

**UN-AUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES  
 FOR THE PERIOD ENDED 30TH SEPTEMBER 2019**

I STATEMENT OF FINANCIAL POSITION AS AT	30th Sep	31st Dec	31st March	30th June	30th Sept
	2018 Shs. '000' Unaudited	2018 Audited Shs. '000'	2019 Unaudited Shs. '000'	2019 Unaudited Shs. '000'	2019 Unaudited Shs. '000'
<b>A ASSETS</b>					
1 Cash (both Local & Foreign)	148,151	130,658	122,253	198,591	173,646
2 Balances due from Central Bank of Kenya	823,754	1,766,902	1,158,959	1,360,862	1,497,552
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	3,661,119	3,755,719	4,541,105	4,454,235	4,008,657
b. Other securities	3,661,119	3,755,719	4,541,105	4,454,235	4,008,657
b) Available for sale:					
a. Kenya Government securities	-	-	-	-	-
b. Other securities	-	-	-	-	-
6 Deposits and balances due from local banking institutions	934,643	353,303	97,904	96,747	594,832
7 Deposits and balances due from banking institutions abroad	367,844	461,488	512,178	276,444	218,042
8 Tax recoverable	-	-	-	-	-
9 Loans and advances to customers (net)	9,482,083	9,028,027	9,608,973	9,188,804	9,439,043
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	75,784	73,813	68,371	62,613	63,162
16 Prepaid lease rentals	236,078	234,078	232,079	230,079	228,079
17 Intangible assets	934	1,740	1,278	943	4,131
18 Deferred tax asset	93,594	136,600	136,600	136,600	136,600
19 Retirement benefit asset	-	-	-	-	-
20 Other assets	188,032	243,636	158,607	219,780	175,518
<b>21 TOTAL ASSETS</b>	<b>16,012,016</b>	<b>16,185,964</b>	<b>16,638,307</b>	<b>16,225,698</b>	<b>16,539,262</b>
<b>B LIABILITIES</b>					
22 Balances due to Central Bank of Kenya	-	-	-	-	-
23 Customer deposits	13,115,164	13,336,035	13,782,720	13,385,051	13,463,106
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	47,702	-	-
30 Dividends payable	-	-	-	-	-
31 Deferred tax liability	-	-	-	-	-
32 Retirement benefit liability	-	-	-	-	-
33 Other liabilities	260,188	272,935	212,544	197,329	382,899
<b>34 TOTAL LIABILITIES</b>	<b>13,375,352</b>	<b>13,628,812</b>	<b>14,042,966</b>	<b>13,582,380</b>	<b>13,846,005</b>
<b>C SHAREHOLDERS' FUNDS</b>					
35 Paid up /Assigned capital	450,375	450,375	450,375	450,375	450,375
36 Share premium/(discount)	-	-	-	-	-
37 Revaluation reserves	-	-	-	-	-
38 Retained earnings/Accumulated losses	2,029,984	1,970,038	1,975,253	1,993,656	2,018,163
39 Statutory loan loss reserves	156,305	136,739	169,713	199,287	224,719
40 Other Reserves	-	-	-	-	-
41 Proposed dividends	-	-	-	-	-
42 Capital grants	-	-	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>2,636,664</b>	<b>2,557,152</b>	<b>2,595,341</b>	<b>2,643,318</b>	<b>2,693,257</b>
44 Minority Interest	-	-	-	-	-
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>16,012,016</b>	<b>16,185,964</b>	<b>16,638,307</b>	<b>16,225,698</b>	<b>16,539,262</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED</b>					
<b>1.0 INTEREST INCOME</b>					
1.1 Loans and advances	932,588	1,349,499	308,423	617,710	932,759
1.2 Government securities	290,186	383,842	101,041	204,764	301,638
1.3 Deposits and placements with banking institutions	31,840	45,969	5,407	8,556	13,118
1.4 Other Interest Income	1,346	1,904	1,942	2,140	7,771
<b>1.5 Total interest income</b>	<b>1,255,960</b>	<b>1,781,214</b>	<b>416,813</b>	<b>833,170</b>	<b>1,255,286</b>
<b>2.0 INTEREST EXPENSE</b>					
2.1 Customer deposits	649,731	851,945	204,182	408,289	616,249
2.2 Deposits and placement from banking institutions	-	-	-	53	169
2.3 Other interest expenses	11,691	14,471	1,432	2,863	4,984
<b>2.4 Total interest expenses</b>	<b>661,422</b>	<b>866,416</b>	<b>205,614</b>	<b>411,205</b>	<b>621,402</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>594,538</b>	<b>914,798</b>	<b>211,199</b>	<b>421,965</b>	<b>633,884</b>
<b>4.0 NON-INTEREST INCOME</b>					
4.1 Fees and commissions on loans and advances	66,583	86,980	19,816	40,191	71,823
4.2 Other fees and commissions	11,017	15,058	3,767	7,575	11,430
4.3 Foreign exchange trading income/(Loss)	19,631	28,637	8,512	20,025	30,968
4.4 Dividend Income	-	-	-	-	-
4.5 Other income	313,511	48,302	4,779	10,790	19,108
<b>4.6 Total Non-interest income</b>	<b>410,742</b>	<b>178,977</b>	<b>36,874</b>	<b>78,581</b>	<b>133,329</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>1,005,280</b>	<b>1,093,775</b>	<b>248,073</b>	<b>500,546</b>	<b>767,213</b>
<b>6.0 OTHER OPERATING EXPENSES</b>					
6.1 Loan loss provision	9,197	78,628	18,844	28,072	50,479
6.2 Staff costs	275,856	368,229	95,679	190,062	285,563
6.3 Directors' emoluments	4,030	5,440	1,485	3,020	4,305
6.4 Rental charges	41,351	55,303	13,867	27,771	42,295
6.5 Depreciation charge on property and equipment	22,687	28,769	5,971	11,935	18,199
6.6 Amortisation charges	7,418	9,739	2,335	4,669	7,027
6.7 Other operating expenses	154,837	199,622	43,842	93,131	139,660
<b>6.8 Total other Operating Expenses</b>	<b>515,376</b>	<b>745,730</b>	<b>182,023</b>	<b>358,660</b>	<b>547,528</b>
<b>7.0 Profit/(Loss) Before Tax and Exceptional Items</b>	<b>489,904</b>	<b>348,045</b>	<b>66,050</b>	<b>141,886</b>	<b>219,685</b>
8.0 Exceptional Items	-	-	-	-	-
<b>9.0 Profit/(Loss) After Exceptional Items</b>	<b>489,904</b>	<b>348,045</b>	<b>66,050</b>	<b>141,886</b>	<b>219,685</b>
10.0 Current Tax	69,785	122,477	27,860	55,719	83,579
11.0 Deferred Tax	-	-	-	-	-
<b>12.0 Profit/(Loss) After Tax and Exceptional Items</b>	<b>420,119</b>	<b>225,568</b>	<b>38,190</b>	<b>86,167</b>	<b>136,106</b>
13.0 Minority Interest	-	-	-	-	-
14.0 Profit/(loss) after tax, exceptional items and Minority Interest	420,119	225,568	38,190	86,167	136,106
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	420,119	225,568	38,190	86,167	136,106
18.0 EARNINGS PER SHARE- BASIC & DILUTED	-	-	-	-	-
<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	963,083	960,439	969,474	980,475	987,240
(b) Less: Interest in Suspense	267,867	277,028	290,733	310,312	331,212
<b>(c) Total Non-Performing Loans and Advances (a-b)</b>	<b>695,216</b>	<b>683,411</b>	<b>678,741</b>	<b>670,163</b>	<b>656,028</b>
(d) Less: Loan Loss Provision	389,885	409,880	424,622	445,059	465,672
<b>(e) Net Non-Performing Loans and Advances (c-d)</b>	<b>305,331</b>	<b>273,531</b>	<b>254,119</b>	<b>225,104</b>	<b>190,356</b>
(f) Discounted Value of Securities	305,331	273,531	254,119	225,104	190,356
<b>(g) Net NPLs Exposure (e-f)</b>	-	-	-	-	-
<b>2.0 INSIDER LOANS AND ADVANCES</b>					
(a) Directors, Shareholders and Associates	81,640	80,769	79,306	83,627	82,714
(b) Employees	20,052	19,649	23,933	22,368	22,127
<b>(c) Total Insider Loans and Advances and other facilities</b>	<b>101,692</b>	<b>100,418</b>	<b>103,239</b>	<b>105,995</b>	<b>104,841</b>
<b>3.0 OFF-BALANCE SHEET ITEMS</b>					
(a) Letters of credit, guarantees, acceptances	616,279	745,977	658,551	667,813	737,258
(b) Forwards, swaps and options	70,730	87,335	65,000	79,088	77,206
(c) Other contingent liabilities	36,274	57,525	31,518	38,313	167,652
<b>(d) Total Contingent Liabilities</b>	<b>723,283</b>	<b>890,837</b>	<b>755,069</b>	<b>785,214</b>	<b>982,116</b>
<b>4.0 CAPITAL STRENGTH</b>					
(a) Core capital	2,176,705	2,420,413	2,406,533	2,400,947	2,400,485
(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
(c) Excess/(Deficiency) (a-b)	1,176,705	1,420,413	1,406,533	1,400,947	1,400,485
(d) Supplementary Capital	156,505	156,739	169,713	199,287	224,719
<b>(e) Total Capital (a+d)</b>	<b>2,333,210</b>	<b>2,577,152</b>	<b>2,576,246</b>	<b>2,600,234</b>	<b>2,625,204</b>
(f) Total risk weighted assets	11,334,709	11,241,904	11,690,507	11,289,046	12,404,493
<b>(g) Core Capital/total deposits Liabilities</b>	<b>16.6%</b>	<b>18.2%</b>	<b>17.5%</b>	<b>18.0%</b>	<b>17.8%</b>
(h) Minimum statutory Ratio	8.0%	8.0%	8.0%	8.0%	8.0%
(i) Excess/(Deficiency) (g-h)	8.6%	10.2%	9.5%	10.0%	9.8%
<b>(j) Core Capital / total risk weighted assets</b>	<b>19.2%</b>	<b>21.5%</b>	<b>20.6%</b>	<b>21.3%</b>	<b>19.4%</b>
(k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%
(l) Excess (Deficiency) (j-k)	8.7%	11.0%	10.1%	10.8%	8.9%
<b>(m) Total Capital/total risk weighted assets</b>	<b>20.6%</b>	<b>22.7%</b>	<b>22.0%</b>	<b>23.0%</b>	<b>21.2%</b>
(n) Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%	14.5%
(o) Excess/(Deficiency) (m-n)	6.1%	8.2%	7.5%	8.5%	6.7%
(p) Adjusted Core Capital/Total Deposit Liabilities*	16.9%	18.3%	17.6%	18.1%	18.0%
(q) Adjusted Core Capital/Total Risk Weighted Assets*	19.5%	21.7%	20.8%	21.4%	19.5%
(r) Adjusted Total Capital/Total Risk Weighted Assets*	20.9%	22.9%	22.2%	23.2%	21.3%
<b>14 LIQUIDITY</b>					
14.1 (a) Liquidity Ratio	45.3%	48.6%	46.8%	47.8%	48.4%
14.2 (b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%	20.0%
14.3 (c) Excess (Deficiency) (a-b)	25.3%	28.6%	26.8%	27.8%	28.4%

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 Ratio 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

Guardian Bank Ltd is regulated by the Central Bank of Kenya.