

# QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2016

## I. STATEMENT OF FINANCIAL POSITION

	30 <sup>th</sup> Jun 2015 Shs. '000' Unaudited	31 <sup>st</sup> Dec 2015 Shs. '000' Audited	31 <sup>st</sup> Mar 2016 Shs. '000' Unaudited	30 <sup>th</sup> Jun 2016 Shs. '000' Unaudited
<b>A ASSETS</b>				
1 Cash (both Local & Foreign)	125,835	126,155	136,713	160,552
2 Balances due from Central Bank of Kenya	790,378	1,393,970	856,292	1,191,702
3 Kenya Government and other securities held for dealing purposes	-	-	-	-
4 Financial Assets at fair value through profit and loss	-	-	-	-
5 Investment Securities:				
a) Held to Maturity:				
a. Kenya Government securities	3,348,862	2,455,529	3,158,913	3,460,609
b. Other securities	3,348,862	2,455,529	3,158,913	3,460,609
b) Available for sale:				
a. Kenya Government securities	-	-	-	-
b. Other securities	-	-	-	-
6 Deposits and balances due from local banking institutions	370,868	418,281	351,877	108,158
7 Deposits and balances due from banking institutions abroad	318,838	302,780	249,946	165,766
8 Tax recoverable	-	19,213	19,212	-
9 Loans and advances to customers (net)	10,012,349	9,242,735	9,946,721	9,596,736
10 Balances due from banking institutions in the group	-	-	-	-
11 Investments in associates	-	-	-	-
12 Investments in subsidiary companies	-	-	-	-
13 Investments in joint ventures	-	-	-	-
14 Investment properties	-	-	-	-
15 Property and equipment	136,508	405,298	394,070	383,338
16 Prepaid lease rentals	22,872	22,497	22,310	22,122
17 Intangible assets	3,705	4,525	3,743	3,088
18 Deferred tax asset	35,420	47,359	47,358	47,358
19 Retirement benefit asset	-	-	-	-
20 Other assets	529,092	171,150	199,791	210,519
<b>21 TOTAL ASSETS</b>	<b>15,694,727</b>	<b>14,609,492</b>	<b>15,386,946</b>	<b>15,349,948</b>
<b>B LIABILITIES</b>				
22 Balances due to Central Bank of Kenya	-	-	-	-
23 Customer deposits	13,601,015	12,494,551	13,205,869	13,216,185
24 Deposits and balances due to local banking institutions	-	-	-	-
25 Deposits and balances due to foreign banking institutions	-	-	-	-
26 Other money market deposits	-	-	-	-
27 Borrowed funds	-	-	-	-
28 Balances due to banking institutions in the group	-	-	-	-
29 Tax payable	-	-	11,250	-
30 Dividends payable	-	-	-	-
31 Deferred tax liability	-	-	-	-
32 Retirement benefit liability	-	-	-	-
33 Other liabilities	203,375	130,475	135,331	108,046
<b>34 TOTAL LIABILITIES</b>	<b>13,804,390</b>	<b>12,625,026</b>	<b>13,352,450</b>	<b>13,324,231</b>
<b>C SHAREHOLDERS' FUNDS</b>				
35 Paid up /Assigned capital	450,375	450,375	450,375	450,375
36 Share premium/(discount)	-	-	-	-
37 Revaluation reserves	-	-	-	-
38 Retained earnings/Accumulated losses	1,413,848	1,534,091	1,584,121	1,575,342
39 Statutory loan loss reserves	26,114	-	-	-
40 Other Reserves	-	-	-	-
41 Proposed dividends	-	-	-	-
42 Capital grants	-	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>1,890,337</b>	<b>1,984,466</b>	<b>2,034,496</b>	<b>2,025,717</b>
44 Minority Interest	-	-	-	-
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>15,694,727</b>	<b>14,609,492</b>	<b>15,386,946</b>	<b>15,349,948</b>

## II. STATEMENT OF COMPREHENSIVE INCOME

	30 <sup>th</sup> Jun 2015 Shs. '000' Unaudited	31 <sup>st</sup> Dec 2015 Shs. '000' Audited	31 <sup>st</sup> Mar 2016 Shs. '000' Unaudited	30 <sup>th</sup> Jun 2016 Shs. '000' Unaudited
<b>1.0 INTEREST INCOME</b>				
1.1 Loans and advances	738,383	1,630,122	398,027	779,231
1.2 Government securities	148,617	301,358	69,077	156,842
1.3 Deposits and placements with banking institutions	43,409	54,445	9,628	17,466
1.4 Other Interest Income	583	10,352	1,311	5,729
<b>1.5 Total interest income</b>	<b>930,992</b>	<b>1,996,277</b>	<b>478,037</b>	<b>959,268</b>
<b>2.0 INTEREST EXPENSE</b>				
2.1 Customer deposits	477,501	1,024,918	280,483	527,223
2.2 Deposits and placement from banking institutions	3	1,325	-	-
2.3 Other interest expenses	11,475	23,139	5,769	11,538
<b>2.4 Total interest expenses</b>	<b>488,979</b>	<b>1,049,382</b>	<b>286,252</b>	<b>538,761</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>442,013</b>	<b>946,895</b>	<b>191,785</b>	<b>420,507</b>
<b>4.0 NON-INTEREST INCOME</b>				
4.1 Fees and commissions on loans and advances	27,224	57,032	9,596	24,980
4.2 Other fees and commissions	7,165	14,582	3,940	9,712
4.3 Foreign exchange trading income/(Loss)	23,627	49,809	11,331	23,103
4.4 Dividend Income	-	-	-	-
4.5 Other income	37,485	111,677	6,288	11,542
<b>4.6 Total Non-interest income</b>	<b>95,501</b>	<b>233,100</b>	<b>31,155</b>	<b>69,337</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>537,514</b>	<b>1,179,995</b>	<b>222,940</b>	<b>489,844</b>
<b>6.0 OTHER OPERATING EXPENSES</b>				
6.1 Loan loss provision	14,246	164,326	3,986	89,479
6.2 Staff costs	162,664	326,821	78,195	169,331
6.3 Directors' emoluments	1,795	4,460	1,225	2,365
6.4 Rental charges	24,578	48,636	12,171	24,459
6.5 Depreciation charge on property and equipment	17,852	40,278	13,673	26,300
6.6 Amortisation charges	378	3,625	1,188	1,685
6.7 Other operating expenses	117,802	262,886	52,221	95,458
6.8 Total Other Operating Expenses	339,315	851,032	161,659	409,077
7.0 Profit/(loss) Before Tax and Exceptional Items	198,199	328,963	61,281	80,767
8.0 Exceptional Items	-	-	-	-
9.0 Profit/(Loss) After Exceptional Items	198,199	328,963	61,281	80,767
10.0 Current Tax	63,000	99,634	11,250	39,515
11.0 Deferred Tax	-	-	-	-
<b>12.0 Profit/(Loss) After Tax and Exceptional Items</b>	<b>135,199</b>	<b>229,329</b>	<b>50,031</b>	<b>41,252</b>
13.0 Minority Interest	-	-	-	-
<b>14.0 Profit/(loss) after tax, exceptional items and Minority Interest</b>	<b>135,199</b>	<b>229,329</b>	<b>50,031</b>	<b>41,252</b>
<b>15.0 Other Comprehensive Income</b>				
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-
15.2 Fair value changes in available for sale financial assets	-	-	-	-
15.3 Revaluation surplus on Property, plant and equipment	-	-	-	-
15.4 Share of other comprehensive income of associates	-	-	-	-
15.5 Income tax relating to components of other comprehensive income	-	-	-	-
16.0 Other Comprehensive Income for the year net of tax	-	-	-	-
<b>17.0 Total comprehensive income for the year</b>	<b>135,199</b>	<b>229,329</b>	<b>50,031</b>	<b>41,252</b>
18.0 EARNINGS PER SHARE - BASIC & DILUTED	-	-	-	-
19.0 DIVIDEND PER SHARE -DECLARED	-	-	-	-

## III. OTHER DISCLOSURES

	30 <sup>th</sup> Jun 2015 Shs. '000' Unaudited	31 <sup>st</sup> Dec 2015 Shs. '000' Audited	31 <sup>st</sup> Mar 2016 Shs. '000' Unaudited	30 <sup>th</sup> Jun 2016 Shs. '000' Unaudited
<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>				
(a) Gross Non-performing loans and advances	857,748	1,029,137	1,082,702	957,965
(b) Less: Interest in Suspense	232,552	262,197	286,496	248,159
<b>(c) Total Non-Performing Loans and Advances (a-b)</b>	<b>625,196</b>	<b>766,940</b>	<b>796,206</b>	<b>709,806</b>
(d) Less: Loan Loss Provision	424,114	421,055	421,055	341,455
(e) Net Non-Performing Loans and Advances (c-d)	201,082	345,885	375,151	368,351
(f) Discounted Value of Securities	201,082	360,544	357,672	365,726
(g) Net NPLs Exposure (e-f)	-	(14,659)	17,479	2,625
<b>2.0 INSIDER LOANS AND ADVANCES</b>				
(a) Directors, Shareholders and Associates	233,199	329,016	355,698	126,679
(b) Employees	32,582	28,733	27,992	35,582
<b>(c) Total Insider Loans and Advances and other facilities</b>	<b>265,781</b>	<b>357,749</b>	<b>383,690</b>	<b>162,261</b>
<b>3.0 OFF-BALANCE SHEET ITEMS</b>				
(a) Letters of credit, guarantees, acceptances	939,066	957,721	1,105,099	1,075,274
(b) Forwards, swaps and options	-	11,178	62,136	-
(c) Other contingent liabilities	120,579	52,241	31,496	93,610
<b>(d) Total Contingent Liabilities</b>	<b>1,059,645</b>	<b>1,021,140</b>	<b>1,198,731</b>	<b>1,168,884</b>
<b>4.0 CAPITAL STRENGTH</b>				
(a) Core capital	1,796,624	1,984,467	2,009,480	2,005,090
(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
(c) Excess/(Deficiency) (a-b)	796,624	984,467	1,009,480	1,005,090
(d) Supplementary Capital	26,114	-	-	-
<b>(e) Total Capital (a+d)</b>	<b>1,822,738</b>	<b>1,984,467</b>	<b>2,009,480</b>	<b>2,005,090</b>
(f) Total risk weighted assets	11,638,476	11,255,793	11,552,392	11,638,722
(g) Core Capital/Total deposits Liabilities	13.2%	15.9%	15.2%	15.2%
(h) Minimum statutory Ratio	8.0%	8.0%	8.0%	8.0%
(i) Excess/(Deficiency) (g-h)	5.2%	7.9%	7.2%	7.2%
(j) Core Capital / total risk weighted assets	15.4%	17.6%	17.4%	17.2%
(k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%
(l) Excess (Deficiency) (j-k)	4.9%	7.1%	6.9%	6.7%
<b>(m) Total Capital/total risk weighted assets</b>	<b>15.7%</b>	<b>17.6%</b>	<b>17.4%</b>	<b>17.2%</b>
(n) Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%
(o) Excess/(Deficiency) (m-n)	1.2%	3.1%	2.9%	2.7%
<b>14 LIQUIDITY</b>				
14.1 (a) Liquidity Ratio	35.0%	37.4%	35.3%	37.9%
14.2 (b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
14.3 (c) Excess (Deficiency) (a-b)	15.0%	17.4%	15.3%	17.9%

These financial statements are extracts from the books of the institution. The complete set of quarterly financial statements, statutory and qualitative disclosures can be accessed on the Institution's website [www.guardian-bank.com](http://www.guardian-bank.com). They may also be accessed at the institutions head office located at Nairobi (Biashara Street).

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