

UNAUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR
THE PERIOD ENDED 30 JUNE 2019

	30 June 2018 Unaudited Shs '000	31 December 2018 Audited Shs '000	31 March 2019 Unaudited Shs '000	30 June 2019 Unaudited Shs '000
I STATEMENT OF FINANCIAL POSITION				
A ASSETS				
1 Cash (both Local & Foreign)	771,342	918,198	728,194	675,875
2 Balances with Central Bank of Kenya	1,944,185	1,967,181	2,101,304	1,441,331
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	4,482,059	5,224,914	5,416,154	5,939,718
7 Deposits and Balances due from Banking Institutions Abroad	2,316,853	862,719	1,489,789	1,100,167
8 Tax Recoverable	26,313	-	-	141,221
9 Financing arrangements to Customers (Net)	21,422,086	22,605,853	21,351,469	21,620,968
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	316,727	330,120	321,190	310,121
16 Prepaid Lease Rentals	-	-	-	-
17 Intangible Assets	126,154	148,751	173,827	546,214
18 Deferred Tax Asset	308,067	470,989	470,989	470,989
19 Retirement Benefit Asset	-	-	-	-
20 Other Assets	573,285	795,850	756,626	613,557
TOTAL ASSETS	32,288,071	33,325,575	32,810,542	32,861,161
B LIABILITIES				
21 Balances due to Central Bank of Kenya	-	-	-	-
22 Customer Deposits	26,959,701	26,688,849	25,903,532	25,823,480
23 Deposits and Balances due to Local Banking Institutions	-	-	-	-
24 Deposits and Balances due to Foreign Banking Institutions	19,447	-	-	-
25 Other Money Market Deposits	-	-	-	-
26 Borrowed Funds	407,302	1,741,003	1,762,833	1,745,404
27 Balances due to Banking Institutions Group Companies	-	-	-	-
28 Tax Payable	-	51,970	75,567	-
29 Dividends Payable	-	-	-	-
30 Deferred Tax Liability	-	-	-	-
31 Retirement Benefit Liability	-	-	-	-
32 Other liabilities	388,434	375,789	556,822	788,446
TOTAL LIABILITIES	27,774,884	28,857,611	28,298,754	28,357,330
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	1,830,475	1,695,745	1,752,696	1,734,387
37 Statutory Loan Reserves	34,276	123,783	110,656	121,008
38 Other Reserves	-	-	-	-
39 Proposed Dividends	-	-	-	-
40 Capital Grants	-	-	-	-
TOTAL SHAREHOLDERS' FUNDS	4,513,187	4,467,964	4,511,788	4,503,831
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	32,288,071	33,325,575	32,810,542	32,861,161
II STATEMENT OF COMPREHENSIVE INCOME				
PROFIT INCOME				
1 Financing arrangements	1,119,964	2,510,656	599,085	1,137,675
2 Government Securities	-	-	-	-
3 Deposits and Placements with Banking Institutions	200,499	348,834	78,948	180,139
4 Other Profit Income	-	-	-	-
Total Profit Income	1,320,463	2,859,490	678,033	1,317,814
PROFIT EXPENSE				
5 Customer Deposits	283,309	604,764	153,942	310,711
6 Deposits and Placement from Banking Institutions	5,820	7,849	27	783
7 Other Profit Expenses	17,777	41,565	42,682	86,365
Total Profit Expenses	306,906	654,178	196,651	397,859
NET PROFIT INCOME	1,013,557	2,205,312	481,382	919,955
OTHER OPERATING INCOME				
8 Fees and Commissions on Financing arrangements	122,890	224,487	30,463	76,675
9 Other Fees and Commissions	172,970	345,747	102,307	189,601
10 Foreign Exchange Trading Income (Loss)	106,219	198,615	41,667	92,629
11 Dividend Income	-	-	-	-
12 Other Income	192	577	-	-
Total Other Operating Income	402,271	769,426	174,437	358,905
TOTAL OPERATING INCOME	1,415,828	2,974,738	655,819	1,278,859
OPERATING EXPENSES				
13 Financing arrangements Loss Provision	136,917	735,630	133,040	349,006
14 Staff Costs	481,123	964,232	247,570	469,380
15 Directors' Emoluments	33,444	67,012	16,861	34,336
16 Rental Charges	63,046	133,094	33,464	11,883
17 Depreciation Charge on Property and Equipment	57,205	111,273	25,372	52,016
18 Amortisation Charges	14,922	29,245	7,068	63,485
19 Other Operating Expenses	302,376	642,050	125,024	246,217
Total Operating Expenses	1,089,033	2,682,536	588,399	1,226,322
Profit/(Loss) Before Tax and Exceptional Items	326,795	292,202	67,420	52,537
20 Exceptional Items	-	-	-	-
Profit/(Loss) After Exceptional Items	326,795	292,202	67,420	52,537
21 Current tax	114,378	287,927	23,597	16,670
22 Deferred tax	-	(127,314)	-	-
Profit/(Loss) After Tax and Exceptional Items	212,417	131,589	43,823	35,867
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	212,417	131,589	43,823	35,867
III OTHER DISCLOSURES				
1.0 NON-PERFORMING FINANCING ARRANGEMENTS				
1.1 (a) Gross Non-Performing Financing arrangements	2,470,406	2,571,643	2,840,176	3,033,757
1.2 (b) Less Profit in Suspense	180,794	167,412	178,405	200,202
1.3 (c) Total Non-Performing Financing arrangements (a-b)	2,289,612	2,404,231	2,661,771	2,833,555
1.4 (d) Less Financing arrangements Losses Provision	669,691	842,864	989,688	1,214,388
1.5 (e) Net Non-Performing Financing Arrangements (c-d)	1,619,921	1,561,367	1,672,083	1,619,167
1.6 (f) Discounted Value of Securities	1,531,654	1,446,946	1,475,715	1,375,707
1.7 (g) Net NPLs Exposure (e-f)	88,267	114,421	196,369	243,460
2.0 INSIDER FINANCING ARRANGEMENTS				
2.1 (a) Directors, Shareholders and Associates	387,955	362,548	331,565	319,205
2.2 (b) Employees	897,936	952,924	948,736	913,087
2.3 (c) Total Insider Financing arrangements and other facilities	1,285,890	1,315,471	1,280,301	1,232,292
3.0 OFF-BALANCE SHEET ITEMS				
3.1 (a) Letters of credit, Guarantees & Acceptances	4,723,454	2,348,169	1,904,830	1,775,325
3.2 (b) Forwards Swaps & Options	1,433,571	1,797,465	1,762,295	1,726,456
3.3 (c) Other Contingent Liabilities	374,281	842,124	874,203	716,707
3.4 (d) Total Contingent Liabilities	6,531,306	4,987,758	4,541,328	4,218,488
4.0 CAPITAL STRENGTH				
4.1 (a) Core capital	4,372,704	4,344,181	4,379,221	4,364,890
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)	3,372,704	3,344,181	3,379,221	3,364,890
4.4 (d) Supplementary Capital	360,118	1,783,266	1,792,929	1,702,892
4.5 (e) Total Capital (a+d)	4,732,821	6,127,447	6,172,150	6,067,782
4.6 (f) Total risk weighted assets	30,964,163	32,834,897	31,454,617	32,063,023
4.7 (g) Core Capital/Total Deposit Liabilities	16.2%	16.3%	16.9%	16.9%
4.8 (h) Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%
4.9 (i) Excess/ (Deficiency) (g-h)	8.2%	8.3%	8.9%	8.9%
4.10 (j) Core Capital / Total Risk Weighted Assets	14.1%	13.2%	13.9%	13.6%
4.11 (k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%
4.12 (l) Excess/(Deficiency) (j-k)	3.6%	2.7%	3.4%	3.1%
4.13 (m) Total Capital/Total Risk Weighted Assets	15.3%	18.7%	19.6%	18.9%
4.14 (n) Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%
4.15 (o) Excess/(Deficiency) (m-n)	0.8%	4.2%	5.1%	4.4%
(p) Adjusted Core Capital/Total Deposit Liabilities*	16.9%	17.1%	17.4%	17.4%
(q) Adjusted Core Capital/Total Risk Weighted Assets*	14.7%	13.9%	14.4%	14.0%
(r) Adjusted Total Capital/Total Risk Weighted Assets*	15.9%	19.3%	20.1%	19.3%
5.0 LIQUIDITY				
5.1 (a) Liquidity Ratio	31.7%	32.7%	36.7%	34.5%
5.2 (b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
5.3 (c) Excess/ (Deficiency) (a-b)	11.7%	12.7%	16.7%	14.5%
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.				
Rafik Nayed Chairman			Abdalla Abdulkhalik Managing Director	
Gulf African Bank is regulated by the Central Bank of Kenya				