



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

I STATEMENT OF FINANCIAL POSITION AS AT		30 Sep 2021 UNAUDITED Shs.'000'	31 Dec 2021 AUDITED Shs.'000'	31 Mar 2022 UNAUDITED Shs.'000'	30 Jun 2022 UNAUDITED Shs.'000'	30 Sep 2022 UNAUDITED Shs.'000'
<b>A ASSETS</b>						
1 Cash (both local and foreign)		94,696	111,701	89,215	140,742	138,374
2 Balances due from Central Bank of Kenya		586,080	637,380	1,274,435	674,536	644,401
3 Kenya Government and other securities held for dealing purposes		-	-	-	-	-
4 Financial Assets at fair value through profit and loss		-	-	-	-	-
Investment Securities:						
a) Held to Maturity:		3,438,337	3,360,211	3,254,405	3,154,973	4,167,119
(i) Kenya Government securities		3,438,337	3,360,211	3,254,405	3,154,973	4,167,119
(ii) Other securities		-	-	-	-	-
b) Available for sale:		-	-	-	-	-
(i) Kenya Government securities		-	-	-	-	-
(ii) Other securities		-	-	-	-	-
6 Deposits and balances due from local banking institutions		484,662	34,219	621,659	412,785	406,584
7 Deposits and balances due from banking institutions abroad		219,686	929,686	523,205	439,519	185,588
8 Tax recoverable		-	-	-	-	-
9 Loans and advances to customers (net)		5,140,763	5,573,095	5,641,885	5,437,189	5,854,219
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		194,689	193,074	205,321	203,812	199,113
16 Prepaid Lease rentals		70,789	70,540	70,307	70,038	69,824
17 Intangible assets - (computer software)		32,660	30,464	30,524	30,505	30,761
18 Deferred tax asset		104,967	131,957	131,957	131,957	131,957
19 Retirement benefit asset		-	-	-	-	-
20 Other assets		179,108	114,041	134,600	136,529	124,380
<b>21 TOTAL ASSETS</b>		<b>10,546,437</b>	<b>11,186,376</b>	<b>11,977,513</b>	<b>10,832,612</b>	<b>11,952,320</b>
<b>B LIABILITIES</b>						
22 Balances due to Central Bank of Kenya		-	-	613,563	-	-
23 Customer deposits		8,701,728	9,465,426	9,346,970	9,121,946	9,872,868
24 Deposits and balances due to local banking institutions		250,044	100,000	300,000	-	6,273
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		18,709	33,826	50,962	3,041	13,282
30 Dividends payable		-	-	-	-	-
31 Deferred tax liability		-	-	-	-	-
32 Retirement benefit liability		-	-	-	-	-
33 Other liabilities		217,931	187,055	225,918	226,213	529,514
<b>34 TOTAL LIABILITIES</b>		<b>9,188,412</b>	<b>9,786,307</b>	<b>10,537,413</b>	<b>9,351,200</b>	<b>10,421,937</b>
<b>C SHAREHOLDERS' FUNDS</b>						
35 Paid up/Assigned capital		506,831	506,831	506,831	506,831	506,831
36 Share premium/(discount)		-	-	-	-	-
37 Revaluation reserves		-	-	-	-	-
38 Retained earnings/Accumulated losses		833,787	859,831	899,862	941,174	1,000,145
39 Statutory Loan Loss Reserve		17,407	23,407	23,407	23,407	23,407
40 Other Reserves		-	-	-	-	-
41 Proposed dividends		-	10,000	10,000	10,000	-
42 Capital Grants		-	-	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>		<b>1,358,025</b>	<b>1,400,069</b>	<b>1,440,100</b>	<b>1,481,412</b>	<b>1,530,383</b>
44 Minority Interest		-	-	-	-	-
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>		<b>10,546,437</b>	<b>11,186,376</b>	<b>11,977,513</b>	<b>10,832,612</b>	<b>11,952,320</b>

II STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED		30 Sep 2021 UNAUDITED Shs.'000'	31 Dec 2021 AUDITED Shs.'000'	31 Mar 2022 UNAUDITED Shs.'000'	30 Jun 2022 UNAUDITED Shs.'000'	30 Sep 2022 UNAUDITED Shs.'000'
<b>1.0 INTEREST INCOME</b>						
1.1 Loans and advances		508,820	681,970	175,319	355,273	562,565
1.2 Government securities		224,170	319,906	93,382	184,905	292,702
1.3 Deposits and placements with banking institutions		19,532	22,142	1,553	5,157	12,725
1.4 Other Interest Income		-	-	-	-	-
<b>1.5 Total Interest Income</b>		<b>752,522</b>	<b>1,024,018</b>	<b>270,254</b>	<b>545,335</b>	<b>867,992</b>
<b>2.0 INTEREST EXPENSE</b>						
2.1 Customer deposits		414,486	559,606	149,437	297,336	467,732
2.2 Deposits and placements from banking institutions		1,658	7,456	10,469	18,345	20,398
2.3 Other interest expense		2,054	2,624	-	-	1,333
<b>2.4 Total Interest Expense</b>		<b>418,198</b>	<b>569,686</b>	<b>160,416</b>	<b>316,636</b>	<b>489,463</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>		<b>334,324</b>	<b>454,332</b>	<b>109,838</b>	<b>228,699</b>	<b>378,529</b>
<b>4.0 OTHER OPERATING INCOME</b>						
4.1 Fees and commissions on loans and advances		74,141	112,384	52,920	93,567	129,189
4.2 Other fees and commission		21,334	26,310	5,889	11,717	11,728
4.3 Foreign exchange trading income/(loss)		32,096	41,189	20,541	40,809	67,598
4.4 Dividend income		-	-	-	-	-
4.5 Other income		31,039	40,721	9,589	19,382	29,051
<b>4.6 Total Non-Interest Income</b>		<b>158,410</b>	<b>220,654</b>	<b>88,939</b>	<b>165,535</b>	<b>243,566</b>
<b>5.0 TOTAL OPERATING INCOME</b>		<b>492,734</b>	<b>674,986</b>	<b>198,777</b>	<b>394,234</b>	<b>622,095</b>
<b>6.0 OPERATING EXPENSES</b>						
6.1 Loan Loss Provision		20,501	32,114	13,384	18,679	26,901
6.2 Staff costs		166,215	223,031	63,113	126,268	190,521
6.3 Directors' emoluments		32,603	47,347	10,370	20,740	31,795
6.4 Rentals Charges		1,458	1,919	490	994	1,504
6.5 Depreciation charge on property and equipment		18,468	25,383	7,663	15,872	24,453
6.6 Amortization charge		7,061	9,498	2,437	4,641	6,754
6.7 Other operating expenses		130,371	184,675	44,134	90,833	139,718
<b>6.8 Total Operating Expenses</b>		<b>376,677</b>	<b>523,997</b>	<b>141,591</b>	<b>278,030</b>	<b>421,646</b>
<b>7.0 Profit/(Loss) before Tax and Exceptional Items</b>		<b>116,057</b>	<b>150,989</b>	<b>57,186</b>	<b>116,204</b>	<b>200,449</b>
Exceptional Items		-	-	-	-	-
<b>8.0 Profit/(Loss) after Exceptional Items</b>		<b>116,057</b>	<b>150,989</b>	<b>57,186</b>	<b>116,204</b>	<b>200,449</b>
10.0 Current tax		34,701	54,579	17,155	34,861	60,135
11.0 Deferred tax		-	(26,990)	-	-	-
<b>12.0 Profit/(Loss) after Tax and Exceptional Items</b>		<b>81,356</b>	<b>123,400</b>	<b>40,031</b>	<b>81,343</b>	<b>140,314</b>
13.0 Minority Interest		-	-	-	-	-
<b>14.0 Profit/(Loss) after tax, exceptional items and Minority Interest</b>		<b>81,356</b>	<b>123,400</b>	<b>40,031</b>	<b>81,343</b>	<b>140,314</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		-	-	-	-	-
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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>17.0 Total Comprehensive Income for the year</b>		<b>81,356</b>	<b>123,400</b>	<b>40,031</b>	<b>81,343</b>	<b>140,314</b>
<b>18.0 Earnings Per Share - Basic &amp; Diluted</b>		<b>3.21</b>	<b>4.87</b>	<b>1.58</b>	<b>3.21</b>	<b>5.54</b>
<b>19.0 Dividend Per Share - Declared</b>		<b>-</b>	<b>0.39</b>	<b>-</b>	<b>-</b>	<b>-</b>

III OTHER DISCLOSURES AS AT		30 Sep 2021 UNAUDITED Shs.'000'	31 Dec 2021 AUDITED Shs.'000'	31 Mar 2022 UNAUDITED Shs.'000'	30 Jun 2022 UNAUDITED Shs.'000'	30 Sep 2022 UNAUDITED Shs.'000'
<b>1.0 Non-Performing Loans and Advances</b>						
a) Gross non-performing loans and advances		522,220	523,556	416,873	407,595	410,251
b) Less: interest in suspense		57,090	59,333	60,317	62,458	59,497
<b>c) Total Non-Performing Loans and Advances (a-b)</b>		<b>465,130</b>	<b>464,223</b>	<b>356,556</b>	<b>345,137</b>	<b>350,754</b>
d) Less: loan loss provision		219,790	231,430	244,875	250,770	255,866
<b>e) Net Non-Performing Loans and Advances (c-d)</b>		<b>245,340</b>	<b>232,793</b>	<b>111,681</b>	<b>94,367</b>	<b>94,888</b>
f) Discounted value of securities		245,340	232,793	111,681	94,367	94,888
<b>g) Net NPLs Exposure (e-f)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.0 Insider Loans and Advances</b>						
a) Directors, shareholders and associates		162,527	191,461	371,632	430,992	368,999
b) Employees		106,789	123,506	141,091	140,910	150,074
<b>c) Total Insider Loans and Advances and Other Facilities</b>		<b>269,316</b>	<b>314,967</b>	<b>512,723</b>	<b>571,902</b>	<b>519,073</b>
<b>3.0 Off-Balance Sheet Items</b>						
a) Letters of credit, guarantees, acceptances		1,958,181	2,084,306	2,244,121	1,866,744	1,964,859
b) Forward, swaps and options		-	-	413,990	298,990	-
c) Other contingent liabilities		11,846	2,264	-	27,500	38,050
<b>d) Total Contingent Liabilities</b>		<b>1,970,027</b>	<b>2,086,570</b>	<b>2,658,111</b>	<b>2,193,234</b>	<b>2,002,909</b>
<b>4.0 Capital Strength</b>						
a) Core capital		1,244,388	1,310,619	1,330,635	1,351,291	1,380,776
b) Minimum Statutory Capital		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>c) Excess/(Deficiency)</b>		<b>244,388</b>	<b>310,619</b>	<b>330,635</b>	<b>351,291</b>	<b>380,776</b>
d) Supplementary capital		17,407	23,407	23,407	23,407	23,407
<b>e) Total capital (a+d)</b>		<b>1,261,795</b>	<b>1,334,026</b>	<b>1,354,042</b>	<b>1,374,698</b>	<b>1,404,183</b>
f) Total risk weighted assets		4,576,507	5,128,138	5,223,778	5,606,981	5,667,413
<b>g) Core capital/total deposit liabilities</b>		<b>14.3%</b>	<b>13.8%</b>	<b>14.2%</b>	<b>14.8%</b>	<b>14.0%</b>
h) Minimum Statutory Ratio		8.0%	8.0%	8.0%	8.0%	8.0%
i) Excess/(Deficiency)		6.3%	5.8%	6.2%	6.8%	6.0%
j) Core capital/total risk weighted assets		27.2%	25.6%	25.5%	24.1%	24.4%
k) Minimum Statutory Ratio		10.5%	10.5%	10.5%	10.5%	10.5%
l) Excess/(Deficiency)		16.7%	15.1%	15.0%	13.6%	13.9%
m) Total capital/total risk weighted assets		27.6%	26.0%	25.9%	24.5%	24.8%
n) Minimum Statutory Ratio		14.5%	14.5%	14.5%	14.5%	14.5%
<b>o) Excess/(Deficiency)</b>		<b>13.1%</b>	<b>11.5%</b>	<b>11.4%</b>	<b>10.0%</b>	<b>10.3%</b>
p) Adjusted core capital/ total deposit liabilities*		14.3%	13.8%	14.2%	14.8%	14.0%
q) Adjusted core capital/ total risk weighted assets*		27.2%	25.6%	25.5%	24.1%	24.4%
r) Adjusted total capital/total risk weighted assets*		27.6%	26.0%	25.9%	24.5%	24.8%
<b>5.0 Liquidity</b>						
a) Liquidity Ratio		52.4%	52.1%	48.4%	52.4%	55.5%
b) Minimum statutory ratio		20.0%	20.0%	20.0%	20.0%	20.0%
c) Excess/(Deficiency)		32.4%	32.1%	28.4%	32.4%	35.5%

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

AAK Esmail  
 Chairman

Isaac Mwiige  
 Managing Director