

THE BOARD OF DIRECTORS OF SPIRE BANK LIMITED HEREBY ANNOUNCE THE AUDITED FINANCIAL RESULTS OF THE BANK FOR THE PERIOD ENDING 31ST DECEMBER, 2017

I STATEMENT OF FINANCIAL POSITION		BANK 31st December 2016 Audited Shs '000	BANK 31st December 2017 Audited Shs '000
A ASSETS			
1 Cash (both Local & Foreign)		234,567	136,973
2 Balances due from Central Bank of Kenya		748,462	203,225
3 Kenya Government and other securities held for dealing purposes		554	-
4 Financial Assets at Fair value through profit and loss		-	-
5 Investment Securities:		-	-
a) Held to Maturity:		2,881,337	2,830,929
a. Kenya Government securities		2,881,337	2,830,929
b. Other securities		-	-
b) Available for sale:		-	-
a. Kenya Government securities		-	-
b. Other securities		-	-
6 Deposits and balances due from local banking institutions		38,651	63,332
7 Deposits and balances due from banking institutions abroad		269,419	65,490
8 Tax recoverable		-	-
9 Loans and advances to customers (net)		7,433,605	5,238,814
10 Balances due from banking institutions in the group		-	-
11 Investments in associates		287,357	283,942
12 Investments in subsidiary companies		-	-
13 Investments in joint ventures		-	-
14 Investment properties		-	-
15 Property and equipment		373,254	427,482
16 Prepaid lease rentals		-	-
17 Intangible assets		89,937	68,563
18 Deferred tax asset		1,059,429	1,509,263
19 Retirement benefit asset		-	-
20 Other assets		385,926	319,936
21 TOTAL ASSETS		13,802,498	11,147,949
B LIABILITIES			
22 Balances due to Central Bank of Kenya		2,231,828	2,329,590
23 Customer deposits		8,542,839	6,816,480
24 Deposits and balances due to local banking institutions		-	5,233
25 Deposits and balances due to foreign banking institutions		-	-
26 Other money market deposits		-	-
27 Borrowed funds		900,000	400,000
28 Balances due to banking institutions in the group		-	-
29 Tax payable		-	-
30 Dividends payable		109	109
31 Deferred tax liability		-	-
32 Retirement benefit liability		-	-
33 Other liabilities		310,500	408,777
34 TOTAL LIABILITIES		11,985,276	9,960,189
C SHAREHOLDERS' FUNDS			
35 Paid up /Assigned capital		4,320,315	4,820,315
36 Share premium/(discount)		3,203	3,203
37 Revaluation reserves		3,414	-
38 Retained earnings/Accumulated losses		(2,754,423)	(3,836,251)
39 Statutory loan loss reserves		244,713	200,493
40 Other Reserves		-	-
41 Proposed dividends		-	-
42 Capital grants		-	-
43 TOTAL SHAREHOLDERS' FUNDS		1,817,222	1,187,760
44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		13,802,498	11,147,949
II STATEMENT OF COMPREHENSIVE INCOME			
1.0 INTEREST INCOME		BANK 31st December 2016 Audited Shs '000	BANK 31st December 2017 Audited Shs '000
1.1 Loans and advances		1,185,032	846,296
1.2 Government securities		248,223	224,012
1.3 Deposits and placements with banking institutions		1,081	786
1.4 Other Interest Income		4,855	385
1.5 TOTAL INTEREST INCOME		1,439,191	1,071,479
2.0 INTEREST EXPENSE			
2.1 Customer deposits		693,115	460,166
2.2 Deposits and placement from banking institutions		209,732	235,729
2.3 Other interest expenses		62,488	91,466
2.4 TOTAL INTEREST EXPENSE		965,335	787,361
3.0 NET INTEREST INCOME		473,856	284,118
4.0 OTHER OPERATING INCOME			
4.1 Fees and commissions on loans and advances		66,828	59,442
4.2 Other fees and commissions		134,045	109,080
4.3 Foreign exchange trading income/(Loss)		49,019	13,121
4.4 Dividend Income		75	-
4.5 Other income		118,353	84,458
4.6 TOTAL NON-INTEREST INCOME		368,320	266,101
5.0 TOTAL OPERATING INCOME		842,176	550,219
6.0 OPERATING EXPENSES			
6.1 Loan loss provision		667,172	761,245
6.2 Staff costs		414,401	380,452
6.3 Directors' emoluments		34,035	30,360
6.4 Rental charges		194,522	183,359
6.5 Depreciation charge on property and equipment		51,858	49,926
6.6 Amortisation charges		30,558	29,047
6.7 Other operating expenses		417,526	691,612
6.8 TOTAL OPERATING EXPENSES		1,810,072	2,126,001
7.0 Profit before tax and exceptional items		(967,896)	(1,575,782)
8.0 Exceptional items		-	-
9 PROFIT / (LOSS) AFTER EXCEPTIONAL ITEMS		(967,896)	(1,575,782)
10.0 Current tax		-	-
11.0 Deferred tax		216,273	449,734
12.0 PROFIT / (LOSS) AFTER TAX AND EXCEPTIONAL ITEMS		(751,623)	(1,126,048)
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		(751,623)	(1,126,048)
16.0 EARNINGS PER SHARE- BASIC & DILUTED			
17.0 DIVIDEND PER SHARE - DECLARED		-	-
III OTHER DISCLOSURES		BANK 31st December 2016 Audited Shs '000	BANK 31st December 2017 Audited Shs '000
1.0 NON-PERFORMING LOANS AND ADVANCES			
(a) Gross Non-performing loans and advances		1,322,135	2,349,262
(b) Less Interest in Suspense		75,710	112,026
(c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)		1,246,425	2,237,236
(d) Less Loan Loss Provision		809,997	1,515,676
(e) NET NON-PERFORMING LOANS AND ADVANCES(c-d)		436,428	721,560
(f) Discounted Value of Securities		436,428	631,398
(g) NET NPLS EXPOSURE (e-f)		-	90,162
2.0 INSIDER LOANS AND ADVANCES			
(a) Directors, Shareholders and Associates		68,305	74,019
(b) Employees		156,493	101,164
(c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES		224,798	175,183
3.0 OFF-BALANCE SHEET ITEMS			
(a) Letters of credit, guarantees, acceptances		493,532	459,019
(b) Forwards, swaps and options		-	-
(c) Other contingent liabilities		39,321	84,741
(c) TOTAL CONTINGENT LIABILITIES		532,853	543,760
4.0 CAPITAL STRENGTH			
(a) Core capital		1,569,095	987,267
(b) Minimum Statutory Capital		1,000,000	1,000,000
(c) Excess (a-b)		569,095	(12,733)
(d) Supplementary Capital		325,571	219,218
(e) TOTAL CAPITAL (a+d)		1,894,666	1,206,485
(f) TOTAL RISK WEIGHTED ASSETS		11,645,709	9,537,419
(g) Core Capital / Total deposits liabilities		18.37%	14.48%
(h) Minimum statutory ratio		8.00%	8.00%
(i) Excess (g-h)		10.37%	6.48%
(j) Core Capital / Total risk weighted assets		13.47%	10.35%
(k) Minimum statutory ratio		10.50%	10.50%
(l) Excess (j-k)		2.97%	-0.15%
(m) Total Capital / Total risk weighted assets		16.27%	12.65%
(n) Minimum statutory ratio		14.50%	14.50%
(o) Excess (m-n)		1.77%	-1.85%
5.0 LIQUIDITY			
(a) Liquidity Ratio		22.72%	14.16%
(b) Minimum statutory ratio		20.00%	20.00%
(c) Excess (a-b)		2.72%	-5.84%
MESSAGE FROM THE DIRECTORS			
These financial statements are extracts from the books of the institution as audited by Ernst & Young and received a qualified opinion on deferred tax asset. The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the institution's website www.spirebank.co.ke. They may also be accessed at the institutions head office located at Mwalimu Towers Upper Hill.		The financial statements were approved by the Directors on 28th March 2018 and signed on its behalf by:	
		Teresa Mutegi Chairperson	Tim Gitonga Managing Director