

## QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30 JUNE 2022

I STATEMENT OF FINANCIAL POSITION AS AT	30 Jun 2021 UNAUDITED Shs.'000'	31 Dec 2021 AUDITED Shs.'000'	31 Mar 2022 UNAUDITED Shs.'000'	30 Jun 2022 UNAUDITED Shs.'000'
<b>A ASSETS</b>				
1 Cash (both local and foreign)	79,247	111,701	89,215	140,742
2 Balances due from Central Bank of Kenya	592,989	637,380	1,274,435	674,536
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	3,162,882	3,360,211	3,254,405	3,154,973
(ii) Other securities	-	-	-	-
b) Available for sale:				
(i) Kenya Government securities	318,605	-	-	-
(ii) Other securities	-	-	-	-
6 Deposits and balances due from local banking institutions	351,214	34,219	621,659	412,785
7 Deposits and balances due from banking institutions abroad	112,238	929,686	523,205	439,519
8 Tax recoverable	-	-	-	-
9 Loans and advances to customers (net)	5,085,258	5,573,095	5,641,885	5,437,189
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	185,656	193,074	205,321	203,812
16 Prepaid Lease rentals	171,030	70,548	70,307	70,065
17 Intangible assets - (computer software)	33,124	30,464	30,524	30,505
18 Deferred tax asset	104,967	131,957	131,957	131,957
19 Retirement benefit asset	-	-	-	-
20 Other assets	162,191	114,041	134,600	136,529
<b>21 TOTAL ASSETS</b>	<b>10,259,401</b>	<b>11,186,376</b>	<b>11,977,513</b>	<b>10,832,612</b>
<b>B LIABILITIES</b>				
22 Balances due to Central Bank of Kenya	-	-	613,563	-
23 Customer deposits	8,706,619	9,465,426	9,346,970	9,121,946
24 Deposits and balances due to local banking institutions	50,000	100,000	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	11,065	33,826	50,962	3,041
30 Dividends payable	-	-	-	-
31 Deferred tax liability	-	-	-	-
32 Retirement benefit liability	-	-	-	-
33 Other liabilities	164,580	187,055	225,918	226,213
<b>34 TOTAL LIABILITIES</b>	<b>8,932,264</b>	<b>9,786,307</b>	<b>10,537,413</b>	<b>9,351,200</b>
<b>C SHAREHOLDERS' FUNDS</b>				
35 Paid up/Assigned capital	-	-	-	-
36 Share premium/(discount)	506,831	506,831	506,831	506,831
37 Revaluation reserves	-	-	-	-
38 Retained earnings /Accumulated losses	812,407	859,831	899,862	941,174
39 Statutory Loan Loss Reserve	12,336	23,407	23,407	23,407
40 Other Reserves	(4,437)	10,000	10,000	10,000
41 Proposed dividends	-	-	-	-
42 Capital Grants	-	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>1,327,137</b>	<b>1,400,069</b>	<b>1,440,100</b>	<b>1,481,412</b>
44 Minority Interest	-	-	-	-
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>10,259,401</b>	<b>11,186,376</b>	<b>11,977,513</b>	<b>10,832,612</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED</b>	<b>30 Jun 2021 UNAUDITED Shs.'000'</b>	<b>31 Dec 2021 AUDITED Shs.'000'</b>	<b>31 Mar 2022 UNAUDITED Shs.'000'</b>	<b>30 Jun 2022 UNAUDITED Shs.'000'</b>
<b>1.0 INTEREST INCOME</b>				
1.1 Loans and advances	346,917	681,970	175,319	355,273
1.2 Government securities	129,949	319,906	93,382	184,905
1.3 Deposits and placements with banking institutions	16,208	22,142	1,553	5,157
1.4 Other Interest Income	-	-	-	-
<b>1.5 Total Interest Income</b>	<b>493,074</b>	<b>1,024,018</b>	<b>270,254</b>	<b>545,335</b>
<b>2.0 INTEREST EXPENSE</b>				
2.1 Customer deposits	268,957	559,600	149,437	297,336
2.2 Deposits and placements from banking institutions	534	7,456	10,469	18,345
2.3 Other Interest expense	1,235	2,624	510	958
<b>2.4 Total Interest Expense</b>	<b>270,716</b>	<b>569,686</b>	<b>160,416</b>	<b>316,636</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>222,358</b>	<b>454,332</b>	<b>109,838</b>	<b>228,699</b>
<b>4.0 OTHER OPERATING INCOME</b>				
4.1 Fees and commissions on loans and advances	44,464	112,384	52,920	93,567
4.2 Other fees and commission	14,425	26,360	5,889	11,777
4.3 Foreign exchange trading income/(loss)	16,121	41,189	20,541	40,809
4.4 Dividend income	-	-	-	-
4.5 Other income	20,407	40,721	9,589	19,382
<b>4.6 Total Non-Interest Income</b>	<b>95,427</b>	<b>220,654</b>	<b>88,939</b>	<b>165,535</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>317,581</b>	<b>674,986</b>	<b>198,777</b>	<b>394,234</b>
<b>6.0 OPERATING EXPENSES</b>				
6.1 Loan Loss Provision	12,593	32,114	13,384	18,679
6.2 Staff costs	105,961	223,031	63,113	126,268
6.3 Directors' emoluments	22,363	47,347	10,370	20,740
6.4 Rentals Charges	1,969	1,949	490	997
6.5 Depreciation charge on property and equipment	11,797	25,383	7,663	15,872
6.6 Amortization Charge	4,624	9,498	2,437	4,641
6.7 Other operating expenses	82,061	184,675	44,134	90,833
<b>6.8 Total Operating Expenses</b>	<b>240,367</b>	<b>523,997</b>	<b>141,591</b>	<b>278,030</b>
<b>7.0 Profit/(Loss) before Tax and Exceptional Items</b>	<b>77,214</b>	<b>150,989</b>	<b>57,186</b>	<b>116,204</b>
8.0 Exceptional Items	-	-	-	-
<b>9.0 Profit/(Loss) after Exceptional Items</b>	<b>77,214</b>	<b>150,989</b>	<b>57,186</b>	<b>116,204</b>
10.0 Current tax	22,309	54,579	17,155	34,861
11.0 Deferred tax	-	(26,990)	-	-
<b>12.0 Profit/(Loss) after Tax and Exceptional Items</b>	<b>54,905</b>	<b>123,400</b>	<b>40,031</b>	<b>81,343</b>
13.0 Minority Interest	-	-	-	-
<b>14.0 Profit/(Loss) after tax, exceptional items and Minority Interest</b>	<b>54,905</b>	<b>123,400</b>	<b>40,031</b>	<b>81,343</b>
<b>15.0 Other Comprehensive Income</b>				
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-
15.2 Fair value changes in available for sale financial assets	(2,106)	-	-	-
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	-	-	-	-
<b>16.0 Other Comprehensive Income for the year net of tax</b>	<b>(2,106)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>17.0 Total Comprehensive Income for the year</b>	<b>52,799</b>	<b>123,400</b>	<b>40,031</b>	<b>81,343</b>
<b>18.0 Earnings Per Share - Basic &amp; Diluted</b>	<b>2.17</b>	<b>4.87</b>	<b>1.58</b>	<b>3.21</b>
<b>19.0 Dividend Per Share - Declared</b>	<b>-</b>	<b>0.39</b>	<b>-</b>	<b>-</b>
<b>III OTHER DISCLOSURES AS AT</b>	<b>30 Jun 2021 UNAUDITED Shs.'000'</b>	<b>31 Dec 2021 AUDITED Shs.'000'</b>	<b>31 Mar 2022 UNAUDITED Shs.'000'</b>	<b>30 Jun 2022 UNAUDITED Shs.'000'</b>
<b>1.0 Non-Performing Loans and Advances</b>				
a) Gross non-performing loans and advances	516,626	523,556	416,873	407,595
b) Less: interest in suspense	54,166	59,333	60,317	62,458
<b>c) Total Non-Performing Loans and Advances (a-b)</b>	<b>462,460</b>	<b>464,223</b>	<b>356,556</b>	<b>345,137</b>
d) Less: loan loss provision	207,811	231,600	244,445	250,010
<b>e) Net Non-Performing Loans and Advances (c-d)</b>	<b>254,649</b>	<b>232,733</b>	<b>112,111</b>	<b>94,967</b>
f) Discounted value of Securities	-	-	-	-
<b>g) Net NPLs Exposure (e-f)</b>	<b>254,649</b>	<b>232,733</b>	<b>112,111</b>	<b>94,967</b>
<b>2.0 Insider Loans and Advances</b>				
a) Directors, shareholders and associates	206,844	191,461	371,632	430,992
b) Employees	107,600	123,506	141,091	140,810
<b>c) Total Insider Loans and Advances and Other Facilities</b>	<b>314,444</b>	<b>314,967</b>	<b>512,723</b>	<b>571,902</b>
<b>3.0 Off-Balance Sheet Items</b>				
a) Letters of credit, guarantees, acceptances	1,473,066	2,084,306	2,244,121	1,866,744
b) Forward, swaps and options	-	-	413,990	299,990
c) Other contingent liabilities	26,801	2,264	-	7,500
<b>d) Total Contingent Liabilities</b>	<b>1,499,867</b>	<b>2,086,570</b>	<b>2,658,111</b>	<b>2,193,234</b>
<b>4.0 Capital Strength</b>				
a) Core capital	1,236,235	1,310,619	1,330,635	1,351,291
b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
<b>c) Excess/(Deficiency)</b>	<b>236,235</b>	<b>310,619</b>	<b>330,635</b>	<b>351,291</b>
d) Supplementary capital	12,336	23,407	23,407	23,407
<b>e) Total capital (a+d)</b>	<b>1,248,571</b>	<b>1,334,026</b>	<b>1,354,042</b>	<b>1,374,698</b>
f) Total risk weighted assets	4,696,193	5,128,138	5,223,778	5,606,981
<b>g) Core capital/total deposit liabilities</b>	<b>14.2%</b>	<b>13.8%</b>	<b>14.2%</b>	<b>14.8%</b>
h) Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%
i) Excess/(Deficiency)%	6.2%	5.8%	6.2%	6.8%
<b>j) Core capital/total risk weighted assets</b>	<b>26.3%</b>	<b>25.6%</b>	<b>25.5%</b>	<b>24.1%</b>
k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%
l) Excess/(Deficiency)	15.8%	15.1%	15.0%	13.6%
<b>m) Total capital/total risk weighted assets</b>	<b>26.6%</b>	<b>26.0%</b>	<b>25.9%</b>	<b>24.5%</b>
n) Minimum Statutory Ratio	14.5%	14.5%	14.5%	14.5%
o) Excess/(Deficiency)	12.1%	11.5%	11.4%	10.0%
<b>p) Adjusted core capital/ total deposit liabilities*</b>	<b>14.2%</b>	<b>13.8%</b>	<b>14.2%</b>	<b>14.8%</b>
<b>q) Adjusted core capital/ total risk weighted assets*</b>	<b>26.3%</b>	<b>25.6%</b>	<b>25.5%</b>	<b>24.1%</b>
<b>r) Adjusted total capital/total risk weighted assets*</b>	<b>26.6%</b>	<b>26.0%</b>	<b>25.9%</b>	<b>24.5%</b>
<b>5.0 Liquidity</b>				
a) Liquidity Ratio	52.5%	52.1%	48.4%	52.4%
b) Minimum statutory ratio	20.0%	20.0%	20.0%	20.0%
<b>c) Excess/(Deficiency)</b>	<b>32.5%</b>	<b>32.1%</b>	<b>28.4%</b>	<b>32.4%</b>

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

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