

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31ST DECEMBER 2020

I STATEMENT OF FINANCIAL POSITION AS AT	31st December		31 st December	
	2019	2020	2019	2020
	Shs. '000'	(Audited)	Shs. '000'	(Audited)
A ASSETS				
1 Cash (both Local & Foreign)				
2 Balances due from Central Bank of Kenya		161,288		167,288
3 Kenya Government and other securities held for dealing purposes		1,412,751		1,937,937
4 Financial Assets at fair value through profit and loss		-		-
5 Investment Securities:				
a) Held to Maturity:		3,951,029		4,957,596
a. Kenya Government securities		3,951,029		4,957,596
b. Other securities		-		-
b) Available for sale:		-		-
a. Kenya Government securities		-		-
b. Other securities		-		-
6 Deposits and balances due from local banking institutions		96,116		98,716
7 Deposits and balances due from banking institutions abroad		606,509		682,294
8 Tax recoverable		50,620		33,432
9 Loans and advances to customers (net)		9,102,560		7,894,419
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		62,345		62,891
16 Prepaid lease rentals		226,078		218,078
17 Intangible assets		3,824		3,352
18 Deferred tax asset		130,528		180,544
19 Retirement benefit asset		-		-
20 Other assets		582,802		621,688
21 TOTAL ASSETS		16,386,450		16,858,235
B LIABILITIES				
22 Balances due to Central Bank of Kenya		-		-
23 Customer deposits		13,078,252		13,237,813
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		567,388		786,405
34 TOTAL LIABILITIES		13,645,640		14,024,218
C SHAREHOLDERS' FUNDS				
35 Paid up /Assigned capital		450,375		450,375
36 Share premium/(discount)		-		-
37 Revaluation reserves		-		-
38 Retained earnings/Accumulated losses		2,073,382		2,198,809
39 Statutory loan loss reserves		217,053		184,833
40 Other Reserves		-		-
41 Proposed dividends		-		-
42 Capital grants		-		-
43 TOTAL SHAREHOLDERS' FUNDS		2,740,810		2,834,017
44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		16,386,450		16,858,235
II STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED				
1.0 INTEREST INCOME				
1.1 Loans and advances		1,201,831		1,143,299
1.2 Government securities		391,676		344,791
1.3 Deposits and placements with banking institutions		19,788		14,240
1.4 Other Interest Income		11,812		34,662
1.5 Total interest income		1,625,107		1,536,992
2.0 INTEREST EXPENSE				
2.1 Customer deposits		823,484		762,111
2.2 Deposits and placement from banking institutions		169		-
2.3 Other interest expenses		46,323		43,449
2.4 Total interest expenses		869,976		805,560
3.0 NET INTEREST INCOME/(LOSS)		755,131		731,431
4.0 NON-INTEREST INCOME				
4.1 Fees and commissions on loans and advances		93,173		80,755
4.2 Other fees and commissions		15,274		12,634
4.3 Foreign exchange trading income/(Loss)		41,591		40,466
4.4 Dividend Income		-		-
4.5 Other income		29,128		29,838
4.6 Total Non-interest income		179,167		163,694
5.0 TOTAL OPERATING INCOME		934,298		895,125
6.0 OTHER OPERATING EXPENSES				
6.1 Loan loss provision		23,897		137,189
6.2 Staff costs		383,352		405,055
6.3 Directors' emoluments		5,590		5,040
6.4 Rental charges		6,995		10,781
6.5 Depreciation charge on property and equipment		22,837		15,308
6.6 Amortisation charges		9,460		9,774
6.7 Other operating expenses		231,618		235,283
6.8 Total Other Operating Expenses		683,749		818,431
7.0 Profit/(loss) before tax and exceptional items		250,549		76,694
8.0 Exceptional items		-		-
9.0 Profit/(loss) after exceptional items		250,549		76,694
10.0 Current tax		66,891		(16,513)
11.0 Deferred tax		-		-
12.0 Profit/(loss) after tax and exceptional items		183,658		93,207
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		183,658		93,207
III OTHER DISCLOSURES				
1.0 NON-PERFORMING LOANS AND ADVANCES				
(a) Gross Non-performing loans and advances		944,211		1,180,555
(b) Less: Interest in Suspense		316,960		325,084
(c) Total Non-Performing Loans and Advances (a-b)		627,251		855,471
(d) Less: Loan Loss Provision		472,694		433,292
(e) Net Non-Performing Loans and Advances(c-d)		154,557		422,179
(f) Discounted Value of Securities		154,557		422,179
(g) Net NPLs Exposure (e-f)		-		-
2.0 INSIDER LOANS AND ADVANCES				
(a) Directors, Shareholders and Associates		79,459		95,826
(b) Employees		18,690		19,751
(c) Total Insider Loans and Advances and other facilities		98,149		115,577
3.0 OFF-BALANCE SHEET ITEMS				
(a) Letters of credit, guarantees, acceptances		776,109		630,087
(b) Forwards, swaps and options		96,363		120,506
(c) Other contingent liabilities		34,589		11,347
(d) Total Contingent Liabilities		907,061		761,940
4.0 CAPITAL STRENGTH				
(a) Core capital		2,523,757		2,649,184
(b) Minimum Statutory Capital		1,000,000		1,000,000
(c) Excess/(Deficiency)(a-b)		1,523,757		1,649,184
(d) Supplementary Capital		217,053		184,833
(e) Total Capital (a+d)		2,740,810		2,834,017
(f) Total risk weighted assets		12,345,612		12,305,005
(g) Core Capital/Total deposits Liabilities		19.3%		20.1%
(h) Minimum statutory Ratio		8.0%		8.0%
(i) Excess/(Deficiency) (g-h)		11.3%		12.1%
(j) Core Capital / total risk weighted assets		20.4%		22.0%
(k) Minimum Statutory Ratio		10.5%		10.5%
(l) Excess (Deficiency) (j-k)		9.9%		11.5%
(m) Total Capital/total risk weighted assets		22.2%		23.6%
(n) Minimum statutory Ratio		14.5%		14.5%
(o) Excess/(Deficiency) (m-n)		7.7%		9.1%
(p) Adjusted Core Capital/Total Deposit Liabilities*		19.5%		20.1%
(q) Adjusted Core Capital/Total Risk Weighted Assets*		20.6%		22.1%
(r) Adjusted Total Capital/Total Risk Weighted Assets*		22.4%		23.6%
5.0 LIQUIDITY				
(a) Liquidity Ratio		47.7%		59.4%
(b) Minimum Statutory Ratio		20.0%		20.0%
(c) Excess (Deficiency) (a-b)		27.7%		39.4%

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 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