

**AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED
31ST DECEMBER 2021**

I STATEMENT OF FINANCIAL POSITION AS AT		31st December	
		2020 Shs. '000' (Audited)	2021 Shs. '000' (Audited)
A ASSETS			
1 Cash (both Local & Foreign)	167,288	192,158	
2 Balances due from Central Bank of Kenya	1,937,937	2,380,242	
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:	4,957,596	6,804,629	
a. Kenya Government securities	4,957,596	6,804,629	
b. Other securities	-	-	
b) Available for sale:	-	-	
a. Kenya Government securities	-	-	
b. Other securities	-	-	
6 Deposits and balances due from local banking institutions	98,716	98,963	
7 Deposits and balances due from banking institutions abroad	682,294	352,926	
8 Tax recoverable	33,432	47,013	
9 Loans and advances to customers (net)	7,894,419	6,953,431	
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	62,891	52,017	
16 Prepaid lease rentals	218,078	210,080	
17 Intangible assets	3,352	31,807	
18 Deferred tax asset	180,544	234,692	
19 Retirement benefit asset	-	-	
20 Other assets	621,688	378,442	
21 TOTAL ASSETS	16,858,235	17,736,400	
B LIABILITIES			
22 Balances due to Central Bank of Kenya	-	-	
23 Customer deposits	13,237,813	14,347,923	
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	786,405	399,427	
34 TOTAL LIABILITIES	14,024,218	14,747,350	
C SHAREHOLDERS' FUNDS			
35 Paid up /Assigned capital	450,375	450,375	
36 Share premium/(discount)	-	-	
37 Revaluation reserves	-	-	
38 Retained earnings/Accumulated losses	2,198,809	2,304,989	
39 Statutory loan loss reserves	184,833	233,686	
40 Other Reserves	-	-	
41 Proposed dividends	-	-	
42 Capital grants	-	-	
43 TOTAL SHAREHOLDERS' FUNDS	2,834,017	2,989,050	
44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	16,858,235	17,736,400	
II STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED		31st December	31st December
		2020 Shs. '000' (Audited)	2021 Shs. '000' (Audited)
1.0 INTEREST INCOME			
1.1 Loans and advances	1,143,299	1,004,957	
1.2 Government securities	344,791	516,743	
1.3 Deposits and placements with banking institutions	14,240	15,252	
1.4 Other interest income	34,662	16,403	
1.5 Total interest income	1,536,992	1,553,354	
2.0 INTEREST EXPENSE			
2.1 Customer deposits	762,111	742,826	
2.2 Deposits and placement from banking institutions	-	58	
2.3 Other interest expenses	43,449	31,005	
2.4 Total interest expenses	805,560	773,889	
3.0 NET INTEREST INCOME/(LOSS)	731,431	779,465	
4.0 NON-INTEREST INCOME			
4.1 Fees and commissions on loans and advances	80,755	77,094	
4.2 Other fees and commissions	12,634	10,989	
4.3 Foreign exchange trading income/(Loss)	40,466	53,361	
4.4 Dividend income	-	-	
4.5 Other income	29,838	39,777	
4.6 Total Non-interest income	163,694	181,221	
5.0 TOTAL OPERATING INCOME	895,125	960,687	
6.0 OTHER OPERATING EXPENSES			
6.1 Loan loss provision	137,189	167,073	
6.2 Staff costs	405,055	372,586	
6.3 Directors' emoluments	5,040	15,043	
6.4 Rental charges	10,781	10,148	
6.5 Depreciation charge on property and equipment	15,308	39,217	
6.6 Amortisation charges	9,774	9,976	
6.7 Other operating expenses	235,283	211,379	
6.8 Total Other Operating Expenses	818,431	825,420	
7.0 Profit/(loss) before tax and exceptional items	76,694	135,266	
8.0 Exceptional items	-	-	
9.0 Profit/(loss) after exceptional items	76,694	135,266	
10.0 Current tax	(16,513)	(19,767)	
11.0 Deferred tax	-	-	
12.0 Profit/(loss) after tax and exceptional items	93,207	155,033	
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	93,207	155,033	
III OTHER DISCLOSURES		31st December	31st December
		2020 Shs. '000' (Audited)	2021 Shs. '000' (Audited)
1.0 NON-PERFORMING LOANS AND ADVANCES			
(a) Gross Non-performing loans and advances	1,180,555	1,257,497	
(b) Less: Interest in Suspense	325,084	352,863	
(c) Total Non-Performing Loans and Advances (a-b)	855,471	904,634	
(d) Less: Loan Loss Provision	433,292	518,191	
(e) Net Non-Performing Loans and Advances (c-d)	422,179	386,443	
(f) Discounted Value of Securities	422,179	367,425	
(g) Net NPLs Exposure (e-f)	-	19,018	
2.0 INSIDER LOANS AND ADVANCES			
(a) Directors, Shareholders and Associates	95,826	87,948	
(b) Employees	19,751	17,929	
(c) Total Insider Loans and Advances and other facilities	115,577	105,877	
3.0 OFF-BALANCE SHEET ITEMS			
(a) Letters of credit, guarantees, acceptances	630,087	728,672	
(b) Forwards, swaps and options	120,506	153,592	
(c) Other contingent liabilities	11,347	16,801	
(d) Total Contingent Liabilities	761,940	899,065	
4.0 CAPITAL STRENGTH			
(a) Core capital	2,649,184	2,755,363	
(b) Minimum Statutory Capital	1,000,000	1,000,000	
(c) Excess/(Deficiency) (a-b)	1,649,184	1,755,363	
(d) Supplementary Capital	184,833	233,686	
(e) Total Capital (a+d)	2,834,017	2,989,049	
(f) Total risk weighted assets	12,030,005	11,323,683	
(g) Core Capital/Total deposits Liabilities	20.1%	19.3%	
(h) Minimum statutory Ratio	8.0%	8.0%	
(i) Excess/(Deficiency) (g-h)	12.1%	11.3%	
(j) Core Capital / total risk weighted assets	22.0%	24.3%	
(k) Minimum Statutory Ratio	10.5%	10.5%	
(l) Excess (Deficiency) (j-k)	11.5%	13.8%	
(m) Total Capital/total risk weighted assets	23.6%	26.4%	
(n) Minimum statutory Ratio	14.5%	14.5%	
(o) Excess/(Deficiency) (m-n)	9.1%	11.9%	
(p) Adjusted Core Capital/Total Deposit Liabilities*	20.1%	19.3%	
(q) Adjusted Core Capital/Total Risk Weighted Assets*	22.1%	24.4%	
(r) Adjusted Total Capital/Total Risk Weighted Assets*	23.6%	26.5%	
5.0 LIQUIDITY			
(a) Liquidity Ratio	59.4%	67.7%	
(b) Minimum Statutory Ratio	20.0%	20.0%	
(c) Excess (Deficiency) (a-b)	39.4%	47.7%	

These financial statements are extracts from the books of the institution as audited by PWC 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.