

The Board of Directors of Spire Bank Limited hereby announce the un-Audited financial results of the Bank for the period ending 31st March, 2018



I STATEMENT OF FINANCIAL POSITION

	BANK		BANK		BANK
	31st March 2017		31st December 2017		31st March 2018
	Un-audited		Audited		Un-audited
	Shs '000		Shs '000		Shs '000
A ASSETS					
1 Cash (both Local & Foreign)	294,197		136,973		117,704
2 Balances due from Central Bank of Kenya	690,603		203,225		142,099
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:	2,861,793		2,830,929		2,809,975
a. Kenya Government securities	2,861,793		2,830,929		2,809,975
b. Other securities	-		-		-
b) Available for sale:	-		-		-
a. Kenya Government securities	-		-		-
b. Other securities	-		-		-
6 Deposits and balances due from local banking institutions	52,554		63,332		412,312
7 Deposits and balances due from banking institutions abroad	162,730		65,490		139,813
8 Tax recoverable	-		-		-
9 Loans and advances to customers (net)	6,767,311		5,238,814		4,935,892
10 Balances due from banking institutions in the group	-		-		-
11 Investments in associates	287,357		283,942		283,942
12 Investments in subsidiary companies	-		-		-
13 Investments in joint ventures	-		-		-
14 Investment properties	-		-		-
15 Property and equipment	377,413		427,482		434,343
16 Prepaid lease rentals	-		-		-
17 Intangible assets	82,829		68,563		61,479
18 Deferred tax asset	1,102,349		1,509,263		1,578,822
19 Retirement benefit asset	-		-		-
20 Other assets	506,480		319,936		286,866
21 TOTAL ASSETS	13,185,616		11,147,949		11,203,247
B LIABILITIES					
22 Balances due to Central Bank of Kenya	2,174,049		2,329,590		2,231,291
23 Customer deposits	7,954,513		6,816,480		6,649,077
24 Deposits and balances due to local banking institutions	100,000		5,233		253,018
25 Deposits and balances due to foreign banking institutions	-		-		340,457
26 Other money market deposits	-		-		-
27 Borrowed funds	900,000		400,000		400,000
28 Balances due to banking institutions in the group	-		-		-
29 Tax payable	-		-		-
30 Dividends payable	109		109		109
31 Deferred tax liability	-		-		-
32 Retirement benefit liability	-		-		-
33 Other liabilities	339,636		408,777		237,026
34 TOTAL LIABILITIES	11,468,307		9,960,189		10,210,978
C SHAREHOLDERS' FUNDS					
35 Paid up /Assigned capital	4,320,315		4,820,315		4,820,315
36 Share premium/(discount)	3,203		3,203		3,203
37 Revaluation reserves	3,414		-		-
38 Retained earnings/Accumulated losses	(2,884,696)		(3,836,251)		(4,072,050)
39 Statutory loan loss reserves	275,073		200,493		240,801
40 Other Reserves	-		-		-
41 Proposed dividends	-		-		-
42 Capital grants	-		-		-
43 TOTAL SHAREHOLDERS' FUNDS	1,717,309		1,187,760		992,269
44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	13,185,616		11,147,949		11,203,247

II STATEMENT OF COMPREHENSIVE INCOME

	BANK		BANK		BANK
	31st March 2017		31st December 2017		31st March 2018
	Un-audited		Audited		Un-audited
	Shs '000		Shs '000		Shs '000
1.0 INTEREST INCOME					
1.1 Loans and advances	231,039		846,296		180,720
1.2 Government securities	55,576		224,012		54,709
1.3 Deposits and placements with banking institutions	16		786		523
1.4 Other Interest Income	174		385		242
1.5 TOTAL INTEREST INCOME	286,805		1,071,479		236,194
2.0 INTEREST EXPENSE					
2.1 Customer deposits	125,849		460,166		104,781
2.2 Deposits and placement from banking institutions	60,325		235,729		58,169
2.3 Other interest expenses	23,548		91,466		11,836
2.4 TOTAL INTEREST EXPENSE	209,722		787,361		174,786
3.0 NET INTEREST INCOME	77,083		284,118		61,408
4.0 OTHER OPERATING INCOME					
4.1 Fees and commissions on loans and advances	16,758		59,442		11,852
4.2 Other fees and commissions	26,235		109,080		23,477
4.3 Foreign exchange trading income/(Loss)	1,210		13,121		6,946
4.4 Dividend Income	-		-		270
4.5 Other income	7,694		84,458		15,183
4.6 TOTAL NON-INTEREST INCOME	51,897		266,101		57,628
5.0 TOTAL OPERATING INCOME	128,980		550,219		119,036
6.0 OPERATING EXPENSES					
6.1 Loan loss provision	14,330		761,245		26,215
6.2 Staff costs	104,834		380,452		80,068
6.3 Directors' emoluments	9,040		30,360		8,200
6.4 Rental charges	50,428		183,359		49,157
6.5 Depreciation charge on property and equipment	12,658		49,926		12,598
6.6 Amortisation charges	7,542		29,047		7,084
6.7 Other operating expenses	72,881		691,612		200,764
6.8 TOTAL OPERATING EXPENSES	271,713		2,126,001		384,086
7.0 Profit before tax and exceptional items	(142,733)		(1,575,782)		(265,050)
8.0 Exceptional items	-		-		-
9 PROFIT / (LOSS) AFTER EXCEPTIONAL ITEMS	(142,733)		(1,575,782)		(265,050)
10.0 Current tax	42,820		449,724		69,560
12.0 PROFIT / (LOSS) AFTER TAX AND EXCEPTIONAL ITEMS	(99,913)		(1,126,048)		(195,490)
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 ion	-		-		-
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	(99,913)		(1,126,048)		(195,490)
16.0 EARNINGS PER SHARE- BASIC & DILUTED					
17.0 DIVIDEND PER SHARE - DECLARED					

III OTHER DISCLOSURES

	BANK		BANK		BANK
	31st March 2017		31st December 2017		31st March 2018
	Un-audited		Audited		Un-audited
	Shs '000		Shs '000		Shs '000
1.0 NON-PERFORMING LOANS AND ADVANCES					
(a) Gross Non-performing loans and advances	1,299,757		2,349,262		2,403,298
(b) Less Interest in Suspense	76,303		112,026		139,221
(c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)	1,223,454		2,237,236		2,264,077
(d) Less Loan Loss Provision	856,590		1,515,676		1,554,335
(e) NET NON-PERFORMING LOANS AND ADVANCES(c-d)	366,864		721,560		709,742
(f) Discounted Value of Securities	366,864		631,398		709,742
(g) NET NPLS EXPOSURE (e-f)	-		90,162		-
2.0 INSIDER LOANS AND ADVANCES					
(a) Directors, Shareholders and Associates	54,172		74,019		71,600
(b) Employees	145,718		101,164		92,656
(c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES	199,890		175,183		164,256
3.0 OFF-BALANCE SHEET ITEMS					
(a) Letters of credit, guarantees, acceptances	480,358		459,019		575,662
(b) Forwards, swaps and options	-		-		-
(c) Other contingent liabilities	51,803		84,741		77,982
(c) TOTAL CONTINGENT LIABILITIES	532,161		543,760		653,644
4.0 CAPITAL STRENGTH					
(a) Core capital	1,438,822		987,267		(826,132)
(b) Minimum Statutory Capital	1,000,000		1,000,000		1,000,000
(c) Excess (a-b)	438,822		(12,733)		(1,826,132)
(d) Supplementary Capital	296,126		219,218		191,602
(e) TOTAL CAPITAL (a+d)	1,734,948		1,206,485		(634,530)
(f) TOTAL RISK WEIGHTED ASSETS	12,035,113		11,645,709		8,928,168
(g) Core Capital / Total deposits liabilities	18.09%		14.48%		-12.70%
(h) Minimum statutory ratio	8.00%		8.00%		8.00%
(i) Excess (g-h)	10.09%		6.48%		-20.70%
(j) Core Capital / Total risk weighted assets	13.21%		10.35%		-9.25%
(k) Minimum statutory ratio	10.50%		10.50%		10.50%
(l) Excess (j-k)	2.71%		-0.15%		-19.75%
(m) Total Capital / Total risk weighted assets	15.93%		12.65%		-7.11%
(n) Minimum statutory ratio	14.50%		14.50%		14.50%
(o) Excess (m-n)	1.43%		-1.85%		-21.61%
(p) Adjusted Core Capital/Total Deposit Liabilities*	-		-		-9.94%
(q) Adjusted Core Capital/Total Risk Weighted Assets*	-		-		-7.24%
(r) Adjusted Total Capital/Total Risk Weighted Assets*	-		-		-5.09%
5.0 LIQUIDITY					
(a) Liquidity Ratio	22.48%		14.16%		10.48%
(b) Minimum statutory ratio	20.00%		20.00%		20.00%
(c) Excess (a-b)	2.48%		-5.84%		-9.52%

* The adjusted capital ratio includes the expected credit loss provisions added back to capital in line with CBK Guidance Note issued in April 2018 on implementation of IFRS 9.

MESSAGE FROM THE DIRECTORS

These financial statements are extracts from the books of the institution.

The complete financial statements, statutory and qualitative disclosures can be accessed on the institutions 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 18th May 2018 and signed on its behalf by:

Teresa Mutegi **Chairperson** **Tim Gitonga** **Managing Director**