

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31 DECEMBER 2017

Shari'ah
Compliant

STATEMENT OF FINANCIAL POSITION			OTHER DISCLOSURES		
	BANK	BANK			
	31 December 2016	31 December 2017			
	Audited	Audited			
	Shs '000	Shs '000			
A ASSETS			1.0 NON-PERFORMING FINANCING ARRANGEMENTS		
1 Cash (both Local & Foreign)	1,404,587	975,539	1.1 (a) Gross Non-Performing Financing arrangements	1,617,177	1,961,704
2 Balances with Central Bank of Kenya	2,066,860	2,453,257	1.2 (b) Less Profit in Suspense	123,110	161,764
3 Kenya Government & other Securities held for dealing purposes	-	-	1.3 (c) Total Non-Performing Financing arrangements (a-b)	1,494,067	1,799,940
4 Financial Assets at Fair Value through Profit & Loss	-	-	1.4 (d) Less Financing arrangements Losses Provision	369,612	598,443
5 Investment Securities:			1.5 (e) Net Non-Performing Financing Arrangements(c-d)	1,124,455	1,201,497
(i) Held to Maturity:			1.6 (f) Discounted Value of Securities	1,182,431	1,167,367
(a) Kenya Government Securities	-	-	1.7 (g) Net NPLs Exposure (e-f)	(57,976)	34,130
(b) Other Securities	-	-			
(ii) Available for Sale:			2.0 INSIDER FINANCING ARRANGEMENTS		
(a) Kenya Government Securities	-	-	2.1 (a) Directors, Shareholders and Associates	585,038	436,851
(b) Other Securities	-	-	2.2 (b) Employees	670,651	847,694
6 Deposits and Balances due from Local Banking Institutions	5,368,190	5,062,596	2.3 (c) Total Insider Financing arrangements and other facilities	1,255,689	1,284,545
7 Deposits and Balances due from Banking Institutions Abroad	916,482	1,983,647			
8 Tax Recoverable	12,267	23,253	3.0 OFF-BALANCE SHEET ITEMS		
9 Financing arrangements to Customers (Net)	16,193,046	19,384,156	3.1 (a) Letters of credit, Guarantees & Acceptances	1,010,058	3,570,589
10 Balances due from Banking Institutions in the Group	-	-	3.2 (b) Forwards Swaps & Options	1,129,489	1,385,709
11 Investments in Associates	-	-	3.3 (c) Other Contingent Liabilities	278,636	417,006
12 Investments in Subsidiary Companies	1,000	1,000	3.4 (d) Total Contingent Liabilities	2,418,183	5,373,304
13 Investments in Joint ventures	-	-			
14 Investment Properties	-	-	4.0 CAPITAL STRENGTH		
15 Property, Plant and Equipment	385,056	319,279	4.1 (a) Core capital	4,238,733	4,246,677
16 Prepaid Lease Rentals	-	-	4.2 (b) Minimum Statutory Capital	1,000,000	1,000,000
17 Intangible Assets	63,458	126,604	4.3 (c) Excess/ (Deficiency) (a-b)	3,238,733	3,246,677
18 Deferred Tax Asset	195,019	308,067	4.4 (d) Supplementary Capital	27,077	589,492
19 Retirement Benefit Asset	-	-	4.5 (e) Total Capital (a+d)	4,265,810	4,836,169
20 Other Assets	550,299	678,830	4.6 (f) Total risk weighted assets	22,788,106	29,847,177
TOTAL ASSETS	27,156,264	31,316,228	4.7 (g) Core Capital/Total Deposit Liabilities	19.5%	16.3%
			4.8 (h) Minimum Statutory Ratio	8.0%	8.0%
B LIABILITIES			4.9 (i) Excess/ (Deficiency) (g-h)	11.5%	8.3%
21 Balances due to Central Bank of Kenya	-	-	4.10 (j) Core Capital / Total Risk Weighted Assets	18.6%	14.2%
22 Customer Deposits	21,754,942	26,073,694	4.11 (k) Minimum Statutory Ratio	10.5%	10.5%
23 Deposits and Balances due to Local Banking Institutions	-	-	4.12 (l) Excess/(Deficiency) (j-k)	8.1%	3.7%
24 Deposits and Balances due to Foreign Banking Institutions	626,747	31,142	4.13 (m) Total Capital/Total Risk Weighted Assets	18.7%	16.2%
25 Other Money Market Deposits	-	-	4.14 (n) Minimum statutory Ratio	14.5%	14.5%
26 Borrowed Funds	-	416,706	4.15 (o) Excess/(Deficiency) (m-n)	4.2%	1.7%
27 Balances due to Banking Institutions Group Companies	-	-			
28 Tax Payable	-	-	5.0 LIQUIDITY		
29 Dividends Payable	-	-	5.1 (a) Liquidity Ratio	41.0%	34.9%
30 Deferred Tax Liability	-	-	5.2 (b) Minimum Statutory Ratio	20.0%	20.0%
31 Retirement Benefit Liability	-	-	5.3 (c) Excess/(Deficiency) (a-b)	21.0%	14.9%
32 Other liabilities	398,868	375,223			
TOTAL LIABILITIES	22,780,557	26,896,765			
C SHAREHOLDERS' FUNDS					
33 Paid Up/ Assigned Capital	366,324	366,324			
34 Share Premium (Discount)	2,282,112	2,282,112			
35 Revaluation Reserves	-	-			
36 Retained Earnings/Accumulated Losses	1,590,297	1,598,241			
37 Statutory Loan Reserves	27,077	172,786			
38 Other Reserves	-	-			
39 Proposed Dividends	109,897	-			
40 Capital Grants	-	-			
TOTAL SHAREHOLDERS' FUNDS	4,375,707	4,419,463			
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	27,156,264	31,316,228			

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
	BANK	BANK
	31 December 2016	31 December 2017
	Audited	Audited
	Shs '000	Shs '000
PROFIT INCOME		
1 Financing arrangements	2,175,954	2,122,236
2 Government Securities	-	-
3 Deposits and Placements with Banking Institutions	339,573	389,369
4 Other Profit Income	-	-
Total Profit Income	2,515,527	2,511,605
PROFIT EXPENSE		
5 Customer Deposits	431,320	529,878
6 Deposits and Placement from Banking Institutions	34,029	6,988
7 Other Profit Expenses	-	21,724
Total Profit Expenses	465,349	558,590
NET PROFIT INCOME	2,050,178	1,953,015
OTHER OPERATING INCOME		
8 Fees and Commissions on Financing arrangements	-	103,419
9 Other Fees and Commissions	273,583	315,932
10 Foreign Exchange Trading Income (Loss)	123,913	256,660
11 Dividend Income	-	-
12 Other Income	338	1,576
Total Other Operating Income	397,834	677,587
TOTAL OPERATING INCOME	2,448,012	2,630,602
OPERATING EXPENSES		
13 Financing arrangements Loss Provision	52,356	644,070
14 Staff Costs	878,026	906,356
15 Directors' Emoluments	62,035	64,144
16 Rental Charges	107,429	116,798
17 Depreciation Charge on Property and Equipment	117,599	118,772
18 Amortisation Charges	12,257	19,299
19 Other Operating Expenses	464,388	507,208
Total Operating Expenses	1,694,090	2,376,647
Profit/(Loss) Before Tax and Exceptional Items	753,922	253,955
20 Exceptional Items	-	-
Profit/(Loss) After Exceptional Items	753,922	253,955
21 Current tax	270,030	213,350
22 Deferred tax	(14,429)	(113,048)
Profit/(Loss) After Tax and Exceptional Items	498,321	153,653
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 Year Net of Tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	498,321	153,653

These financial statements are extracts from the bank's financial statements which have been audited by KPMG Kenya and have received an unqualified opinion. 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. The financial statements were approved by the Board of Directors on 22 March 2018 and were signed on its behalf by:

Salim Masoud
Director

Abdalla Abdulkhaliq
Managing Director



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