

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED DEC 31ST 2015

I. STATEMENT OF FINANCIAL POSITION

	31 st December 2014	31 st December 2015
	Shs. '000'	Shs. '000'
	(Audited)	(Audited)
A ASSETS		
1 Cash (both Local & Foreign)	138,360	126,155
2 Balances due from Central Bank of Kenya	1,443,663	1,393,970
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:	2,347,616	2,455,529
a. Kenya Government securities	2,347,616	2,455,529
b. Other securities	-	-
b) Available for sale:	-	-
a. Kenya Government securities	-	-
b. Other securities	-	-
6 Deposits and balances due from local banking institutions	360,536	418,281
7 Deposits and balances due from banking institutions abroad	261,188	302,780
8 Tax recoverable	3,962	19,213
9 Loans and advances to customers (net)	9,626,964	9,242,735
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	127,771	405,298
16 Prepaid lease rentals	23,250	22,497
17 Intangible assets	4,458	4,525
18 Deferred tax asset	35,420	47,359
19 Retirement benefit asset	-	-
20 Other assets	197,410	171,150
21 TOTAL ASSETS	14,570,598	14,609,492
B LIABILITIES		
22 Balances due to Central Bank of Kenya	-	-
23 Customer deposits	12,643,341	12,494,551
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	172,119	130,475
34 TOTAL LIABILITIES	12,815,460	12,625,026
C SHAREHOLDERS' FUNDS		
35 Paid up /Assigned capital	450,375	450,375
36 Share premium/(discount)	-	-
37 Revaluation reserves	-	-
38 Retained earnings/Accumulated losses	1,278,649	1,534,091
39 Statutory loan loss reserves	26,114	-
40 Other Reserves	-	-
41 Proposed dividends	-	-
42 Capital grants	-	-
43 TOTAL SHAREHOLDERS' FUNDS	1,755,138	1,984,466
44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	14,570,598	14,609,492

II. STATEMENT OF COMPREHENSIVE INCOME

	31 st December 2014	31 st December 2015
	Shs. '000'	Shs. '000'
	(Audited)	(Audited)
1.0 INTEREST INCOME		
1.1 Loans and advances	1,372,166	1,630,122
1.2 Government securities	329,505	301,358
1.3 Deposits and placements with banking institutions	86,179	54,445
1.4 Other Interest Income	6,473	10,352
1.5 Total interest income	1,794,323	1,996,277
2.0 INTEREST EXPENSE		
2.1 Customer deposits	914,228	1,024,918
2.2 Deposits and placement from banking institutions	437	1,325
2.3 Other interest expenses	23,195	23,139
2.4 Total interest expenses	937,860	1,049,382
3.0 NET INTEREST INCOME/(LOSS)	856,463	946,895
4.0 NON-INTEREST INCOME		
4.1 Fees and commissions on loans and advances	63,408	57,032
4.2 Other fees and commissions	13,893	14,582
4.3 Foreign exchange trading income/(Loss)	56,516	49,809
4.4 Dividend Income	-	-
4.5 Other income	23,709	111,677
4.6 Total Non-interest income	157,526	233,100
5.0 TOTAL OPERATING INCOME	1,013,989	1,179,995
6.0 OTHER OPERATING EXPENSES		
6.1 Loan loss provision	111,055	164,326
6.2 Staff costs	291,402	326,821
6.3 Directors' emoluments	4,287	4,460
6.4 Rental charges	40,358	48,636
6.5 Depreciation charge on property and equipment	30,435	40,278
6.6 Amortisation charges	4,440	3,625
6.7 Other operating expenses	154,339	262,886
6.8 Total Other Operating Expenses	636,316	851,032
7.0 Profit/(loss) before tax and exceptional items	377,673	328,963
8.0 Exceptional items	-	-
9.0 Profit/(loss) after exceptional items	377,673	328,963
10.0 Current tax	116,422	99,634
11.0 Deferred tax	-	-
12.0 Profit/(loss) after tax and exceptional items	261,251	229,329
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	261,251	229,329

III. OTHER DISCLOSURES

	31 st December 2014	31 st December 2015
	Shs. '000'	Shs. '000'
	(Audited)	(Audited)
1.0 NON-PERFORMING LOANS AND ADVANCES		
(a) Gross Non-performing loans and advances	786,808	1,029,137
(b) Less: Interest in Suspense	161,731	262,197
(c) Total Non-Performing Loans and Advances (a-b)	625,077	766,940
(d) Less: Loan Loss Provision	506,572	421,055
(e) Net Non-Performing Loans and Advances(c-d)	118,505	345,885
(f) Discounted Value of Securities	118,505	360,544
(g) Net NPLs Exposure (e-f)	-	(14,659)
2.0 INSIDER LOANS AND ADVANCES		
(a) Directors, Shareholders and Associates	317,415	329,016
(b) Employees	33,530	28,733
(c) Total Insider Loans and Advances and other facilities	350,945	357,749
3.0 OFF-BALANCE SHEET ITEMS		
(a) Letters of credit, guarantees, acceptances	694,976	957,721
(b) Forwards, swaps and options	317,092	11,178
(c) Other contingent liabilities	273,903	52,241
(d) Total Contingent Liabilities	1,285,971	1,021,140
4.0 CAPITAL STRENGTH		
(a) Core capital	1,729,024	1,984,467
(b) Minimum Statutory Capital	1,000,000	1,000,000
(c) Excess/(Deficiency) (a-b)	729,024	984,467
(d) Supplementary Capital	26,114	-
(e) Total Capital (a+d)	1,755,138	1,984,467
(f) Total risk weighted assets	10,599,749	11,255,793
(g) Core Capital/Total deposits Liabilities	13.7%	15.9%
(h) Minimum statutory Ratio	8.0%	8.0%
(i) Excess/(Deficiency) (g-h)	5.7%	7.9%
(j) Core Capital / total risk weighted assets	16.3%	17.6%
(k) Minimum Statutory Ratio	10.5%	10.5%
(l) Excess (Deficiency) (j-k)	5.8%	7.1%
(m) Total Capital/total risk weighted assets	16.6%	17.6%
(n) Minimum statutory Ratio	14.5%	14.5%
(o) Excess/(Deficiency) (m-n)	2.1%	3.1%
5.0 LIQUIDITY		
(a) Liquidity Ratio	34.4%	37.4%
(b) Minimum Statutory Ratio	20.0%	20.0%
(c) Excess (Deficiency) (a-b)	14.4%	17.4%

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).

Vasant K. Shetty
Managing Director

Hetul D. Chandaria
Executive Director