

**QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	30 September 2019 Unaudited Shs '000	31 December 2019 Audited Shs '000	31 March 2020 Unaudited Shs '000	30 June 2020 Unaudited Shs '000	30 September 2020 Unaudited Shs '000
I STATEMENT OF FINANCIAL POSITION					
A ASSETS					
1 Cash (both Local & Foreign)	830,460	1,001,738	1,274,720	678,165	665,544
2 Balances with Central Bank of Kenya	1,982,221	1,251,634	1,376,491	1,502,530	1,201,148
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	434,261
(ii) Available for Sale:					
(a) Kenya Government Securities	-	-	-	-	-
(b) Other Securities	-	-	-	-	-
6 Deposits and Balances due from Local Banking Institutions	5,246,280	5,584,157	4,346,915	6,213,404	6,370,300
7 Deposits and Balances due from Banking Institutions Abroad	835,019	1,824,482	2,409,430	1,433,135	2,515,882
8 Tax Recoverable	211,272	161,939	113,498	98,282	83,868
9 Financing arrangements to Customers (Net)	21,865,314	22,673,040	22,605,341	21,843,097	21,257,541
10 Balances due from Banking Institutions in the Group	-	-	-	-	-
11 Investments in Associates	1,000	1,000	1,000	1,000	1,000
12 Investments in Subsidiary Companies	-	-	-	-	-
13 Investments in Joint ventures	-	-	-	-	-
14 Investment Properties	-	-	-	-	-
15 Property, Plant and Equipment	612,062	860,775	832,710	803,836	772,604
16 Prepaid Lease Rentals	-	-	-	-	-
17 Intangible Assets	201,377	206,482	204,197	201,762	206,375
18 Deferred Tax Asset	470,989	495,743	495,742	495,742	413,119
19 Retirement Benefit Asset	-	-	-	-	-
20 Other Assets	897,038	797,035	649,408	517,828	604,251
TOTAL ASSETS	33,153,032	35,122,982	34,764,839	33,982,466	34,525,893
B LIABILITIES					
21 Balances due to Central Bank of Kenya	-	-	-	-	-
22 Customer Deposits	26,122,035	27,818,273	27,003,468	26,215,975	27,006,337
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	1,815,879	1,730,507	1,834,752	1,818,552	1,886,975
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	688,898	939,238	913,312	964,995	872,272
TOTAL LIABILITIES	28,626,812	30,488,018	30,030,982	29,199,638	29,765,584
C SHAREHOLDERS' FUNDS					
33 Paid Up/ Assigned Capital	366,324	366,324	366,324	366,324	366,324
34 Share Premium (Discount)	2,282,112	2,282,112	2,282,112	2,282,112	2,282,112
35 Revaluation Reserves	-	-	-	-	-
36 Retained Earnings/Accumulated Losses	1,624,753	1,677,483	1,772,551	1,800,643	1,847,028
37 Statutory Loan Reserves	253,031	309,045	312,870	333,749	264,845
38 Other Reserves	-	-	-	-	-
39 Proposed Dividends	-	-	-	-	-
40 Capital Grants	-	-	-	-	-
TOTAL SHAREHOLDERS' FUNDS	4,526,220	4,634,964	4,733,857	4,782,828	4,760,309
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	33,153,032	35,122,982	34,764,839	33,982,466	34,525,893
II STATEMENT OF COMPREHENSIVE INCOME					
PROFIT INCOME					
1 Financing arrangements	1,689,502	2,380,194	593,797	1,136,059	1,721,123
2 Government Securities	1,653	3,646	6,290	7,656	8,293
3 Deposits and Placements with Banking Institutions	280,848	377,984	112,732	230,926	366,071
4 Other Profit Income	-	1,611	1,729	3,194	4,470
Total Profit Income	1,970,350	2,759,789	708,258	1,370,179	2,091,664
PROFIT EXPENSE					
5 Customer Deposits	445,086	589,540	129,665	250,273	357,231
6 Deposits and Placements from Banking Institutions	1,653	3,646	6,290	7,656	8,293
7 Other Profit Expenses	129,538	221,593	56,287	111,764	163,887
Total Profit Expenses	576,277	814,779	192,242	369,693	529,411
NET PROFIT INCOME	1,394,073	1,945,010	516,016	1,000,486	1,562,253
OTHER OPERATING INCOME					
8 Fees and Commissions on Financing arrangements	114,551	165,352	40,299	59,677	84,150
9 Other Fees and Commissions	283,301	385,083	95,836	168,462	249,756
10 Foreign Exchange Trading Income (Loss)	146,248	203,922	66,818	107,318	177,778
11 Dividend Income	-	-	-	-	-
12 Other Income	-	-	-	301	1,666
Total Other Operating Income	544,100	754,357	202,953	335,758	513,150
TOTAL OPERATING INCOME	1,938,173	2,699,367	718,969	1,336,244	2,075,403
OPERATING EXPENSES					
13 Financing arrangements Loss Provision	500,871	670,017	93,301	171,188	351,100
14 Staff Costs	704,394	925,697	240,904	482,847	717,077
15 Directors' Emoluments	50,524	67,424	17,885	35,224	52,704
16 Rental Charges	18,387	38,325	10,350	21,154	30,703
17 Depreciation Charge on Property and Equipment	152,824	173,163	47,169	85,412	129,089
18 Amortisation Charges	22,425	32,686	7,580	22,986	35,439
19 Other Operating Expenses	404,753	574,008	154,734	306,202	462,196
Total Operating Expenses	1,854,178	2,481,320	571,923	1,125,013	1,778,308
Profit/(Loss) Before Tax and Exceptional Items	83,995	218,047	147,046	211,231	297,095
20 Exceptional Items	-	-	-	-	-
Profit/(Loss) After Exceptional Items	83,995	218,047	147,046	211,231	297,095
21 Current tax	25,740	75,801	48,154	63,369	89,128
22 Deferred tax	-	(24,754)	-	-	82,624
Profit/(Loss) After Tax and Exceptional Items	58,255	167,000	98,892	147,862	125,343
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	58,255	167,000	98,892	147,862	125,343
III OTHER DISCLOSURES					
1.0 NON-PERFORMING FINANCING ARRANGEMENTS					
1.1 (a) Gross Non-Performing Financing arrangements	3,217,759	3,613,126	3,405,637	3,358,937	3,677,940
1.2 (b) Less Profit in Suspense	219,512	134,348	153,008	155,763	167,486
1.3 (c) Total Non-Performing Financing arrangements (a-b)	2,998,247	3,478,778	3,252,629	3,203,174	3,510,454
1.4 (d) Less Financing arrangements Losses Provision	1,057,543	1,770,153	1,854,590	1,940,873	2,061,798
1.5 (e) Net Non-Performing Financing Arrangements(c-d)	1,490,704	1,708,625	1,398,039	1,262,301	1,448,656
1.6 (f) Discounted Value of Securities	1,272,759	1,534,900	1,256,128	1,166,196	1,265,164
1.7 (g) Net NPLs Exposure (e-f)	217,945	173,725	141,911	96,105	183,492
2.0 INSIDER FINANCING ARRANGEMENTS					
2.1 (a) Directors, Shareholders and Associates	321,876	49,073	85,160	100,392	69,522
2.2 (b) Employees	857,789	883,855	827,762	799,694	861,562
2.3 (c) Total Insider Financing arrangements and other facilities	1,179,665	932,928	912,922	900,086	931,084
3.0 OFF-BALANCE SHEET ITEMS					
3.1 (a) Letters of credit, Guarantees & Acceptances	1,866,425	2,096,869	2,116,516	1,747,297	1,182,255
3.2 (b) Forwards Swaps & Options	1,759,447	1,919,705	2,105,263	1,255,380	2,369,625
3.3 (c) Other Contingent Liabilities	747,682	885,380	1,159,824	1,302,864	1,422,061
3.4 (d) Total Contingent Liabilities	4,373,554	4,901,954	5,381,603	4,305,541	4,973,941
4.0 CAPITAL STRENGTH					
4.1 (a) Core capital	4,244,062	4,262,768	4,312,953	4,316,921	4,432,793
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) (a-b)	3,244,062	3,262,768	3,312,953	3,316,921	3,432,793
4.4 (d) Supplementary Capital	1,902,750	1,614,092	1,706,412	1,619,551	1,609,320
4.5 (e) Total Capital (a+d)	6,146,812	5,876,860	6,019,365	5,936,472	6,042,113
4.6 (f) Total risk weighted assets	32,453,727	34,347,247	33,880,837	33,213,205	32,284,765
4.7 (g) Core Capital/Total Deposit Liabilities	16.2%	15.3%	16.0%	16.5%	16.4%
4.8 (h) Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%	8.0%
4.9 (i) Excess/ (Deficiency) (g-h)	8.2%	7.3%	8.0%	8.5%	8.4%
4.10 (j) Core Capital / Total Risk Weighted Assets	13.1%	12.4%	12.7%	13.0%	13.7%
4.11 (k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%
4.12 (l) Excess/(Deficiency) (j-k)	2.6%	1.9%	2.2%	2.5%	3.2%
4.13 (m) Total Capital/Total Risk Weighted Assets	18.9%	17.1%	17.8%	17.9%	18.7%
4.14 (n) Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%	14.5%
4.15 (o) Excess/(Deficiency) (m-n)	4.4%	2.6%	3.3%	3.4%	4.2%
(p) Adjusted Core Capital/Total Deposit Liabilities*	16.6%	15.8%	16.1%	16.6%	16.5%
(q) Adjusted Core Capital/Total Risk Weighted Assets*	13.4%	12.8%	12.9%	13.1%	13.8%
(r) Adjusted Total Capital/Total Risk Weighted Assets*	19.3%	17.5%	17.9%	18.0%	18.8%
5.0 LIQUIDITY					
5.1 (a) Liquidity Ratio	33.1%	33.8%	34.6%	37.3%	41.2%
5.2 (b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%	20.0%
5.3 (c) Excess/(Deficiency) (a-b)	13.1%	13.8%	14.6%	17.3%	21.2%

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.

Rafik Nayed
Chairman

Abdalla Abdulkhalik
Managing Director

Gulf African Bank is regulated by the Central Bank of Kenya