

**UN-AUDITED FINANCIAL STATEMENTS & OTHER DISCLOSURES
FOR THE PERIOD ENDED 30 JUNE 2020**

	30 June 2019 Unaudited Shs '000	31 December 2019 Audited Shs '000	31 March 2020 Unaudited Shs '000	30 June 2020 Unaudited Shs '000
I STATEMENT OF FINANCIAL POSITION				
A ASSETS				
1 Cash (both Local & Foreign)	675,875	1,001,738	1,274,720	678,165
2 Balances with Central Bank of Kenya	1,441,331	1,251,634	1,376,491	1,502,530
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	-	264,957	455,387	173,685
(ii) Available for Sale:				
(a) Kenya Government Securities	-	-	-	-
(b) Other Securities	-	-	-	-
6 Deposits and Balances due from Local Banking Institutions	5,939,718	5,584,157	4,346,915	6,213,404
7 Deposits and Balances due from Banking Institutions Abroad	1,100,167	1,824,482	2,409,430	1,453,135
8 Tax Recoverable	141,221	161,939	113,498	98,282
9 Financing arrangements to Customers (Net)	21,620,968	22,673,040	22,605,341	21,843,097
10 Balances due from Banking Institutions in the Group	-	-	-	-
11 Investments in Associates	-	-	-	-
12 Investments in Subsidiary Companies	1,000	1,000	1,000	1,000
13 Investments in Joint ventures	-	-	-	-
14 Investment Properties	-	-	-	-
15 Property, Plant and Equipment	654,498	860,775	832,710	803,836
16 Prepaid Lease Rentals	-	-	-	-
17 Intangible Assets	201,837	206,482	204,197	201,762
18 Deferred Tax Asset	470,989	495,743	495,742	495,742
19 Retirement Benefit Asset	-	-	-	-
20 Other Assets	613,557	797,035	649,408	517,828
TOTAL ASSETS	32,861,161	35,122,982	34,764,839	33,982,466
B LIABILITIES				
21 Balances due to Central Bank of Kenya	-	-	-	-
22 Customer Deposits	25,823,480	27,818,273	27,003,468	26,215,975
23 Deposits and Balances due to Local Banking Institutions	-	-	279,450	200,116
24 Deposits and Balances due to Foreign Banking Institutions	-	-	-	-
25 Other Money Market Deposits	-	-	-	-
26 Borrowed Funds	1,745,404	1,730,507	1,834,752	1,818,552
27 Balances due to Banking Institutions Group Companies	-	-	-	-
28 Tax Payable	-	-	-	-
29 Dividends Payable	-	-	-	-
30 Deferred Tax Liability	-	-	-	-
31 Retirement Benefit Liability	-	-	-	-
32 Other liabilities	788,446	939,238	913,312	964,995
TOTAL LIABILITIES	28,357,330	30,488,018	30,030,982	29,199,638
C SHAREHOLDERS' FUNDS				
33 Paid Up/ Assigned Capital	366,324	366,324	366,324	366,324
34 Share Premium (Discount)	2,282,112	2,282,112	2,282,112	2,282,112
35 Revaluation Reserves	-	-	-	-
36 Retained Earnings/Accumulated Losses	1,734,387	1,677,483	1,772,551	1,800,643
37 Statutory Loan Reserves	121,008	309,045	312,870	333,749
38 Other Reserves	-	-	-	-
39 Proposed Dividends	-	-	-	-
40 Capital Grants	-	-	-	-
TOTAL SHAREHOLDERS' FUNDS	4,503,831	4,634,964	4,733,857	4,782,828
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	32,861,161	35,122,982	34,764,839	33,982,466
II STATEMENT OF COMPREHENSIVE INCOME				
PROFIT INCOME				
1 Financing arrangements	1,137,675	2,380,194	593,797	1,136,059
2 Government Securities	-	-	-	-
3 Deposits and Placements with Banking Institutions	180,139	377,984	112,732	230,926
4 Other Profit Income	-	1,611	1,729	3,194
Total Profit Income	1,317,814	2,759,789	708,258	1,370,179
PROFIT EXPENSE				
5 Customer Deposits	310,711	589,540	129,665	250,273
6 Deposits and Placement from Banking Institutions	783	3,646	6,290	7,656
7 Other Profit Expenses	86,365	221,593	56,287	111,764
Total Profit Expenses	397,859	814,779	192,242	369,693
NET PROFIT INCOME	919,955	1,945,010	516,016	1,000,486
OTHER OPERATING INCOME				
8 Fees and Commissions on Financing arrangements	76,675	165,352	40,299	59,677
9 Other Fees and Commissions	189,601	385,083	95,836	168,462
10 Foreign Exchange Trading Income (Loss)	92,629	203,922	66,818	107,318
11 Dividend Income	-	-	-	-
12 Other Income	-	-	-	301
Total Other Operating Income	358,905	754,357	202,953	335,758
TOTAL OPERATING INCOME	1,278,860	2,699,367	718,969	1,336,244
OPERATING EXPENSES				
13 Financing arrangements Loss Provision	349,006	670,017	93,301	171,188
14 Staff Costs	469,380	925,697	240,904	482,847
15 Directors' Emoluments	34,336	67,424	17,885	35,224
16 Rental Charges	11,883	38,325	10,350	21,154
17 Depreciation Charge on Property and Equipment	100,936	173,163	47,169	85,412
18 Amortisation Charges	14,565	32,686	15,734	22,986
19 Other Operating Expenses	246,217	574,008	154,734	306,202
Total Operating Expenses	1,226,323	2,481,320	571,923	1,125,013
Profit/(Loss) Before Tax and Exceptional Items	52,537	218,047	147,046	211,231
Exceptional Items				
20 Profit/(Loss) After Exceptional Items	52,537	218,047	147,046	211,231
21 Current tax	16,670	75,801	48,154	63,369
22 Deferred tax	-	(24,754)	-	-
Profit/(Loss) After Tax and Exceptional Items	35,867	167,000	98,892	147,862
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	35,867	167,000	98,892	147,862
III OTHER DISCLOSURES				
1.0 NON-PERFORMING FINANCING ARRANGEMENTS				
1.1 (a) Gross Non-Performing Financing arrangements	3,033,757	3,613,126	3,405,637	3,358,937
1.2 (b) Less Profit in Suspense	200,202	134,348	153,008	155,763
1.3 (c) Total Non-Performing Financing arrangements (a-b)	2,833,555	3,478,778	3,252,629	3,203,174
1.4 (d) Less Financing arrangements Losses Provision	1,214,388	1,770,153	1,854,590	1,940,873
1.5 (e) Net Non-Performing Financing Arrangements (c-d)	1,619,167	1,708,625	1,398,039	1,262,301
1.6 (f) Discounted Value of Securities	1,375,707	1,534,900	1,256,128	1,166,196
1.7 (g) Net NPLs Exposure (e-f)	243,460	173,725	141,911	96,105
2.0 INSIDER FINANCING ARRANGEMENTS				
2.1 (a) Directors, Shareholders and Associates	319,205	49,073	85,160	100,392
2.2 (b) Employees	913,087	883,855	827,762	799,694
2.3 (c) Total Insider Financing arrangements and other facilities	1,232,292	932,928	912,922	900,086
3.0 OFF-BALANCE SHEET ITEMS				
3.1 (a) Letters of Credit, Guarantees & Acceptances	1,775,325	2,096,869	2,116,516	1,747,297
3.2 (b) Forwards, Swaps & Options	1,726,456	1,919,705	2,105,263	1,255,380
3.3 (c) Other Contingent Liabilities	716,707	885,380	1,159,824	1,302,864
3.4 (d) Total Contingent Liabilities	4,218,488	4,901,954	5,381,603	4,305,541
4.0 CAPITAL STRENGTH				
4.1 (a) Core capital	4,364,890	4,262,768	4,312,953	4,316,921
4.2 (b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
4.3 (c) Excess/ (Deficiency) (a-b)	3,364,890	3,262,768	3,312,953	3,316,921
4.4 (d) Supplementary Capital	1,702,892	1,614,092	1,706,412	1,619,551
4.5 (e) Total Capital (a+d)	6,067,782	5,876,860	6,019,365	5,936,472
4.6 (f) Total risk weighted assets	32,063,023	34,347,247	33,880,837	33,213,205
4.7 (g) Core Capital/Total Deposit Liabilities	16.9%	15.3%	16.0%	16.5%
4.8 (h) Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%
4.9 (i) Excess/ (Deficiency) (g-h)	8.9%	7.3%	8.0%	8.5%
4.10 (j) Core Capital/ Total Risk Weighted Assets	13.6%	12.4%	12.7%	13.0%
4.11 (k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%
4.12 (l) Excess/(Deficiency) (j-k)	3.1%	1.9%	2.2%	2.5%
4.13 (m) Total Capital/Total Risk Weighted Assets	18.9%	17.1%	17.8%	17.9%
4.14 (n) Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%
4.15 (o) Excess/(Deficiency) (m-n)	4.4%	2.6%	3.3%	3.4%
(p) Adjusted Core Capital/Total Deposit Liabilities*	17.4%	15.8%	16.1%	16.6%
(q) Adjusted Core Capital/Total Risk Weighted Assets*	14.0%	12.8%	12.9%	13.1%
(r) Adjusted Total Capital/Total Risk Weighted Assets*	19.3%	17.5%	17.9%	18.0%
5.0 LIQUIDITY				
5.1 (a) Liquidity Ratio	34.5%	33.8%	34.6%	37.3%
5.2 (b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
5.3 (c) Excess/(Deficiency) (a-b)	14.5%	13.8%	14.6%	17.3%

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.gulfafribank.com. They may also be accessed at the institution's head office at Gemina Insurance Plaza, Upperhill, Nairobi.

Rafik Nayed
Chairman

Abdalla Abdulkhalik
Managing Director

Gulf African Bank is regulated by the Central Bank of Kenya