

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31ST DECEMBER, 2013

I. STATEMENT OF FINANCIAL POSITION

	31 st Dec 2012 Shs. '000' (Audited)	31 st Dec 2013 Shs. '000' (Audited)
A ASSETS		
1 Cash (both Local & Foreign)	151,549	137,637
2 Balances due from Central Bank of Kenya	566,063	661,925
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:	2,874,423	2,201,089
i. Kenya Government securities	2,874,423	2,201,089
ii. Other securities	-	-
b) Available for sale:	-	-
i. Kenya Government securities	-	-
ii. Other securities	-	-
6 Deposits and balances due from local banking institutions	545,474	626,820
7 Deposits and balances due from banking institutions abroad	95,840	244,116
8 Tax recoverable	-	-
9 Loans and advances to customers (net)	7,153,027	8,604,312
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	153,558	140,554
16 Prepaid lease rentals	24,750	24,000
17 Intangible assets	6,749	8,814
18 Deferred tax asset	26,453	31,434
19 Retirement benefit asset	-	-
20 Other assets	147,478	153,986
21 TOTAL ASSETS	11,745,364	12,834,687
B LIABILITIES		
22 Balances due to Central Bank of Kenya	-	-
23 Customer deposits	10,373,573	11,181,138
24 Deposits and balances due to local banking institutions	21,507	-
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	12,974	32,043
30 Dividends payable	-	-
31 Deferred tax liability	-	-
32 Retirement benefit liability	-	-
33 Other liabilities	118,758	127,621
34 TOTAL LIABILITIES	10,526,812	11,340,802
C SHAREHOLDERS' FUNDS		
35 Paid up /Assigned capital	450,375	450,375
36 Share premium/(discount)	-	-
37 Revaluation reserves	-	-
38 Retained earnings/Accumulated losses	768,177	1,016,659
39 Statutory loan loss reserves	-	26,851
40 Other Reserves	-	-
41 Proposed dividends	-	-
42 Capital grants	-	-
43 TOTAL SHAREHOLDERS' FUNDS	1,218,552	1,493,885
44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	11,745,364	12,834,687

II. STATEMENT OF COMPREHENSIVE INCOME

	31 st Dec 2012 Shs '000 (Audited)	31 st Dec 2013 Shs '000 (Audited)
1.0 INTEREST INCOME		
1.1 Loans and advances	1,233,384	1,171,299
1.2 Government securities	297,403	318,271
1.3 Deposits and placements with banking institutions	77,703	67,585
1.4 Other interest income	-	4,921
1.5 Total interest income	1,608,490	1,562,076
2.0 INTEREST EXPENSE		
2.1 Customer deposits	1,081,392	780,146
2.2 Deposits and placement from banking institutions	31	706
2.3 Other interest expenses	33,789	46,949
2.4 Total interest expenses	1,115,212	827,801
3.0 NET INTEREST INCOME/(LOSS)	493,278	734,275
4.0 NON-INTEREST INCOME		
4.1 Fees and commissions on loans and advances	39,191	47,364
4.2 Other fees and commissions	18,467	11,816
4.3 Foreign exchange trading income/(Loss)	55,836	47,726
4.4 Dividend Income	-	-
4.5 Other income	29,186	43,893
4.6 Total Non-interest income	142,680	150,799
5.0 TOTAL OPERATING INCOME	635,958	885,074
6.0 OTHER OPERATING EXPENSES		
6.1 Loan loss provision	26,579	14,490
6.2 Staff costs	214,142	242,751
6.3 Directors' emoluments	6,285	7,230
6.4 Rental charges	29,247	38,041
6.5 Depreciation charge on property and equipment	21,650	32,804
6.6 Amortisation charges	750	750
6.7 Other operating expenses	113,916	165,257
6.8 Total Other Operating Expenses	412,569	501,323
7.0 Profit/(loss) before tax and exceptional items	223,389	383,751
8.0 Exceptional items	-	-
9.0 Profit/(loss) after exceptional items	223,389	383,751
10.0 Current tax	69,779	108,416
11.0 Deferred tax	-	-
12.0 Profit/(loss) after tax and exceptional items	153,610	275,335
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	153,610	275,335

III. OTHER DISCLOSURES

	31 st Dec, 2012 Shs '000 (Audited)	31 st Dec, 2013 Shs '000 (Audited)
1.0 NON-PERFORMING LOANS AND ADVANCES		
(a) Gross Non-performing loans and advances	637,549	730,988
(b) Less: Interest in Suspense	176,885	222,162
(c) Total Non-Performing Loans and Advances (a-b)	460,664	508,826
(d) Less: Loan Loss Provision	388,295	395,472
(e) Net Non-Performing Loans and Advances(c-d)	72,369	113,354
(f) Discounted Value of Securities	72,369	113,354
(g) Net NPLs Exposure (e-f)	-	-
2.0 INSIDER LOANS AND ADVANCES		
(a) Directors, Shareholders and Associates	180,477	305,475
(b) Employees	14,752	23,824
(c) Total Insider Loans and Advances and other facilities	195,229	329,299
3.0 OFF-BALANCE SHEET ITEMS		
(a) Letters of credit, guarantees, acceptances	646,811	651,962
(b) Forwards, swaps and options	-	-
(c) Other contingent liabilities	35,914	150,334
(d) Total Contingent Liabilities	682,725	802,296
4.0 CAPITAL STRENGTH		
(a) Core capital	1,218,552	1,493,885
(b) Minimum Statutory Capital	1,000,000	1,000,000
(c) Excess/(Deficiency)(a-b)	218,552	493,885
(d) Supplementary Capital	-	-
(e) Total Capital (a+d)	1,218,552	1,493,885
(f) Total risk weighted assets	7,047,670	8,312,390
(g) Core Capital/Total deposits Liabilities	11.7%	13.4%
(h) Minimum statutory Ratio	8.0%	8.0%
(i) Excess/(Deficiency) (g-h)	3.7%	5.4%
(j) Core Capital / total risk weighted assets	17.3%	18.0%
(k) Minimum Statutory Ratio	8.0%	8.0%
(l) Excess (Deficiency) (j-k)	9.3%	10.0%
(m) Total Capital/total risk weighted assets	17.3%	18.0%
(n) Minimum statutory Ratio	12.0%	12.0%
(o) Excess/(Deficiency) (m-n)	5.3%	6.0%
5.0 LIQUIDITY		
(a) Liquidity Ratio	38.6%	33.4%
(b) Minimum Statutory Ratio	20.0%	20.0%
(c) Excess (Deficiency) (a-b)	18.6%	13.4%

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
Hetul D. Chandaria

Managing Director
Executive Director