



AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31 DECEMBER 2018

	31 December 2017 Audited Shs '000	31 December 2018 Audited Shs '000
I. STATEMENT OF FINANCIAL POSITION		
A ASSETS		
1 Cash (both Local & Foreign)	975,539	918,198
2 Balances with Central Bank of Kenya	2,453,257	1,967,181
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	5,062,596	5,224,914
7 Deposits and Balances due from Banking Institutions Abroad	1,983,647	862,719
8 Tax Recoverable	23,253	-
9 Financing arrangements to Customers (Net)	19,384,156	22,605,853
10 Balances due from Banking Institutions in the Group	-	-
11 Investments in Associates	-	-
12 Investments in Subsidiary Companies	1,000	1,000
13 Investments in Joint ventures	-	-
14 Investment Properties	-	-
15 Property, Plant and Equipment	319,279	330,120
16 Prepaid Lease Rentals	-	-
17 Intangible Assets	126,604	148,751
18 Deferred Tax Asset	308,067	470,989
19 Retirement Benefit Asset	-	-
20 Other Assets	678,830	795,850
TOTAL ASSETS	31,316,228	33,325,575
B LIABILITIES		
21 Balances due to Central Bank of Kenya	-	-
22 Customer Deposits	26,073,694	26,688,849
23 Deposits and Balances due to Local Banking Institutions	-	-
24 Deposits and Balances due to Foreign Banking Institutions	31,142	-
25 Other Money Market Deposits	-	-
26 Borrowed Funds	416,706	1,741,003
27 Balances due to Banking Institutions Group Companies	-	-
28 Tax Payable	-	51,970
29 Dividends Payable	-	-
30 Deferred Tax Liability	-	-
31 Retirement Benefit Liability	-	-
32 Other liabilities	375,223	375,789
TOTAL LIABILITIES	26,896,765	28,857,611
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	1,598,241	1,695,745
37 Statutory Loan Reserves	172,786	123,783
38 Other Reserves	-	-
39 Proposed Dividends	-	-
40 Capital Grants	-	-
TOTAL SHAREHOLDERS' FUNDS	4,419,463	4,467,964
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	31,316,228	33,325,575
II. STATEMENT OF COMPREHENSIVE INCOME		
PROFIT INCOME		
1 Financing arrangements	2,122,236	2,510,656
2 Government Securities	-	-
3 Deposits and Placements with Banking Institutions	389,369	348,834
4 Other Profit Income	-	-
Total Profit Income	2,511,605	2,859,490
PROFIT EXPENSE		
5 Customer Deposits	529,878	604,764
6 Deposits and Placement from Banking Institutions	6,988	7,849
7 Other Profit Expenses	21,724	41,565
Total Profit Expenses	558,590	654,178
NET PROFIT INCOME	1,953,015	2,205,312
OTHER OPERATING INCOME		
8 Fees and Commissions on Financing arrangements	103,419	224,487
9 Other Fees and Commissions	315,932	345,747
10 Foreign Exchange Trading Income (Loss)	256,660	198,615
11 Dividend Income	-	-
12 Other Income	1,576	577
Total Other Operating Income	677,587	769,426
TOTAL OPERATING INCOME	2,630,602	2,974,738
OPERATING EXPENSES		
13 Financing arrangements Loss Provision	644,070	735,630
14 Staff Costs	906,356	964,232
15 Directors' Emoluments	64,144	67,012
16 Rental Charges	116,798	133,094
17 Depreciation Charge on Property and Equipment	118,772	111,273
18 Amortisation Charges	19,299	29,245
19 Other Operating Expenses	507,208	642,050
Total Operating Expenses	2,376,647	2,682,536
Profit/(Loss) Before Tax and Exceptional Items	253,955	292,202
20 Exceptional Items	-	-
21 Profit/(Loss) After Exceptional Items	253,955	292,202
22 Current tax	213,350	287,927
23 Deferred tax	(113,048)	(127,514)
Profit/(Loss) After Tax and Exceptional Items	153,653	131,589
Other Comprehensive Income:		
24 Gains/(Losses) from Translating the Financial Statements of Foreign Operations	-	-
25 Fair Value changes in Available-to-sale Financial Assets	-	-
26 Revaluation Surplus on Property, Plant and Equipment	-	-
27 Share of other Comprehensive Income of Associates	-	-
Income tax Relating to Components of other Comprehensive Income	-	-
Other Comprehensive Income for the Period Net of Tax	153,653	131,589
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	153,653	131,589
III. OTHER DISCLOSURES		
1.0 NON-PERFORMING FINANCING ARRANGEMENTS		
1.1 (a) Gross Non-Performing Financing arrangements	1,961,704	2,571,643
1.2 (b) Less Profit in Suspense	161,764	167,412
1.3 (c) Total Non-Performing Financing arrangements (a-b)	1,799,940	2,404,231
1.4 (d) Less Financing arrangements Losses Provision	598,443	842,864
1.5 (e) Net Non-Performing Financing Arrangements (c-d)	1,201,497	1,561,367
1.6 (f) Discounted Value of Securities	1,167,367	1,446,946
1.7 (g) Net NPLs Exposure (e-f)	34,130	114,421
2.0 INSIDER FINANCING ARRANGEMENTS		
2.1 (a) Directors, Shareholders and Associates	436,851	362,548
2.2 (b) Employees	847,694	952,924
2.3 (c) Total Insider Financing arrangements and other facilities	1,284,545	1,315,472
3.0 OFF-BALANCE SHEET ITEMS		
3.1 (a) Letters of credit, Guarantees & Acceptances	3,570,589	2,348,169
3.2 (b) Forwards Swaps & Options	1,385,709	1,797,465
3.3 (c) Other Contingent Liabilities	417,006	842,124
3.4 (d) Total Contingent Liabilities	5,373,304	4,987,758
4.0 CAPITAL STRENGTHH		
4.1 (a) Core capital	4,246,677	4,344,181
4.2 (b) Minimum Statutory Capital	1,000,000	1,000,000
4.3 (c) Excess/ (Deficiency) (a-b)	3,246,677	3,344,181
4.4 (d) Supplementary Capital	589,492	1,783,266
4.5 (e) Total Capital (a+d)	4,836,169	6,127,447
4.6 (f) Total risk weighted assets	29,847,177	32,834,897
4.7 (g) Core Capital/Total Deposit Liabilities	16.3%	16.3%
4.8 (h) Minimum Statutory Ratio	8.0%	8.0%
4.9 (i) Excess/ (Deficiency) (g-h)	8.3%	8.3%
4.10 (j) Core Capital / Total Risk Weighted Assets	14.2%	13.2%
4.11 (k) Minimum Statutory Ratio	10.5%	10.5%
4.12 (l) Excess/(Deficiency) (j-k)	3.7%	2.7%
4.13 (m) Total Capital/Total Risk Weighted Assets	16.2%	18.7%
4.14 (n) Minimum statutory Ratio	14.5%	14.5%
4.15 (o) Excess/(Deficiency) (m-n)	1.7%	4.2%
(p) Adjusted Core Capital/Total Deposit Liabilities*	-	17.1%
(q) Adjusted Core Capital/Total Risk Weighted Assets*	-	13.9%
(r) Adjusted Total Capital/Total Risk Weighted Assets*	-	19.3%
5.0 LIQUIDITY		
5.1 (a) Liquidity Ratio	34.9%	32.7%
5.2 (b) Minimum Statutory Ratio	20.0%	20.0%
5.3 (c) Excess/(Deficiency) (a-b)	14.9%	12.7%
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 from the bank's financial statements which have been audited by KPMG Kenya and have received an unqualified opinion. 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.gulfafribank.com. They may also be accessed at the institution's head office at Gemina Insurance Plaza, Upperhill, Nairobi.		
Ahmed Bajaber Chairman	Abdalla Abdulhalik Managing Director	
Gulf African Bank is regulated by the Central Bank of Kenya		