

## UN-AUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED SEPTEMBER 30<sup>TH</sup> 2021

I STATEMENT OF FINANCIAL POSITION AS AT	30th September	31st December	31st March	30th June 2021	30th September
	2020 Shs. '000' Unaudited	2020 Shs. '000' Audited	2021 Shs. '000' Unaudited	2021 Shs. '000' Unaudited	2021 Shs. '000' Unaudited
<b>A ASSETS</b>					
1 Cash (both Local & Foreign)	206,455	167,288	118,794	183,184	164,965
2 Balances due from Central Bank of Kenya	2,634,133	1,937,937	1,049,645	1,402,732	1,571,447
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	3,059,516	4,957,596	5,669,787	5,840,469	6,206,849
b. Other securities	3,059,516	4,957,596	5,669,787	5,840,469	6,206,849
b) Available for sale:	-	-	-	-	-
a. Kenya Government securities	-	-	-	-	-
b. Other securities	-	-	-	-	-
6 Deposits and balances due from local banking institutions	602,452	98,716	264,837	198,793	359,259
7 Deposits and balances due from banking institutions abroad	365,829	682,294	412,491	314,769	324,380
8 Tax recoverable	418	33,432	33,432	33,432	44,540
9 Loans and advances to customers (net)	8,652,275	7,894,419	8,049,535	7,756,948	7,166,465
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	58,728	62,891	57,472	54,883	53,314
16 Prepaid lease rentals	220,081	218,078	216,079	214,082	212,079
17 Intangible assets	3,712	3,352	2,865	2,484	1,977
18 Deferred tax asset	130,528	180,544	180,544	180,544	180,544
19 Retirement benefit asset	-	-	-	-	-
20 Other assets	563,382	621,688	645,230	660,920	735,651
<b>21 TOTAL ASSETS</b>	<b>16,497,509</b>	<b>16,858,235</b>	<b>16,700,710</b>	<b>16,843,240</b>	<b>17,021,470</b>
<b>B LIABILITIES</b>					
22 Balances due to Central Bank of Kenya	-	-	-	-	-
23 Customer deposits	13,120,355	13,237,813	13,090,126	13,260,247	13,330,326
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	-	-	9,213	-	-
29 Tax payable	-	-	-	-	-
30 Dividends payable	-	-	-	-	-
31 Deferred tax liability	-	-	-	-	-
32 Retirement benefit liability	-	-	-	-	-
33 Other liabilities	632,120	786,405	728,607	702,843	752,833
<b>34 TOTAL LIABILITIES</b>	<b>13,752,475</b>	<b>14,024,218</b>	<b>13,827,946</b>	<b>13,963,090</b>	<b>14,083,159</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	2,110,742	2,198,809	2,242,314	2,211,347	2,249,357
39 Statutory loan loss reserves	183,917	184,833	180,075	218,428	238,579
40 Other Reserves	-	-	-	-	-
41 Proposed dividends	-	-	-	-	-
42 Capital grants	-	-	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>2,745,034</b>	<b>2,834,017</b>	<b>2,872,764</b>	<b>2,880,150</b>	<b>2,938,311</b>
44 Minority Interest	-	-	-	-	-
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>16,497,509</b>	<b>16,858,235</b>	<b>16,700,710</b>	<b>16,843,240</b>	<b>17,021,470</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED</b>					
1.0 <b>INTEREST INCOME</b>					
1.1 Loans and advances	843,380	1,143,299	251,045	502,361	730,504
1.2 Government securities	244,716	344,791	117,203	236,424	370,771
1.3 Deposits and placements with banking institutions	9,324	14,240	3,382	7,824	11,235
1.4 Other Interest Income	25,799	34,662	3,117	8,031	11,678
<b>1.5 Total interest income</b>	<b>1,123,218</b>	<b>1,536,992</b>	<b>374,747</b>	<b>754,640</b>	<b>1,124,188</b>
2.0 <b>INTEREST EXPENSE</b>					
2.1 Customer deposits	580,028	762,111	176,124	360,855	552,039
2.2 Deposits and placement from banking institutions	-	-	29	29	58
2.3 Other interest expenses	34,334	43,449	10,807	13,138	21,694
<b>2.4 Total interest expenses</b>	<b>614,361</b>	<b>805,560</b>	<b>186,960</b>	<b>374,022</b>	<b>573,791</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>508,857</b>	<b>731,431</b>	<b>187,787</b>	<b>380,618</b>	<b>550,396</b>
4.0 <b>NON-INTEREST INCOME</b>					
4.1 Fees and commissions on loans and advances	66,685	80,755	21,506	36,741	59,510
4.2 Other fees and commissions	9,785	12,634	2,867	5,649	8,281
4.3 Foreign exchange trading income/(Loss)	26,810	40,466	10,007	21,349	35,465
4.4 Dividend Income	-	-	-	-	-
4.5 Other income	111,488	29,838	26,879	30,509	35,535
<b>4.6 Total Non-interest income</b>	<b>214,768</b>	<b>163,694</b>	<b>61,259</b>	<b>94,247</b>	<b>138,791</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>723,626</b>	<b>895,125</b>	<b>249,045</b>	<b>474,865</b>	<b>689,188</b>
6.0 <b>OTHER OPERATING EXPENSES</b>					
6.1 Loan loss provision	14,686	137,189	37,870	71,817	93,796
6.2 Staff costs	304,794	405,055	101,678	194,393	286,016
6.3 Directors' emoluments	3,965	5,040	1,000	5,560	10,389
6.4 Rental charges	6,200	10,781	9,184	17,861	37,349
6.5 Depreciation charge on property and equipment	11,799	15,308	9,710	19,326	28,949
6.6 Amortisation charges	7,287	9,774	2,487	4,988	7,496
6.7 Other operating expenses	179,585	235,283	39,153	91,601	126,851
<b>6.8 Total Other Operating Expenses</b>	<b>528,315</b>	<b>818,431</b>	<b>201,082</b>	<b>405,546</b>	<b>590,846</b>
<b>7.0 Profit/(loss) Before Tax and Exceptional Items</b>	<b>195,310</b>	<b>76,694</b>	<b>47,963</b>	<b>69,319</b>	<b>98,342</b>
8.0 Exceptional Items	-	-	-	-	-
<b>9.0 Profit/(Loss) After Exceptional Items</b>	<b>195,310</b>	<b>76,694</b>	<b>47,963</b>	<b>69,319</b>	<b>98,342</b>
10.0 Current Tax	50,201	(16,513)	9,213	18,427	27,640
11.0 Deferred Tax	-	-	-	-	-
<b>12.0 Profit/(Loss) After Tax and Exceptional Items</b>	<b>145,109</b>	<b>93,207</b>	<b>38,749</b>	<b>50,892</b>	<b>70,702</b>
13.0 Minority Interest	-	-	-	-	-
<b>14.0 Profit/(loss) after tax, exceptional items and Minority Interest</b>	<b>145,109</b>	<b>93,207</b>	<b>38,749</b>	<b>50,892</b>	<b>70,702</b>
<b>15.0 Other Comprehensive Income</b>					
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>145,109</b>	<b>93,207</b>	<b>38,749</b>	<b>50,892</b>	<b>70,702</b>
<b>18.0 EARNINGS PER SHARE-BASIC &amp; DILUTED</b>					
19.0 <b>DIVIDEND PER SHARE-DECLARED</b>					
<b>III OTHER DISCLOSURES</b>					
1.0 <b>NON-PERFORMING LOANS AND ADVANCES</b>					
(a) Gross Non-performing loans and advances	984,377	1,180,555	1,204,916	1,149,768	1,127,526
(b) Less: Interest in Suspense	311,137	325,084	334,089	324,021	341,530
<b>(c) Total Non-Performing Loans and Advances (a-b)</b>	<b>673,240</b>	<b>855,471</b>	<b>870,827</b>	<b>825,747</b>	<b>785,996</b>
(d) Less: Loan Loss Provision	391,409	433,292	455,936	464,293	474,149
<b>(e) Net Non-Performing Loans and Advances (c-d)</b>	<b>281,831</b>	<b>422,179</b>	<b>414,891</b>	<b>361,454</b>	<b>311,847</b>
(f) Discounted Value of Securities	281,831	422,179	414,891	361,454	311,847
<b>(g) Net NPLs Exposure (e-f)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2.0 <b>INSIDER LOANS AND ADVANCES</b>					
(a) Directors, Shareholders and Associates	88,645	95,826	88,987	93,146	81,878
(b) Employees	18,899	19,751	18,481	17,417	16,182
<b>(c) Total Insider Loans and Advances and other facilities</b>	<b>107,544</b>	<b>115,577</b>	<b>107,469</b>	<b>110,563</b>	<b>98,060</b>
3.0 <b>OFF-BALANCE SHEET ITEMS</b>					
(a) Letters of credit, guarantees, acceptances	553,719	630,087	642,604	643,657	818,936
(b) Forwards, swaps and options	126,893	120,506	160,754	176,311	193,513
(c) Other contingent liabilities	15,503	11,347	7,643	40,205	33,838
<b>(d) Total Contingent Liabilities</b>	<b>696,115</b>	<b>761,940</b>	<b>811,001</b>	<b>860,173</b>	<b>1,046,287</b>
4.0 <b>CAPITAL STRENGTH</b>					
(a) Core capital	2,488,563	2,649,184	2,673,315	2,636,276	2,664,381
(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>(c) Excess/(Deficiency) (a-b)</b>	<b>1,488,563</b>	<b>1,649,184</b>	<b>1,673,315</b>	<b>1,636,276</b>	<b>1,664,381</b>
(d) Supplementary Capital	183,917	184,833	180,075	218,428	238,579
<b>(e) Total Capital (a+d)</b>	<b>2,672,480</b>	<b>2,834,017</b>	<b>2,853,390</b>	<b>2,854,704</b>	<b>2,902,960</b>
<b>(f) Total risk weighted assets</b>	<b>12,466,169</b>	<b>12,030,005</b>	<b>12,342,618</b>	<b>12,069,275</b>	<b>11,850,397</b>
<b>(g) Core Capital/Total deposits Liabilities</b>	<b>19.1%</b>	<b>20.1%</b>	<b>20.5%</b>	<b>19.9%</b>	<b>20.0%</b>
(h) Minimum statutory Ratio	8.0%	8.0%	8.0%	8.0%	8.0%
(i) Excess/(Deficiency) (g-h)	11.1%	12.1%	12.5%	11.9%	12.0%
<b>(j) Core Capital / Total risk weighted assets</b>	<b>20.0%</b>	<b>22.0%</b>	<b>21.7%</b>	<b>21.8%</b>	<b>22.5%</b>
(k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%
<b>(l) Excess (Deficiency) (j-k)</b>	<b>9.5%</b>	<b>11.5%</b>	<b>11.2%</b>	<b>11.3%</b>	<b>12.0%</b>
<b>(m) Total Capital/total risk weighted assets</b>	<b>21.4%</b>	<b>23.6%</b>	<b>23.1%</b>	<b>23.7%</b>	<b>24.5%</b>
(n) Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%	14.5%
(o) Excess/(Deficiency) (m-n)	6.9%	9.1%	8.6%	9.2%	10.0%
<b>(p) Adjusted Core Capital/Total Deposit Liabilities*</b>	<b>19.1%</b>	<b>20.1%</b>	<b>20.5%</b>	<b>20.0%</b>	<b>20.2%</b>
<b>(q) Adjusted Core Capital/Total Risk Weighted Assets*</b>	<b>20.1%</b>	<b>22.1%</b>	<b>21.7%</b>	<b>21.9%</b>	<b>22.7%</b>
<b>(r) Adjusted Total Capital/Total Risk Weighted Assets*</b>	<b>21.5%</b>	<b>23.6%</b>	<b>23.2%</b>	<b>23.7%</b>	<b>24.7%</b>
14 <b>LIQUIDITY</b>					
14.1 <b>(a) Liquidity Ratio</b>	<b>52.4%</b>	<b>58.4%</b>	<b>57.5%</b>	<b>58.8%</b>	<b>63.7%</b>
14.2 (b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%	20.0%
14.3 (c) Excess (Deficiency) (a-b)	32.4%	39.4%	37.5%	38.8%	43.7%

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**  
Chairman

**Hetul D. Chandaria**  
Executive Director