



**GULF AFRICAN BANK LTD - QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES**

<b>I BALANCE SHEET</b>		<b>30 SEPTEMBER 2008 UNAUDITED Shs 000</b>	<b>31 DECEMBER 2008 AUDITED Shs 000</b>	<b>31 MARCH 2009 UNAUDITED Shs 000</b>	<b>30 JUNE 2009 UNAUDITED Shs 000</b>	<b>30 SEPTEMBER 2009 UNAUDITED Shs 000</b>
<b>A ASSETS</b>						
1	Cash (Both local and foreign)	170,815	258,240	260,326	326,617	355,220
2	Balances due from Central Bank of Kenya	103,645	202,458	318,451	175,962	270,300
3	Kenya Government securities	-	-	470,545	493,839	479,161
4	Foreign Currency Treasury bills and bonds	-	-	-	-	-
5	Deposits and balances due from local banking institutions	1,824,615	1,515,013	815,934	1,055,314	1,258,500
6	Deposits and balances due from banking institutions abroad	106,077	108,195	252,349	15,791	9,840
7	Government and other securities held for dealing purposes	-	-	-	-	-
8	Tax recoverable	-	-	-	-	-
9	Loans and advances to customers (net)	748,593	1,932,165	2,264,432	3,062,034	3,756,155
10	Investment securities	-	-	-	-	-
11	Balances due from group companies	-	-	-	-	-
12	Investment in associates	-	-	-	-	-
13	Investment in subsidiaries	-	-	-	-	-
14	Investment in joint ventures	-	-	-	-	-
15	Investment properties	-	-	-	-	-
16	Property and equipment	346,074	359,495	362,852	370,421	376,208
17	Prepaid operating lease rentals	-	-	-	-	-
18	Intangible assets	88,871	121,453	114,984	111,940	107,530
19	Deferred tax asset	-	180,189	180,189	180,189	180,189
20	Retirement benefit asset	-	-	-	-	-
21	Other assets	194,323	322,689	219,693	317,040	293,812
22	<b>Total assets</b>	<b>3,583,013</b>	<b>4,999,897</b>	<b>5,259,755</b>	<b>6,109,147</b>	<b>7,086,715</b>
<b>B LIABILITIES</b>						
23	Balances due to Central Bank of Kenya	-	-	-	-	-
24	Customer deposits	2,111,835	3,427,813	3,921,130	4,748,633	5,811,393
25	Deposits and balances due to local banking institutions	-	-	-	-	9,473
26	Deposits and balances due to banking institutions abroad	-	-	-	18,828	34,753
27	Other money market deposits	-	-	-	-	-
28	Borrowed funds	-	-	-	-	-
29	Balances due to group companies	-	-	-	-	-
30	Tax payable	-	-	-	-	-
31	Dividends payable	-	-	-	-	-
32	Deferred income tax liability	-	-	-	-	-
33	Retirement benefit liability	-	-	-	-	-
34	Other liabilities	137,692	298,779	161,728	247,251	166,609
35	<b>Total liabilities</b>	<b>2,249,527</b>	<b>3,726,592</b>	<b>4,082,858</b>	<b>5,014,712</b>	<b>6,022,228</b>
<b>C SHAREHOLDERS' EQUITY</b>						
36	Paid up / assigned capital	250,000	250,000	250,000	250,000	250,000
37	Share premium / discount	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
38	Revaluation reserve	-	-	-	-	-
39	Retained earnings	(416,514)	(476,695)	(573,103)	(655,565)	(685,513)
40	Statutory Reserve	-	-	-	-	-
41	Proposed dividend	-	-	-	-	-
42	Shareholders' loans / capital grants	-	-	-	-	-
43	<b>Total shareholders' equity</b>	<b>1,333,486</b>	<b>1,273,305</b>	<b>1,176,897</b>	<b>1,094,435</b>	<b>1,064,487</b>
44	<b>Total liabilities and shareholders' equity</b>	<b>3,583,013</b>	<b>4,999,897</b>	<b>5,259,755</b>	<b>6,109,147</b>	<b>7,086,715</b>
<b>II PROFIT AND LOSS ACCOUNT</b>						
<b>1.0 OPERATING INCOME</b>						
1.1	Loans and advances	6,839	40,619	50,599	131,914	241,187
1.2	Government securities	-	-	6,550	23,294	39,866
1.3	Deposits and placements with banking institutions	80,725	109,142	24,126	33,780	45,713
1.4	Other related income	-	-	-	-	-
1.5	<b>Total operating income</b>	<b>87,564</b>	<b>149,761</b>	<b>81,275</b>	<b>188,988</b>	<b>326,766</b>
<b>2 EXPENSES ON DEPOSITS</b>						
2.1	Customer deposits	4,150	1,605	8,835	18,231	32,403
2.2	Deposits and placements from banking institutions	-	2,815	-	74	110
2.3	Other related expenses	-	-	-	-	-
2.4	<b>Total expenses on deposits</b>	<b>4,150</b>	<b>4,420</b>	<b>8,835</b>	<b>18,305</b>	<b>32,513</b>
3	<b>NET INCOME</b>	<b>83,414</b>	<b>145,341</b>	<b>72,440</b>	<b>170,683</b>	<b>294,253</b>
<b>4 OTHER OPERATING INCOME</b>						
4.1	Fees and commissions on loans and advances	1,083	2,600	1,781	4,332	12,816
4.2	Other fees and commission	17,507	28,926	16,196	35,583	56,573
4.3	Foreign exchange trading income	53,781	70,708	6,909	9,508	18,387
4.4	Dividend income	-	-	-	-	-
4.5	Other income	-	-	-	-	-
4.6	<b>Total other income</b>	<b>72,371</b>	<b>102,234</b>	<b>24,886</b>	<b>49,423</b>	<b>87,776</b>
5.0	<b>TOTAL OPERATING INCOME</b>	<b>155,785</b>	<b>247,575</b>	<b>97,326</b>	<b>220,106</b>	<b>382,029</b>
<b>6 OPERATING EXPENSES</b>						
6.1	Loan loss provision	7,572	19,517	3,598	12,203	18,534
6.2	Staff costs	225,905	331,705	103,011	207,324	309,401
6.3	Directors' emoluments	4,692	2,461	1,900	3,010	3,840
6.4	Operating lease rentals	-	-	-	-	-
6.5	Depreciation charge on property and equipment	28,041	53,943	19,891	40,720	57,147
6.6	Amortisation charges	15,811	13,686	11,909	21,220	25,998
6.7	Other operating expenses	106,339	208,627	53,425	114,499	175,927
6.8	<b>Total operating expenses</b>	<b>388,360</b>	<b>629,939</b>	<b>193,734</b>	<b>398,976</b>	<b>590,847</b>
7	<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND INCOME TAX</b>	<b>(232,575)</b>	<b>(382,364)</b>	<b>(96,408)</b>	<b>(178,870)</b>	<b>(208,818)</b>
8	Exceptional items	(183,939)	-	-	-	-
9	<b>PROFIT AFTER EXCEPTIONAL ITEMS</b>	<b>(416,514)</b>	<b>(382,364)</b>	<b>(96,408)</b>	<b>(178,870)</b>	<b>(208,818)</b>
9.2	<b>PROFIT BEFORE INCOME TAX EXPENSE</b>	<b>(416,514)</b>	<b>(382,364)</b>	<b>(96,408)</b>	<b>(178,870)</b>	<b>(208,818)</b>
10	Current income tax	-	-	-	-	-
11	Deferred income tax	-	100,983	-	-	-
12	<b>PROFIT AFTER INCOME TAX EXPENSE</b>	<b>(416,514)</b>	<b>(281,381)</b>	<b>(96,408)</b>	<b>(178,870)</b>	<b>(208,818)</b>
13	<b>EARNINGS PER SHARE - BASIC</b>	<b>(33.32)</b>	<b>(22.57)</b>	<b>(7.71)</b>	<b>(14.31)</b>	<b>(16.71)</b>
<b>III OTHER DISCLOSURES</b>						
<b>1 NON-PERFORMING LOANS AND ADVANCES</b>						
a)	Gross Non-Performing Loans and Advances	-	-	-	2,661	4,618
b)	Less Income in suspense	-	-	-	50	134
c)	<b>Total non-performing loans (a-b)</b>	-	-	-	<b>2,611</b>	<b>4,484</b>
d)	Specific provisions for bad debts	-	-	-	-	-
e)	<b>Net non-performing loans (c-d)</b>	-	-	-	<b>2,611</b>	<b>4,484</b>
f)	Realisable value of securities	-	-	-	2,611	4,484
g)	<b>Net NPLs Exposure (c-d)</b>	-	-	-	-	-
<b>2 INSIDER LOANS AND ADVANCES</b>						
a)	Directors, shareholders and associates	228,255	324,544	183,429	279,205	173,241
b)	Employees	14,094	42,342	43,597	73,161	110,216
c)	<b>Total Insider Loans and Advances and other facilities</b>	<b>242,349</b>	<b>366,886</b>	<b>227,026</b>	<b>352,366</b>	<b>283,457</b>
<b>3 OFF-BALANCE SHEET ITEMS</b>						
a)	Letters of credit, guarantees and acceptances	689,049	442,545	691,902	1,032,361	977,077
b)	Other contingent liabilities	-	-	-	-	-
c)	<b>Total contingent liabilities</b>	<b>689,049</b>	<b>442,545</b>	<b>691,902</b>	<b>1,032,361</b>	<b>977,077</b>
<b>4 CAPITAL STRENGTH</b>						
a)	Core capital	1,333,486	1,273,305	1,176,897	1,094,435	1,064,487
b)	Minimum statutory capital	250,000	250,000	250,000	250,000	250,000
c)	<b>Excess</b>	<b>1,083,486</b>	<b>1,023,305</b>	<b>926,897</b>	<b>844,435</b>	<b>814,487</b>
d)	Supplementary capital	-	-	-	-	-
e)	<b>Total capital (a+d)</b>	<b>1,333,486</b>	<b>1,273,305</b>	<b>1,176,897</b>	<b>1,094,435</b>	<b>1,064,487</b>
f)	<b>Total risk weighted assets</b>	<b>2,381,519</b>	<b>3,539,445</b>	<b>3,664,972</b>	<b>4,786,167</b>	<b>4,986,799</b>
g)	Core capital / total deposit liabilities	63.14%	39.20%	35.55%	26.28%	20.85%
h)	Minimum statutory ratio	8.00%	8.00%	8.00%	8.00%	8.00%
i)	<b>Excess</b>	<b>55.14%</b>	<b>31.20%</b>	<b>27.55%</b>	<b>18.28%</b>	<b>12.85%</b>
j)	Core capital / total risk weighted assets	55.99%	35.97%	32.11%	22.87%	21.35%
k)	Minimum statutory ratio	8.00%	8.00%	8.00%	8.00%	8.00%
l)	<b>Excess (j - k)</b>	<b>47.99%</b>	<b>27.97%</b>	<b>24.11%</b>	<b>14.87%</b>	<b>13.35%</b>
m)	Total capital / total risk weighted assets	55.99%	35.97%	32.11%	22.87%	21.35%
n)	Minimum statutory ratio	12.00%	12.00%	12.00%	12.00%	12.00%
o)	<b>Excess (m - n)</b>	<b>43.99%</b>	<b>23.97%</b>	<b>20.11%</b>	<b>10.87%</b>	<b>9.35%</b>
<b>5 LIQUIDITY</b>						
a)	Liquidity ratio	203.00%	59.00%	52.82%	41.63%	39.48%
b)	Minimum statutory ratio	20.00%	20.00%	20.00%	20.00%	20.00%
c)	<b>Excess (a - b)</b>	<b>183.00%</b>	<b>39.00%</b>	<b>32.82%</b>	<b>21.63%</b>	<b>19.48%</b>

The above are extracts of the financial statements and records of the institution.

**Suleiman Shahbal**  
Chairman

**Najmul Hassan**  
Chief Executive Officer