

**UN-AUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES  
FOR THE PERIOD ENDED JUNE 30TH 2020**

I STATEMENT OF FINANCIAL POSITION AS AT	30th June	31st December	31st March	30th June
	2019 Shs. '000' Unaudited	2019 Shs. '000' Audited	2020 Shs. '000' Unaudited	2020 Shs. '000' Unaudited
<b>A ASSETS</b>				
1 Cash ( both Local & Foreign)	198,591	161,288	147,120	166,210
2 Balances due from Central Bank of Kenya	1,360,862	1,412,751	2,001,623	2,933,034
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	4,454,235	3,951,029	4,124,215	2,901,118
b. Other securities	4,454,235	3,951,029	4,124,215	2,901,118
b) Available for sale:	-	-	-	-
a. Kenya Government securities	-	-	-	-
b. Other securities	-	-	-	-
6 Deposits and balances due from local banking institutions	96,747	96,116	98,643	100,447
7 Deposits and balances due from banking institutions abroad	276,444	606,509	428,331	391,223
8 Tax recoverable	-	50,620	33,886	17,152
9 Loans and advances to customers (net)	9,188,804	9,102,560	9,308,223	9,333,911
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	62,613	62,345	62,019	60,526
16 Prepaid lease rentals	230,079	226,078	224,080	222,080
17 Intangible assets	943	3,824	3,552	3,573
18 Deferred tax asset	136,600	130,528	130,528	130,528
19 Retirement benefit asset	-	-	-	-
20 Other assets	219,780	582,802	465,039	505,622
<b>21 TOTAL ASSETS</b>	<b>16,225,698</b>	<b>16,386,450</b>	<b>17,027,259</b>	<b>16,765,424</b>
<b>B LIABILITIES</b>				
22 Balances due to Central Bank of Kenya	-	-	-	-
23 Customer deposits	13,385,051	13,078,252	13,786,764	13,481,676
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	-	-	-	-
30 Dividends payable	-	-	-	-
31 Deferred tax liability	-	-	-	-
32 Retirement benefit liability	-	-	-	-
33 Other liabilities	197,329	567,388	522,534	546,049
<b>34 TOTAL LIABILITIES</b>	<b>13,582,380</b>	<b>13,645,640</b>	<b>14,309,298</b>	<b>14,027,725</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	1,993,656	2,073,382	2,104,153	2,115,870
39 Statutory loan loss reserves	199,287	217,053	163,433	171,454
40 Other Reserves	-	-	-	-
41 Proposed dividends	-	-	-	-
42 Capital grants	-	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>2,643,318</b>	<b>2,740,810</b>	<b>2,717,961</b>	<b>2,737,699</b>
44 Minority Interest	-	-	-	-
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>16,225,698</b>	<b>16,386,450</b>	<b>17,027,259</b>	<b>16,765,424</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED</b>				
<b>1.0 INTEREST INCOME</b>				
1.1 Loans and advances	617,710	1,201,831	290,705	566,785
1.2 Government securities	204,764	391,676	95,134	179,950
1.3 Deposits and placements with banking institutions	8,556	19,788	3,298	5,217
1.4 Other Interest Income	2,140	11,812	1,584	9,900
<b>1.5 Total interest income</b>	<b>833,170</b>	<b>1,625,107</b>	<b>390,721</b>	<b>761,851</b>
<b>2.0 INTEREST EXPENSE</b>				
2.1 Customer deposits	408,289	823,484	200,263	394,036
2.2 Deposits and placement from banking institutions	53	169	-	-
2.3 Other interest expenses	2,863	46,323	11,500	22,912
<b>2.4 Total interest expenses</b>	<b>411,205</b>	<b>869,976</b>	<b>211,763</b>	<b>416,948</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>421,965</b>	<b>755,131</b>	<b>178,958</b>	<b>344,903</b>
<b>4.0 NON-INTEREST INCOME</b>				
4.1 Fees and commissions on loans and advances	40,191	93,173	19,031	39,705
4.2 Other fees and commissions	7,575	15,274	3,511	6,687
4.3 Foreign exchange trading income/(Loss)	20,025	41,591	10,616	18,716
4.4 Dividend Income	-	-	-	-
4.5 Other income	10,790	29,128	98,864	102,040
<b>4.6 Total Non-interest income</b>	<b>78,581</b>	<b>179,167</b>	<b>132,023</b>	<b>167,148</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>500,546</b>	<b>934,298</b>	<b>310,981</b>	<b>512,051</b>
<b>6.0 OTHER OPERATING EXPENSES</b>				
6.1 Loan loss provision	28,072	23,897	13,650	11,434
6.2 Staff costs	190,062	383,352	100,046	200,295
6.3 Directors' emoluments	3,020	5,590	1,335	2,770
6.4 Rental charges	27,771	6,995	2,723	4,688
6.5 Depreciation charge on property and equipment	11,935	22,837	4,333	8,227
6.6 Amortisation charges	4,669	9,460	2,392	4,803
<b>6.7 Other operating expenses</b>	<b>93,131</b>	<b>231,618</b>	<b>51,732</b>	<b>108,593</b>
<b>6.8 Total Other Operating Expenses</b>	<b>358,660</b>	<b>683,749</b>	<b>176,211</b>	<b>340,809</b>
<b>7.0 Profit/(Loss) Before Tax and Exceptional Items</b>	<b>141,886</b>	<b>250,549</b>	<b>134,770</b>	<b>171,241</b>
8.0 Exceptional Items	-	-	-	-
<b>9.0 Profit/(Loss) After Exceptional Items</b>	<b>141,886</b>	<b>250,549</b>	<b>134,770</b>	<b>171,241</b>
10.0 Current Tax	55,719	66,891	16,734	33,467
11.0 Deferred Tax	-	-	-	-
<b>12.0 Profit/(Loss) After Tax and Exceptional Items</b>	<b>86,167</b>	<b>183,658</b>	<b>118,036</b>	<b>137,774</b>
13.0 Minority Interest	-	-	-	-
14.0 Profit/(loss) after tax, exceptional items and Minority Interest	86,167	183,658	118,036	137,774
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	-	-	-	-
<b>17.0 Total comprehensive income for the year</b>	<b>86,167</b>	<b>183,658</b>	<b>118,036</b>	<b>137,774</b>
<b>18.0 EARNINGS PER SHARE - BASIC &amp; DILUTED</b>	-	-	-	-
<b>19.0 DIVIDEND PER SHARE -DECLARED</b>	-	-	-	-
<b>III OTHER DISCLOSURES</b>				
<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>				
(a) Gross Non-performing loans and advances	980,475	944,211	960,949	977,304
(b) Less: Interest in Suspense	310,312	316,960	291,180	304,491
<b>(c) Total Non-Performing Loans and Advances (a-b)</b>	<b>670,163</b>	<b>627,251</b>	<b>669,769</b>	<b>672,813</b>
(d) Less: Loan Loss Provision	445,059	472,694	374,738	381,604
<b>(e) Net Non-Performing Loans and Advances(c-d)</b>	<b>225,104</b>	<b>154,557</b>	<b>295,031</b>	<b>291,209</b>
(f) Discounted Value of Securities	125,104	154,557	295,031	291,209
<b>(g) Net NPLs Exposure (e-f)</b>	-	-	-	-
<b>2.0 INSIDER LOANS AND ADVANCES</b>				
(a) Directors, Shareholders and Associates	83,627	79,459	85,155	88,962
(b) Employees	22,368	18,690	18,545	16,573
<b>(c) Total Insider Loans and Advances and other facilities</b>	<b>105,995</b>	<b>98,149</b>	<b>103,700</b>	<b>105,534</b>
<b>3.0 OFF-BALANCE SHEET ITEMS</b>				
(a) Letters of credit, guarantees, acceptances	667,813	776,109	674,499	736,433
(b) Forwards, swaps and options	79,088	96,363	77,307	93,709
(c) Other contingent liabilities	38,313	34,589	13,338	9,384
<b>(d) Total Contingent Liabilities</b>	<b>785,214</b>	<b>907,061</b>	<b>765,144</b>	<b>839,526</b>
<b>4.0 CAPITAL STRENGTH</b>				
(a) Core capital	2,400,947	2,523,757	2,495,510	2,497,358
(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
(c) Excess/(Deficiency) (a-b)	1,400,947	1,523,757	1,495,510	1,497,358
(d) Supplementary Capital	199,287	217,053	163,433	171,454
<b>(e) Total Capital (a+d)</b>	<b>2,600,234</b>	<b>2,740,810</b>	<b>2,658,943</b>	<b>2,668,812</b>
<b>(f) Total risk weighted assets</b>	<b>11,289,046</b>	<b>12,345,662</b>	<b>12,483,986</b>	<b>12,619,551</b>
<b>(g) Core Capital/Total deposits Liabilities</b>	<b>18.0%</b>	<b>19.3%</b>	<b>18.1%</b>	<b>18.5%</b>
(h) Minimum statutory Ratio	8.0%	8.0%	8.0%	8.0%
(i) Excess/(Deficiency) (g-h)	10.0%	11.3%	10.1%	10.5%
<b>(j) Core Capital / total risk weighted assets</b>	<b>21.3%</b>	<b>20.4%</b>	<b>20.0%</b>	<b>19.8%</b>
(k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%
(l) Excess (Deficiency) (j-k)	10.8%	9.9%	9.5%	9.3%
<b>(m) Total Capital/total risk weighted assets</b>	<b>23.0%</b>	<b>22.2%</b>	<b>21.3%</b>	<b>21.1%</b>
(n) Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%
(o) Excess/(Deficiency) (m-n)	8.5%	7.7%	6.8%	6.6%
(p) Adjusted Core Capital/Total Deposit Liabilities*	18.1%	19.5%	18.2%	18.6%
(q) Adjusted Core Capital/Total Risk Weighted Assets*	21.4%	20.6%	20.1%	19.9%
(r) Adjusted Total Capital/Total Risk Weighted Assets*	23.2%	22.4%	21.4%	21.2%
<b>14 LIQUIDITY</b>				
14.1 (a) Liquidity Ratio	47.8%	47.7%	49.4%	48.2%
14.2 (b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
14.3 (c) Excess (Deficiency) (a-b)	27.8%	27.7%	29.4%	28.2%

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