

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31ST DECEMBER 2019

I STATEMENT OF FINANCIAL POSITION AS AT		31 st Dec 2018 Shs. '000' (Audited)	31 st Dec 2019 Shs. '000' (Audited)
A ASSETS			
1	Cash (both Local & Foreign)	130,658	161,288
2	Balances due from Central Bank of Kenya	1,766,902	1,412,751
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:	3,755,719	3,951,029
a.	Kenya Government securities	3,755,719	3,951,029
b.	Other securities	-	-
b)	Available for sale:	-	-
a.	Kenya Government securities	-	-
b.	Other securities	-	-
6	Deposits and balances due from local banking institutions	353,303	96,116
7	Deposits and balances due from banking institutions abroad	461,488	606,509
8	Tax recoverable	-	50,620
9	Loans and advances to customers (net)	9,028,027	9,102,560
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	73,813	62,345
16	Prepaid lease rentals	234,078	226,078
17	Intangible assets	1,740	3,824
18	Deferred tax asset	136,600	130,528
19	Retirement benefit asset	-	-
20	Other assets	243,636	582,802
21	TOTAL ASSETS	16,185,964	16,386,450
B LIABILITIES			
22	Balances due to Central Bank of Kenya	-	-
23	Customer deposits	13,336,035	13,078,252
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	19,842	-
30	Dividends payable	-	-
31	Deferred tax liability	-	-
32	Retirement benefit liability	-	-
33	Other liabilities	272,935	567,388
34	TOTAL LIABILITIES	13,628,812	13,645,640
C SHAREHOLDERS' FUNDS			
35	Paid up / Assigned capital	450,375	450,375
36	Share premium/(discount)	-	-
37	Revaluation reserves	-	-
38	Retained earnings/Accumulated losses	1,970,038	2,073,382
39	Statutory loan loss reserves	136,739	217,053
40	Other Reserves	-	-
41	Proposed dividends	-	-
42	Capital grants	-	-
43	TOTAL SHAREHOLDERS' FUNDS	2,557,152	2,740,810
44	TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	16,185,964	16,386,450
II STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED			
1.0	INTEREST INCOME		
1.1	Loans and advances	1,349,499	1,201,831
1.2	Government securities	383,842	391,676
1.3	Deposits and placements with banking institutions	45,969	19,788
1.4	Other Interest Income	1,904	11,812
1.5	Total interest income	1,781,214	1,625,107
2.0	INTEREST EXPENSE		
2.1	Customer deposits	851,945	823,484
2.2	Deposits and placements from banking institutions	-	169
2.3	Other interest expenses	14,471	46,323
2.4	Total interest expenses	866,416	869,976
3.0	NET INTEREST INCOME/(LOSS)	914,798	755,131
4.0	NON-INTEREST INCOME		
4.1	Fees and commissions on loans and advances	86,980	93,173
4.2	Other fees and commissions	15,058	15,274
4.3	Foreign exchange trading income/(Loss)	28,637	41,591
4.4	Dividend Income	-	-
4.5	Other income	48,302	29,128
4.6	Total Non-interest income	178,977	179,167
5.0	TOTAL OPERATING INCOME	1,093,775	934,298
6.0	OTHER OPERATING EXPENSES		
6.1	Loan loss provision	78,628	23,897
6.2	Staff costs	368,229	383,352
6.3	Directors' emoluments	5,440	5,590
6.4	Rental charges	55,303	6,995
6.5	Depreciation charge on property and equipment	28,769	22,837
6.6	Amortisation charges	9,739	9,460
6.7	Other operating expenses	199,622	231,618
6.8	Total Other Operating Expenses	745,730	683,749
7.0	Profit/(loss) before tax and exceptional items	348,045	250,549
8.0	Exceptional items	-	-
9.0	Profit/(loss) after exceptional items	348,045	250,549
10.0	Current tax	122,477	66,891
11.0	Deferred tax	-	-
12.0	Profit/(loss) after tax and exceptional items	225,568	183,658
13.0	Other Comprehensive Income		
13.1	Gains/(Losses) from translating the financial statements of foreign operations	-	-
13.2	Fair value changes in available for sale financial assets	-	-
13.3	Revaluation surplus on Property, plant and equipment	-	-
13.4	Share of other comprehensive income of associates	-	-
13.5	Income tax relating to components of other comprehensive income	-	-
14.0	Other Comprehensive Income for the year net of tax	-	-
15.0	Total comprehensive income for the year	225,568	183,658
III OTHER DISCLOSURES			
1.0	NON-PERFORMING LOANS AND ADVANCES		
(a)	Gross Non-performing loans and advances	960,439	944,211
(b)	Less: Interest in Suspense	277,028	316,960
(c)	Total Non-Performing Loans and Advances (a-b)	683,411	627,251
(d)	Less: Loan Loss Provision	409,880	472,694
(e)	Net Non-Performing Loans and Advances(c-d)	273,531	154,557
(f)	Discounted Value of Securities	273,531	154,557
(g)	Net NPLs Exposure (e-f)	-	-
2.0	INSIDER LOANS AND ADVANCES		
(a)	Directors, Shareholders and Associates	80,769	79,459
(b)	Employees	19,649	18,690
(c)	Total Insider Loans and Advances and other facilities	100,418	98,149
3.0	OFF-BALANCE SHEET ITEMS		
(a)	Letters of credit/guarantees, acceptances	745,977	776,109
(b)	Forwards, swaps and options	87,335	96,363
(c)	Other contingent liabilities	57,525	34,589
(d)	Total Contingent Liabilities	890,837	907,061
4.0	CAPITAL STRENGTH		
(a)	Core capital	2,420,413	2,523,757
(b)	Minimum Statutory Capital	1,000,000	1,000,000
(c)	Excess/(Deficiency)(a-b)	1,420,413	1,523,757
(d)	Supplementary Capital	136,739	217,053
(e)	Total Capital (a+d)	2,557,152	2,740,810
(f)	Total risk weighted assets	11,241,904	12,345,662
(g)	Core Capital/Total deposits Liabilities	18.2%	19.3%
(h)	Minimum statutory Ratio	8.0%	8.0%
(i)	Excess/(Deficiency) (g-h)	10.2%	11.3%
(j)	Core Capital / total risk weighted assets	21.5%	20.4%
(k)	Minimum Statutory Ratio	10.5%	10.5%
(l)	Excess (Deficiency) (j-k)	11.0%	9.9%
(m)	Total Capital/total risk weighted assets	22.7%	22.2%
(n)	Minimum statutory Ratio	14.5%	14.5%
(o)	Excess/(Deficiency) (m-n)	8.2%	7.7%
(p)	Adjusted Core Capital/Total Deposit Liabilities*	18.3%	19.5%
(q)	Adjusted Core Capital/Total Risk Weighted Assets*	21.7%	20.6%
(r)	Adjusted Total Capital/Total Risk Weighted Assets*	22.9%	22.4%
5.0	LIQUIDITY		
(a)	Liquidity Ratio	48.6%	47.7%
(b)	Minimum Statutory Ratio	20.0%	20.0%
(c)	Excess (Deficiency) (a-b)	28.6%	27.7%

These financial statements are extracts from the books of the institution as audited by KPMG Kenya and received unqualified opinion. The complete set of audited 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 include 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