

UNAUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30 JUNE 2018

Shari'ah
Compliant

I STATEMENT OF FINANCIAL POSITION	30 June 2017	31 December 2017	31 March 2018	30 June 2018
	Unaudited Shs '000	Audited Shs '000	Unaudited Shs '000	Unaudited Shs '000
A ASSETS				
1 Cash (both Local & Foreign)	1,271,022	975,539	781,263	771,342
2 Balances with Central Bank of Kenya	1,059,575	2,453,257	1,686,810	1,944,185
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	-	-	-	-
(ii) Available for Sale:				
(a) Kenya Government Securities	-	-	-	-
(b) Other Securities	-	-	-	-
6 Deposits and Balances due from Local Banking Institutions	8,346,846	5,062,596	5,441,273	4,482,059
7 Deposits and Balances due from Banking Institutions Abroad	1,615,839	1,983,647	774,960	2,316,853
8 Tax Recoverable	57,625	23,253	-	26,313
9 Financing arrangements to Customers (Net)	16,499,568	19,384,156	19,941,324	21,422,086
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	340,458	319,279	307,004	316,727
16 Prepaid Lease Rentals	-	-	-	-
17 Intangible Assets	63,715	126,604	119,148	126,154
18 Deferred Tax Asset	195,019	308,067	308,067	308,067
19 Retirement Benefit Asset	-	-	-	-
20 Other Assets	634,620	678,830	681,956	573,285
TOTAL ASSETS	30,085,287	31,316,228	30,042,805	32,288,071
B LIABILITIES				
21 Balances due to Central Bank of Kenya	-	-	-	-
22 Customer Deposits	24,786,968	26,073,694	24,743,331	26,959,701
23 Deposits and Balances due to Local Banking Institutions	-	-	-	-
24 Deposits and Balances due to Foreign Banking Institutions	42,645	31,142	29,235	19,447
25 Other Money Market Deposits	-	-	-	-
26 Borrowed Funds	418,641	416,706	415,703	407,302
27 Balances due to Banking Institutions Group Companies	-	-	-	-
28 Tax Payable	-	-	28,868	-
29 Dividends Payable	-	-	-	-
30 Deferred Tax Liability	-	-	-	-
31 Retirement Benefit Liability	-	-	-	-
32 Other liabilities	379,620	375,223	405,792	388,434
TOTAL LIABILITIES	25,627,874	26,896,765	25,622,929	27,774,884
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	1,722,788	1,598,241	1,680,121	1,830,475
37 Statutory Loan Reserves	86,189	172,786	91,319	34,276
38 Other Reserves	-	-	-	-
39 Proposed Dividends	-	-	-	-
40 Capital Grants	-	-	-	-
TOTAL SHAREHOLDERS' FUNDS	4,457,413	4,419,463	4,419,876	4,513,187
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	30,085,287	31,316,228	30,042,805	32,288,071

II STATEMENT OF COMPREHENSIVE INCOME	30 June 2017	31 December 2017	31 March 2018	30 June 2018
	Unaudited Shs '000	Audited Shs '000	Unaudited Shs '000	Unaudited Shs '000
PROFIT INCOME				
1 Financing arrangements	1,015,489	2,122,236	554,831	1,119,964
2 Government Securities	-	-	-	-
3 Deposits and Placements with Banking Institutions	182,791	389,369	97,844	200,499
4 Other Profit Income	-	-	-	-
Total Profit Income	1,198,280	2,511,605	652,675	1,320,463
PROFIT EXPENSE				
5 Customer Deposits	244,924	529,878	142,254	283,309
6 Deposits and Placement from Banking Institutions	6,359	6,988	3,592	5,820
7 Other Profit Expenses	3,833	21,724	8,671	17,777
Total Profit Expenses	255,116	558,590	154,517	306,906
NET PROFIT INCOME	943,164	1,953,015	498,158	1,013,557
OTHER OPERATING INCOME				
8 Fees and Commissions on Financing arrangements	29,994	103,419	29,994	122,890
9 Other Fees and Commissions	150,717	315,932	111,287	172,970
10 Foreign Exchange Trading Income (Loss)	106,448	256,660	59,950	106,219
11 Dividend Income	-	-	-	-
12 Other Income	624	1,576	192	192
Total Other Operating Income	287,783	677,587	201,423	402,271
TOTAL OPERATING INCOME	1,230,947	2,630,602	699,581	1,415,828
OPERATING EXPENSES				
13 Financing arrangements Loss Provision	120,324	644,070	77,273	136,917
14 Staff Costs	431,878	906,356	258,889	481,123
15 Directors' Emoluments	30,951	64,144	16,321	33,444
16 Rental Charges	56,598	116,798	30,812	63,046
17 Depreciation Charge on Property and Equipment	60,058	118,772	28,591	57,205
18 Amortisation Charges	8,554	19,299	7,456	14,922
19 Other Operating Expenses	227,813	507,208	131,324	302,376
Total Operating Expenses	936,176	2,376,647	550,666	1,089,033
Profit/(Loss) Before Tax and Exceptional Items	294,771	253,955	148,915	326,795
20 Exceptional Items	-	-	-	-
Profit/(Loss) After Exceptional Items	294,771	253,955	148,915	326,795
21 Current tax	103,170	213,350	52,120	114,378
22 Deferred tax	-	(113,048)	-	-
Profit/(Loss) After Tax and Exceptional Items	191,601	153,653	96,795	212,417
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	191,601	153,653	96,795	212,417

III OTHER DISCLOSURES	30 June 2017	31 December 2017	31 March 2018	30 June 2018
	Unaudited Shs '000	Audited Shs '000	Unaudited Shs '000	Unaudited Shs '000
1.0 NON-PERFORMING FINANCING ARRANGEMENTS				
1.1 (a) Gross Non-Performing Financing arrangements	1,493,105	1,961,704	2,615,842	2,470,406
1.2 (b) Less Profit in Suspense	140,730	161,764	174,387	180,794
1.3 (c) Total Non-Performing Financing arrangements (a-b)	1,352,375	1,799,940	2,441,455	2,289,612
1.4 (d) Less Financing arrangements Losses Provision	482,718	598,443	660,527	669,691
1.5 (e) Net Non-Performing Financing Arrangements (c-d)	869,657	1,201,497	1,780,928	1,619,921
1.6 (f) Discounted Value of Securities	852,664	1,167,367	1,701,529	1,531,654
1.7 (g) Net NPLs Exposure (e-f)	16,993	34,130	79,399	88,267
2.0 INSIDER FINANCING ARRANGEMENTS				
2.1 (a) Directors, Shareholders and Associates	542,594	436,851	405,157	387,955
2.2 (b) Employees	715,731	847,694	856,590	897,936
2.3 (c) Total Insider Financing arrangements and other facilities	1,258,326	1,284,545	1,261,747	1,285,890
3.0 OFF-BALANCE SHEET ITEMS				
3.1 (a) Letters of credit, Guarantees & Acceptances	3,016,566	3,570,589	2,557,296	4,723,454
3.2 (b) Forwards Swaps & Options	1,140,421	1,385,709	1,343,887	1,433,571
3.3 (c) Other Contingent Liabilities	170,756	417,006	359,808	374,281
3.4 (d) Total Contingent Liabilities	4,327,743	5,373,304	4,260,991	6,531,306
4.0 CAPITAL STRENGTH				
4.1 (a) Core capital	4,275,423	4,246,677	4,280,161	4,372,704
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)	3,275,423	3,246,677	3,280,161	3,372,704
4.4 (d) Supplementary Capital	504,830	589,492	507,022	360,118
4.5 (e) Total Capital (a+d)	4,780,253	4,836,169	4,787,183	4,732,821
4.6 (f) Total risk weighted assets	26,909,774	29,847,177	29,275,867	30,964,163
4.7 (g) Core Capital/Total Deposit Liabilities	17.2%	16.3%	17.3%	16.2%
4.8 (h) Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%
4.9 (i) Excess/ (Deficiency) (g-h)	9.2%	8.3%	9.3%	8.2%
4.10 (j) Core Capital / Total Risk Weighted Assets	15.9%	14.2%	14.6%	14.1%
4.11 (k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%
4.12 (l) Excess/ (Deficiency) (j-k)	5.4%	3.7%	4.1%	3.6%
4.13 (m) Total Capital/Total Risk Weighted Assets	17.8%	16.2%	16.4%	15.3%
4.14 (n) Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%
4.15 (o) Excess/ (Deficiency) (m-n)	3.3%	1.7%	1.9%	0.8%
(p) Adjusted Core Capital/Total Deposit Liabilities*		16.3%	17.3%	16.9%
(q) Adjusted Core Capital/Total Risk Weighted Assets*		14.2%	14.6%	14.7%
(r) Adjusted Total Capital/Total Risk Weighted Assets*		16.2%	16.7%	15.9%
5.0 LIQUIDITY				
5.1 (a) Liquidity Ratio	41.7%	34.9%	31.3%	31.7%
5.2 (b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
5.3 (c) Excess/ (Deficiency) (a-b)	21.7%	14.9%	11.3%	11.7%

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 Geminia Insurance Plaza, Upperhill, Nairobi.

Ahmed Said Bajaber
Director

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Managing Director



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