



MIDDLE EAST BANK KENYA LIMITED

HEAD OFFICE AND NAIROBI BRANCH
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ELDORET BRANCH-TARITA CENTRE
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QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31.03.2018

I BALANCE SHEET		31 st March 2017 UNAUDITED Shs.'000'	31 st Dec 2017 AUDITED Shs.'000'	31 st March 2018 UNAUDITED Shs.'000'
A ASSETS				
1	Cash (both local and foreign)	87,132	78,680	75,003
2	Balances due from Central Bank of Kenya	211,528	731,628	341,844
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	730,435	974,075	1,148,336
(ii)	Other securities	-	-	-
b)	Available for sale:			
(i)	Kenya Government securities	-	-	-
(ii)	Other securities	-	-	-
6	Deposits and balances due from local banking institutions	35,373	40,307	285
7	Deposits and balances due from banking institutions abroad	82,130	49,819	437,209
8	Tax recoverable	-	2,780	18,292
9	Loans and advances to customers (net)	3,681,520	2,769,120	2,566,494
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	171,356	175,071	172,392
16	Prepaid Lease rentals	75,133	74,409	74,168
17	Intangible assets - (computer software)	10,942	30,316	28,553
18	Deferred tax asset	75,932	100,446	100,446
19	Retirement benefit asset	-	-	-
20	Other assets	119,212	94,385	127,126
	TOTAL ASSETS	5,280,693	5,121,036	5,090,148
B LIABILITIES				
21	Balances due to Central Bank of Kenya	-	-	-
22	Customer deposits	3,956,571	3,907,675	3,922,485
23	Deposits and balances due to local banking institutions	-	-	-
24	Deposits and balances due to foreign banking institutions	-	-	-
25	Other money market deposits	-	-	-
26	Borrowed funds	-	-	-
27	Balances due to group companies	-	-	-
28	Tax payable	7,781	-	-
29	Dividends payable	-	-	-
30	Deferred tax liability	-	-	-
31	Retirement benefit liability	-	-	-
32	Other liabilities	102,410	51,508	68,697
	TOTAL LIABILITIES	4,066,762	3,959,183	3,991,182
C SHAREHOLDERS' FUNDS				
33	Paid up/Assigned capital	506,831	506,831	506,831
34	Share premium/(discount)	-	-	-
35	Revaluation reserves	-	-	-
36	Retained earnings /Accumulated losses	688,894	636,170	587,067
37	Statutory Loan Loss Reserve	13,138	13,784	-
38	Other Reserves	-	-	-
39	Proposed dividends	5,068	5,068	5,068
40	Capital Grants	-	-	-
	TOTAL SHAREHOLDERS' FUNDS	1,213,931	1,161,853	1,098,966
	TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	5,280,693	5,121,036	5,090,148
II STATEMENT OF COMPREHENSIVE INCOME				
INTEREST INCOME				
1	Loans and advances	139,661	395,811	56,503
2	Government securities	14,073	55,556	23,226
3	Deposits and placements with banking institutions	1,890	4,136	2,903
4	Other Interest Income	-	-	-
	Total Interest income	155,624	455,503	82,632
INTEREST EXPENSE				
5	Customer deposits	67,986	272,659	64,378
6	Deposits and placements from banking institutions	224	2,769	84
7	Other Interest expense	-	856	-
	Total Interest Expense	68,210	276,284	64,462
	NET INTEREST INCOME/(LOSS)	87,414	179,219	18,170
OTHER OPERATING INCOME				
8	Fees and commissions on loans and advances	7,363	16,542	5,594
9	Other fees and commission	2,925	25,057	3,605
10	Foreign exchange trading income/(loss)	8,898	28,944	1,566
11	Dividend income	-	-	-
12	Other income	9,972	37,425	9,904
	Total Non-Interest Income	29,158	107,968	20,669
	TOTAL OPERATING INCOME	116,572	287,187	38,839
OPERATING EXPENSES				
13	Loan Loss Provision	1,615	27,270	22,566
14	Staff costs	46,319	183,528	42,125
15	Directors' emoluments	5,550	22,650	5,635
16	Rentals Charges	3,069	12,713	3,307
17	Depreciation charge on property and equipment	2,863	13,226	3,273
18	Amortization Charge	334	4,920	2,003
19	Other operating expenses	25,654	64,308	24,537
	Total Operating Expenses	85,404	328,615	103,446
20	Profit/(Loss) before exceptional items	31,168	(41,428)	(64,607)
21	Exceptional items	-	-	-
22	Profit/(Loss) after exceptional items	31,168	(41,428)	(64,607)
23	Current tax	9,350	8,274	(15,500)
24	Deferred tax	-	(24,514)	-
	Profit/(Loss) after tax and exceptional items	21,818	(25,188)	(49,107)
Other Comprehensive Income				
25	Gains/ (Losses) from translating the financial statements of foreign operations	-	-	-
26	Fair value changes in available for sale financial assets	-	-	-
27	Revaluation surplus on Property, plant and equipment	-	-	-
28	Share of other comprehensive income of associates	-	-	-
29	Income tax relating to components of other comprehensive income	-	-	-
30	Other Comprehensive Income for the year net of tax	-	-	-
	Total Comprehensive Income for the year	21,818	(25,188)	(49,107)
	Earnings Per Share - Basic & Diluted	0.86	(0.99)	(1.94)
	Dividend Per Share - Declared			0.20
III OTHER DISCLOSURES				
1.0 Non-Performing Loans and Advances				
1.1	a) Gross non-performing loans and advances	1,217,357	1,437,922	1,460,735
1.2	b) Less: interest in suspense	268,705	261,016	268,640
1.3	c) Total Non-Performing Loans and Advances (a-b)	948,652	1,176,906	1,192,095
1.4	d) Less: loan loss provision	134,941	214,944	226,806
1.5	e) Net Non-Performing Loans and Advances (c-d)	813,711	964,962	965,289
1.6	f) Discounted value of Securities	813,711	964,962	965,289
1.7	g) Net NPLs Exposure (e-f)	-	-	-
2.0 Insider Loans and Advances				
2.1	a) Directors, shareholders and associates	1,090	1,134	1,090
2.2	b) Employees	87,249	82,190	90,855
2.3	c) Total Insider Loans and Advances and Other Facilities	88,339	83,324	91,945
3.0 Off-Balance Sheet Items				
3.1	a) Letters of credit, guarantees, acceptances	258,440	252,109	333,270
3.2	b) Forward, swaps and options	565,522	413,997	282,839
3.3	c) Other contingent liabilities	-	-	-
3.4	d) Total Contingent Liabilities	823,962	666,106	616,109
4.0 Capital Strength				
4.1	a) Core capital	1,183,924	1,143,001	1,093,898
4.2	b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000
4.3	c) Excess/(Deficiency)	183,924	143,001	93,898
4.4	d) Supplementary capital	13,138	13,784	-
4.5	e) Total capital (a+d)	1,197,062	1,156,785	1,093,898
4.6	f) Total risk weighted assets	3,747,436	2,717,391	2,606,265
4.7	g) Core capital/total deposit liabilities	29.92%	29.25%	27.89%
4.8	h) Minimum Statutory Ratio	8.00%	8.00%	8.00%
4.9	i) Excess/(Deficiency)	21.92%	21.25%	19.89%
4.10	j) Core capital/total risk weighted assets	31.59%	42.06%	41.97%
4.11	k) Minimum Statutory Ratio	10.50%	10.50%	10.50%
4.12	l) Excess/(Deficiency)	21.09%	31.56%	31.47%
4.13	m) Total capital/total risk weighted assets	31.94%	42.57%	41.97%
4.14	n) Minimum Statutory Ratio	14.50%	14.50%	14.50%
4.15	o) Excess/(Deficiency)	17.44%	28.07%	27.47%
4.16	p) Adjusted core capital/ total deposit liabilities*	-	-	28.43%
4.17	q) Adjusted core capital/ total risk weighted assets*	-	-	42.79%
4.18	r) Adjusted total capital/total risk weighted assets*	-	-	42.79%
5.0 Liquidity				
5.1	a) liquidity Ratio	29.12%	47.94%	51.06%
5.2	b) minimum statutory ratio	20.00%	20.00%	20.00%
5.3	c) Excess/(Deficiency)	9.12%	27.94%	31.06%

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 financial statements are extracts from the books of the Bank.

The complete set of quarterly 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.

Dhirendra Rana
Managing Director

AAK Esmail
Chairman