

UNAUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR
THE PERIOD ENDED 31 MARCH 2020

	31 March 2020 Unaudited Shs '000	31 December 2019 Audited Shs '000	31 March 2019 Unaudited Shs '000
I STATEMENT OF FINANCIAL POSITION			
A ASSETS			
1 Cash (both Local & Foreign)	1,274,720	1,001,738	728,194
2 Balances with Central Bank of Kenya	1,376,491	1,251,634	2,101,304
3 Kenya Government & other Securities held for dealing purposes	-	-	-
4 Financial Assets at Fair Value through Profit & Loss	-	-	-
5 Investment Securities:			
(i) Held to Maturity:			
(a) Kenya Government Securities	-	-	-
(b) Other Securities	455,387	264,957	-
(ii) Available for Sale:			
(a) Kenya Government Securities	-	-	-
(b) Other Securities	-	-	-
6 Deposits and Balances due from Local Banking Institutions	4,346,915	5,584,157	5,416,154
7 Deposits and Balances due from Banking Institutions Abroad	2,409,430	1,824,482	1,489,789
8 Tax Recoverable	113,498	161,939	-
9 Financing arrangements to Customers (Net)	22,605,341	22,673,040	21,351,469
10 Balances due from Banking Institutions in the Group	-	-	-
11 Investments in Associates	-	-	-
12 Investments in Subsidiary Companies	1,000	1,000	1,000
13 Investments in Joint ventures	-	-	-
14 Investment Properties	-	-	-
15 Property, Plant and Equipment	832,710	860,775	321,190
16 Prepaid Lease Rentals	-	-	-
17 Intangible Assets	204,197	206,482	173,827
18 Deferred Tax Asset	495,742	495,743	470,989
19 Retirement Benefit Asset	-	-	-
20 Other Assets	649,408	797,035	756,626
TOTAL ASSETS	34,764,839	35,122,982	32,810,542
B LIABILITIES			
21 Balances due to Central Bank of Kenya	-	-	-
22 Customer Deposits	27,003,468	27,818,273	25,903,532
23 Deposits and Balances due to Local Banking Institutions	279,450	-	-
24 Deposits and Balances due to Foreign Banking Institutions	-	-	-
25 Other Money Market Deposits	-	-	-
26 Borrowed Funds	1,834,752	1,730,507	1,762,833
27 Balances due to Banking Institutions Group Companies	-	-	-
28 Tax Payable	-	-	75,567
29 Dividends Payable	-	-	-
30 Deferred Tax Liability	-	-	-
31 Retirement Benefit Liability	-	-	-
32 Other liabilities	913,312	939,238	556,822
TOTAL LIABILITIES	30,030,982	30,488,018	28,298,754
C SHAREHOLDERS' FUNDS			
33 Paid Up/ Assigned Capital	366,324	366,324	366,324
34 Share Premium (Discount)	2,282,112	2,282,112	2,282,112
35 Revaluation Reserves	-	-	-
36 Retained Earnings/Accumulated Losses	1,772,551	1,677,483	1,752,696
37 Statutory Loan Reserves	312,870	309,045	110,656
38 Other Reserves	-	-	-
39 Proposed Dividends	-	-	-
40 Capital Grants	-	-	-
TOTAL SHAREHOLDERS' FUNDS	4,733,857	4,634,964	4,511,788
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	34,764,839	35,122,982	32,810,542
II STATEMENT OF COMPREHENSIVE INCOME			
PROFIT INCOME			
1 Financing arrangements	593,797	2,380,194	599,085
2 Government Securities	-	-	-
3 Deposits and Placements with Banking Institutions	112,732	377,984	78,948
4 Other Profit Income	1,729	1,611	-
Total Profit Income	708,258	2,759,789	678,033
PROFIT EXPENSE			
5 Customer Deposits	129,665	589,540	153,942
6 Deposits and Placement from Banking Institutions	6,290	3,646	27
7 Other Profit Expenses	56,287	221,593	42,682
Total Profit Expenses	192,242	814,779	196,651
NET PROFIT INCOME	516,016	1,945,010	481,382
OTHER OPERATING INCOME			
8 Fees and Commissions on Financing arrangements	40,299	165,352	30,463
9 Other Fees and Commissions	95,836	385,083	102,307
10 Foreign Exchange Trading Income (Loss)	66,818	203,922	41,667
11 Dividend Income	-	-	-
12 Other Income	-	-	-
Total Other Operating Income	202,953	754,357	174,437
TOTAL OPERATING INCOME	718,969	2,699,367	655,819
OPERATING EXPENSES			
13 Financing arrangements Loss Provision	93,301	670,017	133,040
14 Staff Costs	240,904	925,697	247,570
15 Directors' Emoluments	17,885	67,424	16,861
16 Rental Charges	10,350	38,325	33,464
17 Depreciation Charge on Property and Equipment	47,169	173,163	25,372
18 Amortisation Charges	7,580	32,686	7,068
19 Other Operating Expenses	154,734	574,008	125,024
Total Operating Expenses	571,923	2,481,320	588,399
Profit/(Loss) Before Tax and Exceptional Items	147,046	218,047	67,420
20 Exceptional Items	-	-	-
Profit/(Loss) After Exceptional Items	147,046	218,047	67,420
21 Current tax	48,154	75,801	23,597
22 Deferred tax	(24,754)	-	-
Profit/(Loss) After Tax and Exceptional Items	98,892	167,000	43,823
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 Period Net of Tax	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	98,892	167,000	43,823
III OTHER DISCLOSURES			
1.0 NON-PERFORMING FINANCING ARRANGEMENTS			
1.1 (a) Gross Non-Performing Financing arrangements	3,405,637	3,613,126	2,840,176
1.2 (b) Less Profit in Suspense	153,008	134,348	178,405
1.3 (c) Total Non-Performing Financing arrangements (a-b)	3,252,629	3,478,778	2,661,771
1.4 (d) Less Financing arrangements Losses Provision	1,854,590	1,770,153	989,688
1.5 (e) Net Non-Performing Financing Arrangements (c-d)	1,398,039	1,708,625	1,672,083
1.6 (f) Discounted Value of Securities	1,256,128	1,534,900	1,475,715
1.7 (g) Net NPLs Exposure (e-f)	141,911	173,725	196,369
2.0 INSIDER FINANCING ARRANGEMENTS			
2.1 (a) Directors, Shareholders and Associates	85,160	49,073	331,565
2.2 (b) Employees	827,762	883,855	948,736
2.3 (c) Total Insider Financing arrangements and other facilities	912,922	932,928	1,280,301
3.0 OFF-BALANCE SHEET ITEMS			
3.1 (a) Letters of credit, Guarantees & Acceptances	2,116,516	2,096,869	1,904,830
3.2 (b) Forwards Swaps & Options	2,105,263	1,919,705	1,762,295
3.3 (c) Other Contingent Liabilities	1,159,824	885,380	874,203
3.4 (d) Total Contingent Liabilities	5,381,603	4,901,954	4,541,328
4.0 CAPITAL STRENGTH			
4.1 (a) Core capital	4,312,953	4,262,768	4,379,221
4.2 (b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000
4.3 (c) Excess/ (Deficiency) (a-b)	3,312,953	3,262,768	3,379,221
4.4 (d) Supplementary Capital	1,706,412	1,614,092	1,792,929
4.5 (e) Total Capital (a+d)	6,019,365	5,876,860	6,172,150
4.6 (f) Total risk weighted assets	33,880,837	34,347,247	31,454,617
4.7 (g) Core Capital/Total Deposit Liabilities	16.0%	15.3%	16.9%
4.8 (h) Minimum Statutory Ratio	8.0%	8.0%	8.0%
4.9 (i) Excess/ (Deficiency) (g-h)	8.0%	7.3%	8.9%
4.10 (j) Core Capital/ Total Risk Weighted Assets	12.7%	12.4%	13.9%
4.11 (k) Minimum Statutory Ratio	10.5%	10.5%	10.5%
4.12 (l) Excess/ (Deficiency) (j-k)	2.2%	1.9%	3.4%
4.13 (m) Total Capital/Total Risk Weighted Assets	17.8%	17.1%	19.6%
4.14 (n) Minimum statutory Ratio	14.5%	14.5%	14.5%
4.15 (o) Excess/ (Deficiency) (m-n)	3.3%	2.6%	5.1%
(p) Adjusted Core Capital/Total Deposit Liabilities*	16.1%	15.8%	17.4%
(q) Adjusted Core Capital/Total Risk Weighted Assets*	12.9%	12.8%	14.4%
(r) Adjusted Total Capital/Total Risk Weighted Assets*	17.9%	17.5%	20.1%
5.0 LIQUIDITY			
5.1 (a) Liquidity Ratio	34.6%	33.8%	36.7%
5.2 (b) Minimum Statutory Ratio	20.0%	20.0%	20.0%
5.3 (c) Excess/ (Deficiency) (a-b)	14.6%	13.8%	16.7%

NOTES

* The Adjusted Capital Ratios includes 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. These financial statements are extracts of the books of the institution. The complete set of annual financial statements, statutory and other qualitative disclosures can be accessed in the institution's website www.gulfafricanbank.com. They may also be accessed at the institution's head office at Gemina Insurance Plaza, Upperhill, Nairobi.