

THE BOARD OF DIRECTORS OF SPIRE BANK LIMITED HEREBY ANNOUNCE THE UN-AUDITED FINANCIAL RESULTS OF THE BANK FOR THE PERIOD ENDING 30TH JUNE, 2019



I STATEMENT OF FINANCIAL POSITION		BANK	BANK	BANK	BANK
		30th June 2018	31st December 2018	31st March 2019	30th June 2019
		Un-audited Shs'000	Audited Shs'000	Un-audited Shs'000	Un-audited Shs'000
A ASSETS					
1	Cash (both Local & Foreign)	94,762	146,189	81,972	36,906
2	Balances due from Central Bank of Kenya	348,679	264,372	184,112	194,115
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	2,803,253	2,620,974	2,604,604	2,393,608
	b. Other securities	2,803,253	2,620,974	2,604,604	2,393,608
b)	Available for sale:				
	a. Kenya Government securities	-	-	-	-
	b. Other securities	-	-	-	-
6	Deposits and balances due from local banking institutions	241,367	273,665	82,701	56,921
7	Deposits and balances due from banking institutions abroad	72,518	173,843	12,035	15,876
8	Loans receivable	-	-	-	-
9	Loans and advances to customers (net)	4,822,147	4,445,622	4,307,097	3,727,913
10	Balances due from banking institutions in the group	-	-	-	-
11	Investments in associates	283,943	283,943	16,948	16,948
12	Investments in subsidiary companies	-	-	-	-
13	Investments in joint ventures	-	-	-	-
14	Investment properties	-	-	-	-
15	Property and equipment	429,013	392,510	409,849	358,630
16	Prepaid lease rentals	-	-	-	-
17	Intangible assets	54,419	44,866	42,416	94,161
18	Deferred tax asset	1,558,116	-	-	-
19	Retirement benefit asset	-	-	-	-
20	Other assets	256,823	577,094	774,394	482,271
21	TOTAL ASSETS	10,965,040	9,223,078	8,516,128	7,377,349
B LIABILITIES					
22	Balances due to Central Bank of Kenya	2,505,700	2,383,536	2,383,536	2,184,908
23	Customer deposits	6,637,833	6,668,354	6,116,966	4,697,885
24	Deposits and balances due to local banking institutions	165,228	150,237	136,698	90,102
25	Deposits and balances due to foreign banking institutions	249,743	271,680	-	-
26	Other money market deposits	400,000	400,000	100,000	-
27	Borrowed funds	-	-	-	-
28	Balances due to banking institutions in the group	-	-	-	-
29	Tax payable	109	104	104	104
30	Dividends payable	-	-	-	-
31	Deferred tax liability	-	-	-	-
32	Retirement benefit liability	-	-	-	-
33	Other liabilities	238,237	379,121	702,438	402,820
34	TOTAL LIABILITIES	10,196,850	10,253,032	9,439,742	7,375,819
C SHAREHOLDERS' FUNDS					
35	Paid up /Assigned capital	4,820,315	4,820,315	4,820,315	5,770,315
36	Share premium/(discount)	3,203	3,203	3,203	3,203
37	Revaluation reserves	-	-	-	-
38	Retained earnings/Accumulated losses	(4,446,992)	(6,494,838)	(6,366,311)	(6,472,962)
39	Statutory loan loss reserves	391,664	641,366	619,179	700,974
40	Other Reserves	-	-	-	-
41	Proposed dividends	-	-	-	-
42	Capital grants	-	-	-	-
43	TOTAL SHAREHOLDERS' FUNDS	768,190	(1,029,954)	(923,614)	1,530
44	TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	10,965,040	9,223,078	8,516,128	7,377,349

II STATEMENT OF COMPREHENSIVE INCOME		BANK	BANK	BANK	BANK
		30th June 2018	31st December 2018	31st March 2019	30th June 2019
		Un-audited Shs'000	Audited Shs'000	Un-audited Shs'000	Un-audited Shs'000
1.0 INTEREST INCOME					
1.1	Loans and advances	365,946	552,827	123,047	215,946
1.2	Government securities	109,785	216,099	51,219	101,474
1.3	Deposits and placements with banking institutions	1,561	3,641	1,601	1,605
1.4	Other interest income	421	470	-	-
1.5	TOTAL INTEREST INCOME	477,739	773,037	175,867	319,025
2.0 INTEREST EXPENSE					
2.1	Customer deposits	196,391	421,466	97,849	172,438
2.2	Deposits and placement from banking institutions	115,375	242,532	52,265	103,367
2.3	Other interest expenses	23,803	48,000	8,778	(45,917)
2.4	TOTAL INTEREST EXPENSE	335,569	711,998	158,892	229,888
3.0	NET INTEREST INCOME	142,170	61,039	16,975	89,137
4.0 OTHER OPERATING INCOME					
4.1	Fees and commissions on loans and advances	24,340	52,494	12,555	23,716
4.2	Other fees and commissions	47,902	95,751	22,112	46,534
4.3	Foreign exchange trading income/(Loss)	11,092	12,963	5,121	906
4.4	Dividend income	270	270	-	-
4.5	Other income	16,163	22,449	194,681	198,068
4.6	TOTAL NON-INTEREST INCOME	97,767	183,927	234,469	269,224
5.0	TOTAL OPERATING INCOME	241,937	244,966	251,444	358,361
6.0 OPERATING EXPENSES					
6.1	Loan loss provision	(52,601)	(407,770)	(92,647)	(150,023)
6.2	Staff costs	159,097	324,979	93,473	183,252
6.3	Directors' emoluments	14,505	41,716	5,860	9,980
6.4	Rental charges	105,012	197,590	52,717	102,232
6.5	Depreciation charge on property and equipment	32,486	49,686	13,331	27,795
6.6	Amortisation charges	7,084	28,116	6,704	13,269
6.7	Other operating expenses	147,279	318,047	64,366	85,873
6.8	TOTAL OPERATING EXPENSES	412,862	552,364	144,404	272,378
7.0	Profit before tax and exceptional items	(170,925)	(307,398)	107,040	85,983
8.0	Exceptional items	(291,502)	(438,358)	(700)	(4,038)
9.0	PROFIT / (LOSS) AFTER EXCEPTIONAL ITEMS	(468,427)	(745,756)	106,340	81,483
10.0	Current tax	-	-	-	-
11.0	Deferred tax	48,854	(1,509,163)	-	-
12.0	PROFIT / (LOSS) AFTER TAX AND EXCEPTIONAL ITEMS	(419,573)	(2,254,919)	106,340	81,483
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	(419,573)	(2,254,919)	106,340	81,483
15.0	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(419,573)	(2,254,919)	106,340	81,483
16.0	EARNINGS PER SHARE - BASIC & DILUTED	-	-	-	-
17.0	DIVIDEND PER SHARE - DECLARED	-	-	-	-

III OTHER DISCLOSURES		BANK	BANK	BANK	BANK
		30th June 2018	31st December 2018	31st March 2019	30th June 2019
		Un-audited Shs'000	Audited Shs'000	Un-audited Shs'000	Un-audited Shs'000
1.0 NON-PERFORMING LOANS AND ADVANCES					
(a)	Gross Non-performing loans and advances	2,532,160	2,686,049	2,764,745	2,725,427
(b)	Less Interest in Suspense	153,679	197,438	225,951	251,120
(c)	TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)	2,378,481	2,488,611	2,538,794	2,474,307
(d)	Less Loan Loss Provision	1,538,129	1,465,723	1,351,740	1,378,073
(e)	NET NON-PERFORMING LOANS AND ADVANCES (c-d)	840,352	1,022,888	1,187,054	1,096,234
(f)	Discounted Value of Securities	840,352	1,022,888	1,187,054	1,072,550
(g)	NET NPLS EXPOSURE (e-f)	-	-	-	23,684
2.0 INSIDER LOANS AND ADVANCES					
(a)	Directors, Shareholders and Associates	38,221	25,968	32,326	24,864
(b)	Employees	109,164	82,953	79,377	57,302
(c)	TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES	147,385	108,921	111,703	82,166
3.0 OFF-BALANCE SHEET ITEMS					
(a)	Letters of credit, guarantees, acceptances	592,418	717,591	947,987	833,114
(b)	Forwards, swaps and options	-	-	-	-
(c)	Other contingent liabilities	123,189	1,530	-	-
(c)	TOTAL CONTINGENT LIABILITIES	715,607	719,121	947,987	833,114
4.0 CAPITAL STRENGTH					
(a)	Core capital	(1,143,839)	(1,671,320)	(1,595,963)	(740,186)
(b)	Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
(c)	Excess (a-b)	(2,143,839)	(2,671,320)	(2,595,963)	(1,740,186)
(d)	Supplementary Capital	172,051	108,741	99,900	83,092
(e)	TOTAL CAPITAL (a-d)	(971,788)	(1,562,579)	(1,496,063)	(657,094)
(f)	TOTAL RISK WEIGHTED ASSETS	8,964,079	7,099,281	7,591,976	6,647,360
(g)	Core Capital / Total deposits liabilities	-17.23%	-25.06%	-26.09%	-15.76%
(h)	Minimum statutory ratio	8.00%	8.00%	8.00%	8.00%
(i)	Excess (g-h)	-25.23%	-33.06%	-34.09%	-23.76%
(j)	Core Capital / Total risk weighted assets	-12.76%	-23.54%	-21.02%	-11.14%
(k)	Minimum statutory ratio	10.50%	10.50%	10.50%	10.50%
(l)	Excess (j-k)	-23.26%	-34.04%	-31.52%	-21.64%
(m)	Total Capital / Total risk weighted assets	-10.84%	-22.01%	-19.71%	-9.89%
(n)	Minimum statutory ratio	14.50%	14.50%	14.50%	14.50%
(o)	Excess (m-n)	-25.34%	-36.51%	-34.21%	-24.39%
(p)	Adjusted Core Capital/Total Deposit Liabilities*	-14.86%	-24.44%	-22.98%	-12.55%
(q)	Adjusted Core Capital/Total Risk Weighted Assets*	-11.00%	-22.96%	-18.51%	-8.87%
(r)	Adjusted Total Capital/Total Risk Weighted Assets*	-9.08%	-21.43%	-17.20%	-7.62%
5.0 LIQUIDITY					
(a)	Liquidity Ratio	9.64%	10.10%	7.28%	8.99%
(b)	Minimum statutory ratio	20.00%	20.00%	20.00%	20.00%
(c)	Excess (a-b)	-10.36%	-9.90%	-12.72%	-11.01%

** 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 set of un-audited 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 13th August 2019 and signed on its behalf by:

Teresa Mutegi
Chairperson

Onesmus Muia
Ag. Managing Director