

QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES  
FOR THE PERIOD ENDED 31 MARCH 2021

Shari'ah  
Compliant

	31 March 2021 Unaudited Shs '000	31 December 2020 Audited Shs '000	31 March 2020 Unaudited Shs '000
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>A ASSETS</b>			
1 Cash (both Local & Foreign)	556,358	799,579	1,274,720
2 Balances with Central Bank of Kenya	1,613,489	1,133,451	1,376,491
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	867,431	-	455,387
(ii) Available for Sale:	-	-	-
(a) Kenya Government Securities	-	-	-
(b) Other Securities	-	-	-
6 Deposits and Balances due from Local Banking Institutions	8,656,289	8,616,014	4,346,915
7 Deposits and Balances due from Banking Institutions Abroad	2,046,616	4,525,104	2,409,430
8 Tax Recoverable	53,673	128,203	113,498
9 Financing arrangements to Customers (Net)	20,889,162	20,698,572	22,605,341
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	684,046	720,276	832,710
16 Prepaid Lease Rentals	-	-	-
17 Intangible Assets	204,444	217,049	204,197
18 Deferred Tax Asset	387,025	387,025	495,742
19 Retirement Benefit Asset	-	-	-
20 Other Assets	436,734	426,349	649,408
<b>21 TOTAL ASSETS</b>	<b>36,396,267</b>	<b>37,652,622</b>	<b>34,764,839</b>
<b>B LIABILITIES</b>			
22 Balances due to Central Bank of Kenya	-	-	-
23 Customer Deposits	28,515,480	29,972,473	27,003,468
24 Deposits and Balances due to Local Banking Institutions	-	-	279,450
25 Deposits and Balances due to Foreign Banking Institutions	-	-	-
26 Other Money Market Deposits	-	-	-
27 Borrowed Funds	1,900,500	1,864,208	1,834,752
28 Balances due to Banking Institutions Group Companies	-	-	-
29 Tax Payable	-	-	-
30 Dividends Payable	-	-	-
31 Deferred Tax Liability	-	-	-
32 Retirement Benefit Liability	-	-	-
33 Other liabilities	-	-	-
<b>34 TOTAL LIABILITIES</b>	<b>813,238</b>	<b>787,306</b>	<b>913,312</b>
	<b>31,229,218</b>	<b>32,623,987</b>	<b>30,030,982</b>
<b>C SHAREHOLDERS' FUNDS</b>			
35 Paid Up/ Assigned Capital	366,324	366,324	366,324
36 Share Premium (Discount)	2,282,112	2,282,112	2,282,112
37 Revaluation Reserves	-	-	-
38 Retained Earnings/(Accumulated Losses)	2,007,762	1,991,610	1,772,551
39 Statutory Loan Reserves	510,851	388,589	312,870
40 Other Reserves	-	-	-
41 Proposed Dividends	-	-	-
42 Capital Grants	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>5,167,049</b>	<b>5,028,635</b>	<b>4,733,857</b>
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>36,396,267</b>	<b>37,652,622</b>	<b>34,764,839</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>			
<b>1.0 PROFIT INCOME</b>			
1.1 Financing arrangements	531,374	2,347,439	593,797
1.2 Government Securities	-	-	-
1.3 Deposits and Placements with Banking Institutions	169,330	515,445	112,732
1.4 Other Profit Income	3,638	6,563	1,729
<b>1.5 Total Profit Income</b>	<b>704,342</b>	<b>2,869,447</b>	<b>708,258</b>
<b>2.0 PROFIT EXPENSE</b>			
2.1 Customer Deposits	106,296	476,820	129,665
2.2 Deposits and Placement from Banking Institutions	260	2,818	6,290
2.3 Other Profit Expenses	51,930	218,188	56,287
<b>2.4 Total Profit Expenses</b>	<b>158,486</b>	<b>703,826</b>	<b>192,242</b>
<b>3.0 NET PROFIT INCOME</b>	<b>545,856</b>	<b>2,165,621</b>	<b>516,016</b>
<b>4.0 OTHER OPERATING INCOME</b>			
4.1 Fees and Commissions on Financing arrangements	31,393	106,357	40,299
4.2 Other Fees and Commissions	83,645	326,735	95,836
4.3 Foreign Exchange Trading Income (Loss)	63,769	283,295	66,818
4.4 Dividend Income	-	-	-
4.5 Other Income	-	-	-
<b>4.6 Total Other Operating Income</b>	<b>178,807</b>	<b>716,387</b>	<b>202,953</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>724,663</b>	<b>2,882,008</b>	<b>718,969</b>
<b>6.0 OPERATING EXPENSES</b>			
6.1 Financing arrangements Loss Provision	52,749	401,024	93,301
6.2 Staff Costs	249,551	967,224	240,904
6.3 Directors' Emoluments	18,133	70,632	17,885
6.4 Rental Charges	10,138	38,212	10,350
6.5 Depreciation Charge on Property and Equipment	39,546	171,530	47,169
6.6 Amortisation Charges	13,555	49,748	7,580
6.7 Other Operating Expenses	128,048	624,412	154,734
<b>6.8 Total Operating Expenses</b>	<b>511,720</b>	<b>2,422,282</b>	<b>571,923</b>
<b>7.0 Profit/(Loss) Before Tax and Exceptional Items</b>	<b>212,943</b>	<b>559,226</b>	<b>147,046</b>
8.0 Exceptional Items	-	-	-
<b>9.0 Profit/(Loss) After Exceptional Items</b>	<b>212,943</b>	<b>559,226</b>	<b>147,046</b>
10.0 Current tax	74,530	56,837	48,154
11.0 Deferred tax	-	108,718	-
<b>12.0 Profit/(Loss) After Tax and Exceptional Items</b>	<b>138,413</b>	<b>393,671</b>	<b>98,892</b>
13.0 Minority Interest	-	-	-
<b>14.0 Profit/(Loss) after tax, exceptional items and Minority Interest</b>	<b>138,413</b>	<b>393,671</b>	<b>98,892</b>
15.0 Other Comprehensive Income:			
15.1 Gains/(Losses) from Translating the Financial Statements of Foreign Operations	-	-	-
15.2 Fair Value changes in Available-for-sale Financial Assets	-	-	-
15.3 Revaluation Surplus on Property, Plant and Equipment	-	-	-
15.4 Share of other Comprehensive Income of Associates	-	-	-
15.5 Income Tax Relating to Components of other Comprehensive Income	-	-	-
16.0 Other Comprehensive Income for the Period Net of Tax	-	-	-
<b>17.0 TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>138,413</b>	<b>393,671</b>	<b>98,892</b>
<b>OTHER DISCLOSURES</b>			
<b>1.0 NON-PERFORMING FINANCING ARRANGEMENTS</b>			
1.1 (a) Gross Non-Performing Financing arrangements	4,070,625	4,028,256	3,405,637
1.2 (b) Less Profit in Suspense	173,648	155,468	153,008
<b>1.3 (c) Total Non-Performing Financing arrangements (a-b)</b>	<b>3,896,977</b>	<b>3,871,788</b>	<b>3,252,629</b>
1.4 (d) Less Financing arrangements Losses Provision	2,416,172	2,242,708	1,854,590
<b>1.5 (e) Net Non-Performing Financing Arrangements (c-d)</b>	<b>1,480,805</b>	<b>1,629,080</b>	<b>1,398,039</b>
1.6 (f) Discounted Value of Securities	1,418,951	1,485,516	1,256,128
<b>1.7 (g) Net NPLs Exposure (e-f)</b>	<b>61,854</b>	<b>143,564</b>	<b>141,911</b>
<b>2.0 INSIDER FINANCING ARRANGEMENTS</b>			
2.1 (a) Directors, Shareholders and Associates	3,000	3,000	85,160
2.2 (b) Employees	916,863	916,703	827,762
<b>2.3 (c) Total Insider Financing arrangements and other facilities</b>	<b>919,863</b>	<b>919,703</b>	<b>912,922</b>
<b>3.0 OFF-BALANCE SHEET ITEMS</b>			
3.1 (a) Letters of credit, Guarantees & Acceptances	1,151,608	1,062,437	2,116,516
3.2 (b) Forwards Swaps & Options	2,173,763	1,819,518	2,105,263
3.3 (c) Other Contingent Liabilities	530,650	879,919	1,159,824
<b>3.4 (d) Total Contingent Liabilities</b>	<b>3,856,021</b>	<b>3,761,874</b>	<b>5,381,603</b>
<b>4.0 CAPITAL STRENGTH</b>			
4.1 (a) Core capital	4,586,992	4,640,046	4,312,953
4.2 (b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000
4.3 (c) Excess/(Deficiency) (a-b)	3,586,992	3,640,046	3,312,953
4.4 (d) Supplementary Capital	1,420,621	1,415,069	1,706,412
<b>4.5 (e) Total Capital (a+d)</b>	<b>6,007,613</b>	<b>6,055,115</b>	<b>6,019,365</b>
4.6 (f) Total risk weighted assets	31,418,457	31,903,026	33,880,837
<b>4.7 (g) Core Capital/Total Deposit Liabilities</b>	<b>16.1%</b>	<b>15.5%</b>	<b>16.0%</b>
4.8 (h) Minimum Statutory Ratio	8.0%	8.0%	8.0%
4.9 (i) Excess/(Deficiency) (g-h)	8.1%	7.5%	8.0%
<b>4.10 (j) Core Capital / Total Risk Weighted Assets</b>	<b>14.6%</b>	<b>14.5%</b>	<b>12.7%</b>
4.11 (k) Minimum Statutory Ratio	10.5%	10.5%	10.5%
4.12 (l) Excess/(Deficiency) (j-k)	4.1%	4.0%	2.2%
<b>4.13 (m) Total Capital/Total Risk Weighted Assets</b>	<b>19.1%</b>	<b>19.0%</b>	<b>17.8%</b>
4.14 (n) Minimum statutory Ratio	14.5%	14.5%	14.5%
4.15 (o) Excess/(Deficiency) (m-n)	4.6%	4.5%	3.3%
(p) Adjusted Core Capital/Total Deposit Liabilities*	16.1%	15.5%	16.1%
(q) Adjusted Core Capital/Total Risk Weighted Assets*	14.6%	14.6%	12.9%
(r) Adjusted Total Capital/Total Risk Weighted Assets*	19.2%	19.0%	17.9%
<b>5.0 LIQUIDITY</b>			
5.1 (a) Liquidity Ratio	48.0%	50.1%	34.6%
5.2 (b) Minimum Statutory Ratio	20.0%	20.0%	20.0%
5.3 (c) Excess/(Deficiency) (a-b)	28.0%	30.1%	14.6%

**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](http://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