

**GULF AFRICAN BANK LTD - QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31ST MARCH 2011**

I BALANCE SHEET	31 MARCH 2010 UNAUDITED Shs 000	31 DECEMBER 2010 AUDITED Shs 000	31 MARCH 2011 UNAUDITED Shs 000
A ASSETS			
1 Cash (Both local and foreign)	395,442	308,349	318,146
2 Balances due from Central Bank of Kenya	559,967	800,983	730,465
3 Kenya Government securities	191,455	-	-
4 Foreign Currency Treasury bills and bonds	-	-	-
5 Deposits and balances due from local banking institutions	890,213	1,210,607	822,781
6 Deposits and balances due from banking institutions abroad	144,108	132,449	570,284
7 Government and other securities held for dealing purposes	-	-	-
8 Tax recoverable	-	-	-
9 Loans and advances to customers (net)	5,167,842	6,270,884	6,384,460
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	350,830	315,464	310,952
17 Prepaid operating lease rentals	-	-	-
18 Intangible assets	99,731	80,986	77,127
19 Deferred tax asset	219,256	246,110	246,110
20 Retirement benefit asset	-	-	-
21 Other assets	219,535	228,229	332,361
22 Total assets	8,238,379	9,594,061	9,792,686
B LIABILITIES			
23 Balances due to Central Bank of Kenya	-	-	-
24 Customer deposits	6,882,232	8,162,501	8,355,637
25 Deposits and balances due to local banking institutions	-	80,811	-
26 Deposits and balances due to banking institutions abroad	-	-	-
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	180,908	126,907	209,262
35 Total liabilities	7,063,140	8,370,219	8,564,899
C SHAREHOLDERS' EQUITY			
36 Paid up / assigned capital	250,000	250,000	250,000
37 Share premium / discount	1,500,000	1,500,000	1,500,000
38 Revaluation reserve	-	-	-
39 Retained earnings	(621,543)	(597,140)	(593,195)
40 Statutory Reserve	46,782	70,982	70,982
41 Proposed dividend	-	-	-
42 Shareholders' loans / capital grants	-	-	-
43 Total shareholders' equity	1,175,239	1,223,842	1,227,787
44 Total liabilities and shareholders' equity	8,238,379	9,594,061	9,792,686

II PROFIT AND LOSS ACCOUNT			
1.0 OPERATING INCOME			
1.1 Loans and advances	156,330	657,699	189,436
1.2 Government securities	9,841	12,645	-
1.3 Deposits and placements with banking institutions	5,843	17,254	7,245
1.4 Other related income	-	-	-
1.5 Total operating income	172,014	687,598	196,681
2 EXPENSES ON DEPOSITS			
2.1 Customer deposits	23,498	98,827	28,842
2.2 Deposits and placements from banking institutions	22	300	278
2.3 Other related expenses	-	-	-
2.4 Total expenses on deposits	23,520	99,127	29,120
3 NET INCOME	148,494	588,471	167,561
4 OTHER OPERATING INCOME			
4.1 Fees and commissions on loans and advances	2,275	-	-
4.2 Other fees and commission	25,109	122,950	29,314
4.3 Foreign exchange trading income	7,799	42,462	15,863
4.4 Dividend income	-	-	-
4.5 Other income	33,611	102,991	-
4.6 Total other income	68,794	268,403	45,177
5.0 TOTAL OPERATING INCOME	217,288	856,874	212,738
6 OPERATING EXPENSES			
6.1 Loan loss provision	5,991	22,932	6,361
6.2 Staff costs	98,450	408,830	110,419
6.3 Directors' emoluments	1,674	2,973	985
6.4 Operating lease rentals	-	-	-
6.5 Depreciation charge on property and equipment	20,437	82,767	17,385
6.6 Amortisation charges	7,357	31,428	8,271
6.7 Other operating expenses	58,088	260,902	65,372
6.8 Total operating expenses	191,997	809,834	208,793
7 PROFIT BEFORE EXCEPTIONAL ITEMS AND INCOME TAX	25,291	47,040	3,945
8 Exceptional items	-	-	-
9 PROFIT AFTER EXCEPTIONAL ITEMS	25,291	47,040	3,945
9.2 PROFIT BEFORE INCOME TAX EXPENSE	25,291	47,040	3,945
10 Current income tax	-	-	-
11 Deferred income tax	-	26,854	-
12 PROFIT AFTER INCOME TAX EXPENSE	25,291	73,894	3,945
13 EARNINGS PER SHARE - BASIC	2.02	5.91	0.32

III OTHER DISCLOSURES			
1 NON-PERFORMING LOANS AND ADVANCES	Shs 000	Shs 000	Shs 000
a) Gross Non-Performing Loans and Advances	18,233	146,238	324,424
b) Less Profit in suspense	(400)	(4,234)	(4,376)
c) Total non-performing loans (a-b)	17,833	142,004	320,048
d) Specific provisions for bad debts	(424)	(21,909)	(25,218)
e) Net non-performing loans (c-d)	17,409	120,095	293,830
f) Realisable value of securities	17,409	110,115	258,448
g) Net NPLs Exposure (c-d)	-	9,980	35,382
2 INSIDER LOANS AND ADVANCES			
a) Directors, shareholders and associates	206,182	178,365	178,320
b) Employees	169,049	181,047	185,231
c) Total Insider Loans and Advances	375,231	359,412	363,551
3 OFF-BALANCE SHEET ITEMS			
a) Letters of credit, guarantees and acceptances	1,672,864	1,048,662	985,526
b) Other contingent liabilities	78,295	84,782	98,277
c) Total contingent liabilities	1,751,159	1,133,444	1,083,803
4 CAPITAL STRENGTH			
a) Core capital	1,115,810	1,152,860	1,154,831
b) Minimum statutory capital	350,000	500,000	500,000
c) Excess	765,810	652,860	654,831
d) Supplementary capital	46,782	70,982	70,982
e) Total capital (a+d)	1,162,592	1,223,842	1,225,813
f) Total risk weighted assets	6,909,504	7,541,589	7,677,380
g) Core capital / total deposit liabilities	18.28%	14.12%	13.82%
h) Minimum statutory ratio	8.00%	8.00%	8.00%
i) Excess	10.28%	6.12%	5.82%
j) Core capital / total risk weighted assets	16.15%	15.29%	15.04%
k) Minimum statutory ratio	8.00%	8.00%	8.00%
l) Excess (j - k)	8.15%	7.29%	7.04%
m) Total capital / total risk weighted assets	16.83%	16.23%	15.97%
n) Minimum statutory ratio	12.00%	12.00%	12.00%
o) Excess (m - n)	4.83%	4.23%	3.97%
5 LIQUIDITY			
a) Liquidity ratio	31.20%	28.90%	28.97%
b) Minimum statutory ratio	20.00%	20.00%	20.00%
c) Excess (a - b)	11.20%	8.90%	8.97%

MESSAGE FROM THE DIRECTORS

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

Suleiman Shahbal
Chairman**Abdalla Abdulkhalik**
Ag. Chief Executive Officer**HEAD OFFICE AND UPPER HILL BRANCH:**

Gemina Insurance Plaza, Tel: 020 - 2740000

KENYATTA AVENUE: Hughes Building, Tel: 020-316902

PARKLANDS: Krishna Park, 3rd Parklands Avenue, Tel: 020-2408400**INDUSTRIAL AREA:** Enterprise Centre, Enterprise Road, Tel: 020-652140**EASTLEIGH:** Eastleigh Mall, Gen. Waruinge Street, Tel: 020-2332226**EASTLEIGH:** Aqsa House, 7th Street, Tel: 020-2351909**EASTLEIGH:** Shariff Centre, Alhuni Kipanga Street, Tel: 20-2408698**MUTHAIGA:** Oilbaya Plaza, Muthaiga Road, Tel: 020-2611210**MOMBASA:** Najat House, Nkrumah Road, Tel: 041 - 2319570**MOMBASA:** Kasa House, Jomo Kenyatta Avenue, Tel: 041 - 2490209**MOMBASA:** Abdel Nasser Road, Tel: 041-2312370**LAMU:** Tawakal House, Kenyatta Rd Tel: 042 632246**MALINDI:** Blue Merlin Building-Lamu Road Tel: 042 2120711**GARISSE:** Al-Waqf Quran House, Tel: 046-210207