



MIDDLE EAST BANK KENYA LIMITED

HEAD OFFICE AND NAIROBI BRANCH
Mebank Tower, Milimani Road
P.O. Box 47387, Nairobi, Kenya
Tel: 2723120/22

MOMBASA BRANCH – Nyerere Avenue
Tel: 041-2319069
INDUSTRIAL AREA – Butere Road
Tel: 020-650158

ELDORET BRANCH -TARITA CENTRE
RONALD NGALA STREET
TEL-254-053-2030917/13/23/35

QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30.09.2017

I BALANCE SHEET		30 th Sept 2016 UNAUDITED Shs:'000'	31 st Dec 2016 AUDITED Shs:'000'	31 st March 2017 UNAUDITED Shs:'000'	30 th June 2017 UNAUDITED Shs:'000'	30 th Sept 2017 UNAUDITED Shs:'000'
A ASSETS						
1 Cash (both local and foreign)		122,908	95,791	87,132	102,588	77,077
2 Balances due from Central Bank of Kenya		178,359	205,235	211,528	164,088	238,660
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		686,778	680,999	730,435	725,751	646,486
(ii) Other securities		-	-	-	-	-
b) Available for sale:						
(i) Kenya Government securities		-	-	-	-	-
(ii) Other securities		-	-	-	-	-
6 Deposits and balances due from local banking institutions		405	80,402	35,373	347	327
7 Deposits and balances due from banking institutions abroad		99,315	176,313	82,130	156,311	92,737
8 Tax recoverable		20,074	1,638	-	97	25,173
9 Loans and advances to customers (net)		3,756,669	3,616,626	3,681,520	3,623,742	3,548,760
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		176,513	174,079	171,356	176,340	173,077
16 Prepaid Lease rentals		75,616	75,374	75,133	74,891	74,650
17 Intangible assets - (computer software)		236	10,422	10,942	22,568	21,394
18 Deferred tax asset		31,221	75,932	75,932	75,932	75,932
19 Retirement benefit asset		-	-	-	-	-
20 Other assets		89,825	40,711	119,212	126,984	117,850
TOTAL ASSETS		5,237,919	5,233,522	5,280,693	5,249,639	5,092,123
B LIABILITIES						
21 Balances due to Central Bank of Kenya		-	-	-	119,867	-
22 Customer deposits		3,945,028	3,996,055	3,956,571	3,825,945	3,838,851
23 Deposits and balances due to local banking institutions		-	-	-	15,576	-
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		57,250	45,358	102,410	109,887	109,852
TOTAL LIABILITIES		4,002,278	4,041,413	4,066,762	4,071,275	3,948,703
C SHAREHOLDERS' FUNDS						
33 Paid up/Assigned capital		506,831	506,831	506,831	506,831	506,831
34 Share premium/(discount)		-	-	-	-	-
35 Revaluation reserves		-	-	-	-	-
36 Retained earnings /Accumulated losses		718,616	667,072	688,894	653,327	623,451
37 Statutory Loan Loss Reserve		10,194	13,138	13,138	13,138	13,138
38 Other Reserves		-	-	-	-	-
39 Proposed dividends		-	5,068	5,068	5,068	-
40 Capital Grants		-	-	-	-	-
TOTAL SHAREHOLDERS' FUNDS		1,235,641	1,192,109	1,213,931	1,178,364	1,143,420
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		5,237,919	5,233,522	5,280,693	5,249,639	5,092,123
II STATEMENT OF COMPREHENSIVE INCOME						
INTEREST INCOME						
1 Loans and advances		381,518	532,782	139,661	242,920	323,990
2 Government securities		38,822	52,067	14,073	28,412	41,551
3 Deposits and placements with banking institutions		997	1,770	1,890	2,218	2,314
4 Other Interest Income		-	-	-	-	-
Total Interest Income		421,337	586,619	155,624	273,550	367,855
INTEREST EXPENSE						
5 Customer deposits		272,916	348,391	67,986	129,900	205,378
6 Deposits and placements from banking institutions		3,414	3,529	224	1,263	2,695
7 Other Interest expense		16,582	17,886	-	100	856
Total Interest Expense		292,912	369,806	68,210	131,263	208,929
NET INTEREST INCOME/(LOSS)		128,425	216,813	87,414	142,287	158,906
OTHER OPERATING INCOME						
8 Fees and commissions on loans and advances		18,728	25,689	7,363	13,368	16,252
9 Other fees and commission		7,884	13,026	2,925	5,196	13,409
10 Foreign exchange trading income/(loss)		31,011	33,497	8,898	13,455	20,840
11 Dividend income		-	-	-	-	-
12 Other income		32,022	44,572	9,972	18,119	26,531
Total Non-Interest Income		89,645	116,784	29,158	50,138	77,305
TOTAL OPERATING INCOME		218,070	333,597	116,572	192,425	236,211
OPERATING EXPENSES						
13 Loan Loss Provision		6,575	64,911	1,615	34,301	41,023
14 Staff costs		137,078	169,680	46,319	92,110	143,136
15 Directors' emoluments		16,590	22,225	5,550	11,115	16,815
16 Rentals Charges		8,956	13,937	3,069	6,240	9,477
17 Depreciation charge on property and equipment		8,708	11,488	2,863	6,024	9,306
18 Amortization Charge		901	1,201	334	1,718	3,133
19 Other operating expenses		71,757	151,144	25,654	49,314	73,907
Total Operating Expenses		250,565	434,586	85,404	200,822	296,797
Profit / (Loss) before exceptional items		(32,495)	(100,989)	31,168	(8,397)	(60,586)
20 Exceptional items		-	-	-	-	-
Profit / (Loss) after exceptional items		(32,495)	(100,989)	31,168	(8,397)	(60,586)
21 Current tax		(9,738)	10,008	9,350	5,351	(16,961)
22 Deferred tax		-	(44,712)	-	-	-
Profit / (loss) after tax and exceptional items		(22,757)	(66,285)	21,818	(13,748)	(43,625)
Other Comprehensive Income						
23 Gains/ (Losses) from translating the financial statements of foreign operations		-	-	-	-	-
24 Fair value changes in available for sale financial assets		-	-	-	-	-
25 Revaluation surplus on Property, plant and equipment		-	-	-	-	-
26 Share of other comprehensive income of associates		-	-	-	-	-
27 Income tax relating to components of other comprehensive income		-	-	-	-	-
Other Comprehensive Income for the year net of tax		-	-	-	-	-
Total Comprehensive Income for the year		(22,757)	(66,285)	21,818	(13,748)	(43,625)
Earnings Per Share - Basic & Diluted		(0.90)	(2.62)	0.86	(0.54)	(1.72)
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		1,131,302	1,193,400	1,217,357	1,264,419	1,531,902
1.2 b) Less: interest in suspense		262,695	266,886	268,705	301,635	322,385
1.3 c) Total Non-Performing Loans and Advances (a-b)		868,607	926,514	948,652	962,784	1,209,517
1.4 d) Less: loan loss provision		70,005	131,241	134,941	165,716	179,258
1.5 e) Net Non-Performing Loans and Advances (c-d)		798,602	795,273	813,711	797,068	1,030,259
1.6 f) Discounted value of Securities		798,602	795,273	813,711	797,068	1,030,259
1.7 g) Net NPLs Exposure (e-f)		-	-	-	-	-
2.0 Insider Loans and Advances						
2.1 a) Directors, shareholders and associates		219,310	1,090	1,090	2,719	5,889
2.2 b) Employees		86,479	88,754	87,249	87,201	79,125
2.3 c) Total Insider Loans and Advances and Other Facilities		305,789	89,844	88,339	89,920	85,014
3.0 Off-Balance Sheet Items						
3.1 a) Letters of credit, guarantees, acceptances		223,518	341,974	258,440	309,876	325,669
3.2 b) Forward, swaps and options		794,338	633,328	565,522	453,549	457,132
3.3 c) Other contingent liabilities		-	-	-	-	-
3.4 d) Total Contingent Liabilities		1,017,856	975,302	823,962	763,425	782,801
4.0 Capital Strength						
4.1 a) Core capital		1,224,338	1,173,011	1,183,924	1,159,267	1,129,390
4.2 b) Minimum Statutory Capital		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
4.3 c) Excess/(Deficiency)		224,338	173,011	183,924	159,267	129,390
4.4 d) Supplementary capital		10,194	13,138	13,138	13,138	13,138
4.5 e) Total capital (a+d)		1,234,532	1,186,149	1,197,062	1,172,405	1,142,528
4.6 f) Total risk weighted assets		3,888,037	3,748,650	3,747,436	3,756,606	3,728,914
4.7 g) Core capital/total deposit liabilities		31.03%	29.35%	29.92%	30.90%	29.42%
4.8 h) Minimum Statutory Ratio		8.00%	8.00%	8.00%	8.00%	8.00%
4.9 i) Excess/(Deficiency)		23.03%	21.35%	21.92%	22.90%	21.42%
4.10 j) Core capital/total risk weighted assets		31.49%	31.29%	31.59%	30.86%	30.29%
4.11 k) Minimum Statutory Ratio		10.50%	10.50%	10.50%	10.50%	10.50%
4.12 l) Excess/(Deficiency)		20.99%	20.79%	21.09%	20.36%	19.79%
4.13 m) Total capital/total risk weighted assets		31.75%	31.64%	31.94%	31.21%	30.64%
4.14 n) Minimum Statutory Ratio		14.50%	14.50%	14.50%	14.50%	14.50%
4.15 o) Excess/(Deficiency)		17.25%	17.14%	17.44%	16.71%	16.14%
5.0 Liquidity						
5.1 a) Liquidity Ratio		27.76%	31.05%	29.12%	26.50%	27.50%
5.2 b) Minimum statutory ratio		20.00%	20.00%	20.00%	20.00%	20.00%
5.3 c) Excess / (Deficiency)		7.76%	11.05%	9.12%	6.50%	7.50%

Message from the Directors

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, Milimani Road, Nairobi.

Dhirendra Rana
Managing Director

AAK Esmail
Chairman