liabilities		13.8%	18.2%
				h) Minimum Statutory Ratio		8.0%	8.0%
B LIABILITIES				i) Excess/(Deficiency)		5.8%	10.2%
22 Balances due to Central Bank of Kenya		-	1,103,334	j) Core capital/total risk weighted assets		25.6%	27.0%
23 Customer deposits		9,465,426	9,326,192	k) Minimum Statutory Ratio		10.5%	10.5%
24 Deposits and balances due to local banking institutions		100,000	-	l) Excess/(Deficiency)		15.1%	16.5%
25 Deposits and balances due to foreign banking institutions		-	-	m) Total capital/total risk weighted assets		26.0%	28.0%
26 Other money market deposits		-	-	n) Minimum Statutory Ratio		14.5%	14.5%
27 Borrowed funds		-	408,246	o) Excess/(Deficiency)		11.5%	13.5%
28 Balances due to group companies		-	-	p) Adjusted core capital/ total deposit liabilities*		13.8%	18.2%
29 Tax payable		33,826	93,592	q) Adjusted core capital/ total risk weighted assets*		25.6%	27.0%
30 Dividends payable		-	-	r) Adjusted total capital/total risk weighted assets*		26.0%	28.0%
31 Deferred tax liability		-	-				
32 Retirement benefit liability		-	-	5.0 Liquidity			
33 Other liabilities		187,055	237,448	a) Liquidity Ratio		52.1%	49.9%
34 TOTAL LIABILITIES		9,786,307	11,168,812	b) minimum statutory ratio		20.0%	20.0%
				c) Excess/(Deficiency)		32.1%	29.9%
C SHAREHOLDERS' FUNDS							
35 Paid up/Assigned capital		506,831	506,831				
36 Share premium/(discount)		-	-				
37 Revaluation reserves		-	-				
38 Retained earnings /Accumulated losses		859,831	1,211,018				
39 Statutory Loan Loss Reserve		23,407	65,527				
40 Other Reserves		-	-				
41 Proposed dividends		10,000	10,000				
42 Capital Grants		-	-				
43 TOTAL SHAREHOLDERS' FUNDS		1,400,069	1,793,376				
44 Minority Interest		-	-				
45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		11,186,376	12,962,188				
II STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED							
		31 Dec 2021 AUDITED Shs.'000'	31 Dec 2022 AUDITED Shs.'000'				
1.0 INTEREST INCOME							
1.1 Loans and advances		681,970	776,799				
1.2 Government securities		319,906	422,279				
1.3 Deposits and placements with banking institutions		22,142	17,354				
1.4 Other Interest Income		-	-				
1.5 Total Interest Income		1,024,018	1,216,432				
2.0 INTEREST EXPENSE							
2.1 Customer deposits		559,606	633,500				
2.2 Deposits and placements from banking institutions		7,456	36,370				
2.3 Other Interest expense		2,624	2,011				
2.4 Total Interest Expense		569,686	671,881				
3.0 NET INTEREST INCOME/(LOSS)		454,332	544,551				
4.0 OTHER OPERATING INCOME							
4.1 Fees and commissions on loans and advances		112,384	182,691				
4.2 Other fees and commission		26,360	24,823				
4.3 Foreign exchange trading income/(loss)		41,189	106,748				
4.4 Dividend income		-	-				
4.5 Other income		40,721	281,966				
4.6 Total Non-Interest Income		220,654	596,228				
5.0 TOTAL OPERATING INCOME		674,986	1,140,779				
6.0 OPERATING EXPENSES							
6.1 Loan Loss Provision		32,114	34,500				
6.2 Staff costs		223,031	251,342				
6.3 Directors' emoluments		47,347	44,175				
6.4 Rentals Charges		1,949	1,945				
6.5 Depreciation charge on property and equipment		25,383	33,087				
6.6 Amortization Charge		9,498	8,867				
6.7 Other operating expenses		184,675	222,522				
6.8 Total Operating Expenses		523,997	596,438				
7.0 Profit/(Loss) before Tax and Exceptional items		150,989	544,341				
8.0 Exceptional items		-	-				
9.0 Profit/(Loss) after Exceptional items		150,989	544,341				
10.0 Current tax		54,579	155,466				
11.0 Deferred tax		(26,990)	(14,432)				
12.0 Profit/(loss) after Tax and Exceptional items		123,400	403,307				
13.0 Minority Interest		-	-				
14.0 Profit/(loss) after tax, exceptional items and Minority Interest		123,400	403,307				
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		123,400	403,307				
18.0 Earnings Per Share - Basic & Diluted		4.87	15.91				
19.0 Dividend Per Share - Declared		0.39	0.39				

227% ↑
Profit After Tax Growth

FINANCIAL HIGHLIGHTS

Profit After Tax
Shs 403 Million

↑ 227%

Total Revenue
Shs 1.14 Billion

↑ 69%

Loans And Advances
Shs 5.79 Billion

↑ 4%

Total Assets
Shs 12.96 Billion

↑ 16%

Liquidity
49.9%

Statutory minimum 20%

Total Capital Ratio
28%

Statutory minimum 14.5%

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, Jakaya Kikwete Road, Nairobi.

AAK Esmail
Chairman

Isaac Mwigie
Managing Director