

UN-AUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED JUNE 30TH 2018

I	STATEMENT OF FINANCIAL POSITION AS AT	Bank			
		30 th Jun 2017 Shs. '000' Unaudited	31 st Dec 2017 Shs. '000' Audited	31 st Mar 2018 Shs. '000' Unaudited	30 th Jun 2018 Shs. '000' Unaudited
A	ASSETS				
1	Cash (both Local & Foreign)	168,276	131,327	101,478	122,354
2	Balances due from Central Bank of Kenya	990,556	1,104,819	859,802	884,894
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	3,318,570	3,485,956	3,391,961	3,947,161
b)	Other securities	3,318,570	3,485,956	3,391,961	3,947,161
b)	Available for sale:				
a)	Kenya Government securities	-	-	-	-
b)	Other securities	-	-	-	-
6	Deposits and balances due from local banking institutions	230,054	581,787	979,178	805,475
7	Deposits and balances due from banking institutions abroad	248,019	132,513	55,737	234,478
8	Tax recoverable	-	47,089	47,089	-
9	Loans and advances to customers (net)	9,634,943	9,616,965	9,524,737	9,456,106
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	116,601	98,827	88,681	81,137
16	Prepaid lease rentals	246,076	242,075	240,077	238,077
17	Intangible assets	3,471	2,479	1,793	1,298
18	Deferred tax asset	85,696	93,594	93,594	93,594
19	Retirement benefit asset	-	-	-	-
20	Other assets	229,247	265,328	281,043	163,683
21	TOTAL ASSETS	15,271,509	15,802,759	15,665,170	16,028,257
B	LIABILITIES				
22	Balances due to Central Bank of Kenya	-	-	-	-
23	Customer deposits	12,760,867	13,119,549	13,013,989	13,280,004
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	-	-	21,000	-
30	Dividends payable	-	-	-	-
31	Deferred tax liability	-	-	-	-
32	Retirement benefit liability	-	-	-	-
33	Other liabilities	218,672	308,595	222,482	211,725
34	TOTAL LIABILITIES	12,979,539	13,428,144	13,257,471	13,491,729
C	SHAREHOLDERS' FUNDS				
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	1,776,483	1,856,467	1,864,838	1,972,486
39	Statutory loan loss reserves	65,112	67,773	92,486	113,667
40	Other Reserves	-	-	-	-
41	Proposed dividends	-	-	-	-
42	Capital grants	-	-	-	-
43	TOTAL SHAREHOLDERS' FUNDS	2,291,970	2,374,615	2,407,699	2,536,528
44	Minority Interest	-	-	-	-
45	TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	15,271,509	15,802,759	15,665,170	16,028,257
II	STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED				
1.0	INTEREST INCOME				
1.1	Loans and advances	640,381	1,303,443	323,855	628,914
1.2	Government securities	147,930	322,785	91,583	188,807
1.3	Deposits and placements with banking institutions	19,770	42,932	9,876	19,537
1.4	Other Interest Income	6,120	9,421	509	1,125
1.5	Total interest income	814,201	1,678,581	425,823	838,383
2.0	INTEREST EXPENSE				
2.1	Customer deposits	401,496	841,511	218,421	433,169
2.2	Deposits and placement from banking institutions	-	249	-	-
2.3	Other interest expenses	10,101	19,643	4,508	8,505
2.4	Total interest expenses	411,597	861,403	222,929	441,674
3.0	NET INTEREST INCOME/(LOSS)	402,604	817,178	202,894	396,709
4.0	NON-INTEREST INCOME				
4.1	Fees and commissions on loans and advances	29,469	72,238	17,523	35,451
4.2	Other fees and commissions	8,343	15,709	3,511	7,184
4.3	Foreign exchange trading income/(Loss)	20,090	38,229	5,992	12,198
4.4	Dividend Income	-	-	-	-
4.5	Other income	17,527	29,099	11,325	17,827
4.6	Total Non-interest income	75,429	155,275	38,351	72,660
5.0	TOTAL OPERATING INCOME	478,033	972,453	241,245	469,369
6.0	OTHER OPERATING EXPENSES				
6.1	Loan loss provision	9,716	62,048	18,503	(290,891)
6.2	Staff costs	179,827	361,484	91,619	182,945
6.3	Directors' emoluments	2,670	5,265	1,385	2,695
6.4	Rental charges	25,571	52,412	13,650	27,378
6.5	Depreciation charge on property and equipment	21,049	52,504	8,211	16,064
6.6	Amortisation charges	5,344	10,463	2,559	5,054
6.7	Other operating expenses	98,228	200,680	56,935	101,666
6.8	Total Other Operating Expenses	342,405	744,856	192,862	44,911
7.0	Profit/(loss) Before Tax and Exceptional Items	135,628	227,597	48,383	424,458
8.0	Exceptional Items	-	-	-	-
9.0	Profit/(Loss) After Exceptional Items	135,628	227,597	48,383	424,458
10.0	Current Tax	58,250	67,575	21,000	31,000
11.0	Deferred Tax	-	-	-	-
12.0	Profit/(Loss) After Tax and Exceptional Items	77,378	160,022	27,383	393,458
13.0	Minority Interest	-	-	-	-
14.0	Profit/(loss) after tax, exceptional items and Minority Interest	77,378	160,022	27,383	393,458
15.0	Other Comprehensive Income	-	-	-	-
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	-	-	-	-
17.0	Total comprehensive income for the year	77,378	160,022	27,383	393,458
18.0	EARNINGS PER SHARE- BASIC & DILUTED	-	-	-	-
19.0	DIVIDEND PER SHARE -DECLARED	-	-	-	-
III	OTHER DISCLOSURES				
1.0	NON-PERFORMING LOANS AND ADVANCES				
(a)	Gross Non-performing loans and advances	813,365	1,121,770	1,135,683	974,966
(b)	Less: Interest in Suspense	298,422	260,377	283,788	232,621
(c)	Total Non-Performing Loans and Advances (a-b)	514,943	861,393	851,895	742,345
(d)	Less: Loan Loss Provision	366,048	426,122	446,570	373,296
(e)	Net Non-Performing Loans and Advances(c-d)	148,895	435,271	405,325	369,049
(f)	Discounted Value of Securities	148,895	435,271	405,325	369,049
(g)	Net NPLs Exposure (e-f)	-	-	-	-
2.0	INSIDER LOANS AND ADVANCES				
(a)	Directors, Shareholders and Associates	491,726	111,443	114,729	84,706
(b)	Employees	22,331	20,996	19,647	18,672
(c)	Total Insider Loans and Advances and other facilities	514,057	132,439	134,376	103,378
3.0	OFF-BALANCE SHEET ITEMS				
(a)	Letters of credit, guarantees, acceptances	976,782	807,602	793,803	794,341
(b)	Forwards, swaps and options	59,155	73,968	62,370	58,429
(c)	Other contingent liabilities	35,950	18,646	49,616	56,432
(d)	Total Contingent Liabilities	1,071,887	900,216	905,789	909,202
4.0	CAPITAL STRENGTH				
(a)	Core capital	2,188,169	2,306,841	2,301,522	2,132,538
(b)	Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
(c)	Excess/(Deficiency) (a-b)	1,188,169	1,306,841	1,301,522	1,132,538
(d)	Supplementary Capital	65,112	67,773	92,486	113,667
(e)	Total Capital (a+d)	2,253,281	2,374,614	2,394,008	2,246,205
(f)	Total risk weighted assets	11,922,554	11,745,946	11,854,033	11,748,338
(g)	Core Capital/Total deposits Liabilities	17.2%	17.6%	17.7%	16.1%
(h)	Minimum statutory Ratio	8.0%	8.0%	8.0%	8.0%
(i)	Excess/(Deficiency) (g-h)	9.2%	9.6%	9.7%	8.1%
(j)	Core Capital / total risk weighted assets	18.4%	19.6%	19.4%	18.2%
(k)	Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%
(l)	Excess (Deficiency) (j-k)	7.9%	9.1%	8.9%	7.7%
(m)	Total Capital/total risk weighted assets	18.9%	20.2%	20.2%	19.1%
(n)	Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%
(o)	Excess/(Deficiency) (m-n)	4.4%	5.7%	5.7%	4.6%
(p)	Adjusted Core Capital/Total Deposit Liabilities*	0.0%	0.0%	17.7%	16.3%
(q)	Adjusted Core Capital/Total Risk Weighted Assets*	0.0%	0.0%	19.4%	18.4%
(r)	Adjusted Total Capital/Total Risk Weighted Assets*	0.0%	0.0%	20.2%	19.4%
14	LIQUIDITY				
14.1	(a) Liquidity Ratio	38.8%	41.4%	41.4%	45.1%
14.2	(b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
14.3	(c) Excess (Deficiency) (a-b)	18.8%	21.4%	21.4%	25.1%

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. They may also be accessed at the institutions head office located at Nairobi (Biashara Street). 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.

Vasant K. Shetty
Managing Director

Hetul D. Chandaria
Executive Director