

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 2014

I. STATEMENT OF FINANCIAL POSITION

	31 st December 2013 Shs. '000' (Audited)	31 st December 2014 Shs. '000' (Audited)
A ASSETS		
1 Cash (both Local & Foreign)	137,637	138,360
2 Balances due from Central Bank of Kenya	661,925	1,443,663
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:	2,201,089	2,347,616
a. Kenya Government securities	2,201,089	2,347,616
b. Other securities	-	-
b) Available for sale:	-	-
a. Kenya Government securities	-	-
b. Other securities	-	-
6 Deposits and balances due from local banking institutions	626,820	360,536
7 Deposits and balances due from banking institutions abroad	244,116	261,188
8 Tax recoverable	3,962	-
9 Loans and advances to customers (net)	8,604,312	9,626,964
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	140,554	127,771
16 Prepaid lease rentals	24,000	23,250
17 Intangible assets	8,814	4,458
18 Deferred tax asset	31,434	35,420
19 Retirement benefit asset	-	-
20 Other assets	153,986	197,410
21 TOTAL ASSETS	12,834,687	14,570,598
B LIABILITIES		
22 Balances due to Central Bank of Kenya	-	-
23 Customer deposits	11,181,138	12,643,341
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	32,043	-
30 Dividends payable	-	-
31 Deferred tax liability	-	-
32 Retirement benefit liability	-	-
33 Other liabilities	127,621	172,119
34 TOTAL LIABILITIES	11,340,802	12,815,460
C SHAREHOLDERS' FUNDS		
35 Paid up/Assigned capital	450,375	450,375
36 Share premium/(discount)	-	-
37 Revaluation reserves	-	-
38 Retained earnings/Accumulated losses	1,016,659	1,278,649
39 Statutory loan loss reserves	26,851	26,114
40 Other Reserves	-	-
41 Proposed dividends	-	-
42 Capital grants	-	-
43 TOTAL SHAREHOLDERS' FUNDS	1,493,885	1,755,138
44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	12,834,687	14,570,598

II. STATEMENT OF COMPREHENSIVE INCOME

	31 st December 2013 Shs. '000' (Audited)	31 st December 2014 Shs. '000' (Audited)
1.0 INTEREST INCOME		
1.1 Loans and advances	1,171,299	1,372,166
1.2 Government securities	318,271	329,505
1.3 Deposits and placements with banking institutions	67,585	86,179
1.4 Other Interest Income	4,921	6,473
1.5 Total interest income	1,562,076	1,794,323
2.0 INTEREST EXPENSE		
2.1 Customer deposits	780,146	914,228
2.2 Deposits and placement from banking institutions	706	437
2.3 Other interest expenses	46,949	23,195
2.4 Total interest expenses	827,801	937,860
3.0 NET INTEREST INCOME/(LOSS)	734,275	856,463
4.0 NON-INTEREST INCOME		
4.1 Fees and commissions on loans and advances	47,364	63,408
4.2 Other fees and commissions	11,816	13,893
4.3 Foreign exchange trading income/(Loss)	4,726	56,516
4.4 Dividend Income	-	-
4.5 Other income	43,893	23,709
4.6 Total Non-interest income	150,799	157,526
5.0 TOTAL OPERATING INCOME	885,074	1,013,989
6.0 OTHER OPERATING EXPENSES		
6.1 Loan loss provision	14,490	111,055
6.2 Staff costs	242,751	291,402
6.3 Directors' emoluments	7230	4,287
6.4 Rental charges	38,041	40,358
6.5 Depreciation charge on property and equipment	32,804	30,435
6.6 Amortisation charges	750	4,440
6.7 Other operating expenses	165,257	154,339
6.8 Total Other Operating Expenses	501,323	636,316
7.0 Profit/(loss) before tax and exceptional items	383,751	377,673
8.0 Exceptional items	-	-
9.0 Profit/(loss) after exceptional items	383,751	377,673
10.0 Current tax	108,416	116,422
11.0 Deferred tax	-	-
12.0 Profit/(loss) after tax and exceptional items	275,335	261,251
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	275,335	261,251

III. OTHER DISCLOSURES

	31 st December 2013 Shs. '000' (Audited)	31 st December 2014 Shs. '000' (Audited)
1.0 NON-PERFORMING LOANS AND ADVANCES		
(a) Gross Non-performing loans and advances	730,988	786,808
(b) Less: Interest in Suspense	222,162	161,731
(c) Total Non-Performing Loans and Advances (a-b)	508,826	625,077
(d) Less: Loan Loss Provision	395,472	506,572
(e) Net Non-Performing Loans and Advances(c-d)	113,354	118,505
(f) Discounted Value of Securities	113,354	118,505
(g) Net NPLs Exposure (e-f)	-	-
2.0 INSIDER LOANS AND ADVANCES		
(a) Directors, Shareholders and Associates	305,475	317,415
(b) Employees	23,824	33,530
(c) Total Insider Loans and Advances and other facilities	329,299	350,945
3.0 OFF-BALANCE SHEET ITEMS		
(a) Letters of credit, guarantees, acceptances	651,962	694,976
(b) Forwards, swaps and options	-	317,092
(c) Other contingent liabilities	150,334	273,903
(d) Total Contingent Liabilities	802,296	1,285,971
4.0 CAPITAL STRENGTH		
(a) Core capital	1,493,885	1,729,024
(b) Minimum Statutory Capital	1,000,000	1,000,000
(c) Excess/(Deficiency)(a-b)	493,885	729,024
(d) Supplementary Capital	-	26,114
(e) Total Capital (a+d)	1,493,885	1,755,138
(f) Total risk weighted assets	8,312,390	10,599,749
(g) Core Capital/Total deposits Liabilities	13.4%	13.7%
(h) Minimum statutory Ratio	8.0%	10.5%
(i) Excess/(Deficiency) (g-h)	5.4%	3.2%
(j) Core Capital / total risk weighted assets	18.0%	16.3%
(k) Minimum Statutory Ratio	8.0%	10.5%
(l) Excess (Deficiency) (j-k)	10.0%	5.8%
(m) Total Capital/total risk weighted assets	18.0%	16.6%
(n) Minimum statutory Ratio	12.0%	14.5%
(o) Excess/(Deficiency) (m-n)	6.0%	2.1%
5.0 LIQUIDITY		
(a) Liquidity Ratio	33.4%	34.4%
(b) Minimum Statutory Ratio	20.0%	20.0%
(c) Excess (Deficiency) (a-b)	13.4%	14.4%

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 K. Chandaria
Executive Director