



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



	30 Sep 2018 Unaudited Shs '000	31 Dec 2018 Audited Shs '000	31 Mar 2019 Unaudited Shs '000	30 Jun 2019 Unaudited Shs '000	30 Sep 2019 Unaudited Shs '000
<b>I STATEMENT OF FINANCIAL POSITION</b>					
<b>A ASSETS</b>					
1 Cash (both Local & Foreign)	1,011,815	918,198	728,194	675,875	830,460
2 Balances with Central Bank of Kenya	1,845,515	1,967,181	2,101,304	1,441,331	1,982,221
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	5,036,287	5,224,914	5,416,154	5,939,718	5,246,280
7 Deposits and Balances due from Banking Institutions Abroad	1,378,058	862,719	1,489,789	1,100,167	835,019
8 Tax Recoverable	8,573	-	-	141,221	211,272
9 Financing arrangements to Customers (Net)	21,573,246	22,605,853	21,351,469	21,620,968	21,865,314
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	315,604	330,120	321,190	654,498	612,062
16 Prepaid Lease Rentals	-	-	-	-	-
17 Intangible Assets	130,731	148,751	173,827	201,837	201,377
18 Deferred Tax Asset	375,440	470,989	470,989	470,989	470,989
19 Retirement Benefit Asset	-	-	-	-	-
20 Other Assets	729,621	795,850	756,626	613,557	897,038
<b>TOTAL ASSETS</b>	<b>32,403,890</b>	<b>33,325,575</b>	<b>32,810,542</b>	<b>32,861,161</b>	<b>33,153,032</b>
<b>B LIABILITIES</b>					
21 Balances due to Central Bank of Kenya	-	-	-	-	-
22 Customer Deposits	27,088,913	26,688,849	25,903,532	25,823,480	26,122,035
23 Deposits and Balances due to Local Banking Institutions	-	-	-	-	-
24 Deposits and Balances due to Foreign Banking Institutions	19,171	-	-	-	-
25 Other Money Market Deposits	-	-	-	-	-
26 Borrowed Funds	417,251	1,741,003	1,762,833	1,745,404	1,815,879
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	387,963	375,789	556,822	788,446	688,898
<b>TOTAL LIABILITIES</b>	<b>27,913,298</b>	<b>28,857,611</b>	<b>28,298,754</b>	<b>28,557,330</b>	<b>28,626,812</b>
<b>C SHAREHOLDERS' FUNDS</b>					
33 Paid Up/ Assigned Capital	366,324	366,324	366,324	366,324	366,324
34 Share Premium (Discount)	2,282,112	2,282,112	2,282,112	2,282,112	2,282,112
35 Revaluation Reserves	-	-	-	-	-
36 Retained Earnings/Accumulated Losses	1,790,307	1,695,745	1,752,696	1,734,387	1,624,753
37 Statutory Loan Reserves	51,849	123,783	110,656	121,008	253,031
38 Other Reserves	-	-	-	-	-
39 Proposed Dividends	-	-	-	-	-
40 Capital Grants	-	-	-	-	-
<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>4,490,592</b>	<b>4,467,964</b>	<b>4,511,788</b>	<b>4,503,831</b>	<b>4,526,220</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>32,403,890</b>	<b>33,325,575</b>	<b>32,810,542</b>	<b>32,861,161</b>	<b>33,153,032</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>					
<b>PROFIT INCOME</b>					
1 Financing arrangements	1,717,880	2,510,656	599,085	1,137,675	1,689,502
2 Government Securities	-	-	-	-	-
3 Deposits and Placements with Banking Institutions	281,611	348,834	78,948	180,139	280,848
4 Other Profit Income	-	-	-	-	-
<b>Total Profit Income</b>	<b>1,999,491</b>	<b>2,859,490</b>	<b>678,033</b>	<b>1,317,814</b>	<b>1,970,350</b>
<b>PROFIT EXPENSE</b>					
5 Customer Deposits	446,698	604,764	153,942	310,711	445,086
6 Deposits and Placement from Banking Institutions	6,174	7,849	27	783	1,653
7 Other Profit Expenses	27,515	41,565	42,682	86,365	129,538
<b>Total Profit Expenses</b>	<b>480,387</b>	<b>654,178</b>	<b>196,651</b>	<b>397,859</b>	<b>576,277</b>
<b>NET PROFIT INCOME</b>	<b>1,519,104</b>	<b>2,205,312</b>	<b>481,382</b>	<b>919,955</b>	<b>1,394,073</b>
<b>OTHER OPERATING INCOME</b>					
8 Fees and Commissions on Financing arrangements	165,759	224,487	30,463	76,675	114,551
9 Other Fees and Commissions	259,731	345,747	102,307	189,601	283,301
10 Foreign Exchange Trading Income (Loss)	155,643	198,615	41,667	92,629	146,248
11 Dividend Income	-	-	-	-	-
12 Other Income	201	577	-	-	1
<b>Total Other Operating Income</b>	<b>581,334</b>	<b>769,426</b>	<b>174,437</b>	<b>358,905</b>	<b>544,101</b>
<b>TOTAL OPERATING INCOME</b>	<b>2,100,438</b>	<b>2,974,738</b>	<b>655,819</b>	<b>1,278,859</b>	<b>1,938,174</b>
<b>OPERATING EXPENSES</b>					
13 Financing arrangements Loss Provision	363,025	735,630	133,040	349,006	500,871
14 Staff Costs	721,268	964,232	247,570	469,380	704,394
15 Directors' Emoluments	43,039	67,012	16,861	34,336	50,524
16 Rental Charges	95,355	133,094	33,464	11,883	18,387
17 Depreciation Charge on Property and Equipment	85,373	111,273	25,372	100,936	152,824
18 Amortisation Charges	22,238	29,245	7,068	14,565	22,425
19 Other Operating Expenses	478,105	642,050	125,024	246,217	404,755
<b>Total Operating Expenses</b>	<b>1,808,403</b>	<b>2,682,536</b>	<b>588,399</b>	<b>1,226,332</b>	<b>1,854,180</b>
<b>Profit/(Loss) Before Tax and Exceptional Items</b>	<b>292,035</b>	<b>292,202</b>	<b>67,420</b>	<b>52,537</b>	<b>83,994</b>
20 Exceptional Items	-	-	-	-	-
21 Profit/(Loss) After Exceptional Items	292,035	292,202	67,420	52,537	83,994
22 Current tax	167,585	287,927	23,597	16,670	25,740
23 Deferred tax	(65,373)	(127,514)	-	-	-
24 Profit/(Loss) After Tax and Exceptional Items	189,823	151,589	43,823	35,867	58,254
25 Other Comprehensive Income:					
26 Gains/(Losses) from Translating the Financial Statements of Foreign Operations	-	-	-	-	-
27 Fair Value changes in Available-for-sale Financial Assets	-	-	-	-	-
28 Revaluation Surplus on Property, Plant and Equipment	-	-	-	-	-
29 Share of other Comprehensive Income of Associates	-	-	-	-	-
30 Income Tax Relating to Components of other Comprehensive Income	-	-	-	-	-
<b>Other Comprehensive Income for the Period Net of Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>189,823</b>	<b>131,589</b>	<b>43,823</b>	<b>35,867</b>	<b>58,254</b>
<b>III OTHER DISCLOSURES</b>					
<b>1.0 NON-PERFORMING FINANCING ARRANGEMENTS</b>					
1.1 (a) Gross Non-Performing Financing arrangements	2,581,613	2,571,643	2,840,176	3,033,757	3,217,759
1.2 (b) Less Profit in Suspense	194,263	167,412	178,405	200,202	219,512
1.3 (c) <b>Total Non-Performing Financing arrangements (a-b)</b>	<b>2,387,350</b>	<b>2,404,231</b>	<b>2,661,771</b>	<b>2,833,555</b>	<b>2,998,247</b>
1.4 (d) Less Financing arrangements Losses Provision	750,364	842,864	989,688	1,214,388	1,507,543
1.5 (e) <b>Net Non-Performing Financing Arrangements (c-d)</b>	<b>1,636,986</b>	<b>1,561,367</b>	<b>1,672,083</b>	<b>1,619,167</b>	<b>1,490,704</b>
1.6 (f) Discounted Value of Securities	1,525,508	1,446,946	1,475,715	1,375,707	1,272,759
1.7 (g) Net NPLs Exposure (e-f)	111,478	114,421	196,369	243,460	217,945
<b>2.0 INSIDER FINANCING ARRANGEMENTS</b>					
2.1 (a) Directors, Shareholders and Associates	401,050	362,548	331,565	319,205	321,876
2.2 (b) Employees	911,110	952,924	948,736	913,087	857,789
2.3 (c) <b>Total Insider Financing arrangements and other facilities</b>	<b>1,312,160</b>	<b>1,315,471</b>	<b>1,280,301</b>	<b>1,232,292</b>	<b>1,179,665</b>
<b>3.0 OFF-BALANCE SHEET ITEMS</b>					
3.1 (a) Letters of Credit, Guarantees & Acceptances	4,373,897	2,348,169	1,904,830	1,775,325	1,866,425
3.2 (b) Forwards Swaps & Options	1,442,264	1,797,465	1,762,295	1,726,456	1,759,447
3.3 (c) Other Contingent Liabilities	368,772	842,124	874,203	716,707	747,682
3.4 (d) <b>Total Contingent Liabilities</b>	<b>6,184,933</b>	<b>4,987,758</b>	<b>4,541,328</b>	<b>4,218,488</b>	<b>4,373,554</b>
<b>4.0 CAPITAL STRENGTHH</b>					
4.1 (a) Core capital	4,343,832	4,344,181	4,379,221	4,364,890	4,244,062
4.2 (b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
4.3 (c) <b>Excess/ (Deficiency) (a-b)</b>	<b>3,343,832</b>	<b>3,344,181</b>	<b>3,379,221</b>	<b>3,364,890</b>	<b>3,244,062</b>
4.4 (d) Supplementary Capital	385,650	1,783,266	1,792,929	1,702,892	1,902,750
4.5 (e) <b>Total Capital (a+d)</b>	<b>4,729,481</b>	<b>6,127,447</b>	<b>6,172,150</b>	<b>6,067,782</b>	<b>6,146,812</b>
4.6 (f) Total risk weighted assets	30,936,169	32,834,897	31,454,617	32,063,023	32,453,727
4.7 (g) <b>Core Capital/Total Deposit Liabilities</b>	<b>16.9%</b>	<b>16.3%</b>	<b>16.9%</b>	<b>16.9%</b>	<b>16.2%</b>
4.8 (h) Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%	8.0%
4.9 (i) <b>Excess/ (Deficiency) (g-h)</b>	<b>8.9%</b>	<b>8.3%</b>	<b>8.9%</b>	<b>8.9%</b>	<b>8.2%</b>
4.10 (j) <b>Core Capital / Total Risk Weighted Assets</b>	<b>14.0%</b>	<b>13.2%</b>	<b>13.9%</b>	<b>13.6%</b>	<b>13.1%</b>
4.11 (k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%
4.12 (l) <b>Excess/(Deficiency) (j-k)</b>	<b>3.5%</b>	<b>2.7%</b>	<b>3.4%</b>	<b>3.1%</b>	<b>2.6%</b>
4.13 (m) <b>Total Capital/Total Risk Weighted Assets</b>	<b>15.3%</b>	<b>18.7%</b>	<b>19.6%</b>	<b>18.9%</b>	<b>18.9%</b>
4.14 (n) Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%	14.5%
4.15 (o) <b>Excess/(Deficiency) (m-n)</b>	<b>0.8%</b>	<b>4.2%</b>	<b>5.1%</b>	<b>4.4%</b>	<b>4.4%</b>
(p) Adjusted Core Capital/Total Deposit Liabilities*	16.8%	17.0%	17.4%	17.4%	16.9%
(q) Adjusted Core Capital/Total Risk Weighted Assets*	14.7%	13.9%	14.4%	14.0%	13.4%
(r) Adjusted Total Capital/Total Risk Weighted Assets*	15.9%	19.3%	20.1%	19.3%	19.3%
<b>5.0 LIQUIDITY</b>					
5.1 (a) Liquidity Ratio	31.3%	32.7%	36.7%	34.5%	33.1%
5.2 (b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%	20.0%
5.3 (c) <b>Excess/(Deficiency) (a-b)</b>	<b>11.3%</b>	<b>12.7%</b>	<b>16.7%</b>	<b>14.5%</b>	<b>13.1%</b>

**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](http://www.gulfafricanbank.com). They may also be accessed at the institution's head office at Gemina Insurance Plaza, Upperhill, Nairobi.