

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31ST DEC 2016

I STATEMENT OF FINANCIAL POSITION		31st December 2015 Shs. '000' (Audited)	31st December 2016 Shs. '000' (Audited)
A ASSETS			
1 Cash (both Local & Foreign)		126,155	126,158
2 Balances due from Central Bank of Kenya		1,393,970	1,405,848
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		2,455,529	2,938,898
b. Other securities		2,455,529	2,938,898
b) Available for sale:			
a. Kenya Government securities		-	-
b. Other securities		-	-
6 Deposits and balances due from local banking institutions		418,281	254,034
7 Deposits and balances due from banking institutions abroad		302,780	294,313
8 Tax recoverable		19,213	7,354
9 Loans and advances to customers (net)		9,242,735	8,974,527
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		169,721	135,674
16 Prepaid lease rentals		258,074	250,075
17 Intangible assets		4,525	4,943
18 Deferred tax asset		47,359	85,696
19 Retirement benefit asset		-	-
20 Other assets		171,150	227,831
21 TOTAL ASSETS		14,609,492	14,705,351
B LIABILITIES			
22 Balances due to Central Bank of Kenya		-	-
23 Customer deposits		12,494,551	12,313,030
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		130,475	177,727
34 TOTAL LIABILITIES		12,625,026	12,490,757
C SHAREHOLDERS' FUNDS			
35 Paid up /Assigned capital		450,375	450,375
36 Share premium/(discount)		-	-
37 Revaluation reserves		-	-
38 Retained earnings/Accumulated losses		1,534,091	1,699,107
39 Statutory loan loss reserves		-	65,112
40 Other Reserves		-	-
41 Proposed dividends		-	-
42 Capital grants		-	-
43 TOTAL SHAREHOLDERS' FUNDS		1,984,466	2,214,594
44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		14,609,492	14,705,351
II STATEMENT OF COMPREHENSIVE INCOME		31st December 2015 Shs. '000' (Audited)	31st December 2016 Shs. '000' (Audited)
1.0 INTEREST INCOME			
1.1 Loans and advances		1,630,122	1,607,476
1.2 Government securities		301,358	332,255
1.3 Deposits and placements with banking institutions		54,445	21,102
1.4 Other Interest Income		10,352	15,109
1.5 Total interest income		1,996,277	1,975,942
2.0 INTEREST EXPENSE			
2.1 Customer deposits		1,024,918	968,985
2.2 Deposits and placement from banking institutions		1,325	229
2.3 Other interest expenses		23,139	36,397
2.4 Total interest expenses		1,049,382	1,005,611
3.0 NET INTEREST INCOME/(LOSS)		946,895	970,331
4.0 NON-INTEREST INCOME			
4.1 Fees and commissions on loans and advances		57,032	65,205
4.2 Other fees and commissions		14,582	18,719
4.3 Foreign exchange trading income/(Loss)		49,809	41,840
4.4 Dividend Income		-	-
4.5 Other income		111,677	136,967
4.6 Total Non-interest income		233,100	262,731
5.0 TOTAL OPERATING INCOME		1,179,995	1,233,062
6.0 OTHER OPERATING EXPENSES			
6.1 Loan loss provision		164,326	264,734
6.2 Staff costs		326,821	346,604
6.3 Directors' emoluments		4,460	4,885
6.4 Rental charges		48,636	49,412
6.5 Depreciation charge on property and equipment		40,278	44,185
6.6 Amortisation charges		3,625	10,601
6.7 Other operating expenses		262,886	210,737
6.8 Total Other Operating Expenses		851,032	931,158
7.0 Profit/(loss) before tax and exceptional items		328,963	301,904
8.0 Exceptional items		-	-
9.0 Profit/(loss) after exceptional items		328,963	301,904
10.0 Current tax		99,634	71,777
11.0 Deferred tax		-	-
12.0 Profit/(loss) after tax and exceptional items		229,329	230,127
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		229,329	230,127
III OTHER DISCLOSURES		31st December 2015 Shs. '000' (Audited)	31st December 2016 Shs. '000' (Audited)
1.0 NON-PERFORMING LOANS AND ADVANCES			
(a) Gross Non-performing loans and advances		1,029,137	786,925
(b) Less: Interest in Suspense		262,197	261,979
(c) Total Non-Performing Loans and Advances (a-b)		766,940	524,946
(d) Less: Loan Loss Provision		421,055	367,585
(e) Net Non-Performing Loans and Advances(c-d)		345,885	157,361
(f) Discounted Value of Securities		360,544	192,332
(g) Net NPLs Exposure (e-f)		(14,659)	(34,971)
2.0 INSIDER LOANS AND ADVANCES			
(a) Directors, Shareholders and Associates		329,016	301,063
(b) Employees		28,733	22,218
(c) Total Insider Loans and Advances and other facilities		357,749	323,281
3.0 OFF-BALANCE SHEET ITEMS			
(a) Letters of credit, guarantees, acceptances		957,721	946,365
(b) Forwards, swaps and options		11,178	26,765
(c) Other contingent liabilities		52,241	36,834
(d) Total Contingent Liabilities		1,021,140	1,009,964
4.0 CAPITAL STRENGTH			
(a) Core capital		1,984,467	2,149,480
(b) Minimum Statutory Capital		1,000,000	1,000,000
(c) Excess/(Deficiency) (a-b)		984,467	1,149,480
(d) Supplementary Capital		-	65,112
(e) Total Capital (a+d)		1,984,467	2,214,592
(f) Total risk weighted assets		11,255,793	11,287,906
(g) Core Capital/Total deposits Liabilities		15.9%	17.5%
(h) Minimum statutory Ratio		8.0%	8.0%
(i) Excess/(Deficiency) (g-h)		7.9%	9.5%
(j) Core Capital / total risk weighted assets		17.6%	19.0%
(k) Minimum Statutory Ratio		10.5%	10.5%
(l) Excess (Deficiency) (j-k)		7.1%	8.5%
(m) Total Capital/total risk weighted assets		17.6%	19.6%
(n) Minimum statutory Ratio		14.5%	14.5%
(o) Excess/(Deficiency) (m-n)		3.1%	5.1%
5.0 LIQUIDITY			
(a) Liquidity Ratio		37.4%	40.7%
(b) Minimum Statutory Ratio		20.0%	20.0%
(c) Excess (Deficiency) (a-b)		17.4%	20.7%

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).

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