

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



I STATEMENT OF FINANCIAL POSITION	BANK 30th September 2018 Un-audited Shs' 000	BANK 31st December 2018 Audited Shs' 000	BANK 31st March 2019 Un-audited Shs' 000	BANK 30th June 2019 Un-audited Shs' 000	BANK 30th September 2019 Un-audited Shs' 000
A ASSETS					
1 Cash (both Local & Foreign)	158,302	146,189	81,972	36,906	57,157
2 Balances due from Central Bank of Kenya	503,213	264,372	184,112	194,115	117,018
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:	2,630,869	2,620,974	2,604,604	2,393,608	2,071,432
a. Kenya Government securities	2,630,869	2,620,974	2,604,604	2,393,608	2,071,432
b. Other securities	-	-	-	-	-
b) Available for sale:					
a. Kenya Government securities	-	-	-	-	-
b. Other securities	-	-	-	-	-
6 Deposits and balances due from local banking institutions	233,384	273,665	82,701	56,921	57,113
7 Deposits and balances due from banking institutions abroad	164,844	173,843	12,035	15,876	4,834
8 Tax recoverable	-	-	-	-	-
9 Loans and advances to customers (net)	4,497,723	4,445,622	4,307,097	3,727,913	3,470,588
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	415,439	392,510	409,849	358,630	259,423
16 Prepaid lease rentals	-	-	-	-	-
17 Intangible assets	51,667	44,866	42,416	94,161	191,148
18 Deferred tax asset	1,616,532	-	-	-	-
19 Retirement benefit asset	-	-	-	-	-
20 Other assets	271,771	577,094	774,394	482,271	434,801
21 TOTAL ASSETS	10,827,687	9,223,078	8,516,128	7,377,349	6,663,514
B LIABILITIES					
22 Balances due to Central Bank of Kenya	2,382,694	2,383,536	2,383,536	2,184,908	1,888,077
23 Customer deposits	6,845,520	6,668,354	6,116,966	4,697,885	4,500,094
24 Deposits and balances due to local banking institutions	150,605	150,237	136,698	90,102	80,000
25 Deposits and balances due to foreign banking institutions	254,714	271,680	-	-	-
26 Other money market deposits	-	-	-	-	-
27 Borrowed funds	400,000	400,000	100,000	-	-
28 Balances due to banking institutions in the group	-	-	-	-	-
29 Tax payable	-	-	-	-	-
30 Dividends payable	109	104	104	104	104
31 Deferred tax liability	-	-	-	-	-
32 Retirement benefit liability	-	-	-	-	-
33 Other liabilities	242,413	379,121	702,438	402,820	487,236
34 TOTAL LIABILITIES	10,276,055	10,253,032	9,439,742	7,375,819	6,955,511
C SHAREHOLDERS' FUNDS					
35 Paid up /Assigned capital	4,820,315	4,820,315	4,820,315	5,770,315	5,770,315
36 Share premium/(discount)	3,203	3,203	3,203	3,203	3,203
37 Revaluation reserves	-	-	-	-	-
38 Retained earnings/Accumulated losses	(4,574,396)	(6,494,838)	(6,366,311)	(6,472,962)	(6,796,547)
39 Statutory loan loss reserves	302,510	641,366	619,179	700,974	731,032
40 Other Reserves	-	-	-	-	-
41 Proposed dividends	-	-	-	-	-
42 Capital grants	-	-	-	-	-
43 TOTAL SHAREHOLDERS' FUNDS	551,632	(1,029,954)	(923,614)	1,530	(291,997)
44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	10,827,687	9,223,078	8,516,128	7,377,349	6,663,514

II STATEMENT OF COMPREHENSIVE INCOME	BANK 30th September 2018 Un-audited Shs' 000	BANK 31st December 2018 Audited Shs' 000	BANK 31st March 2019 Un-audited Shs' 000	BANK 30th June 2019 Un-audited Shs' 000	BANK 30th September 2019 Un-audited Shs' 000
1.0 INTEREST INCOME					
1.1 Loans and advances	496,066	552,827	123,047	215,946	273,235
1.2 Government securities	163,564	216,099	51,219	101,474	146,888
1.3 Deposits and placements with banking institutions	2,898	3,641	1,601	1,605	1,605
1.4 Other Interest Income	470	470	-	-	-
1.5 TOTAL INTEREST INCOME	662,998	773,037	175,867	319,025	421,728
2.0 INTEREST EXPENSE					
2.1 Customer deposits	308,137	421,466	97,849	172,438	234,958
2.2 Deposits and placement from banking institutions	188,934	242,532	52,265	103,367	162,783
2.3 Other interest expenses	35,901	48,000	8,778	(45,917)	(38,360)
2.4 TOTAL INTEREST EXPENSE	532,972	711,998	158,892	229,888	395,381
3.0 NET INTEREST INCOME	130,026	61,039	16,975	89,137	62,347
4.0 OTHER OPERATING INCOME					
4.1 Fees and commissions on loans and advances	36,515	52,494	12,555	23,716	34,049
4.2 Other fees and commissions	72,424	95,731	22,112	46,534	63,722
4.3 Foreign exchange trading income/(Loss)	16,590	12,963	5,121	906	1,240
4.4 Dividend Income	270	270	-	-	-
4.5 Other income	18,482	22,449	194,681	198,068	201,669
4.6 TOTAL NON-INTEREST INCOME	144,281	183,927	234,469	269,224	300,680
5.0 TOTAL OPERATING INCOME	274,307	244,966	251,444	358,361	363,027
6.0 OPERATING EXPENSES					
6.1 Loan loss provision	(57,522)	(407,770)	(92,647)	(150,023)	(117,718)
6.2 Staff costs	237,704	324,979	93,473	183,252	276,293
6.3 Directors' emoluments	35,486	41,716	5,860	9,980	20,568
6.4 Rental charges	158,755	197,590	52,717	102,232	154,938
6.5 Depreciation charge on property and equipment	54,053	49,686	13,931	27,795	38,636
6.6 Amortisation charges	7,084	28,116	6,704	13,269	25,898
6.7 Other operating expenses	227,277	318,047	64,366	85,873	164,734
6.8 TOTAL OPERATING EXPENSES	662,837	552,364	144,404	272,378	563,339
7.0 Profit before tax and exceptional items	(388,530)	(307,398)	107,040	85,983	(200,312)
8.0 Exceptional items	(354,869)	(438,598)	(700)	(4,500)	(11,731)
9 PROFIT / (LOSS) AFTER EXCEPTIONAL ITEMS	(743,399)	(745,956)	106,340	81,483	(212,043)
10.0 Current tax	-	-	-	-	-
11.0 Deferred tax	107,268	(1,509,163)	-	-	-
12.0 PROFIT / (LOSS) AFTER TAX AND EXCEPTIONAL ITEMS	(636,128)	(2,254,919)	106,340	81,483	(212,043)
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	(636,128)	(2,254,919)	106,340	81,483	(212,043)
16.0 EARNINGS PER SHARE - BASIC & DILUTED					
16.1 Basic	-	-	-	-	-
16.2 Diluted	-	-	-	-	-
17.0 DIVIDEND PER SHARE - DECLARED					
17.1 Basic	-	-	-	-	-
17.2 Diluted	-	-	-	-	-

III OTHER DISCLOSURES	BANK 30th September 2018 Un-audited Shs' 000	BANK 31st December 2018 Audited Shs' 000	BANK 31st March 2019 Un-audited Shs' 000	BANK 30th June 2018 Un-audited Shs' 000	BANK 30th September 2019 Un-audited Shs' 000
1.0 NON-PERFORMING LOANS AND ADVANCES					
(a) Gross Non-performing loans and advances	2,542,137	2,686,049	2,764,745	2,725,427	2,640,016
(b) Less Interest in Suspense	174,874	197,438	225,951	251,120	245,129
(c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)	2,367,263	2,488,611	2,538,794	2,474,307	2,394,887
(d) Less Loan Loss Provision	1,428,876	1,465,723	1,351,740	1,378,073	1,432,990
(e) NET NON-PERFORMING LOANS AND ADVANCES (c-d)	938,387	1,022,888	1,187,054	1,096,234	961,897
(f) Discounted Value of Securities	938,387	1,022,888	1,187,054	1,072,550	853,441
(g) NET NPLS EXPOSURE (e-f)	-	-	(1,496,063)	(23,684)	108,456
2.0 INSIDER LOANS AND ADVANCES					
(a) Directors, Shareholders and Associates	24,674	25,968	32,326	24,864	9,440
(b) Employees	98,048	82,953	79,377	57,302	50,401
(c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES	122,722	108,921	111,703	82,166	59,841
3.0 OFF-BALANCE SHEET ITEMS					
(a) Letters of credit, guarantees, acceptances	513,970	717,591	947,987	833,114	503,531
(b) Forwards, swaps and options	-	-	-	-	-
(c) Other contingent liabilities	123,128	1,530	-	-	9,025
(d) TOTAL CONTINGENT LIABILITIES	637,098	719,121	947,987	833,114	512,556
4.0 CAPITAL STRENGTH					
(a) Core capital	(1,342,397)	(1,671,320)	(1,595,963)	(740,186)	(1,023,029)
(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
(c) Excess (a-b)	(2,342,397)	(2,671,320)	(2,595,963)	(1,740,186)	(2,023,029)
(d) Supplementary Capital	145,184	108,741	99,900	83,737	83,737
(e) TOTAL CAPITAL (a+d)	(1,197,213)	(1,562,579)	(1,496,063)	(657,094)	(939,292)
(f) TOTAL RISK WEIGHTED ASSETS	8,414,709	7,099,281	7,591,976	6,647,360	6,698,982
(g) Core Capital / Total deposits liabilities	-19.61%	-25.09%	-20.99%	-15.76%	-22.73%
(h) Minimum statutory ratio	8.00%	8.00%	8.00%	8.00%	8.00%
(l) Excess (g-h)	-27.61%	-33.06%	-34.09%	-23.76%	-30.73%
(j) Core Capital / Total risk weighted assets	-15.95%	-23.54%	-21.02%	-11.14%	-15.27%
(k) Minimum statutory ratio	10.50%	10.50%	10.50%	10.50%	10.50%
(l) Excess (j-k)	-26.45%	-34.04%	-31.52%	-21.64%	-25.77%
(m) Total Capital / Total risk weighted assets	-14.23%	-22.01%	-19.71%	-9.89%	-14.02%
(n) Minimum statutory ratio	14.50%	14.50%	14.50%	14.50%	14.50%
(o) Excess (m-n)	-28.73%	-36.51%	-34.21%	-24.39%	-28.52%
(p) Adjusted Core Capital/Total Deposit Liabilities*	-17.31%	-24.44%	-22.98%	-12.55%	-19.42%
(q) Adjusted Core Capital/Total Risk Weighted Assets*	-14.08%	-22.96%	-18.51%	-8.87%	-13.05%
(r) Adjusted Total Capital/Total Risk Weighted Assets*	-12.35%	-21.43%	-17.20%	-7.62%	-11.80%
5.0 LIQUIDITY					
(a) Liquidity Ratio	13.41%	10.10%	7.28%	8.99%	7.54%
(b) Minimum statutory ratio	20.00%	20.00%	20.00%	20.00%	20.00%
(c) Excess (a-b)	-6.59%	-9.90%	-12.72%	-11.01%	-12.46%

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.*

The financial statements were approved by the Directors on 26th November 2019 and signed on its behalf by:

Teresa Mutegi Chairperson
Onesimus Muia Ag. Managing Director

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.

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TELE: +254(20) 4981777