

QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	30 September 2021 Unaudited Shs '000	30 June 2021 Unaudited Shs '000	31 March 2021 Unaudited Shs '000	31 December 2020 Audited Shs '000	30 September 2020 Unaudited Shs '000
<b>I STATEMENT OF FINANCIAL POSITION</b>					
<b>A ASSETS</b>					
1 Cash (both Local & Foreign)	1,053,823	895,369	556,358	799,579	665,544
2 Balances with Central Bank of Kenya	1,155,757	1,479,915	1,613,489	1,133,451	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	-	539,824	867,431	-	434,261
(ii) Available for Sale:					
(a) Kenya Government Securities	-	-	-	-	-
(b) Other Securities	-	-	-	-	-
6 Deposits and Balances due from Local Banking Institutions	10,706,857	9,949,703	8,656,289	8,616,014	6,370,300
7 Deposits and Balances due from Banking Institutions Abroad	2,160,316	2,515,140	2,046,616	4,525,104	2,515,882
8 Tax Recoverable	-	-	53,673	128,203	83,868
9 Financing arrangements to Customers (Net)	20,599,922	20,595,790	20,889,162	20,698,572	21,257,541
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	1,000
13 Investments in Joint ventures	-	-	-	-	-
14 Investment Properties	-	-	-	-	-
15 Property, Plant and Equipment	649,522	669,873	684,046	720,276	772,604
16 Prepaid Lease Rentals	-	-	-	-	-
17 Intangible Assets	193,847	197,000	204,444	217,049	206,375
18 Deferred Tax Asset	387,025	387,025	387,025	387,025	413,119
19 Retirement Benefit Asset	-	-	-	-	-
20 Other Assets	461,221	460,058	436,734	426,349	604,251
21 <b>TOTAL ASSETS</b>	<b>37,369,290</b>	<b>37,690,697</b>	<b>36,396,267</b>	<b>37,652,622</b>	<b>34,525,893</b>
<b>B LIABILITIES</b>					
22 Balances due to Central Bank of Kenya	-	-	-	-	-
23 Customer Deposits	29,122,841	29,696,625	28,515,480	29,972,473	27,006,337
24 Deposits and Balances due to Local Banking Institutions	-	-	-	-	-
25 Deposits and Balances due to Foreign Banking Institutions	-	-	-	-	-
26 Other Money Market Deposits	-	-	-	-	-
27 Borrowed Funds	1,920,225	1,841,473	1,900,500	1,864,208	1,886,975
28 Balances due to Banking Institutions Group Companies	-	-	-	-	-
29 Tax Payable	52,542	5,763	-	-	-
30 Dividends Payable	-	-	-	-	-
31 Deferred Tax Liability	-	-	-	-	-
32 Retirement Benefit Liability	-	-	-	-	-
33 Other liabilities	909,377	869,404	813,238	787,306	872,272
34 <b>TOTAL LIABILITIES</b>	<b>32,004,985</b>	<b>32,413,265</b>	<b>31,229,218</b>	<b>32,623,987</b>	<b>29,765,584</b>
<b>C SHAREHOLDERS' FUNDS</b>					
35 Paid Up/ Assigned Capital	366,324	366,324	366,324	366,324	366,324
36 Share Premium (Discount)	2,282,112	2,282,112	2,282,112	2,282,112	2,282,112
37 Revaluation Reserves	-	-	-	-	-
38 Retained Earnings/Accumulated Losses	2,238,624	2,117,880	2,007,762	1,991,610	1,847,028
39 Statutory Loan Reserves	477,245	511,116	510,851	388,589	264,845
40 Other Reserves	-	-	-	-	-
41 Proposed Dividends	-	-	-	-	-
42 Capital Grants	-	-	-	-	-
43 <b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>5,364,305</b>	<b>5,277,432</b>	<b>5,167,049</b>	<b>5,028,635</b>	<b>4,760,309</b>
44 Minority Interest	-	-	-	-	-
45 <b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>37,369,290</b>	<b>37,690,697</b>	<b>36,396,267</b>	<b>37,652,622</b>	<b>34,525,893</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>					
<b>1.0 PROFIT INCOME</b>					
1.1 Financing arrangements	1,615,582	1,075,422	531,374	2,347,439	1,721,123
1.2 Government Securities	-	-	-	-	-
1.3 Deposits and Placements with Banking Institutions	559,383	357,248	169,330	515,445	366,071
1.4 Other Profit Income	6,901	5,060	3,638	6,563	34,470
1.5 <b>Total Profit Income</b>	<b>2,181,866</b>	<b>1,437,730</b>	<b>704,342</b>	<b>2,869,447</b>	<b>2,091,664</b>
<b>2.0 PROFIT EXPENSE</b>					
2.1 Customer Deposits	345,286	219,967	106,296	476,820	357,231
2.2 Deposits and Placement from Banking Institutions	609	311	218	8,818	8,293
2.3 Other Profit Expenses	155,128	103,974	51,930	218,183	163,881
2.4 <b>Total Profit Expenses</b>	<b>501,023</b>	<b>324,252</b>	<b>158,486</b>	<b>703,822</b>	<b>529,411</b>
3.0 <b>NET PROFIT INCOME</b>	<b>1,680,843</b>	<b>1,113,478</b>	<b>545,856</b>	<b>2,165,621</b>	<b>1,562,253</b>
<b>4.0 OTHER OPERATING INCOME</b>					
4.1 Fees and Commissions on Financing arrangements	97,884	70,257	31,393	106,357	84,150
4.2 Other Fees and Commissions	236,413	17,612	83,465	326,715	249,756
4.3 Foreign Exchange Trading Income (Loss)	168,045	114,334	63,769	283,295	177,578
4.4 Dividend Income	-	-	-	-	-
4.5 Other Income	3,360	-	-	-	1,666
4.6 <b>Total Other Operating Income</b>	<b>524,702</b>	<b>352,003</b>	<b>178,807</b>	<b>716,387</b>	<b>513,150</b>
5.0 <b>TOTAL OPERATING INCOME</b>	<b>2,205,545</b>	<b>1,465,481</b>	<b>724,663</b>	<b>2,882,008</b>	<b>2,075,403</b>
<b>6.0 OPERATING EXPENSES</b>					
6.1 Financing arrangements Loss Provision	192,503	137,268	52,749	401,024	351,100
6.2 Staff Costs	805,676	510,522	249,551	967,224	717,077
6.3 Directors' Emoluments	54,282	36,122	18,133	70,632	52,704
6.4 Rental Charges	32,426	20,753	10,138	38,212	30,703
6.5 Depreciation Charge on Property and Equipment	117,026	78,474	39,546	171,530	129,089
6.6 Amortisation Charges	43,893	28,374	13,555	49,748	35,439
6.7 Other Operating Expenses	443,325	271,208	128,048	624,412	462,196
6.8 <b>Total Operating Expenses</b>	<b>1,689,131</b>	<b>1,082,721</b>	<b>511,720</b>	<b>2,322,782</b>	<b>1,778,308</b>
7.0 <b>Profit/(Loss) Before Tax and Exceptional Items</b>	<b>516,414</b>	<b>382,760</b>	<b>212,943</b>	<b>559,226</b>	<b>297,095</b>
8.0 <b>Exceptional Items</b>					
9.0 <b>Profit/(Loss) After Exceptional Items</b>	<b>516,414</b>	<b>382,760</b>	<b>212,943</b>	<b>559,226</b>	<b>297,095</b>
10.0 Current tax	180,745	133,966	74,530	56,837	89,128
11.0 Deferred tax	-	-	-	108,718	82,624
12.0 <b>Profit/(Loss) After Tax and Exceptional Items</b>	<b>335,669</b>	<b>248,794</b>	<b>138,413</b>	<b>393,671</b>	<b>125,343</b>
13.0 Minority Interest	-	-	-	-	-
14.0 <b>Profit/(loss) after tax, exceptional items and Minority Interest</b>	<b>335,669</b>	<b>248,794</b>	<b>138,413</b>	<b>393,671</b>	<b>125,343</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 <b>Other Comprehensive Income for the Period Net of Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
17.0 <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>335,669</b>	<b>248,794</b>	<b>138,413</b>	<b>393,671</b>	<b>125,343</b>
<b>III OTHER DISCLOSURES</b>					
<b>1.0 NON-PERFORMING FINANCING ARRANGEMENTS</b>					
(a) Gross Non-Performing Financing arrangements	4,334,270	4,470,125	4,070,625	4,028,256	3,677,940
(b) Less Profit in Suspense	206,656	179,029	173,648	156,468	167,486
(c) Total Non-Performing Financing arrangements (a-b)	4,127,614	4,291,096	3,896,977	3,871,788	3,510,454
(d) Less Financing arrangements Losses Provision	2,517,794	2,516,792	2,242,108	2,242,108	2,061,798
(e) <b>Net Non-Performing Financing Arrangements (c-d)</b>	<b>1,595,820</b>	<b>1,776,941</b>	<b>1,480,805</b>	<b>1,629,080</b>	<b>1,448,656</b>
(f) Discounted Value of Securities	1,570,966	1,746,206	1,418,951	1,485,516	1,265,164
(g) <b>Net NPLs Exposure (e-f)</b>	<b>24,854</b>	<b>30,735</b>	<b>61,854</b>	<b>143,564</b>	<b>183,492</b>
<b>2.0 INSIDER FINANCING ARRANGEMENTS</b>					
(a) Directors, Shareholders and Associates	3,000	3,000	3,000	3,000	69,522
(b) Employees	926,663	932,460	916,863	916,703	861,562
(c) <b>Total Insider Financing arrangements and other facilities</b>	<b>929,663</b>	<b>935,460</b>	<b>919,863</b>	<b>919,703</b>	<b>931,084</b>
<b>3.0 OFF-BALANCE SHEET ITEMS</b>					
(a) Letters of credit, Guarantees & Acceptances	1,058,113	1,273,974	1,151,608	1,062,437	1,182,255
(b) Forwards Swaps & Options	1,495,416	1,782,278	2,173,763	1,819,518	2,369,625
(c) Other Contingent Liabilities	733,408	726,401	530,650	879,919	1,422,061
(d) <b>Total Contingent Liabilities</b>	<b>3,286,937</b>	<b>3,782,653</b>	<b>3,856,021</b>	<b>3,761,874</b>	<b>4,973,941</b>
<b>4.0 CAPITAL STRENGTH</b>					
(a) Core capital	4,719,227	4,641,920	4,586,992	4,640,046	4,432,793
(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
(c) Excess/ (Deficiency) (a-b)	3,719,227	3,641,920	3,586,992	3,640,046	3,432,793
(d) Supplementary Capital	1,332,605	1,289,464	1,420,621	1,415,069	1,609,320
(e) <b>Total Capital (a+d)</b>	<b>6,051,832</b>	<b>5,931,384</b>	<b>6,007,613</b>	<b>6,055,115</b>	<b>6,042,113</b>
(f) Total risk weighted assets	30,584,412	31,892,101	31,418,457	31,903,026	32,284,765
(g) <b>Core Capital/Total Deposit Liabilities</b>	<b>16.2%</b>	<b>15.6%</b>	<b>15.6%</b>	<b>15.6%</b>	<b>14.4%</b>
(h) Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%	8.0%
(i) Excess/ (Deficiency) (g-h)	8.2%	7.6%	8.1%	7.5%	8.4%
(j) <b>Core Capital / Total Risk Weighted Assets</b>	<b>15.4%</b>	<b>14.6%</b>	<b>14.6%</b>	<b>14.5%</b>	<b>13.7%</b>
(k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%
(l) Excess/(Deficiency) (j-k)	4.9%	4.1%	4.1%	4.0%	3.2%
(m) <b>Total Capital/Total Risk Weighted Assets</b>	<b>19.8%</b>	<b>18.6%</b>	<b>19.1%</b>	<b>19.0%</b>	<b>18.7%</b>
(n) Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%	14.5%
(o) Excess/(Deficiency) (m-n)	5.3%	4.1%	4.6%	4.5%	4.2%
(p) Adjusted Core Capital/Total Deposit Liabilities*	16.2%	15.7%	16.1%	15.5%	16.5%
(q) Adjusted Core Capital/Total Risk Weighted Assets*	15.4%	14.6%	14.6%	14.6%	13.8%
(r) Adjusted Total Capital/Total Risk Weighted Assets*	19.8%	18.6%	19.2%	19.0%	18.8%
<b>5.0 LIQUIDITY</b>					
(a) Liquidity Ratio	51.6%	51.6%	48.0%	50.1%	41.2%
(b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%	20.0%
(c) Excess/(Deficiency) (a-b)	31.6%	31.6%	28.0%	30.1%	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 Geminia Insurance Plaza, Upperhill, Nairobi.

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Gulf African Bank is regulated by the Central Bank of Kenya

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